



Sergio Lopez

Union promises action 'of great interest'

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Teamsters Local 912 leader Sergio Lopez said yesterday the union is working on strategies in the wake of the announcement that Pillsbury-Green Giant will lay off nearly 400 workers as it moves to more computerized, specialized vegetable packaging.

"We're going to do our level best to protect what is left of the industry in Watsonville — we are actively working on things that

will be of great interest," Lopez said.

Lopez would not elaborate on the union's plans.

The company announced Monday that after a \$3.4 million upgrade, the Watsonville plant will no longer process and package vegetables grown locally, for the most part. Much of what it will do is mix and package vegetables that are processed, frozen, and very likely grown, in Mexico.

Pillsbury is a subsidiary of

Grand Metropolitan in London. Grand Met had announced in January that as part of an overall reorganization and modernization, it would be moving all of its U.S. broccoli and cauliflower production to Mexico by the end of the year. The move will reportedly boost Pillsbury's employment rolls in Mexico from 500 to more than 800.

Not counting benefits, it costs a company roughly \$60 a day per employee here. In Mexico, the

same day's work costs a company less than \$4.

Broccoli is the most labor-intensive vegetable to process, Lopez said, and it also can be harvested for nearly 12 months of the year. In Watsonville, Lopez said, it has kept the majority of workers employed.

"It's what pays the bills," Lopez said.

In spite of the union's strong language, Lopez does not try to paint a cheery picture of the

union's ability to change the situation. He said that his guess is that Green Giant's payroll is somewhere in the area of \$6 million a year. With about 70 percent of the employees being laid off, that's a big chunk of money — \$4.2 million — for the local economy to lose, he said.

Lopez echoed concerns of others in the community about the ripple effect the layoffs will have on the agriculture, trucking and

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cold-storage industries as well as merchants and the tax base.

What's more, he acknowledged, there is the continual threat that other Watsonville-area food processors will end up moving to Mexico.

Lopez said that Department of Agriculture figures show more than half of the frozen broccoli consumed in the United States is now imported from Mexico.

The industry is booming there, with 22 plants in operation and three under construction, Lopez said. Meanwhile, California, which used to be home to about 16 vegetable processors, now has lost all but about seven of them to either Mexico or corporate mergers, he said.

According to economic theory, creating jobs anywhere, no matter how low paid they are, should raise the standard of living there. But Lopez is cynical; Mexican government officials just need another cash kitty to ransack, he said.

"In this particular situation everyone loses," Lopez said.

The company and the union have sparred all week in the news about the reason behind the move — the company has maintained the layoffs here will allow it to open a new plant closer to the East Coast, where the largest proportion of its frozen-food customers are, and the union has said that the only motivation is higher profits.

Lopez attacked the idea that American consumers will benefit while the companies realize what he called "magnificent savings." He points to frozen vegetables that are in supermarkets now, and says there is no difference in price between the more cheaply produced Mexican imports and the domestic products.

Consumers will also be eating more vegetables grown in Mexico, where pesticide restrictions are much more lenient, Lopez said.