

Fraser Valley

Milk Break

1992



news

Dairyland Foods News • Summer 1991 • Volume 6 • Number 2

Commentary By The General Manager

Better Package Reason for Change

Recently, Dairyland Foods attracted some public attention when we changed suppliers of gable-topped cartons and carton fillers at our Burnaby production facility.

"The principle reason for the change was the need to provide our customers with an improved milk carton."

While changes of this scope are bound to attract some attention — gable-topped cartons are our most popular package — this particular decision drew some controversy.

The principle reason for the change was the need to provide our customers with an improved milk carton. For although the Tetra Rex cartons look virtually identical to the old Pure Pak cartons we have used for years, they are decidedly superior in design, construction and performance.

In particular, the incidence of leaking cartons is dramatically reduced by a design that allows no raw edges to be in contact with the product.

In addition, the new TR/8 fillers used with these cartons are more efficient and easier to use and maintain. In fact, both the equipment and packaging are already in use in more than half a dozen other countries. In all cases, their effectiveness has been proven.

Each of these factors led to the conclusion that a change of suppliers was in order. Other suppliers, despite ample opportunity, were unable to meet our needs.

The noticeable reduction in the number of leakers is an improvement that is a direct result of the new packaging. This decrease in leakers is absolutely necessary to increase customer satisfaction and to reduce the amount of product that is returned to us — a benefit that directly contributes to a more successful organization.

David E. Coe
General Manager and CEO

Nelson Plant Is Here To Stay

After careful and lengthy analysis of our Nelson fluid milk processing operation, Dairyland Foods' Board of Directors has decided to keep the plant operational. The Board gave the go-ahead in June on renovations and on a detailed economic development plan that will help to ensure the facility is successful in meeting our requirements, both now and in the future, for the Nelson area.

Frank Waters, Branch Manager, says everyone who works at the Nelson plant is thrilled about the decision.

"Morale has done a complete turnaround and everyone is really excited because some of the work has already started."

The Board had spent several months deliberating the future of the Nelson facility and had looked at several options, including the possibility of a plant closure.

The facility employs 28 Nelson-area residents and is the principal processing facility for the 16 dairy farms in the Creston and Rossland areas.

Steve Uzick, Regional Manager for the Interior, said that already, even with minor renovations, efficiencies at the Nelson plant have increased. He notes that keeping the

see Nelson page 3

Drivers' Achievements Recognized

Hundreds of Dairyland Foods Drivers achieved total safe driving years ranging from one to 32 years in 1990. Of the 328 Drivers who completed 1990 accident-free, 124 reached goals of 10 years or more. In the Lower Mainland, Drivers who reached a total of 10 years or more were invited to a dinner to receive their awards — from pins to rings. The 24th annual Safe Driving Awards Dinner was held in June at the B.C. Transportation Museum in Cloverdale. Outside the Lower Mainland, wherever possible, dinners were organized at each branch to recognize Drivers.

In the Lower Mainland, in keeping with the Quality Improvement Process, Drivers and Supervisors had been asked for their ideas about how the 24th Awards Dinner should be arranged.

Peter Brennan, Director of Distribution, notes that this input resulted in a number of changes to the usual format. One major change was that eligible Lower Mainland drivers with three or more accident-free years were invited to the dinner. Those with less than 10 years were asked as observers only. Also, Drivers who were ineligible for an award for 1990, but had reached 10 years or more of accident-free driving in the past were invited to attend the dinner as observers, provided their demerits for 1990 did not exceed a set amount.

The location was also changed. In the past, the dinner has usually been held at a location close to Sperling. However, many Drivers felt that to be fair, the dinner should be held at a different location each year.

In addressing the Cloverdale

gathering, General Manager David E. Coe said "the achievements shown here tonight represent professionalism in the highest sense of the word."

Randy Williamson, Vice-President Industrial Division; Ron Harvey, Vice-President Dairy

"In the Lower Mainland, in keeping with the Quality Improvement Process, Drivers and Supervisors had been asked for their ideas about how the 24th Awards Dinner should be arranged."

Division; Peter Brennan, who hosted the evening; Stan Harder, Director, Lower Mainland Operations; and Jim Waardenburg, Fraser Valley Milk Producers Cooperative Association President, also congratulated the drivers for their achievements.

In Kamloops, five Drivers completed 1990 accident-free, reaching total accident-free years ranging from four to 14 years. These achievements were reported in the local newspaper.

Here's a list of all Dairyland Foods Drivers who achieved total accident-free years of 10 or more in 1990.

Congratulations!

32 years — Vern Scott.

31 years — Gord Johnston.

30 years — George Bartels.

29 years — Jack Scott.

28 years — Don Cross, Joe Gray.

27 years — Ron Flash.

25 years — Ford Burrows, Walter Harnett, Chuck Linder, Stan Noga.

24 years — Gord Bremner, Don Hanson, Norm Jago, George McKillop.

23 years — Les Barnard, Jim Coleman, John Malm.

22 years — Wade Schatz, Frank Storoshenko.

21 years — Bill Barnes, Jim Boyd, Harvey Hewitt, Eldy McCuaig, Ed Novakowski, Fred Yeomans.

20 years — Jack Gibson, Joe Rollheiser, Art Wagner.

19 years — Gordon Brown, Harry Dexter, Lorne McCallum, Henry Penner, Jim Pummell.

18 years — John Chase, Victor Dick, Gus Gillespie, Tom Greer, Gerry Gulliford, Ian Harrison, Ed Hopko, Jim Janson, Don MacKay, Brent Middleton, Ted Moore, Bob Morson.

17 years — Mike Dickson, Wayne Jackson, Pete Karsten, Reg Long.

16 years — John Bisschop, Les Dewey, Dave Dixon, Bob Lawes, Bob Mitchell, Dave Moore, Greg Singleton, Hank Stobbe.

15 years — Jim Armstrong, Lloyd Bates, Bob Burden, Ron Burr, Al Chadsey, Jake Dyck, Dave Ellis, Dave Gibbs, Tony Jongedyk, Jeno Potornay, Joe Sampson, John Simons, Fred Sloggett, Ken Smith, Rick Worsley.

14 years — Joe Beblow, Ron Bush, Mike Fowler, Arnold Hadland, Gary Lawrence, Jim Masterman, Ken Miller, Dave Mitchell, John Morton, Stan Parker, Doug Parker, Jim Thompson, Harry Willms.

13 years — Ron Coleman, Norm George, Wayne Kerr, Don Modequillo, Gord Plastow, Richard Redding, Bob Rooney, Mike Rudd, Karl Springer.

12 years — Ben Christiansen, Brian Hilleren, Larry Muirhead, Steve Scott, Grant Udy, Henk Van Den Berg.

11 years — John Bulger, John Campbell, Wayne Collins, Paul Comeau, Rick Friesen, Bill Gregerson, John Lundgren, Rich Miller, Rod Nickel, Tom Sherbuck, Vern Short, Terry Thorndike.

10 years — Ron Brown, Rod Deakove, Larry Egely, Al Gruninger, Bruce Hake, Ron Hutchinson, Leon Paranich, Spencer Rea, Maurino Ruperto, Mike Seller, Ken Smith, John Vander Ploeg.

Survey Plays Role In New Format

Thanks to everyone who sent in their DF news surveys. In all, 537 found their way to my desk, representing a response rate of nearly 32 per cent. All replies were greatly appreciated. Surveys came from almost every branch in our organization.

In general, respondents said they like DF news. Nearly 70 per cent said they read every issue front to back. As for a general opinion of DF news, 77 per cent of respondents gave the newsletter an above-average rating. Many respondents gave suggestions for topics they would like to see covered. "Branch news and features" was the most popular item.

Under question 11, which listed six different topics and asked respondents to check each one they would like to see covered, 75 per cent checked off New Dairyland Foods products — the most popular topic on that list.

Respondents said that, in general, they find the information in DF news to be interesting and informative. Information contained on the "people" page received high ratings. More than 50 per cent of respondents gave an above-average interest rating to new appointments, work anniversaries, retirements and obituaries. As for topics covered elsewhere in DF news, respondents gave above-average ratings to organizational structure, company events, company strategy, achievement awards and industry issues.

The photographs that appear in DF news were also given high ratings. Although there was no room to include photos in this issue, we will be including photos in future issues. It will take a few

issues to get used to the new format.

About 35 per cent of respondents thought that DF news should not be mailed, but rather, distributed via stands, in our pay cheques, or some other way. All are good ideas, but, unfortunately, are not feasible. A number of respondents also

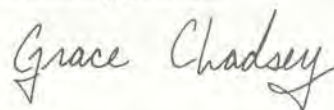
"Although there was no room to include photos in this issue, we will be including photos in future issues."

commented that they think it costs too much to mail DF news. This comment is a valid one which is also of concern to me! However, with the new format, postage costs are reduced by 50 per cent per issue. Since the new format provides

such a large reduction in postage costs, DF news will continue to be mailed to people's homes — the preference of nearly 64 per cent of respondents.

Other benefits of the new format are: production costs have been reduced; articles are shorter and easier to read; and the publication has a brand new look.

The information that was gathered in the surveys is currently being reviewed and may lead to some changes in the publication. In the meantime, remember that readers' comments, questions, suggestions, or letters to the editor are always welcome. You can phone me directly, at Annacis, local 106, or you can send your comments through the mail — inter-office or Canada Post. The only catch is that you identify yourself.



Grace Chadsey, Editor

Nelson Stays

Continued from page 1
plant open is a definite advantage for Dairyland Foods as we are able to produce a high quality product that has been produced locally for the local market, instead of having to transport product from the Lower Mainland.

Says Uzick, "We are looking forward to having a well-run, efficiently-functioning operation."

Dairyland Foods acquired this plant when we purchased the mainland B.C. assets of Palm

Dairies Ltd. in 1989. After evaluating the facility, it had become apparent that some improvements would be necessary to ensure the plant's long-term viability, namely, increasing its efficiency and bringing it up to government health standards.

Throughout the company's review, the preference was always to keep the plant operating as it is important to the local economy and to our ability to serve the southeastern part of British Columbia.

Employee Anniversaries

45 YEARS

Ron Carmichael.

40 YEARS

Chuck McLellan.

35 YEARS

William Burma, Erwin Frank.

30 YEARS

Tom Adair, Jacob Fast, Don Fraser, Edward Garrod, Dennis Haner, Fred Leverington, Henry Reger.

25 YEARS

Sid Comley, Richard Comazzetto, Norm Jago, Rudy Novak, Alfred Roy, Roger Ryves, Henk Van Den Berg, Patrick Warwick.

20 YEARS

Verne Baird, Ron Burr, Ron Bush, Debbie Edge, Murray Friesen, Elmer Gerbrandt, Tony Hechenberger, Gordon Hepperle, Wayne Kerr, Kenneth Miller, Reginald Schneider, Mervyn Taylor.

15 YEARS

Anthony Britton, Anka Buljan, Ben Christiansen, Marlene Combs, Paul Comeau, Dawn Dollery, Donald Douglas, Jake Dyck, Michael Fowler, Darcy Gabriele, Gerry Hughes, William Latremouille, June Nabata, Mike Orobko, Michael Potter, Dallis Smith.

10 YEARS

Gordy Behnke, Otto Bjornson, Diane Burton, William Cooper, Donna Cressey, Joe D'Amico, John

Day, Grant Denham, Randy Forbes, Mike Gellner, Dean Goertzen, Doug Goldney, Randal Greentree, Hal Hanuse, Kevin Hogan, Brad Hornstein, Michael Hryniuk, Gordon Hunter, Brian Hyland, Robert Jopling, Allan Langner, Leo Lecavalier, Tom Leduc, Barbara Luck, Glen Macmillan, Lyle

Mammel, Alan May, Alan McDowell, Gary Mohs, Robert Murdoch, Yvette Richoux, Karl Springer, Gayle Walker, William White, Robert Williams.

OUR MISTAKE

Steve Moreno began working with Palm Dairies in March, 1971. His anniversary was overlooked in the last issue of DF NEWS. Happy belated 20th anniversary Steve!

