

\$390m Maple Leaf plant brings 670 new jobs to Mountain

Emma Reilly

October 20, 2011

Hamilton has come out on top of a massive restructuring of Maple Leaf Foods' meat processing business.

The company announced its plans to build a \$395-million state-of-the-art meat processing plant in the Red Hill Business Park South Wednesday, a move that will bring 670 new jobs to Hamilton and add \$2 million to the city's property tax base each year.

Hamilton was among 24 cities in two provinces vying for the plant, a facility that Maple Leaf says will be the largest and most modern of its type in Canada. The deal has been in the works since January, but was kept so quiet that not even Mayor Bob Bratina knew what was coming.

The new plant may be a win for Hamilton, but it comes at a price for Maple Leaf employees across the country. Maple Leaf will close existing processing plants in Hamilton, Kitchener and Toronto, and three out-of-province plants in Saskatchewan, New Brunswick and Manitoba. They'll also be closing four distribution centres across the country. However, there will be no job losses in Hamilton as the employees at the Hamilton plant scheduled to close will be transferred to the new facility.

Tim McCabe, the city's director of economic development and planning, said the plant is completely different from the city's Maple Leaf proposal that fell through in 2005. That facility was a controversial meat processing plant that would have slaughtered 45,000 pigs a week.

The plant announced Wednesday will produce deli meats, processed meat and wieners. No slaughtering or rendering will be performed at the plant, and the facility is expected to produce minimal odours.

"This is meat coming in refrigerating trucks for processing. It's as clean as it could be," McCabe said.

The new location will "make the majority, not 100 per cent, but the majority of wieners for the entire country," said Maple Leaf Foods chief executive officer Michael McCain at a news conference in Toronto Wednesday afternoon.

"It will be the largest and most technologically advanced plant of its kind in Canada and on par with the best in its class in North America," said McCain.



Maple Leaf on the move. Maple Leaf says the goal of consolidating its facilities in Hamilton and closing other plants such as this one at Bartor Road in Vaughan is to enhance quality and food safety. Steve Russell/Toronto Star file photo
Source: Toronto Star file photo

Maple Leaf is no stranger to the business park. Subsidiary Canada Bread, now the anchor tenant of the park, began its operations there last month. That facility was a consolidation of three Toronto plants and brought 330 full-time jobs; 140 of those positions were filled by employees of the Toronto Canada Bread plants, while the remainder were local hires. It's not clear if the 670 jobs at the new Maple Leaf plant will be offered first to current Maple Leaf employees.

Neil Everson, the city's director of economic development, said Hamilton first got involved in the project when the Ontario Ministry of Food, Agriculture and Rural Affairs put out a call for applications on behalf of Maple Leaf in January. The city submitted a 20-page application detailing its development charges, property taxes, workforce and transportation network without knowing which company it was bidding for. In March, Hamilton learned it had made the short list.

Over the spring and summer, a team of about five city staff pursued the deal. In September and April, the city started buying more land in the business park to accommodate the new plant.

"There was a lot of hard work by a lot of people," Everson said.

However, council had no indication of what was coming until it met behind closed doors Wednesday morning to discuss the deal. They approved the plan only hours before Maple Leaf was scheduled to make its national announcement in Toronto just before 3 p.m.

It was that element of the process that led Councillor Brenda Johnson, whose Glanbrook ward includes the industrial park, to vote against the plan. She was the only councillor opposed. (Councillors Brad Clark and Russ Powers were absent).

"I really needed more time to assess it," said Johnson. "I just needed more time to go through the information so I'd be able to answer residents' questions. I needed to slow down a little bit."

City manager Chris Murray said he was "totally thrilled" about the project, but understood Johnson's concerns.

"We want to make this an absolute win for everyone," he said.

Mayor Bob Bratina could not be reached for comment.

The city and Maple Leaf will be hosting a joint news conference to reveal further details of the plan Thursday morning.

With files from Meredith MacLeod

Facilities slated to close

Burlington: 90,000-square-foot distribution and refrigeration facility on Harvester Road, 87 jobs, likely in first half of 2013

Hamilton: 87,000-square-foot processing facility for wieners, corned beef brisket, cottage rolls and breakfast sausage on Brockley Drive in Stoney Creek, 247 jobs. Lease expires in 2014

In 2013-2014:

Kitchener — Former Schneiders plant and distribution centre, dating to 1890, 1,200 jobs

