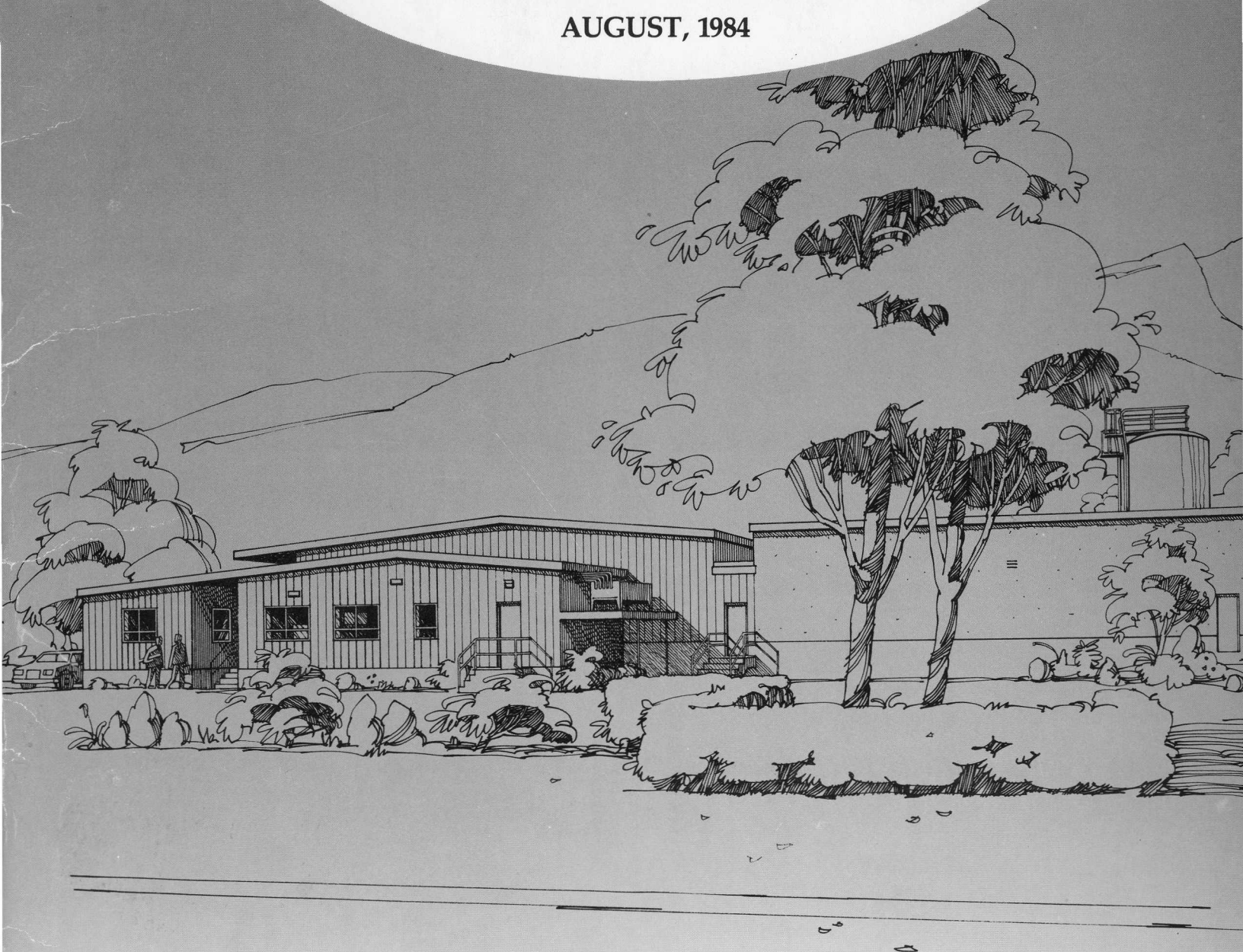


INFORMATION FILE

DAIRYLAND FLUID MILK PROCESSING PLANT SMITHERS, B.C.

AUGUST, 1984



 *Best of all, it's*
Dairyland

History of the Dairy Industry in the Bulkley Valley

Eighty years ago, the first cow arrived in the Bulkley Valley. Its owner, Gabe LeCroix, had come to the valley a year earlier as one of the pioneers who cleared the land and began farming in the area. From those humble beginnings, a modern dairy industry was eventually established.