Appointments

The following appointments took place during the second quarter of 1991.

Gerry Adams has been appointed Farm Pickup and Interplant Hauling Coordinator.

Elmer Gerbrandt has taken up his appointment in Edmonton as Senior Account Manager for the northern region of Alberta.

Dick Harris has been appointed Senior Accounts Manager, located in Calgary, Alberta.

Evelyn Hortobagyi has been appointed to the position of Production Coordinator, Lozells.

Steve Uzick has been appointed Regional Manager, Interior.

Retirements

Floyd Charlton, Abbotsford Machine Operator, retired in May after 23 years service.

Stan Dykstra, Nanaimo Wholesale Driver, retired in May after 23 years service.

Ron Elliot, Sperling Retail Driver, retired in May after 21 years service.

Arthur Grant, Courtenay Route Foreman, retired in March after 30 years service.

Roger Guicheteau, in Accounting at Sperling, retired in March after 23 years service.

Art Hoekstra, Vernon Machine Operator, retired in March after 33 years service.

Grant King, in Checking at Burnaby, retired in August after 17 years service.

Ken Low, Burnaby Wholesale Driver, retires in September after 36 years service.

John McColl, a Driver in Nanaimo, retired June 28 after 18 years service.

Bill Osborne, Farm Pickup and Interplant Hauling Manager, retired in April after 21 years service. Bill joined Dairyland Foods in 1970 after several years with Silverwood.

Rose Overdreef, Abbotsford Packager, retired in June after 23 years service.

Gordon Schluter, of Lozells production, retired in August after 40 years service.

In Memory

Al Chesney, who began working at Dairyland Foods in October, 1969, died on July 19, 1991. Al was a Mechanic in the Sperling Garage. He was 63.

Bill Cunningham, who retired from the Garage at Sperling in October, 1984, died on June 28, 1991. Bill began working at Dairyland Foods in September, 1957 as a Driver/Sales Representative.

Paul Sapinsky, who retired from the Wholesale Department in October, 1985, after 31 years of service, died June 6, 1991.



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Published four times a year for Dairyland Foods employees and their families by the Human Resources Department. Readers' suggestions and comments are always welcome. Mailing Address: P.O. Box 9100, Vancouver, V6G4B4. Phone: 420-6611; Toll free 1-800-242-6106.

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Karen Redkwich
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news

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Competition Heats Up

Growing competition in the retail grocery market is changing the way Dairyland Foods and its competitors do business. New forces have created tough competition for B.C.'s 16 dairy processors.

"The competition is different today," observes Jerry Duncan, Dairyland Foods' Vice President, Sales and Marketing. "It's more intense and is subject to new pressures, some of which are changing the fundamentals of our business."

He cites as an example the shifting trend in consumer shopping, from local grocery and convenience stores to the aggressive superstore chains. Competition between these grocery giants creates heavy downward pressure on prices — witness the price of the four litre milk jug over the past two years — which, in turn, places pressure on suppliers.

In addition, the growth of cross-border shopping appears to have eroded local dairy markets. And growing competition from out-of-province marketers, such as Quebec yogurt manufacturers and Ontario cheesemakers, further limits the growth of local markets. Add the uncertain effects of free trade, and you have an even tighter market.

At the same time, many of

see RETAIL page 3

Second Annual Barbecue



Dorothy Clarke (left) and Marion Thomas were among the several hundred employees who attended the Sperling barbecue. Details, page 3.

DF In The Community

In October, Dairyland Foods continued to help out in community events:

- We donated \$3,000 to the Vancouver Aquarium's effort to save the baby killer whale from starvation. The donation is helping pay for the special formula needed to feed the whale calf, born September 30. (Photo page 2.)
- Eighteen Home Service trucks carried 10,000 kilograms of non-perishable food items in the Vancouver Toy Run. During the week of October 21, Home Service ran a campaign to collect items from

customers wishing to donate. Many employees volunteered their time to help make the event a success by driving the trucks and handling the donations.

Thanks to: Dennis Arychuk, Stu Barrow, Tom Bastable, John Chase, Bob Cryer, Ron Flash, Randy Gerbrandt, Stan Harder, Ian Harrison, Harvey Hewitt, David Lynn, Len Marston, Guy Martel, Stan McHann, Ralph McLellan, Bill Morton, Derrick Out, Brad Rendall, Wayne Sartain, Bob Tasker, Warren Tompkins, Dieter von Chorus, Gerry Willard, Bob Willis, Steve Wood, Ed Zeller.

Security Being Reviewed, Upgraded

A monitoring system at Kamloops, a new chain link fence along the perimeter of the lower parking lot at Sperling, and a front entry intercom at Lozells are among the first and most visible signs of a concerted effort to upgrade plant security at Dairyland Foods. Such measures provide greater assurances of the safety and well-being of the people and physical assets on our premises.

Knowing who is on the property, and where, is critical in case of an emergency such as a fire or other incident that would require immediate evacuation.

As well as protecting employees and visitors, improved security measures help protect company assets and help ensure that the products we sell are of the highest quality possible.

To oversee these changes, Dairyland Foods' Security and Safety Committee first met June 19 and continues to hold monthly meetings. Committee members are

Sperling employees **Tom Bastable, Joe Dolnik, Lui Farina, Bob Fowler, Mike Paine, Jeff Sutton, Lorne Vallee**, and a representative of our external security consulting firm.

This group is currently reviewing how to best implement complete monitoring systems at all plants and branches. In addition to providing for immediate action in case of emergency, such systems are designed to help prevent unauthorized persons and vehicles from entering company premises.

As the first step in introducing a complete, company-wide

monitoring system, the committee has recommended a photo identification system for employees. The system, which will prevent unauthorized people from entering company premises, is to be implemented within the next few months.

Other steps have already been taken to increase security: Annacis has had its security system and procedures upgraded; and Vernon, Penticton and Cache Creek are under review.

This entire process is the first step in a continuing commitment to ensure that all company facilities have the most effective security systems possible.

Butter Recovered

Dairyland Foods property worth \$200,000 was recovered within 48 hours of an early-morning theft at Sperling. On October 18, a tractor and trailer valued at approximately \$120,000, loaded with butter valued at \$80,000, was removed from the Burnaby facility. Dairyland Foods and a representative of our external security consulting firm, working with the RCMP, gathered enough information to make a quick recovery of the stolen goods possible. At press time, the RCMP had made several arrests and are continuing the investigation.

Feeding Time At The Aquarium



Vancouver Aquarium employees feed the killer whale calf with special formula. This photo was taken about one week after the feedings began. They became necessary after it was discovered that the whale calf was not receiving enough nutrients from her mother's milk. Last time we checked, the baby whale's health was continuing to improve.

Renovated Cooler Operational



The cooler at our fluid milk plant in Courtenay is now in full operation after undergoing renovations beginning last June that doubled its size from 315 to 630 square metres. Bram van Reeuyk, Vancouver Island Regional Manager, says that when the plant was built in 1982, it showed Dairyland Foods' faith in the increase in business on the Island. Dairyland Foods has had a production facility in Courtenay since we purchased Comox Creamery in 1969. The need to increase the size of the cooler, says van Reeuyk, became obvious in light of the tremendous growth in sales on Vancouver Island since 1982.

Retail Competition Increases

Continued from page 1
these changes create opportunities which we are currently pursuing.

What all this means is that no one dairy is assured of the business in any market segment. "With the kind of pressures the retailers are under now," explains Duncan, "you're going to see a lot of shifting between suppliers."

For example, recent attempts by Lucerne and Foremost to expand their marketing efforts have heightened competition for key accounts. Unlike Dairyland Foods, Lucerne and Foremost are 'vertically integrated.' That is, their parent companies own the entire process, from processing right through to final sale to the consumer. These two companies have traditionally concentrated on supplying 'dedicated' customers (Safeway and the Kelly-Douglas Group, e.g., Great Canadian Superstore,

respectively). By re-focusing to include other customers as well, these suppliers have added to the competitive pressures in the marketplace. The recent decision by Costco Wholesale to switch from Dairyland Foods to Lucerne reflects these pressures.

Duncan explains that in the current environment, companies like Lucerne attempt to squeeze out every competitive advantage they can in an attempt to build volume outside their integrated retail stores. Dairyland Foods will have to work harder and more efficiently to offset Lucerne's and Foremost's lower operating costs that result from having the bulk of their business with a captive customer. For its part, Dairyland Foods' brand name is preferred by B.C. consumers; and it is the only full-service dairy with a province-wide distribution network.

Employees Enjoy Annual Barbecues

Approximately \$2,600 was raised for the United Way at the Second Annual Employee Barbecue, held in mid-September at Sperling.

Hundreds of employees, many decked out in country and western gear, turned out to enjoy the barbecue. Festivities included the Slim Chance Casino, volleyball, miniature golf, a raffle, a pie eating contest, a dunk tank, and a country and western band.

Andy Hill of Route Accounting was the winner of the pie eating contest. The winning team of the eight competing in the volleyball tournament was the System Warriors.

Team members were: Brian Cook, Loretta Hanch, Colin Harris, Vicki Howard, Rob Kok, Tim Nickason, and Dianne Perrin, all of Management Information Systems, and Nadine Tomlinson of Accounting.

Plenty of food, including hamburgers, salads, desserts and juices was also on hand to round out the event. Much of the food was donated by suppliers.

Employees from departments throughout Sperling volunteered their time in helping to make this event a success.

Employees in Nelson also enjoyed an annual employee barbecue in September. And at Abbotsford, despite a steady downpour, employees enjoyed their First Annual Employee Appreciation Barbecue and Corn Roast at the end of August. Because of the rain, the event was held in the Delair tanker bay.

And The Winner Is ...

Marci Atkinson of Process Control Systems in Burnaby proudly wears the winning medallion she took home from the 1991 B.C. Summer Games, held in Coquitlam in July. Co-captain of the 17-member, top-seeded Burnaby women's soccer team, SP International, Marci has been playing soccer for 12 years — six with SPI. SPI earned gold at the games after defeating seven teams from all over B.C. Marci's team, representing Vancouver, completed all five of its games undefeated. Her position on the team is centre/mid-field. Marci has also played on the Dairyland Foods mixed soccer team for three years.



Employee Anniversaries

The anniversaries listed are for employees who celebrated their work anniversaries in July, August and September, 1991.

40 YEARS

Gordon Schluter

35 YEARS

Don Cross, Wilf Graham, David Lee, Ed Novakowski, Gudjon Stefanson, Ron Young.

30 YEARS

Ron Harvey, Marilyn Morton, Kathleen Standeven.

25 YEARS

Don Jackson, Gary Knights, Rick Nichols, Bill Quayle, Frank Richards, Joe Rollheiser.

20 YEARS

Allen Allen-Gray, Alfred Boudreau, Jerry Hook, Sid Koponyas, Al Kroeker, Paul McLain, Robert Morson, Jim Parkes, Rick Redding.

15 YEARS

John Bejcar, Ed Crocker, John De Brincat, Richard Grieve, Ron Hutchison, Richard Kuny, Len Marston, Jim McCrabb, George McKay, Ron McLean, Pat Newell, Henry Paakkonen, Gail Relkov, Steve Robin, Steve Scott, Dan Silvester, Jan Trousdale, Mark Zielke.

10 YEARS

Cory Bailey, Bruce Bianco, Walter Blake, Steve Clark, Lynn Crosby, Bob Cryer, Doug Dixon, Lan Do, Mike Farrar, Robert Grossman, Marilu Harris, Paul Helliwell-Hargreaves, Frank Kehler, Christine Mather, Denise Nielson, Cal Petit, Paul Radloff, Trent Schmidt, Richard Smith, Neil Sutherland, Ben Thomas, Becky Turner, Louise Vanderley, Robert Willis.

New Appointments

Kristina Kasumovic recently joined Dairyland Foods in the position of Personnel Assistant. She replaces Evelyn Hortobagyi, who is now Production Coordinator at Lozells.

Dave Lewthwaite has been appointed to the position of Production Supervisor within the Ice Cream Division, which has recently undergone some restructuring.