Toronto — 55-year-old plant, original Shopsy's facility, 324 jobs

Moncton, N.B. — 400,000 square feet, 45 years old, 461 jobs

Winnipeg — Former Schneiders plant, 40 years old, 27 jobs

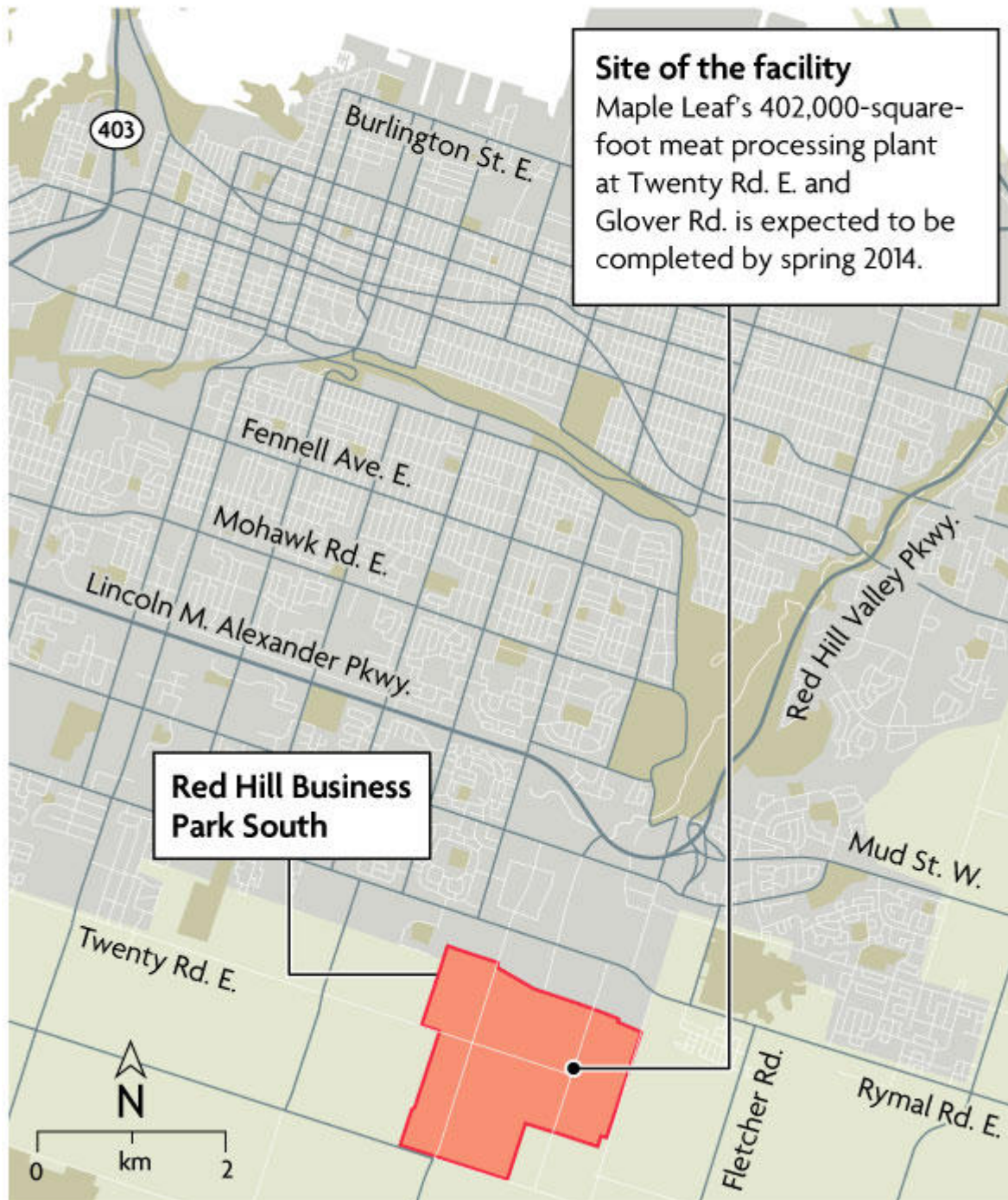
North Battleford, Sask. — Processes bacon, 24 years old, 332 jobs

Coquitlam, B.C. — Packaged meat distribution centre, 37 jobs

Compiled by Meredith Macleod

Maple Leaf moves in

The food processing giant had already established itself as the key tenant in a new 980-acre Hamilton industrial park after it launched production at its Canada Bread megabakery three weeks ago.



SOURCE: MAPLE LEAF FOODS

Dean Tweed // THE HAMILTON SPECTATOR

Maple Leaf strikes sandwiched between merger and new bread, cold meat plants

1991: Maple Leaf Foods forms as Maple Leaf Mills and Canada Packers merge.

1994: Maple Leaf acquires 87,000-square-foot processing plant on Brockley Drive in Stoney Creek.

1994: Opens \$7.2 million Harvester Road distribution centre in Burlington.

1997: A bitter strike grips Maple Leaf's processing plants in Burlington and Hamilton. Company threatens to close the Burlington plant putting 900 people out of work. Burlington workers out for 15 weeks, Hamilton's 275 workers locked out for six months.

1998: The Burlington plant gets a \$12-million upgrade, setting the stage for a second shift of 600 jobs.

2005: Hamilton is announced as preferred site for \$250-million pork processing plant billed to bring 2,500 jobs and replace the Burlington site. Maple Leaf walks away in the face of council and citizen opposition.

2006: Maple Leaf announces it is selling its Burlington plant, which employs 1,200, citing a new direction away from pork processing in the face of rising costs and falling prices.

February 2010: Maple Leaf says it will build a \$100-million Canada Bread bakery in the Red Hill Business Park on the same site it eyed for a pork plant.

November 2010: Sun Capital Partners pays \$20m for Burlington plant.

September 2011: Maple Leaf officially opens Canada's largest bakery in Hamilton

Oct. 19, 2011: Company announces it will build \$395-million meat processing plant in Red Hill Business Park



The former Maple Leaf pork plant in Burlington – Photo by Barry Gray

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