



Hang Up
European rules threaten Apple's AI rollout **B9**

EXCHANGE

Craving Cash
Saudi Arabia's megaprojects prove costly **B11**



This bread was purchased from a grocery store in April. Its 'best by' date was May 17, which was 32 days before these photos were taken on June 18.

The Problem With the Perfect Loaf of Bread

By **JESSE NEWMAN**

THE LOAVES THAT line America's grocery-store bread aisles are marvels of modern culinary engineering: uniform and built to last, with a shelf life that typically runs at least two weeks from the day they emerge from the oven.

Sliced, bagged and sealed with mechanically placed clips, the Wonder and Pepperidge Farm loaves in one supermarket match those sold in another hundreds of miles away. That's the point. Their low cost and reliable quality is the result of decades of refinement—of industrial baking processes and ingredients like monoglycerides and datem, added to strengthen dough and stave off staleness.

Those same ingredients are among the ones that have landed packaged bread in the middle of a fraught debate over "ultra-processed foods." The term has no universally agreed-upon definition but is applied to many potato chips, cookies and frozen pizzas, and lots of

Culinary engineering has transformed this humble staple of the American diet. But some shoppers aren't so keen on ultra-processed foods anymore.



seemingly more virtuous foods, like soups, cereals and packaged breads.

Ultra-processed generally refers to mass-produced foods made with ingredients you wouldn't find in a typical home kitchen. Most are made with whole foods that have been broken down and chemically modified, and they often include ingredients designed to boost a food's color, flavor or texture.

Diets high in ultra-processed foods have been linked to health problems including obesity, Type 2 diabetes, depression, cancer and cardiovascular disease.

Ultra-processed foods are now under review ahead of the next set of U.S. dietary guidelines. And American shoppers are growing more aware of food processing, posing a dilemma with high stakes for the food industry, since less-processed foods tend to be more expensive and quicker to spoil.

The companies that make the spongy, unblemished loaves on our supermarket shelves are starting to change with the times—albeit

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A Minnesota Factory Looks to Puerto Rico for Workers

A baby boomer at Marvin retires once a week. There aren't enough locals to replace them.

By **LAUREN WEBER**

Warroad, Minn.

LOCALS LIKE TO SAY THIS 2,000-person town just miles from the Canadian border is known for three things: walleye, hockey and windows.

The walleye comes from Lake of the Woods, which the town hugs at its eastern edge. The hockey comes from Warroad's reputation as a breeding ground for Olympic medalists—every gold-winning U.S. Olympic men's team has included at least one player who grew up skating on the town's frozen river and at local rinks.

The windows come from Marvin, a \$1.5 billion window and door maker founded here 112 years ago. Marvin's factory, a cluster of yellow buildings with 2.2 million square feet of manufacturing space, is the biggest thing in Warroad. It announces itself at the northern entrance to town.

Marvin, which is run by the

great-grandchildren of its founder George Marvin, has weathered recessions, depressions and fires that twice destroyed its Warroad factory. Now, it faces a different existential problem: not enough workers at that factory, which employs more than 700 people to assemble its windows. Baby boomers are retiring from the company at a rate of about one a week and the town's population has hardly budged for decades. That math leaves Marvin with dozens of job openings and few takers.

The company fills orders as they come in rather than holding inventory, so a shortage of workers means longer lead times for customers and a risk that they'll send their business elsewhere.

Marvin looked to the south for a remedy. Way south. It came up with a recruitment plan called "The Path North," which aims to find workers in Puerto Rico and Florida willing to uproot their families and

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Ashley Curbelo saw an ad for a factory job at Marvin on Facebook and arrived from Puerto Rico in January. The window-making company has hired 115 workers from there since last autumn.

DAN KOECK FOR WSJ

EXCHANGE

A Factory In Need of Workers

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settle in a cold northern town. Recruiting them, mostly via Facebook and other online advertising, has been a challenge. Retaining them has been tough, too.

"The company, the family, we're always supportive of anything that's good for the town," said Chief Executive Paul Marvin, who is 49. "If we really just wanted to be more profitable, there's better towns than this."

Marvin has factories in 10 other cities and towns across North America, but it doesn't want to move jobs away from its biggest factory because the company and its hometown are inextricably linked. Paul Marvin's grandmother Margaret donated the money for a library and heritage center filled with local artifacts, including a birch bark wigwam and fur jackets that hark back to the area's once-robust mink ranching industry. It sits across the street from the old train depot that now serves as city hall. The Marvin family paid to restore the depot and the electrified Warroad sign at the top of the building.