The first commercial dairy in the Bulkley Valley started up in 1914. By that year, the Canadian National Railway had completed its northern line to Prince Rupert, and this meant increased settlement throughout the Northwest. Two men named Rosenthal and DeVoin began transporting milk by wagon from their farm outside of Smithers to customers in town. The operation continued for many years under the name Riverside Dairy. Although there were changes in ownership, the name "Riverside Dairy" remained part of the commercial life of Smithers until the 1940s.

In 1926 the connection between Prince Rupert and the dairy farms of the Bulkley Valley was established with the first shipment of milk cans in the baggage cars of the C.N.R. Transportation had overcome geography, and Bulkley Valley dairymen could ship their product to the larger market of Prince Rupert and towns in between. Admittedly the cars lacked refrigeration, so the quality of the milk was sometimes suspect!

Bill Billiter was one of those early can shippers. He was also a fluid milk vendor in the town of Smithers, through his company, Alpine Dairy. Though Alpine Dairy is no longer in existence, and can shipments are a thing of the past, Bill Billiter is still a Smithers area resident. Now in his nineties, he is one of the few Bulkley Valley dairymen who can personally recall the early challenges of establishing an industry in the area.

In 1939, the Interior Creamery Company built a plant, the Bulkley Valley Creamery, at Telkwa. Most of the cream it processed came to Telkwa by train from Burns Lake in the East and Hazelton in the West. The manager of the new plant was Thor Paulsen, formerly a butter maker at the Interior Creamery Company's Prince George operation.

During World War II, the Telkwa plant shut down; however in 1947, Thor Paulsen came out of retirement and purchased the plant. He ran it successfully for the next 20 years. In fact, Telkwa Creamery butter was not an uncommon sight in the dairy cases in stores in Vancouver.

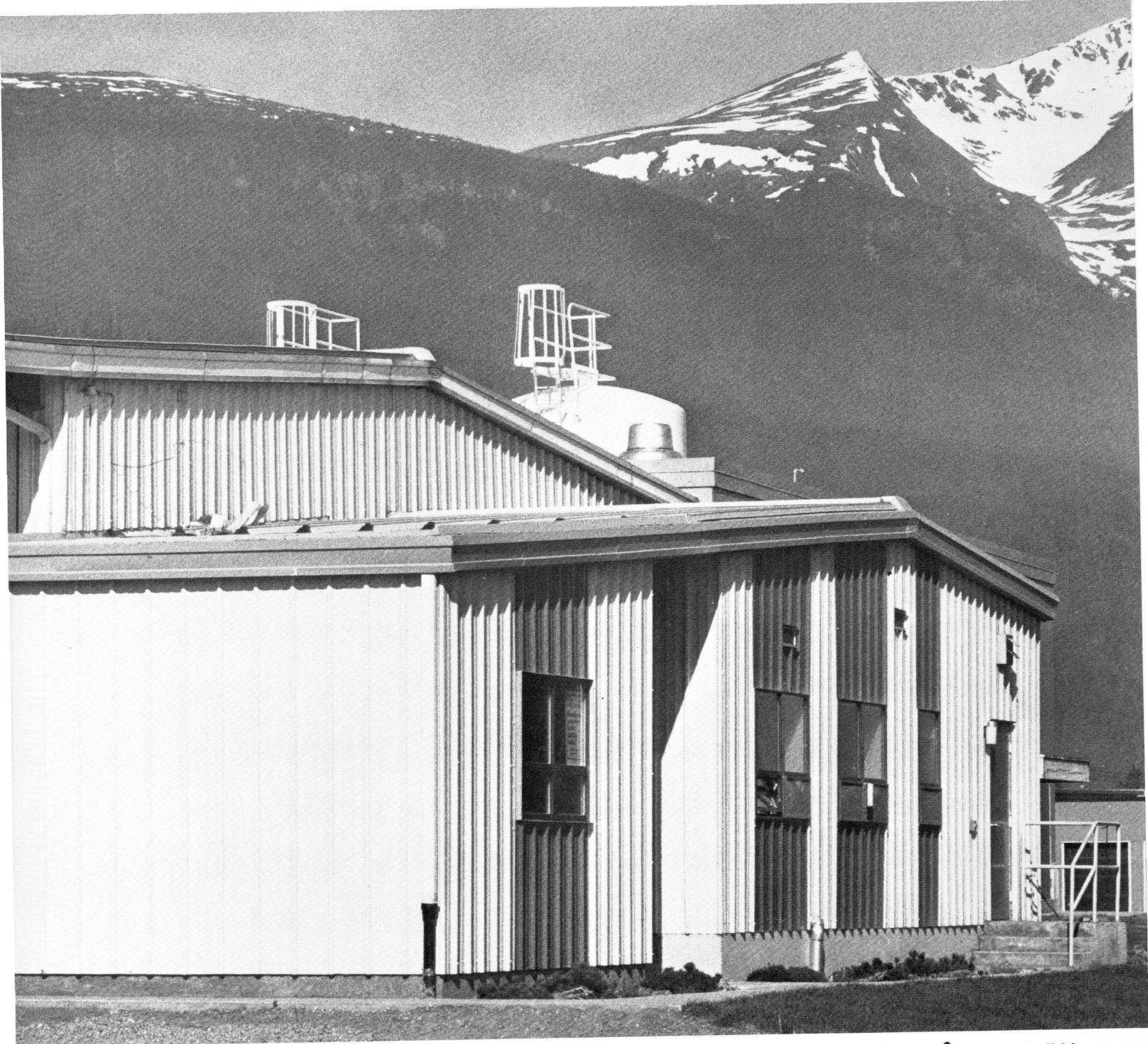
No history, dairy or otherwise, of the Northwest would be complete without mention of Kitimat. It was the resource town of the 1950s, established to produce aluminum. Its development brought a new wave of settlers north, and their arrival marked the opening of a new milk plant in Kitimat.