Harvey Murray has been appointed to the position of Pallet Foreman. He is responsible for purchasing, sorting, repairing and controlling our pallet inventory.

The positions of **Dave Sharpe** and **Steve Wilding** have recently been changed from DAWS Operators to DAWS and Shipping Department Foremen. This change is a promotion for both.



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Publications Assistant:
Karen Redkwich

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Retirements

Gerry Bunke retired in September after 39 years in the dairy industry. Gerry began his career in 1952 when he joined Palm Dairies as a Dairy Worker. Later on, Gerry was appointed to the position of Assistant Foreman. He became a Dairyland Foods employee when we purchased the mainland B.C. assets of Palm Dairies Ltd. in 1989. Gerry completed his employment as a Pasteurizer at the Annacis facility.

Ted Harford retired in early October after 28 years with Dairyland Foods. Ted started his career in 1963 as a Pacific Milk Sales Representative, moving on to the position of Supervisor, and then into his final position with Dairyland Foods as Senior Sales Administrative Assistant in 1987.

Merger Proposal Announced

On November 26, Dairyland Foods announced that it had reached an agreement in principle to seek the merger of its operations with those of three other western Canadian dairy cooperatives. Under the proposed merger, Dairyland Foods, Nu-Maid Dairies of Edmonton, Alberta, Alpha Dairies of Red Deer, Alberta,

and Co-op Dairies of Regina, Saskatchewan would fall under the umbrella of a single, new cooperative to be known as Dairyworld Foods, with operations extending from Vancouver Island to Manitoba.

A formal proposal was presented to the federal Bureau of
see MERGER page 2

A Christmas Message



Looking Forward To Challenge

As our 75th anniversary approaches, we can be certain that the year to come will be an exciting one. Along with a noticeable improvement in outlook, 1991 also brought the promise of bigger and better things in 1992. Much of the work we began this year, including the proposed merger with three other western dairy cooperatives, leaves us better prepared to meet the challenges that lie ahead.

Enthusiasm, commitment and team spirit have been some of the greatest strengths of this organization in the past, and I know they will continue to be so as we face the future.

This holiday season, let's take the opportunity to enjoy the company of friends and family. To all employees and their families, I extend personal best wishes for Christmas and the new year.



David E. Coe
General Manager and
Chief Executive Officer

R.G. Webb Recognition Award

Lab Secretary Carol Bochon proudly displays The R.G. Webb Recognition Award. General Manager David E. Coe, joined by many of Carol's co-workers, presented the award to Carol on November 1st. The award recognizes a Dairyland Foods employee for commitment, dedication, reliability and integrity in the workplace. Carol, the first recipient of this perpetual award, had no idea that her fellow lab employees had submitted her name as an award candidate. Carol joined Dairyland Foods in December, 1981, when the company purchased Silverwood Dairies. She had started with Silverwood in 1980. Since joining Dairyland Foods, Carol has also held the position of Front Desk Secretary. The official presentation of the award took place November 20 at the Quarter Century Club dinner.



27th QCC Dinner

Seventeen new members were welcomed into the Quarter Century Club at the group's 27th annual dinner meeting, held November 20 at the Four Seasons Hotel in Vancouver. More than half of the club's 400-plus members

attended this year's event, which is sponsored by Dairyland Foods' Board of Directors. To qualify for membership, an employee must have 25 years of service with Dairyland Foods.

New members were welcomed

into the club with the presentation of a 25-year pin. In addition, 17 club members also received gifts. Members receive gifts when they reach their 60th year.

Another highlight of the evening was the induction of **Peter Friesen**, Past President of Dairyland Foods, as an honorary QCC member.

Carol Bochon, first recipient of the R.G. Webb Recognition Award, also attended the dinner for the official presentation of the award. **Sue Webb** made the presentation.

Congratulations to all new members and gift recipients!

New members: **Lee Alberts**, **Camille Clubine**, **Richard Comazzetto**, **Sid Comley**, **John Gibson**, **Wayne Jackson**, **Norm Jago**, **Garry Knights**, **Gunter Manke**, **Rudy Novak**, **Bill Quayle**, **Frank Richards**, **Joe Rollheiser**, **John Van Aert**, **Henk Van Den Berg**, **Dieter Von Chorus**, **Pat Warwick**.

Gift recipients: **Doug Benz**, **William Burma**, **Ford Burrows**, **Larry Flynn**, **Herb Grass**, **Walter Harnett**, **Ted Hendy**, **George McKillop**, **Frank Richards**, **Don Roberts**, **Joe Rollheiser**, **Vern Scott**, **Jack Slykerman**, **Tony Swain**, **George Thom**, **Tony Turra**, **Pat Warwick**.



Neil Gray (right), former Dairyland Foods General Manager, congratulates **Herb Grass**, one of 17 gift recipients at the 27th Annual Quarter Century Club dinner. Gifts are presented to club members who are 60 years or older, and who are currently working for Dairyland Foods.

Merger Would Provide Many Opportunities

continued from page 1

Competition Policy on November 22. If given the go-ahead, the proposal would then be presented to the members of the four cooperatives, who would have final approval.

General Manager **David E. Coe** explains that a key motivator in seeking the merger is the likelihood

that "it would enable us to better meet our customers' needs. For example, it would allow us to service major accounts on a uniform basis, regionally or nationally. And it would allow us to coordinate sales, marketing and advertising efforts accordingly."

Mr. Coe explained that the merger would give the cooperatives

the size and scope necessary to optimize production and distribution efficiencies, which would, in turn, allow us to maintain and enhance product quality, increase our commitment to research and development, pursue new market opportunities and meet our larger, national competitors on an even footing.

Tetra Rex On The Move

In October, we changed more of our gable-top packaging equipment with the installation of a "TR/7" at Vernon — the first Tetra Rex filler installation outside Sperling. The TR/7, which is a smaller version of the TR/8 (two of which were installed at Sperling earlier this year) also runs the Tetra Rex carton, a package vastly improved over our old Pure-Pak carton.

The TR/7 is being used to package one litre, 500 mL and 250 mL cartons. **Paul Geier**, Vernon Plant Superintendent, says the new equipment runs more efficiently and causes fewer hassles than the equipment it replaced.

The TR/7 runs one product and size at a time, in contrast to the TR/8, which has two lines so that, if required, each line can be used to run a different size of package and a different product.

Geier says the installation at Vernon went extremely well, thanks to the team effort of: **Bruce McFarlane**, Engineering Manager; **Bill Knicely**, Maintenance Superintendent; **Anthony Au**, Manager of Automation; and employees in the Production and Maintenance Departments in Vernon.

Other recent installations of Tetra Rex gable-top packaging equipment include two LP800s at Nelson and two in Courtenay. At both plants, one LP800 is used for packaging two litre cartons, and the other for one litre, 500 mL and 250 mL cartons.

Although smaller than the TR/7, the LP800 can also be used to run two litre cartons, unlike the TR/7 and the TR/8. Because of that

difference, plants using TR/7s or TR/8s will have their two litre packagers converted to run the Tetra Rex packaging. (The advantage of the TR/7s and TR/8s is their speed.)

More installations are scheduled for

next year, when two LP800s will be installed in Prince George and one in Smithers. All installations and conversions should be completed in 1992, by which time all of our gable-top cartons will be produced using Tetra Rex packaging.



A brand new TR/7 is now installed and operating in Vernon.

1991 AIB Surveys Best Yet

This year's scores are better than ever! In the recent American Institute of Baking (AIB) surveys, conducted annually at all Dairyland Foods plants since 1985, we achieved an average score of 921 — our best average ever. The highest-scoring facility was the Annacis plant, awarded 955 points out of a possible 1,000 — the highest ever recorded by a Dairyland Foods plant.

Courtenay received the second-highest score with 940; Prince George, 935; Lozells, 930; Abbotsford, 930; Vernon, 925; Armstrong, 915; Smithers, 915; Sperling, 915; and Nelson, 850.

Under AIB guidelines, plants that

score from 900 to 1,000 are given a "superior" rating, while plants that score between 800 and 899 are rated "excellent."

Dairyland Foods itself requests these inspections, even though they are not required by law. Explains **Dennis Haner**, Sanitation Manager, "these inspections provide us with an unbiased look at our plants, ensuring that we maintain our high standards of sanitation."

The AIB conducts inspections on food industry plants, looking at sanitation, pest control, operational methods and personnel practices, maintenance for sanitation, and cleaning practices.

Hallowe'en Winners



Sperling Hallowe'en costume winners and friends Left to right: Sheila Holstine; Leanne Garlough; Pat Diel; Kellie Nishi; Dee Miolla; Nancy Tyskow; and Gianna Figliola (seated). Leanne, Nancy and Gianna, of the Home Service order desk, were the first prize winners of a restaurant gift certificate. The three dressed up as Hallowe'en fish and turned their office, which has windows on three sides, into a "fishbowl" (as their office is known around Home Service). Kellie was the second place winner and Sheila took third. Winners of the Great Pumpkin Carving Contest were: Bruce McBride, first place; Brian Moore, second; and Tres Purkis, third. Winners were selected by employee judges.

Anniversaries

The anniversaries listed are for employees who celebrated their work anniversaries in October, November and December, 1991.

40 YEARS

Bill Harnett, Ruth Morrison.

35 YEARS

Angelo Durigon.

30 YEARS

Victor Dick.

25 YEARS

Ed Dembroski, Gunter Manke, Dieter Von Chorus.

20 YEARS

Harry Burke, Peter Harkins, Al Hlady, Robert Janson, Bruno Lampart, Gary Opheim, John Osterberg, Hugh Robins, Tony Schalkx.

15 YEARS

Don Bloomfield, Cheryl Kirby, Ron Pelzer, Frank Storoshenko, Paul Tesan, Deane Thompson.

10 YEARS

Bill Cocker, Laurie Daniels, Keith Ferguson, Lorne Greene, Terry Hughes, Patrick Nerlinger, Mike Olsen, Bert Ongaro, Karen Ringrose, Rick Stelting, Hugh Taylor, Dennis Waddell.

Retirements

Ken Baldwin, a Checker/Loader at Sperling, retired in September after 24 years of service.

Glen Boe, a CIP Operator at Lozells, retired in November. Glen began his career in the dairy industry in 1950.

Larry Flynn, a Machine Operator at Lozells, retired in September after 40 years of service.

Willy Porter, Distribution Clerk at Abbotsford, retired in November after 21 years service with Dairyland Foods. Willy began his career in the dairy industry in 1952.

Barry Treasure, a Buyer in the Purchasing Department at Sperling, retired in September after six years with Dairyland Foods.

Ed Zaleski, a Checker/Loader at Sperling, retired in October. He began his career in the dairy industry in 1963 with Palm Dairies.

UW Campaign A Success



Dairyland Foods' 1991 campaign to raise funds for the United Way of the Lower Mainland achieved a total even greater than expected. Employees at Sperling, Lozells and Annacis contributed \$9,500. An additional \$3,350 was raised through various employee fund-raising events.

Dairyland Foods also contributed \$14,000 by way of a corporate donation, bringing the grand total to nearly \$27,000.

Currently, 98 per cent of United Way donations is used for its agencies and services. The majority of administrative costs are paid by the United Way Endowment Fund, set up in 1943 so the interest would cover those costs.

Barbara Luck, Home Service Operations Assistant, chaired the employee committee that ran this year's campaign.

Says Luck, "It would be impossible to list every single person who helped to make the campaign such a success, but without the help of dozens of employees, we would never have been so successful. Thanks to everyone who helped!"



news

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news

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Bureau Gives Nod To Merger; DPCL Withdraws

On February 12, the Bureau of Competition Policy gave notice that the proposed merger between Dairyland Foods and the prairie dairy cooperatives complied with the merger provisions of the Competition Act. Presenting the

proposal to the Bureau was the first step in realizing the merger. The final decision now rests with the cooperatives' members.

Following the Bureau's decision, Dairy Producers Cooperative Limited of Saskatchewan informed

the other cooperatives that it was withdrawing from the merger discussions. Dairyland Foods will continue to work with the two Alberta cooperatives to develop a proposal in preparation for a vote of the members.