Bob Marvin, Paul's uncle, has been Warroad's mayor for 30 years, and ran unopposed in all but two of the biennial elections. He owns around 100 vintage cars, a world-class collection displayed in a custom building known as the Shed, one of Warroad's few attractions for outsiders. Asked what he'd like to see in Warroad, he said, "More people, for obvious reasons."

This is manufacturing in America today. The U.S. population is barely growing, baby boomers are exiting the workforce and young people don't want a career in manufacturing. There is little political will for lasting immigration reform that could fill workforce gaps. Manufacturers have raised wages, moved offshore and spent millions on automation to alleviate labor shortages. Even so, the U.S. is projected to have 2.1 million unfilled manufacturing jobs by 2030, according to a report by Deloitte and the Manufacturing Institute.

Geographically isolated

Marvin's leaders started conversations in 2022 with a Minneapolis-area recruiting agency, Integrated Staffing Solutions, that eventually spawned the hiring program. The agency identifies workers in Puerto Rico and does an initial screen; Marvin does subsequent interviews. New hires get a range of benefits: a \$1,500 relocation bonus, airfare and transportation to Warroad, temporary housing, help finding permanent housing, English-language classes and more.

Marvin has also offered workers from its West Palm Beach, Fla., factory the option to relocate to Warroad. So far, 56 have done so, most of them native Spanish speakers, and 51 are still with Marvin.

Of the 115 workers who came from Puerto Rico between the autumn of 2023 and this month, 63 remain at Marvin, while 52 have left. About half of those stayed in the area and took jobs elsewhere. Most of the others decided Warroad wasn't for them and returned to Puerto Rico or Florida. Marvin is aiming for a total of 66 Path North recruits this year.

"This is not an immigration play," said Paul Marvin. The participants are all U.S. citizens or have authorization to work in the U.S.

Often, the places that Marvin and others recruit workers from have acute labor shortages of their own, making hiring a zero-sum game for employers. In Puerto Rico, unemployment last fall dropped to 5.6%, the lowest rate since the Labor Department began tracking it in 1976, driven partly by billions in hurricane relief funds and infrastructure investments. The island's leaders are trying to retain health-care workers and train residents for jobs in construction, aerospace and social work. The unemployment rate in Florida was 3.3% in April, compared with a nationwide rate of 3.9% that month.

"Warroad is by far the most geographically isolated place that we've worked with," said Sam Borja, operations director at Integrated Staffing Solutions, which has helped other employers in the Midwest, including Marvin's glass supplier in Fargo, N.D., recruit from Puerto Rico. The weather and the remoteness of Warroad make this an extreme move for people coming from a tropical island, he said. "It's not for everyone."

When Ashley Curbelo arrived from Barceloneta, Puerto Rico, in January, she was no stranger to cold climates. She had worked two stints processing salmon at canneries in Alaska and liked the work,



'I feel the American dream here,' says Alan Rodriguez, above, who moved to Warroad from West Palm Beach. Marvin's ties to the town stretch back to 1912, and its current CEO, Paul Marvin, below, is descended from its founders.



but the season lasted only two months. In Puerto Rico, her main job option was fast food, she said. And though the minimum wage there recently rose to \$9.50 an hour, high island prices ate up her earnings. "Housing, food, gas, it doesn't match up with that minimum wage. Money was tight."

She saw a job ad for Marvin on Facebook and arrived in January, corralling her two best friends to come with her. At Marvin, Curbelo, 23, earns \$16 an hour as an entry-level assembler. She's got money left over each month, even after paying rent and shopping at what she jokingly called "the mall"—the local thrift store, where nearly everything is 50 cents.

And she's got the job security she said she craved. In his 2012 nomination speech, President Barack Obama lauded Marvin for having never conducted a layoff. The company's sales grew 10% annually from 2018 to 2023, and next year, Marvin is adding a manufacturing site in Kansas City, Kan. By the end of 2025, it will have factory, distribution or other operations in 19 cities and towns.

Necessary adjustments

There have been some adjustments for Marvin and for the new arrivals. Attendance was one, say factory managers. Sometimes workers didn't show up for shifts, without much explanation or notice, said Troy Neist, the manufacturing manager for one window line. If an employee's adult family member is sick, he said, the employee might stay home too.

Warroad has experience with newcomers. After the "secret war" in the 1960s and 1970s, when Presidents Johnson and Nixon conducted military operations in Laos without full Congressional knowledge or consent, thousands of Southeast Asian refugees resettled in the U.S., often with help from local churches. A few dozen families,

mostly from Laos, came to Warroad. The first two individuals arrived in 1975 and both worked at Marvin.