The Lakelse Dairy, in Kitimat, was originally a reconstituting plant, adding water and butterfat to skim milk powder. Then, when the provincial government built a road connecting Kitimat and Terrace in the early 1960s, fresh milk started coming in from the Bulkley Valley producers. Jim Thom operated Lakelse Dairy with his family, and one of his sons, George, is now the Superintendent of the new Dairyland plant in Smithers.

The highlight of the 1960s was the purchase of Lakelse Dairy by Fraser Valley Milk Producers Cooperative Association in 1968. It was the first milk processing plant to be owned and operated by FVMPCA outside the Lower Mainland. Jim Davidson, the representative of the 22 Bulkley Valley dairy farmers who supplied Kitimat with milk, said at the time, "We are proud to be associated with a go-ahead organization like Fraser Valley Milk Producers Cooperative Association". The Association had already been distributing dairy products to its depots in the area as a result of an earlier purchase of North West Refrigerated Foods.

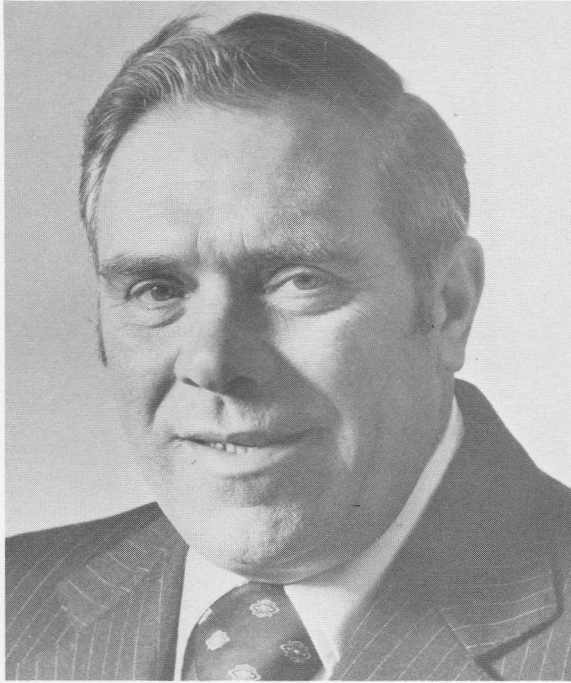
The 1970s saw an improvement in the depots at Smithers and Terrace, as well as the conversion of the Kitimat plant to metric measurement. The number of shippers in the Bulkley Valley was now 17. Though the numbers had declined since the days of the cream shippers in the 1950s, their volume had significantly increased. By 1983, they had collectively passed the six-million-litre mark in annual shipments to the Kitimat plant.