GM Award Recipients



Proud winners of the first General Manager's Quality Challenge Award. Back row, left to right: Dieter von Chorus, Ernie Ladwig, Richard Smith, Harold Kilby; Centre row, left to right: George Ritnosik, Wendy Shushack, Kerry Barrett, Doug Karlson, Harry Bruderer, George Desrochers, Wade McLean; Forefront, left to right: Warren Tompkins (centre), and Lorne Vallee (holding trophy). Not pictured: Ralph Beaumont, Brent Brucker, Gary Bunke, Doug Capel, Bob Fowler, Norm Fowler, Doug Goldney, Craig Maishment, Paul McEachern, Don McLellan, Dave Nash, Simon Poole, Barrie Remple, Reg Sedar, Carl Shaw, Reuben Thiessen, Ian Tott, Don Winton. (For story, see "First. . .," page two.)

It's Our 75th!



Nineteen-ninety-two marks a special occasion for Dairyland Foods — it's our 75th anniversary! The Fraser Valley

Milk Producers Association ("cooperative" was added to the name in 1982) registered in 1913, but because of the First World War, postponed operations until February 15, 1917.

We've come a long way in 75 years, beginning as a distribution outlet in the Fraser Valley, and then continuing to expand in all aspects of milk processing until today, with facilities throughout British Columbia, we are B.C.'s largest food manufacturer.

Throughout 1992, watch for special events to mark this milestone in FVMPCA's history. (See "Calendar . . .," page two.) In the next issue of DF News, we'll feature a special section outlining some of the history of Dairyland Foods.

First GM Quality Challenge Award

A group of Sperling employees is the proud recipient of the first General Manager's Quality Challenge Award.

Winners of the award, presented at the quarterly Management Forum, are selected by the Senior Management Committee. **Tom Low**, Director of Training and Development, explains that the award, which "underlines our commitment to continuous improvement," can go to any employee team in the company. Questions regarding the award can be

directed to Low at Sperling, local 367.

At the December Management Forum, **Lorne Vallee**, Sperling Plant Manager, accepted the award on behalf of employees.

Vallee notes that many employees from various departments were also involved in the quality processes.

The award was presented by General Manager **David E. Coe**. Vallee notes that "by no means could this success have been achieved without the efforts of a large number of employees."

DF News Now Six Times A Year

With this issue, DF news returns to a bi-monthly schedule. In 1990, the frequency of DF news was reduced from six issues a year to four. In 1992, we return to our six issue schedule. We look forward to receiving story ideas from our readers — the employees of Dairyland Foods. Suggestions or letters to the editor can

be sent through inter-office mail or phoned in to me at Annacis. While all comments are kept confidential, we request that you include your name on anything you send so that you may be contacted if further information is required.

Grace Chadsey, Editor

ID Cards Now Being Issued

Smile, You're On Camera

Sperling employees walking through the main corridor between the plant and offices January 23 had an extra stop to make. They stepped into the conference room and had their pictures taken.

Under the new plant security system, every Dairyland Foods employee will be issued an identification card before the end of the year. The cards are a standard size and display a photo and name on the front, and a signature on the back. The purpose of the cards is to prevent access to company property

by unauthorized persons. The cards do that by ensuring that all employees within company



facilities are identified. Taking photographs of all employees at Sperling — the first facility to have the cards issued — took about three

Calendar Of Events



The employee social activities listed here have been tentatively scheduled in the Lower Mainland in recognition of Dairyland Foods' 75th anniversary.

April 2 - Pancake Breakfast

April 21 - Safe Driving Awards

May 15 - Office Employees

Jeans Day

June 30 - Canada Day Celebrations

September - Employee Barbecue, United Way Campaign

October 31 - Hallowe'en Dress - Up Contest

November 28 - Gala Christmas Dinner/Dance

November - Quarter Century Club Dinner

December 13 - Children's Christmas Party

December - Company Christmas Social

Details of regional events and activities are available from your branch or plant.

weeks. **Joe Dolnik**, who, along with members of the Security Committee is coordinating production of the cards, says these cards are just part of the process of upgrading security at Dairyland Foods.

New security measures being implemented at Sperling will incorporate this identification system.

Dolnik explains that in addition to supplying identification in the plant or branch an employee works at, the cards can also be used to provide identification at other branches and, for employees in sales, at customers' premises.

Introducing Aspen, A New Wave In Communication

Call Sperling and Lozells and you're likely to hear Aspen, a voice messaging software system that works in conjunction with the Burnaby switchboard. To date, 131 managers, supervisors, secretaries and sales representatives are "subscribers." Each has voice mail, a sort of electronic mailbox for voice messages that can only be accessed by subscribers using their personal passwords.

Aspen is an advanced method of processing information via the telephone. Among its advantages: outside callers can access the system 24 hours a day to leave messages, and subscribers can call their voice mail from a touch tone phone

anywhere in the world to receive messages.

Despite all this electronic wizardry, those who call during office hours can speak to a person at

"Aspen is an advanced method of processing information via the telephone."

the touch of a phone button, ensuring callers are given every option to obtain service.

Cathy McMorine, Manager of Office Services, oversaw the system's implementation. She says training is essential to ensure Dairyland Foods uses all of Aspen's benefits. A

representative from B.C. Tel, an Aspen distributor, first trained **Barb Luck**, Home Service Operations Assistant, and **Dee Miolla**, Office Services Secretary, as Systems Coordinators. **Carol Bochon**, **Pat Dill**, **Camille Hudson**, **Donna Jones**, **Kristina Kasumovic**, **Denise Loncarich**, **Becky Turner**, and **Louise Vanderley**, as well as Luck and Miolla, were then trained to teach the system to its users. McMorine says she was impressed with the team effort everyone put into the project.

Overall, Aspen is intended to create more efficient communication, save time, and provide better, faster service to our customers.

Nelson Plant "Re - Opens"



It's official! Mayor Bill Ramsden cuts the ribbon for the official re-opening of our Nelson plant. The opening, which took place January 6 and 7, was attended by about 100 producers and customers from the Kootenay region. The opening marked the completion of renovations and equipment upgrades at the facility. Dairyland Foods acquired the plant with the 1989 purchase of the mainland B.C. assets of Palm Dairies Ltd. Also attending the opening were (left to right) Bill Hooch-Antink, President of Dairyland Foods' Kootenay Local; General Manager David E. Coe; Association President Jim Waardenburg (right of the mayor); and Tom Galinis, Nelson Plant Superintendent. Branch Manager Frank Waters emceed at the opening ceremonies.

Coming Soon: Employee Handbook



The all-new Employee Handbook will be available for all employees

in a few months. **Blaine Ellis**, Director of Employee Relations, says this publication will provide a comprehensive collection of employee-related information, including safety, general employee guidelines, plant rules and regulations, and employee benefits. The Handbook, to be produced in a booklet format, is intended to ensure that all employees have a common understanding of their terms and conditions of employment. The book will also be given to new employees.

Retirements

November

NELSON — Vivian Wright, Office Clerk, eight years' service.

December

ABBOTSFORD — Elmer Armitage, Operator, 41 years' service; George Bartels, Train Driver, 34 years; Doug Benz, Holiday Relief Packager, 42 years; Erwin Budau, Packager, 33 years; Larry Dyble, Engineer, nine years; Jacob Fast, Semi-trailer Driver, 30 years; Fred Franks, Cottage Cheese Maker, 43 years; Herbert Grass, Machine Operator, 39 years; Edward Hendy, Sterilizer/Operator, 28 years; Vera Janzen, Packager, 26 years; Raymond Nelmes, Pasteurizer, 44 years; Henry Reger, Semi-trailer Driver, 30 years; Joseph Rollheiser, Combination Driver, 25 years; Antoine Turra, Machine Operator, 35 years; Ben Wiens, Trade

Helper, 40 years.

ANNACIS — Peter Millbank, Tetra Operator, 17 years.

BURNABY — Andre Daoust, Wholesale Driver, 29 years; Les Jorden, Janitor, 29 years; Stanley Sartain, Wholesale Driver, 37 years.

LOZELLS — Robert Sibley, Driver, 29 years.

VERNON — William Burma, Checker/Loader, 35 years; Norman Lutgen, Dairyworker, 21 years; Gerhard Zupp, Checker/Loader, 21 years.

TERRACE — Melvin Flewin, Route Foreman, 22 years.

January

ABBOTSFORD — Ronald Carmichael, Train Driver, 45 years.

Anniversaries

The anniversaries listed are for employees who celebrated their work anniversaries in January and February, 1992.

30 YEARS

Bill Amos

25 YEARS

Art Clark

20 YEARS

John Bisschop, Gary Bunke, John Chase, Anne Meagher, Richard Miller.

15 YEARS

Jim Fidler, Ron King, Ernie Ladwig, Wayne Tarlier, Al Trent, Bob Weibe.

10 YEARS

Denis Cale, Pat Diel, Camille Hudson, Graham Matheson, Jasmine Normandin, Darwin Nunemaker, Richard Smith, Mike Stoker.

In Memory

Cliff J. Bolderson, a retired Dairyland Foods employee, died recently. He began working with Dairyland Foods in 1947 as a Journeyman in the garage, becoming Assistant Foreman in 1969, and Fleet Analyst in 1976. He retired in 1981. John Giesbrecht of Maple Ridge, a retired Dairyland Foods employee, died January 4 at the age of 66. He worked for Dairyland Foods for 22 years, beginning in 1958 as a Route Foreman, and finished his career with the company in 1980 as a Branch Cashier.

Kenneth Wood, a retired Dairyland Foods employee, died recently. He began working with the company in 1960 as a Retail Driver, finishing his driving career in 1989 when he retired.

Harry Wood, who retired from his position of Plant Superintendent at Lozells in 1990, died recently. He began working in the dairy industry in 1950, joining Dairyland Foods in 1981.

New Appointments

In Alberta, Wayne Cosh has been appointed to the position of Branch Manager, Calgary. Dennis Arychuk has been appointed Branch Manager in Edmonton.

Wayne and Dennis are responsible for their branch operations and also assist the sales

departments in their respective areas. Both have experience working with direct store delivery customers. Neither of their former positions is to be replaced.

In Courtenay, centralization and increased production have led to increased responsibilities for Ray Waterhouse, who continues to be responsible for Courtenay plant operations, including processing, raw milk hauling, cooler/freezer functions, balanced product loads and outside carriers.

The responsibility for distribution from Courtenay is now handled by David Worsley, who also continues to maintain his position as Sales Representative for the northern portion of Vancouver Island.

At Sperling, David Insley joins the company as Manager, Internal Audit.



news

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Dairyland Foods Scoops Quality Achievement Award

A consistent commitment to quality has enabled Dairyland Foods to scoop first place in the Dairy Queen Quality Achievement Awards.

Of the eight dairies across Canada that received the award, Dairyland Foods had the highest score for the 1991 fiscal year, and as a result was also crowned with the Standard of Excellence Award and the title 'Supplier of the Year.'

The Quality Achievement Awards are handed out annually to the best of Dairy Queen's 14 mix suppliers, based on their abilities to meet stringent quality requirements

throughout the year. Requirements include achieving a score of at least 90 per cent on mix samples (Dairyland Foods scored the highest with 98.871 per cent), scoring at least 90 per cent on a mix plant inspection (Dairyland scored 96 per cent), and submitting all sales reports on time.

Meeting the requirements is a joint effort between sales, the lab and all operations and service functions, says Ed Winter, Sales Manager, Food Service Division. "Coming first is an excellent achievement because it's extremely tough to win," says Winter. Craig Maishment, Quality Control

Supervisor, says the standards Dairy Queen sets are extremely high, and what made the difference this year was improved compliance testing for butterfat and solids. The lab pulled together to provide more intense testing.

"I'm really proud of the quality assurance team. They make sure that everything is 'in spec.'" Maishment says.

"It's nice to win the quality achievement award," he adds, "but it's a little bit nicer to be the best in Canada."

An achievement, Maishment says, the team will strive to repeat.



Jerry Weiss, (right) Mix and Ice Cream Specialist from Dairy Queen, presents the 1991 Quality Achievement Award to some of the Dairyland Foods employees responsible for the achievement.