"I feel the American dream here," said Alan Rodriguez, who moved to Warroad in October from West Palm Beach, where he was working at a window company that Marvin acquired in 2019. When orders slowed at that factory, Marvin asked for volunteers to come to Warroad temporarily, offering a \$1,250 bonus. Rodriguez, 37, and his wife raised their hands and came for three weeks in June 2023. Soon after arriv-

Children fishing from boat docks on the Warroad River in May.



ing, Rodriguez, who moved to the U.S. from Cuba after winning a visa lottery in 2016, told his supervisor he wanted to stay. He and his wife were the first residents in the Icon Apartments, a new housing development in which Marvin is an investor. The company also supplied the windows and doors for the apartments, some of which are reserved for Path North participants and other Marvin employees. Rodriguez now earns \$21 an hour as an assembler, up from the \$16 he was making in Florida.

"The other day I went to an ATM to get cash," he said. "I walk to my car with cash in my hand and said, hey, I can't do this in Florida. Someone would come up and steal it." In Warroad, he said, "the most dangerous thing is the deer on the highway."

Marvin had tried the usual recruitment playbook before launching the Path North program—open houses, local advertising, hiring

new high-school graduates looking for a better wage than the local gas station pays—but it wasn't filling the gaps. Ninety percent of this year's 81 Warroad High School seniors plan to go to four-year colleges. At a job fair last month at Warroad's American Legion hall, recruiters outnumbered job seekers for much of the event. Marvin representatives spoke to five potential applicants over three hours.

High-school kids "can't hardly wait to get out of town," said Bob Marvin, Warroad's mayor, but many return when they are ready to start families, often joining Marvin's white-collar ranks. Two of Paul's children—Caroline, a rising high school senior, and Griffin, a college student—are working the night shift this summer, from 3:30 p.m. to 1:30 a.m. Griffin brought along his college roommate, who's living with the Marvins and also working the night shift.

The company tried the temporary-worker route during a pandemic boom in home renovation, when Marvin paid loads of overtime and worked in as many as 108 out-of-state temporary workers at a time. The cost was too high and the arrival of scores of transient workers who mostly stayed for three to six months didn't fit with the community, where locals expect to know every person they bump into at Doug's Supermarket, the one grocery store in town.

"When you're not invested in a small town, by definition you're only here for a paycheck, and your mindset is different than when this is home," said Paul Marvin. "It is more transactional."

Questions from locals

In Warroad, the company or Marvin family members helped develop a nonprofit child care center that's slated to open in September, and an arts and performance center that's nearing completion on Route 11, half a mile from Marvin's newly renovated headquarters. The company donated space for a mecha-

tronics lab run by the local community college, which draws people to Warroad to learn advanced manufacturing skills.

During the lead-up to the Path North participants' arrival, Marvin hosted four town halls in Warroad to address concerns about the program. Leaders from the town's emergency services, police department, business community, health-care providers and schools asked about language barriers, housing plans and if the recruits understood how cold northern Minnesota gets in the winter. School administrators and teachers wondered if a wave of Spanish-speaking children—possibly scores of students, if each recruit brought kids—would strain the school district's resources.

Ultimately, 35 of the arrivals came with family members, and the schools haven't experienced the surge of new students some were expecting. Only about 10 children from Puerto Rico or Florida—including four in the elementary school and three in the high school—were enrolled in local schools this year. Before they arrived, Marvin helped the schools hire two Spanish speakers to assist in classrooms. The district translated its website, already available in Lao, into Spanish.

For high-school students, Marvin makes a good summer job. "That's kind of what you do," said Liv Anderson, 21, now working as a server and bartender at the American Legion. She was at Marvin when the first Path North employees arrived. "It was tricky to navigate the language barrier," she said. At some businesses in town, workers communicate with shopkeepers through cellphones, using translation apps to transact.

Joey Neumiller, 34, showed up to last month's job fair looking for work to "fill in the gap" while he gets a personal-training business off the ground. Neumiller had already done stints at Marvin, a nearby Pepsi distributor and the local Subway shop.

"There's not a whole lot around here I'm interested in," he said, surveying the employers at the job fair. "I don't like a bell telling me when to get to work or how long I get to eat lunch."

For Alan Rodriguez, Marvin offered the right opportunity at the right time. "Florida felt like Cuba, without the dictator," he said. Here in Warroad, he gets automatic respect for working in the big yellow building. "You wear something that says Marvin, you're a god," he said.