In 1984, 80 years after the arrival of the first cow, Smithers now boasts a modern dairy processing plant. The plant in Kitimat shut down over the May 24th weekend and the newly constructed Smithers plant processed its first silo of milk the following week. The official opening of the plant will take place August 31st.



anded office area.

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PETER FRIESEN, President

"The investment of dairy farmers in the new Smithers plant is a commitment to the future. Fraser Valley Milk Producers Cooperative Association is pleased to be a contributing partner to the economy of the Northwest, and looks forward to continued service to the consumers and dairy farmers of the area."



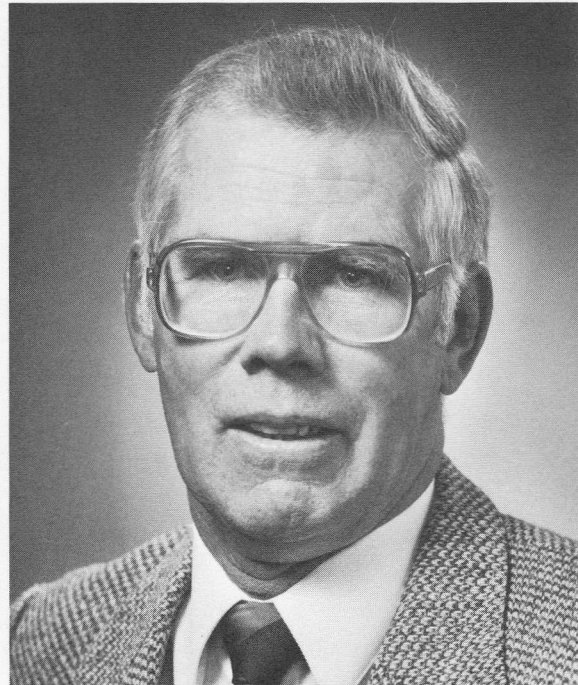
NEIL GRAY, General Manager

"This new plant is a strong indication of Dairyland's confidence in the health of our industry and the future growth and development of the Northwest. Both the processing and distribution of our dairy products will be enhanced by this new facility."



BILL INGLES, Northern District Supervisor

"The location of this new facility in Smithers means we are closer to our source of supply for raw milk. It will also provide us with economy in distribution and therefore help us to respond more quickly and with greater ease to our customers' needs."



JIM DAVIDSON, Dairyman

"The dairy industry of the Bulkley Valley has contributed to the welfare of the community for many years. Local dairymen produced, processed and sold six million litres of milk last year. The dollars from those sales are returned to the community, as each farm continues its business."

New Plant accommodates Dairyland's growth

The August 31st opening of the Dairyland plant in Smithers is the most significant investment in the Northwest dairy industry in the past two decades. It demonstrates a commitment to a continued supply of fresh milk and dairy products to consumers in the area. It also ensures that the dairy farmers of the Bulkley Valley — all 17 of whom are members of the Fraser Valley Milk Producers Cooperative Association — will continue as viable operators with a first-class facility to process and market their product.

Dairyland is a brand name for the province-wide FVMPCA, part of whose membership includes the Bulkley Valley Dairymen's Association. Other brand names for FVMPCA, widely accepted throughout Western Canadian markets, include Pacific milk and Armstrong cheese. FVMPCA's sales totalled \$325 million for the year ending December 31st, 1983.

The new plant will more efficiently handle the volume of milk from the Bulkley Valley producers. In 1967 their volume was approximately three million litres. Since that time production has doubled to approximately six million litres annually. This increase reflects the growth in the Prince Rupert, Terrace and Smithers area. The new Smithers plant replaces the Kitimat production facility purchased from Lakelse Dairy by FVMPCA in 1968.

Bill Ingles, Northern District Supervisor for Dairyland, is especially pleased with the improved operating conditions the new plant offers. "We can achieve greater efficiency in our product packaging and better service to our wholesale customers. The producers now have a facility which will process their raw milk within their own community. Especially during the winter, when hauling to Kitimat could be difficult, the proximity of the plant to the farms is important."