Merger moves on

The proposed merger between Dairyland Foods and the Alberta dairy cooperatives took two steps forward.

At their Annual Meetings in April, the Northern Alberta Dairy Pool Ltd. and Central Alberta Dairy Pool delegates passed resolutions authorizing their Boards to conclude and enter into a Merger Agreement with Dairyland Foods.

It now remains for the 2,000 members who own Dairyland Foods to ratify the merger proposal, which would bring the three organizations together under the name Dairyworld Foods. It is anticipated this vote will be held in the near future.

Safe Driving Awards Dinner Celebrates 25 Years



Lifetime Achievement Award winners....Back Row, left to right: Jeff Sutton, Fleet Manager; Walter Olleck; George Bartels; Bob Blackwell; Hank Reger; Wally King; Al Sawatsky; Jack Scott; Bill Woollett; Peter Brennan, Director of Distribution. Front Row, left to right: Ron Carmichael; Gordie Johnston; Stan Noga. Not pictured: George Penner; Doug McLellan; Bill Hodgins; Pat Mangan.

Driving is the bulk of our business. Dairyland Foods counts on almost 300 drivers to move product from the warehouse to the dairy case to the consumer's door. In 1991 the Dairyland Foods fleet logged 7,829,978 km, and some 279 drivers earned awards for achieving anywhere from one to 31 years of accident free driving.

This year's awards dinner, hosted by the Distribution department, marked a milestone in safe driving history. It was a celebration, not only of the drivers, but of the dinner itself, which turned 25.

On April 21, more than 80 Lower Mainland drivers attended the dinner at the B.C. Transportation Museum in Cloverdale. Out-of-town branches also sponsored dinners to honour their drivers.

Drivers received pins, rings and plaques in honour of their safe driving and thanks to key organizer, Cheryl Kirby, enjoyed a host of door prizes. Each driver also took home a blue and platinum 25th

anniversary commemorative mug.

General Manager David Coe said he was proud of the drivers and their excellent reputations: "You represent what Dairyland Foods is all about: the professionalism of employees."

President Jim Waardenburg said it was a remarkable feat to drive over a million miles accident free. He also applauded the drivers for their commitment and high profile in the community.

The highlight of the evening was the introduction of a special recognition award. This award honours every retired Dairyland Foods driver that has sustained 25 or more years of accident free driving.

Fleet Manager Jeff Sutton hand crafted the wooden plaque, and each driver also received a wooden milking stool, engraved with his name and the number of accident free years.

Peter Brennan, Director of Distribution, said the award starts a new tradition and will be given out annually to retired drivers.

Congratulations to all the Dairyland drivers who received Safe Driving awards

31 Years - George Bartels, Richie Elvin

29 Years - Malcolm Hayton

28 Years - Ron Flash

26 Years - Ford Burrows, Ron Carmichael, Chuck Linder, Henry Reger

25 Years - Gord Bremner, Don Hanson, Norm Jago, George McKillop

24 Years - Les Barnard, Jim Coleman

23 Years - Wade Schatz

22 Years - Bill Barnes, Jim Boyd, Eldy McCuaig, Ed Novakowski, Fred Yeomans

21 Years - Jack Gibson, Larry Kostiuk, Joe Rollheiser, Art Wagner

20 Years - Gord Brown, Jake Fast, Lorne McCallum, Hank Penner, Jim Pummell

19 Years - John Chase, Gus Gillespie, Tom Greer, Gerry Gulliford, Ian Harrison, Ed Hopko, Jim Janson, Brent Middleton, Bob Morson

18 Years - Wayne Jackson, Dick Johnston, Pete Karsten, Reg Long, Bob Sibley, Pat Warwick

17 Years - John Bisschop, Dave Moore, Jack Osterberg, Greg Singleton, Hank Stobbe

16 Years - Lloyd Bates, Bob Burden, Ron Burr, Al Chadsey, Jake Dyck, Dave Ellis, Dave Gibbs, Jen Potornay, Bill Sampson, John Simons, Rick Worsley

15 Years - Joe Beblow, Mike Fowler, Arnold Hadland, Gary Lawrence, Dave Mitchell, John Morton, Stan Parker, Doug Parker, Jim Thompson, Harry Willms

14 Years - Sam Chin, Norm George, Wayne Kerr, Don Modequillo, Gordie Plastow, Bob Rooney, Karl Springer

13 Years - Larry Muirhead, Steve Scott

12 Years - John Campbell, Rick Friesen, Bill Gregerson, Rich Miller, Rod Nickel, Verne Short, Terry Thorndike

11 Years - Ron Brown, Mark Davison, Rod Deakove, Larry Egely, Al Gruninger, Ken Smith, Ed Turmel, John Vander Ploeg

10 Years - Mark Davison, Dale Henry, Frank Kehler, Mike King, Vern Twaites, Bob Williams



75th Anniversary Message

Nineteen ninety two is a critical juncture in the history of Dairyland Foods. ¶ Looking ahead, we are optimistic that by the time summer rolls around, we will have evolved with others into a powerful regional organization capable of competing on a world scale. ¶ Looking back, we take tremendous satisfaction in knowing that whatever the challenges, we have consistently achieved our objectives: providing our customers with high quality dairy products at all times, providing market leadership in key areas such as new technology and product development and continuously upgrading our operations to build a strong and vital organization. ¶ It is our tradition that when pressed, we have emerged bigger and better than before. ¶ Throughout our 75 year history, it has been people who have made us the leading dairy foods marketer in Western Canada. Whether it's our employees, our members, or our customers, the strength and commitment shown by our people remain the bedrock of our organization. ¶ I hope you will join me in celebrating the 75th Anniversary of our operations. It is a tribute to everyone who has ever been associated with Dairyland Foods that we have come this far, and stand poised for even greater things in the years to come.

David E. Coe
General Manager and Chief Executive Officer

Through the years....

From buggies to milk cans to a top grossing food manufacturer employing the latest food technology, Dairyland Foods salutes 75 years for never ending, never faltering commitment to quality in all areas of its operations, of the past, the present and far into the future.

- 1913 Formation of the Fraser Valley Milk Producers Association.
- 1917 Cooperative starts production. Operations had been postponed because of the First World War.
- 1919 Purchase of the Chilliwack Creamery Association, Edenbank Creamery Association (Sardis) and the Richmond Dairy Company. In partnership with Guy Clarke, the Standard Milk Dairy Company is also purchased and renamed the Fraser Valley Dairies Ltd.
- 1920 Construction of a milk condensary plant at Delair; which was leased to the Pacific Milk Company.
- 1923 Purchase of outstanding shares of the Fraser Valley Dairies Ltd., making the cooperative its sole owner.
- 1924 Purchase of Pacific Milk Company.
- 1926 Formation of Port O'Van Ice Cream Ltd. by the cooperative and several other dairies.
- 1931 Formation of Associated Dairies by the cooperative and 10 other dairies.
- 1938 Port O'Van Ice Cream Ltd., is renamed Arctic Ice Cream and Dairy Company Ltd.
- 1943 Purchase of outstanding shares on Associated Dairies making the cooperative its sole owner.
- 1944 Purchase of Arctic Ice Cream and Dairy Company Ltd; renamed Arctic Ice Cream Division.
- 1957 Purchase of Westminister Ice Cream.
- 1959 Purchase of Shannon Dairies.
- 1964 Opening of the Burnaby Sperling plant, which is soon dubbed "North America's Most Modern Dairy Plant."
- 1968 Merger with the Comox Creamery Association. Purchase of Lakelse Dairies in Kitimat. Producers in the Bulkley Valley join FVMFA.
- 1975 Producers in Northern Interior join FVMFA.
- 1977 Purchase of Armstrong Cheese.
- 1981 Purchase of Silverwoods Dairy.
- 1982 Cooperative renamed the Fraser Valley Milk Producers Cooperative Association by virtue of its merger with North Okanagan Cooperative Association (NOCA).
- 1987 Purchase of Fraser Maid Dairy Products Ltd.
- 1989 Purchase of the B.C. mainland assets of Palm Dairies Ltd.



Preceding page: milk sniffer checks the freshness of the milk as it comes into the 8th Avenue plant from the farm in the 1940's.

Clockwise from top: butter making at the Sardis plant in the mid 1960's; labelling and packaging at the Pacific Milk plant, Abbotsford in 1948; checker loaders at work on the Sperling dock in 1964; vacuum capper and filler at the 8th Avenue plant in the 1930's; the FVMFA fleet in 1942; testing shipper's milk at the 8th Avenue plant in 1957; Neil Gray, former General Manager, at work in the 8th Avenue lab in 1948; ice cream packaging at the Sperling plant in the 1960's; Home Service drivers completing the day's paperwork at the 8th Avenue plant in the 1930's.







From top: horse drawn Home Service in the 1920's; customer's Pacific Milk display in the 1920's; hand packaging butter at the 8th Avenue plant in the 1920's; Sperling milk production in 1964.

Special Events

Celebrating 75 Years



In commemoration of our 75th year of business Dairyland Foods is planning some special events and offering exciting new souvenirs so employees can catch the spirit!

The Milky Whey Exhibit at Science World.



This dairy exhibit is on display at Science World and runs all through the summer, beginning on June 1. The exhibit was developed by Science World staff, the UBC Food Sciences Department and Nancy Baillie, Director of Quality Services. The exhibit will explain some of the scientific mysteries that go into the manufacture of dairy products. Baillie says that in addition to promoting Dairyland's 75th anniversary, the exhibit will dispel some common misconceptions about dairy products, like their fat, cholesterol and protein components. Baillie adds that the exhibit will use interactive demonstrations to explain how milk is homogenized, how cultured dairy products are made and how butter is produced.

Science World Open House



A special night for Dairyland Foods employees, members and customers is scheduled for May 28 from 6:00 - 10:30 p.m. It's a chance for you and your family to explore the world of science. Have a slice of anniversary cake, check out the Milky Whey exhibit, visit the Omnimax theatre and try some new Dairyland Foods products. Tickets are limited and are offered on a first come, first serve basis.

Dairyland Foods Brings the Farm to Science World



In honour of Dairyland Foods' 75th anniversary and the Milky Whey exhibit, Dairyland Foods and 4H Club members will give the children of Vancouver the chance to experience life on the farm. For three days in July, 4H members will exhibit and explain dairy farming to interested visitors.

Anniversary Souvenirs

Help Dairyland Foods celebrate its 75th by sporting a special edition anniversary sweatshirt, t-shirt or bomber jacket. There's a whole slew of anniversary items including sailing jackets, pens, pins, mugs, a tracksuit, hats, patio umbrellas, frisbees and an old style delivery truck piggy bank. The souvenirs will be ready for order by the end of May. A detailed list, photographs and ordering instructions will appear in the next issue!

QIP Meetings Lead to New Trucks and Trailers

Two new trucks and two new trailers have joined the Dairyland Foods fleet thanks to a quality improvement team at Sperling which has worked to increase productivity and make operations more cost effective.

Don Hobbs, DAWS & Shipping Department Supervisor, said the equipment couldn't have been purchased without a team effort: "The input of the drivers and working together as a group enabled us to show what the department required, why, and how to achieve what we needed."

The department has purchased a van and a dual temp truck. The truck is the only one of its kind operating out of Sperling and replaces the two medium temperature trucks previously needed for delivery to the hospitals. It will be used for a variety of dispatch functions including hauling ice cream and frozen foods for general delivery and pick-up duties. The van will be used for special



Dairyland Foods employees involved in the quality meetings.... Back row; left to right: Al Bennison; Ron McLean. Front row; left to right: John Quon; Don Hobbs; Len Mander; Steve Scott; Ed Walmsley. Not pictured: Art Clark; Chuck Bruce; Yosh Taguchi; Vic Dick; Bill Amos; Lorne McCallum; John McKay; Paul Radloff; Ted Moore.

deliveries, especially to downtown Vancouver, when a customer requires a part order immediately.

The two 48 foot semi trailer dry

box units replaced rental units and will be used mainly for hauling UHT products out of the Annacis plant to our customers in the Lower Mainland.

