

Dean Foods won't purchase Norcal

Dean Foods, owner of the Richard A. Shaw frozen-food plant in Watsonville, today announced that it is terminating negotiations to buy into Norcal-Crosetti Foods.

The terse announcement came from Dean Foods' Franklin Park, Ill., headquarters.

The two-paragraph statement said there would be no further comment on the reason for terminating negotiations.

This morning, Norcal-Crosetti President Ray Walker would only confirm that talks had ended. "I really have no comment other than to confirm that this is the case.

"We will continue to operate and move forward without Dean Foods," he said.

Dean Foods declined comment last January on reports

that it was actively negotiating for the Norcal-Crosetti plant.

Norcal was formed in March 1987 when grower David Gill, a creditor of the former Watsonville Canning and Frozen Food Co., took over the bankrupt company. Norcal merged with Crosetti Frozen Foods six months later and operations were consolidated in the Norcal plant.

Norcal employs about 900 people in its Watsonville plant at peak periods and opened a smaller plant in Salinas last summer. The Shaw plant also employs an average of 700 people.

Dean Foods is a diversified food processor and distributor, producing a full line of dairy and other food products.

—Bob Smith