Searching For Desert Gold Improves Sales Skills



Steve Uzick, (left), Regional Manager of Interior Region and Ron Varley, (right), Distribution Manager of the Interior Region plan their strategic moves at the Sales Department's annual conference.

Dairyland Foods' Sales and Marketing departments scanned the desert in search of gold during the department's annual conference on April 9 and 10.

The group worked on team building and decision making skills in the Quest for Desert Gold session during the second day of the meeting.

Jerry Duncan, Vice President of Sales and Marketing, said that the exercise was not only fun, but helped focus on planning and teaching by getting employees to think on their feet. The teams had to work together, come up with and adjust their plan as market conditions changed; just as they would in a regular day on the job.

Breakfast a Flipping Success



Jim Jones (left) and Gordie Triffitt (right) chat with the Easter Bunny at the 3rd Annual Pancake Breakfast at Sperling, held on April 2, and sponsored by the Home Service department. Warren Tompkins, Home Service Manager, said between 600 - 700 showed up for breakfast, much of which was donated by various suppliers. Zory Drazenovic, Denise Loncarich, Guy Martel, Stan McHann, Terry Cotter, Sue Carlson, Mike Paine, Dianna Ibbot, Chris Strange, Laurie Johannson and Warren Tompkins all volunteered time and effort to organize the event, and Jim Defries donated his talent as the Easter Bunny. Several employees cashed in on the big Easter Egg Hunt, including: Bruce Haugen, with Gala Dinner and Dance tickets and a night at the Waterfront Hotel; Carol Nishi, with a gift certificate for the Cannery Restaurant; Becky Turner, with a 75th anniversary bomber jacket; Ron Flash, with a gift basket from Olde World Fudge; Jane Neville, Doug Karlson and Kathy Masterman, all with tickets to the Christmas dance; Steve Moreno with a 75th Anniversary sweatshirt; Colin Harris and Brian Halverson with anniversary t-shirts; and Tom Bastable and Lorna Fothergill with Dairyland Foods patio umbrellas.

Anniversaries

The anniversaries listed are for employees who celebrated their work anniversaries in March and April, 1992.

40 YEARS

Roy Stark

35 YEARS

Les Apps, Fred Brinson,

25 YEARS

Orvill Daehning, Howard Palmer,

20 YEARS

Kevin Price, Jim Waardenburg, Ron Frazer

15 YEARS

Wayne Doucette, Jim Hadwell, Diane Frank,

Fanny Rahn, Tony Zimmerman, Cathy

Warriner, Brian Bingham, Angie Szeto,

Marvin Day, Anne Marmont, George West

10 YEARS

Brian Kurtz, Greg Jewell, Darryl Cheney,

Diane Resetar, Dean Marshall, George

Desrochers, Lawrence Lalonde, Robert

Carver, Danny Armstrong, Robert Young,

Laura Ryland, Darlene Lafrentz, David Coe.

Sun Runners



Running, walking and jogging, 29 Dairyland Foods employees completed the 10 km, 8th Annual Vancouver Sun Run. Enthusiastic participants were Back row, left to right: Brent Brucker; Linda Jack; Cy Steward; Nancy Baillie; Victor Kirkman; Jack Ziefflie; John Loughheed; David Hsin; Derrick Out; Middle row, left to right: Nadine Tomlinson; Kristina Kasumovic; Christine Cardinal; George McKay; Guy Martel; Mike Bissell; Front row, left to right: Evelyn Hortobagyi; Zory Drazenovic; Jane Neville; Kelly Townsend; Warren Yee. Not pictured: Natalie Cholowski; Robert Hanbury; Noreen Fraser; Mike McGowan; Sheena Lanoville; Karen Klassen.

In Memory

Norm Tupper, former Assistant General Manager of Dairyland Foods, died on March 12. He began his career with Dairyland in 1948.

Retirements

Hugh Robins retired from his position of Branch Manager in Prince Rupert last January 18, after 21 years of service.



news

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Editor: Rhonda Emmerich
(Annacis Island, local 106)

Publications Assistant:
Chris Haner

Thanks to everyone who
contributed to this issue.



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Dairy Cooperatives Finalize Merger Agreement

On July 8, three western Canadian dairy cooperatives — Fraser Valley Milk Producers Association, Northern Alberta Dairy Pool, and Central Alberta Dairy Pool — announced that they had completed the final agreement for the merger of their respective organizations. The agreement follows membership approval of the three cooperatives. In June, FVMPCA members voted 90.85% in favour of the merger.

Under the agreement, the three cooperatives have been brought together under the umbrella of a single new cooperative known as

Agrifoods International Cooperative Ltd. and will now operate under the name Dairyworld Foods.

Dairyworld will have corporate offices in Burnaby as well as divisional and regional offices in Red Deer, Calgary, Edmonton, and Burnaby. Current brand names will continue to exist in their established markets.

The merger is a strategic response to competitive pressure in a growing and rapidly changing marketplace, explains David Coe, who assumes the title of President and CEO of Dairyworld Foods.

"Our goal is to create a dynamic organization capable of anticipating and responding to the changing marketplaces we serve, and which achieves a position of leadership within the international food industry."

The process of establishing a new organization from the three founding cooperatives is now underway.

Accordingly, a new Board of Directors has been assembled and a new senior management group called the Corporate Executive Council has been appointed (see page 4.)

Dairyland's 75th Celebrations Out of This World



Dairyland Foods celebrated its 75th Anniversary with a bash at Science World on May 28. Judging by

the smiles on everyone's faces, a good time was had by all! Close to 1,500 employees, members, customers and their family members joined the festivities. Lots of new products were sampled and visitors were treated to a sneak preview of the "Milky Whey" science show, which is co-sponsored by Dairyland Foods and runs all summer long. Thanks to all who came and to all who organized!



The Big Win



Forklift drivers, left to right: Bill Gurney; Bob Day; Mike Kutny.



Truck drivers, left to right: Rod Deakove; John Chase; Dean Grant; Brad Rendall; Bob Poirier; Terry Hughes.

Congratulations to our 1992 Dairyland Foods' Truck Rodeo team, which brought home the Team Trophy from the B.C. Professional Truck Driving Championships for the eighth time in ten years.

In the Walk-In Van category, Rod Deakove took first place and Brad Rendall second. In the Straight Truck category, John Chase was second and in the Straight Truck Tandem Axle category, John also took third place. Dean Grant took first place in the Single Single category and third place in the A-Train category. Two forklift drivers from Annacis, Bob Day and Mike Kutny, took first and second places respectively.

Thanks to Bob Poirier, Terry Hughes and Bill Gurney, although they didn't place; without their points we wouldn't have won the team trophy!

Deposit Means Milk Costs More

Quenching your thirst will be a lot more expensive if the provincial government's proposed beverage container deposit system becomes law.

In May, the Ministry of Environment, Lands and Parks introduced proposals for a Beverage Container Recovery System, under which all beverage containers would be subject to a deposit and handling fee. Any sized container up to and including one litre would cost an additional \$0.15 and containers over one litre would cost an additional \$0.30. Non-refundable handling fees would be charged over and above the deposits.

Under the proposal, most beverage containers would be returnable to retailers, or selected community depots. However, gable-top and aseptic cartons would be returnable to depots only. Consumers would receive one-third of their deposit for non-recyclable containers, two-thirds for recyclable containers and a full deposit if the container were refillable.

The proposal would be devastating for all beverage manufacturers, including dairy processors, says Dan Wong, Manager, Corporate Relations.

"It would cost the industry sales, and ultimately jobs," says Wong. "This system would discourage the consumption of milk and juice because of artificially inflated prices and the inconvenience of having to return empties to a depot."

Dairyland Foods has joined other beverage manufacturers in support of an alternative waste management proposal. "It would expand the curbside collection program to include all beverage containers, except refillables. This system would collect more waste at far less cost than the Ministry's proposed system," says Wong.

The Ministry's proposed system is estimated to cost consumers 141 million dollars in revenue in the first year alone, with half that retained by the government, says Wong.

"It's a high price to pay for material that makes up only 2% of total solid waste."

Closure Doesn't Disrupt Operations

Dairyland Foods customers who previously received their orders from the Cache Creek depot are receiving the same levels of service as always, say Steve Uzick, Regional Manager of the Interior Region.

"It worked out that the same drivers are servicing the same customers, so nothing has changed very much at all," explains Uzick. "We are still servicing the area six days a week. The only difference is that customers might get their deliveries a little earlier or a little later than they did before."

On May 31, Dairyland Foods closed the Cache Creek depot in response to a soft economy and a restructuring of operations in the region. Activities previously conducted from Cache Creek have been transferred to the Kamloops and Williams Lake branches with little disruption to daily operations.

Most of the former Cache Creek employees exercised their options to transfer along with the operations and the majority are now employed at the Kamloops branch, says Glen Schwartz, Vice President of Human Resources.

DAWS Employees Recognized For Quality Teamwork

On May 12, members of the DAWS Shipping and Warehouse Department were presented with the General Manager's Quality Challenge Award for their efforts and team work on the DAWS renovation project.

In an outstanding example of cooperation and teamwork between DAWS employees and the maintenance and engineering staffs, the project was completed two weeks ahead of schedule, and approximately \$100,000 under budget.

Renovations were needed to balance operations in the warehouse. "Renovations shortened the conveyor from 420 feet to 114 feet, and added a new palletizer, and two new loading bays. As a result, operations are much more efficient," says Bob Fowler, DAWS Manager.

Over 100 employees were involved in the project. All employees had the chance, through Quality Improvement Meetings, to express their suggestions and ideas for the renovations.

The credit for the success of the project has to go to the employees, Fowler says.

"Employee involvement was necessary to make the system work, and it is because of the employees that the system is as close to perfect as it gets."



DAWS daycrew (top) and night crew with the General Manager's Quality Award.



Home Service's Carton Recycling Project Expands

Dairyland's Home Service Department has stepped up its recycling efforts with a pilot project that adds gable-top and aseptic cartons to its list of recyclables.

Started last January, the project is a joint effort between Home Service and Dairyland's supplier, Tetra Pak Inc. The project has been tested on 10 Home Service Lower Mainland routes — about 5,000 customers — since February. In June, the decision was made to expand the project by an additional 15 routes, with the goal of serving all Lower Mainland Home Service customers by the fall of 1992.

Warren Tompkins, Home Service Manager, says that customer response has been excellent right from the start.

Customers are asked to make sure

the cartons are empty, washed and flattened, before being left for pick-up in the same spot they receive their Home Service deliveries.



Mike McGowan, Home Service Sales Representative, picks up cartons from a customer's doorstep.

The cartons are picked up by Home Service Sales Reps. during the course of their regular deliveries, and returned to the Burnaby Plant for baling. The bales are sent to a Washington State pulp mill for recycling through a process known as "hydropulping." Hydropulping involves soaking, separating, and mashing the material into a pulp. The pulp is used to make corrugated cardboard.

The first bale of cartons was delivered to Washington in mid June.

Home Service is committed to recycling, Tompkins says. "We recycle our plastic containers; now it's our cartons. And just recently we started to recycle our outdated order pads. We're always on the lookout for new environmental initiatives."

Retirements

Frank Richards retired from his position as Ice Cream Checker at Lozells on May 1. He started his career with Dairyland in 1966.

Joe Lahaise retired from his position as Distribution Dispatch Clerk at Lozells on May 1. He started his

career with Dairyland in 1962 as a Reliefman.

Francis Pargeter retired from his position as Wholesale Driver at the Nelson branch, on June 15. He started his career with Dairyland in 1967.



Retired Lozells employees: Frank Richards (left) and Joe Lahaise.

*Goodbye to **Ron Harvey** who left his position as Vice President, Dairy Division on June 30th after 31 years of service. Ron will continue his association with Dairyland, providing assistance and consultation from time-to-time as needed.*

Anniversaries

Congratulations to those employees who celebrated work anniversaries in May and June, 1992.

40 YEARS

Ernie Hein; Keith Miller

35 YEARS

Andy Redberger; Gordie Triffitt;

30 YEARS

John Gatto; Tom Sherbuck; Bob Toop; Neil Craig; Lorne McCallum

25 YEARS

Bram Van Reeuwijk; Bill Zieverink; Jim Dick; Jacobus Van Aert; David Mair; Harold Hames; Wade Schatz

20 YEARS

Charlotte Turpin; Robert Mitchell; Brian Halverson; Reg Gale; Bob Lachlan; Steve Papez; Dwight Parkes; Willis Carter; Fred Grabbe; Michael Reid; Greg Singleton; Al McRae

15 YEARS

Michael Rudd; Angus Hawksby; Robert Omand; Mary-Lou Wheeler; John Lougheed; Victor Chabot

10 YEARS

Karen Michal; Donna Timmins; Joyce Fish; Mike McVay; Carleen Hehn; Robert Day; Pauline Jensen; Larry Dyble



news

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(Annacis Island, local 106)

Publications Assistant:
Karen Gobeil

Thanks to everyone who contributed to this issue.



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New Appointments

Gary Ferguson has been promoted to the position of DAWS and Shipping Department Foreman. The Customer Service Department now reports to the office of **Stan Harder**, Director, Lower Mainland Dairy Division.

Shawn Strachan has been appointed to the position of Production Coordinator at Sperling. **Peter MacKillop** has been promoted to the position of DAWS and Shipping Department Foreman.

DAIRYWORLD APPOINTMENTS

Paul Corney from CADP is Vice President, Corporate Sales.

Jerry Duncan is the Vice President of Corporate Marketing.

Cliff Denny takes the post of Vice President, Administration and Chief Financial Officer.

Herb Kuchenbecker from CADP is the Vice President, Operations and Technical.

Glen Schwartz is Vice President, Human Resources.

Don Smith from NADP was named Vice President, Industrial Division.

Randy Williamson makes the move to Alberta with the post of Vice President, Dairy Division, Alberta. The position of Vice President, Dairy Division, B.C. is vacant and will be filled in the near future.

In Memory

Bob Frazer, former Branch Manager of Cache Creek, died on June 14. He began his career with Dairyland in 1972, and during his twenty years of service worked as a wholesale driver and supervisor before his management position at Cache Creek.

Dairyworld F O O D S BULLETIN

an information source for Dairyworld Foods' employees

Volume 1, Number 1

September 1992

A Message from the CEO

On behalf of your senior management group, it is my pleasure to welcome you to Dairyworld Foods, and to the inaugural edition of the Dairyworld Foods Bulletin.

It is our intention to publish the Bulletin on a timely, as-needed basis over the next several months in order to provide you with information about the organization and our vision for its future. Over time, the Bulletin may evolve into a broader company newsletter; in the interim, however, the information on these pages should give you a sense of the direction in which we are planning to go, and of some key considerations on the road to getting there.

By now you're aware that a variety of factors led to the merger of the three founding cooperatives. The new organization, Dairyworld Foods, currently boasts more than 2,700 employees and ranks as one of the largest food companies in Canada. The opportunities this creates make for an exciting time.

It is also, inevitably, a time of change and consolidation, and change is often unsettling. As we proceed with the integration of operations, many of the changes now taking place will have a direct impact on your day-to-day activities. We intend to make the transition as smooth as possible; however, should you have any questions or concerns, please feel free to contact your supervisor or a Human Resources Representative.

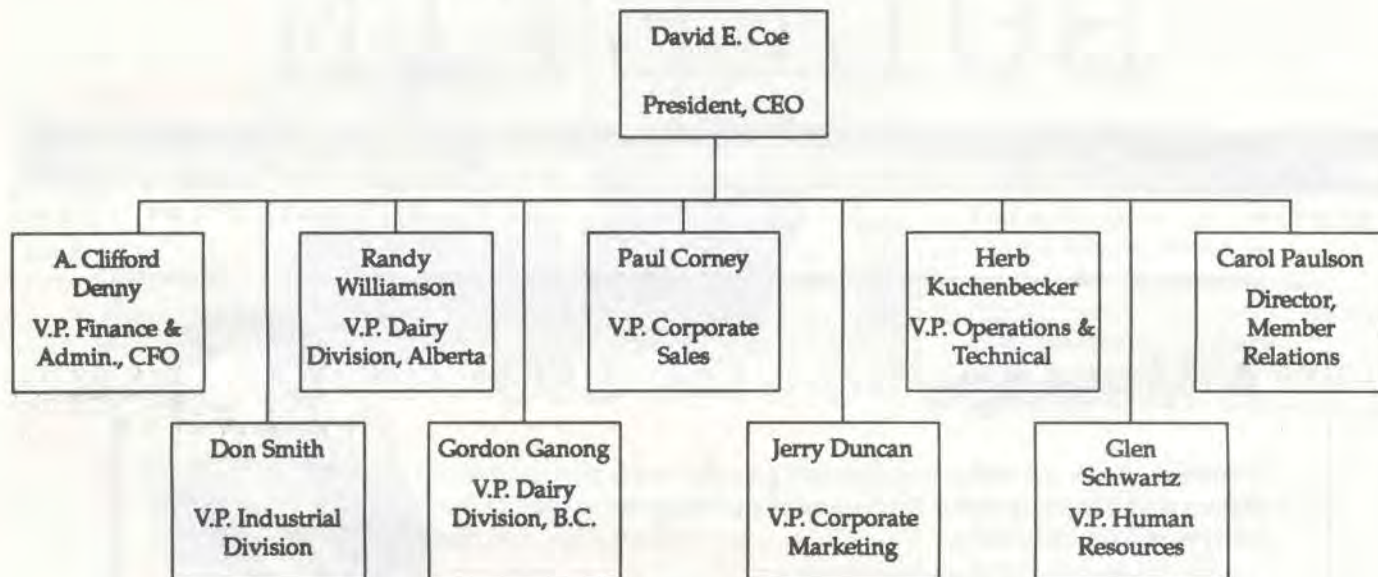
We are at a new beginning. As it says in our Mission Statement (see pg 2), Dairyworld Foods is "committed to achieving growth and a dominant position of leadership within the international food industry, so as to satisfy the long term expectations of our stakeholders." Clearly, you too are an important stakeholder in our new company and I look forward to your assistance in making it happen.



David E. Coe
President and Chief Executive Officer



Corporate Executive Council



Dairyworld Foods Mission Statement

Dairyworld Foods is a leading Canadian manufacturer, distributor and marketer of dairy and food products. We are committed to achieving growth and a dominant position of leadership within the international food industry so as to satisfy the long term expectations of our stakeholders.

This will be accomplished by:

- Providing competitive and superior food products so as to ensure

that our customers are completely satisfied.

- Achieving targeted levels of financial returns and business performance that meet or exceed food industry norms.
- Providing for the long-term, responsive marketing of our members' produce, and diligently representing their interests.
- Creating an environment of respect, dignity and self-worth so as to empower each employee

and afford each the opportunity for personal development, growth and satisfaction.

- Managing the business in a manner that ensures continuous improvement, innovation, productivity and safety through a participative and measurable process; being fair, equitable and supportive of members, customers, employees, suppliers and the communities and environment in which we operate.

Dairyworld Foods Appointments

Operations & Technical

The mandate of the Operations & Technical Group is to provide operational advice and guidance and a variety of technical services.

Gail Christy
Director, Technical Services
Reuben Thiessen
Director, Corporate Purchasing
Garth Green
Manager, Production Control Systems
Leonard DeBoer
Manager, Corporate Engineering

Industrial Division

The mandate of the Industrial Division is to continuously improve and profitably produce and market industrial dairy products of superior quality.

Alistair Johnston
Director, Cheese Operations
Frank Brinklund
Manager, Butter/Powder and Alberta Milk Supply & Pick-up
Ron Brown
Plant Manager, Ice Cream (B.C.)
Martin Minshall
Plant Manager, U.H.T. (B.C.)
Director of Sales
Vacant

Corporate Sales

The mandate of the Corporate Sales Group is to directly manage and increase National Account Business and indirectly support Divisional Sales initiatives.

Ian Tott
Manager, National Grocery Accounts (Burnaby)
Blair Marshall
Manager, National Food Service Accounts (Burnaby)
Jeff Johnstone
Manager, National Convenience Store Accounts (Calgary)
Merle Clarkson
Manager, National Grocery Accounts (Calgary)
Ed Winter
Senior Export Account Representative (Part-time)

Al Hollman

Senior Account Representative,
Federated Cooperative, Saskatoon
(Part-time)

Finance & Administration

The Finance & Administration Group is responsible for efficient and effective management of the company's assets and resources, as well as internal controls and legal counsel.

Maheb Nathoo
Director of Finance
John Loughheed
Controller, B.C. Region
Jack Kitteringham
Controller, Alberta Region
Glenn Voakes
Director, Management Information Systems
Nicola-Jane McNeill
Legal Counsel
Larry Umrysh
Director, Corporate Planning & Development
Roy French
Senior Advisor, Corporate Affairs

Dairy Division, Alberta

The mandate of the Alberta Dairy Division is to effectively integrate and consolidate Alberta plant and distribution operations into a profitable, customer driven Strategic Business Unit.

Bill McLeod
Director of Sales, Dairy Division
Peter Brennan
Director, Distribution and Branch Operations
John Leeder
Plant Manager, Calgary
Patrick McGinley
Plant Manager, Edmonton
Gordon Watt
Plant Manager, Grande Prairie
Adrian Henley
Plant Manager, Peace River
Olei Brosbol
Plant Manager, Lethbridge

Dairy Division, B.C.

The mandate of the B.C. Dairy Division is to maximize the long-term profit and return of the division and each of its four Strategic Business Units.

Bram van Reeuyk
Regional Manager, Vancouver Island
Stan Harder
Regional Director, Lower Mainland-Dairy Division
Steve Uzick
Regional Manager, Interior
George Thom
Regional Manager, North

Human Resources

The mandate of the Human Resources Group is to provide pro-active and progressive Human Resource advice, counsel and services.

David Morrison
Regional Director, Human Resources Alberta
Blaine Ellis
Regional Director, Human Resources B.C.
Tom Low
Manager, Training & Development
Dan Wong
Corporate Relations Manager

Corporate Marketing

The mandate of the Corporate Marketing Group is to support and satisfy the needs of our consumers and customers, through innovative product and marketing leadership.

Don Winton
Marketing Services Manager
Peter Robertson
Group Product Manager, Refrigerated Products
John Ondrusek
Group Product Manager, Frozen Products
Mike Bissell
Group Product Manager, Industrial Products
David Lynn
Group Product Manager, Non-Dairy Beverages

Organizing Philosophy and Principles

Dairyworld Foods is a new entity, federally incorporated as Agrifoods International Cooperative Ltd. As a new organization, Dairyworld Foods has a new mandate, new policies and new ways of doing things. In time, it's expected that the corporation will evolve a new identity and, ultimately, a new and dynamic 'corporate culture.'

To guide us in the integration of our various operations, our senior management group has developed a set of Organizational Principles which form the foundation of the new company structure. The key principals are as follows:

1) Identity:

All employees work for Dairyworld Foods, but there is a strong emphasis on retaining regional brand and community identities.

A lean corporate function is intended to provide strategic

guidance and direction.

2) Structure

Operationally, the company is structured on the basis of 'Strategic Business Units' (SBUs), each of which acts as a profit centre in and of itself.

In laying out the organization and planning job requirements, management starts from a 'zero base,' and maintains the premise that each position is necessary and will provide incremental value to the organization.

The organizational structure is flat, so that rather than having many levels, broader responsibilities (or 'spans of control') will be assigned to individual positions.

Positions are located wherever they have the greatest impact, whether at the corporate office, regional offices, or in the field.

3) Accountability

Where feasible, employees are

available to participate in 'matrix' arrangements, whereby they assume both regional and corporate responsibilities for individual tasks, projects and assignments.

When filling staff positions, a conscious effort is made to blend personnel from each of the merger partners. This is considered essential to facilitate cultural change, integration, and development of skills.

Accountability and commitment are intended to 'cascade' through all levels of the organization. Thus, leadership and direction, consistent with corporate objectives, flows through the organization, and communication moves up and down freely.

All roles are clearly established, defined and communicated throughout the organization.

A New Era for Marketing

With more than 4,800 stock-keeping units and gross sales of almost one billion dollars a year, Dairyworld Foods has emerged as one of Canada's largest dairies and food manufacturers.

Are we likely to see the Dairyworld label across store shelves throughout Western Canada?

Probably not; at least not in the foreseeable future. Consistent with the principle of maintaining strong regional identities, the new Dairyworld Foods marketing group plans to retain most of its

established brands in their existing markets.

Thus, the three major brands — Alpha, Dairyland, Nu-Maid — will continue to dominate B.C. and Alberta. Other brands such as DairyMaid, Pacific Milk, Armstrong and Fiesta have considerable brand equity and are unlikely to be removed from the market.

The task of integrating such a large group of products, which includes not only traditional dairy products but also juices, drinks, frozen foods and other food products falls upon the Corporate Marketing Department.

Dairyworld Foods' core strategy, will be to build on the strength of its localized trademarks, many of which are market leaders.

At the same time, the process of rationalizing the product lines, of eliminating unnecessary duplications and 'cannibalization' of markets, will be an ongoing task.

None of the necessary decisions is made in isolation. Each includes complex interactions between Operations, Research and Development, Purchasing and Finance personnel as well as the Product Manager.

Dairyworld

F O O D S

BULLETIN

an information source for Dairyworld Foods' employees

Volume 1, Number 2

December 1992

What's in a Name?

Some employees have expressed confusion over the difference between the use of the names Agrifoods International Cooperative Ltd., Dairyworld Foods and Dairyworld Foods Ltd.

To clarify, the company is incorporated under federal law as Agrifoods International Cooperative Ltd. Dairyworld Foods is the name under which it conducts business operations. The business name does not, however,

"Dairyworld Foods is the name under which it conducts business operations."

imply a parent/subsidiary relationship between Agrifoods and Dairyworld Foods. Rather, Dairyworld Foods is a registered trade name.

It is important for us to be consistent in the use of our business name. For all but a few

A Seasonal Message From the President

Nineteen-ninety-two

has been an exciting year for all of us at Dairyworld

Foods. It has been a year of unprecedented change and growth, and will continue to be so as we work towards completion of the amalgamation.

Over the past five months, employees throughout our new organization have dedicated their efforts to refining Dairyworld Foods' operations in anticipation of future challenges.

It has been hard work, and has brought a measure of uncertainty, but I am confident that with teamwork and enthusiasm, we will meet the challenges effectively.



As we prepare ourselves for a busy and challenging year ahead, let's be sure to take time this holiday season to enjoy the company of friends and family, and to take part in the spirit of the holidays.

On behalf of the Corporate Executive Council, I extend our best wishes to you and your family. Have a safe and happy Christmas season, and a joyous and prosperous New Year.

David E. Coe
President and Chief
Executive Officer

— primarily legal — applications, employees should use the name Dairyworld Foods. A corporate logo and letterhead will be available soon.

At the same time, employees should be aware that the name Dairyworld Foods Ltd. is *not*

synonymous with Dairyworld Foods. Dairyworld Foods Ltd. does exist as a separate company, but it currently owns no assets and is not active. The name may be used in the future, but until such time, employees should use the name Dairyworld Foods.

Alpha

Dairyland

Milkmaid

Dairyworld Foods Corporate Executive Council



David E. Coe
*President and
Chief Executive
Officer*

Mr. Coe's career in the food processing industry includes management positions with Fisher Brothers Inc. and Warner Lambert Canada Inc., which he held prior to his entering the dairy industry. In 1976, Mr. Coe joined Silverwood Dairies as Regional Manager for Central Ontario, and was later named Vice President and General Manager of Western Canadian Operations. In 1982, he joined Dairyland Foods as Operations Manager and was appointed Chief Executive Officer in 1986. In July, 1992, he was named President and Chief Executive Officer of Dairyworld Foods.

D. Paul Corney
*Vice President
Corporate Sales*



Mr. Corney has more than two decades of experience in the western Canadian dairy industry, having founded a successful cheese company with his father in 1972. After the family operation was sold, Mr. Corney joined the Alpha Milk Company as Sales Manager, and subsequently held a variety of management positions, including General Sales Manager of Fluid and Industrial Products.



A. Clifford Denny
*Vice President
Finance &
Administration,
Chief Financial
Officer*

In a career spanning more than 25 years, Mr. Denny has held senior positions in multinational and multi-product businesses in Canada, the U.K. and the United States. He joined the dairy industry in 1980 with Silverwood Dairies, holding several senior management positions. In 1990, Mr. Denny joined Dairyland Foods as Chief Financial Officer, and was named to his current position in July, 1992.



Dairyworld
F O O D S

Jerry W. Duncan
*Vice President
Corporate
Marketing*



Mr. Duncan has more than twenty years of management experience in the consumer products and food processing/marketing

industries throughout North America and abroad. He has also operated a private consulting firm specializing in marketing food products overseas. He joined Dairyland Foods in 1991 as Vice President Sales and Marketing.



R. Gordon Ganong
*Vice President B.C.
Dairy Division*

Mr. Ganong has over 20 years of business experience in the dairy, confectionery, retail gas and financial services industries. He spent 11 years with Island Farms Dairies Cooperative Association in Victoria, B.C., latterly as the General Manager. Before joining Dairyworld Foods, Mr. Ganong served as Vice President and Chief Operating Officer of Payless Gas Co. (1972) Ltd.

**Herbert M.
Kuchenbecker**
*Vice President
Operations &
Technical*



Mr. Kuchenbecker has more than 35 years of management experience within the dairy industry, including responsibility for the dairy operations of A & P Food Stores throughout the mid-eastern United States. He came to Canada in 1979 as Manager of Operations for Alpha Milk Company in Red Deer.



Glen N. Schwartz
Vice President
Human Resources

Mr. Schwartz holds an honours degree in Commerce from UBC, plus a variety of management and training qualifications. He has more than 15 years of personnel and industrial relations experience in the retail, brewing, printing and dairy industries. He joined Dairyland Foods in 1990 as Vice President Human Resources.

Don A. Smith
Vice President
Industrial Division



Mr. Smith joined Nu-Maid Dairies in Edmonton as a branch manager in 1966 and subsequently held a variety of management positions prior to being named General Manager in 1987. Mr. Smith is currently a director of the National Dairy Council of Canada and a member of the Policy Committee of the Alberta Dairy Control Board.



Randy W. Williamson
Vice President
Alberta Dairy
Division

Mr. Williamson studied Sciences at the University of British Columbia. He joined Dairyland Foods in 1974 as a delivery driver, and has since held a variety of management positions, including Home Service Manager, Distribution Manager, General Sales Manager and Vice President Industrial Division.

Dairyworld Foods Operations

Plants

B.C. DAIRY
Courtenay
Dawson Creek
Nelson
Prince George
Smithers
Sperling
Vernon

B.C. INDUSTRIAL
Abbotsford
Annacis
Armstrong
Lozells

ALBERTA DAIRY
Calgary
Edmonton
Grand Prairie
Lethbridge
Peace River

ALBERTA INDUSTRIAL
Barrhead
Bashaw
Calgary
Camrose
Glenwood
Medicine Hat
Red Deer
St. Paul
Viking
Wetaskiwin

Branches

A branch is defined as a facility owned by Dairyworld Foods that handles direct store deliveries (some also handle Home Service). Branches have full-time resident managers. Those marked with an asterisk are also plants.

B.C.
*Courtenay
Cranbrook
*Dawson Creek
Kamloops
*Lozells
Nanaimo
*Nelson
Penticton
*Prince George

*Smithers
*Sperling
Terrace
*Vernon
Victoria
Williams Lake

ALBERTA
Banff
*Calgary
*Edmonton
*Grand Prairie
*Lethbridge
*Medicine Hat
*Peace River
*Red Deer

Depots

A depot performs the same distribution function as a branch, but is smaller and is therefore managed from a branch.

B.C.
Abbotsford
Campbell River
Mackenzie
Port Alberni
Powell River
Prince Rupert
Revelstoke
Sechelt
Squamish
Vanderhoof

ALBERTA
Barrhead
Bonnyville
Brooks
Drumheller
Edson
Fort McMurray
Hinton
Jasper
Olds
Rocky Mountain House
St. Paul
Stettler
Vegreville
Vermilion
Viking
Wainwright
Wetaskiwin
Westlock

Dairyworld Foods Appointments

Since the last issue of the Bulletin, most of the major assignments to Dairyworld Foods have been made, and have not resulted in a net addition of employees.

Doug Casebeer, Sales Manager, Food Service - Edmonton

Jim Crosson, Partners Program Supervisor - Calgary

Graham Elliott, Distribution Manager - Banff

Charlene Foxcroft, Administrative Assistant, Reception - Norland/Burnaby

Brian Gooding, Distribution Manager - Red Deer

Brenda Groves, Executive Assistant, Finance and Administration Group - Norland/Burnaby

Jeff Grunewald, Sales Manager, Distributors - Calgary

Debi Hinkelman, Executive Assistant, B.C. Dairy Division - Sperling/Burnaby

Dianna Ibbott, Executive Assistant, Human Resources Group - Norland/Burnaby

Carole Jacobson-Hartwick, Executive Assistant to the President and Chief Executive Officer - Norland/Burnaby

Donna Jones, Executive Assistant, Operations/Technical and Member Services - Norland/Burnaby

Sheila Lambert, Executive Assistant, Industrial Division - Edmonton

Rick Letendre, Distribution Manager - Lethbridge

Denise Loncarich, Executive Assistant, Corporate Sales Group - Norland/Burnaby

Jeff Martin, Distribution Manager - Calgary

Ruth Morrison, Executive Assistant, Board Services - Norland/Burnaby

Dawn Nagai, Executive Assistant, Corporate Marketing Group - Norland/Burnaby

Jim Priest, Distribution Manager - Medicine Hat

Glenda Rouleau-Gardner, Manager Personnel Services, Alberta - Edmonton

Ray Stern, Distribution Manager - Edmonton

Jeff Sutton, Manager Distribution Services - Sperling/Burnaby

Glennis Thorpe, Executive Assistant, Alberta Dairy Division - Calgary

Neve Waterhouse, Home Service Manager - Calgary

Operational Developments

Since Dairyworld Foods was formed in July, a number of operational developments have arisen.

- Ice cream production has been moved from the Edmonton South plant to the Edmonton North plant, a development that was planned before the merger.
- Ice cream production at the Edmonton and Lozells plants has been reviewed with several changes forthcoming, including: cups and cones will be

produced in Edmonton, while all stick novelties will be produced at Lozells.

- Yogurt and cottage cheese production has been moved from the Red Deer cultured products plant to Sperling and Abbotsford.
- Dairyworld Foods has reached an agreement to purchase Flowerlea Dairy Ltd., which operates a small fluid processing plant in southern Ontario.

Corporate Office Now Open

Dairyworld Foods' corporate office on Norland Avenue in Burnaby, B.C., is now in operation. Please note the following information.

Street Address:
Dairyworld Centre
Suite 300 - 3920 Norland Avenue
Telephone: (604) 298-9600
Fax: (604) 268-1234
Mailing Address: P.O. Box 6590,
Vancouver, B.C., V6B 4C3

Operating Divisions

Dairyworld Foods has three operating divisions with headquarters at the following locations:

B.C. DAIRY DIVISION
6800 Lougheed Highway
Burnaby, B.C.
MAILING ADDRESS:
P.O. Box 9100, Vancouver, B.C. V6B 4G4

ALBERTA DAIRY DIVISION
Suite 110 - 1144 - 29th Ave. N.E.
Calgary, Alberta P2E 4P7

INDUSTRIAL DIVISION
16110 - 116 Ave.
Edmonton, Alberta P5M 3V4

Dairyworld FOODS BULLETIN

The BULLETIN is published by the Human Resources Department. For questions or comments regarding this publication, contact Grace Chadsey, Publications Editor, at the Annacis Plant.