

# Old Dutch opens new Calgary plant



Old Dutch Foods Ltd., Winnipeg, Manitoba, was organized in October, 1955. The original distribution of Old Dutch Potato Chips in the Winnipeg area was merchandise imported from the East Grand Forks, Minnesota, plant of Old Dutch Foods, Inc. in the U.S.A. Annual volume grew to in excess of one million dollars by 1959 when distribution had been established in the area from Thunder Bay, Ontario, to Vancouver, British Columbia.

In May, 1959, manufacturing operations commenced in Winnipeg. Sales growth has been steady since that time. The manufacture of other items was also started, such items being cheese corn, corn balls, popcorn twists, onion rings, and so forth. Jobbing items such as nuts, candy items, pretzels and so forth also contribute to volume. Canadian sales for the fiscal year ending May 31, 1970, amounted to \$10,070,000.

A summary of potatoes used and pounds of potato chips produced for the years 1968 and 1969 and the seven months ended July, 1970, are shown as follows:

	1968	1969	January 1- July 31, 1970
Lbs. of potatoes used	37,380,273	39,468,378	22,424,112
Lbs. of potato chips produced	8,588,362	9,171,298	5,274,408

Construction of the plant in Calgary was begun in the autumn of 1969 and substantially completed by June of 1970.

Calgary was selected as the appropriate plant site because of its proximity to the potato growing area to the south and east and the growing population areas of Alberta and British Columbia. The building is approximately 62,000 square feet and the land purchased is 5.6 acres. Investment in the Calgary plant as of August 25 amounts to the following:

Machinery and Equipment	\$ 588,485.56
Building	620,894.02
Land	49,098.25
Office Furniture and Equipment	6,790.50
Semi-trailer Units	55,770.00
	<u>\$1,321,038.33</u>

The company estimates it will use 34 million pounds of Canadian grown potatoes during the year 1970 of which eight million pounds will be Alberta grown potatoes for use in the Calgary plant. During the year 1971 when they will have a full twelve months operations in Calgary, their

usage of Alberta potatoes will be approximately 18 to 20 million pounds.

The company works with independent growers on a "cash crop" contract basis, with suppliers in Taber, Vauxhall, Three Hills, Bardett, Rosemary and other communities.

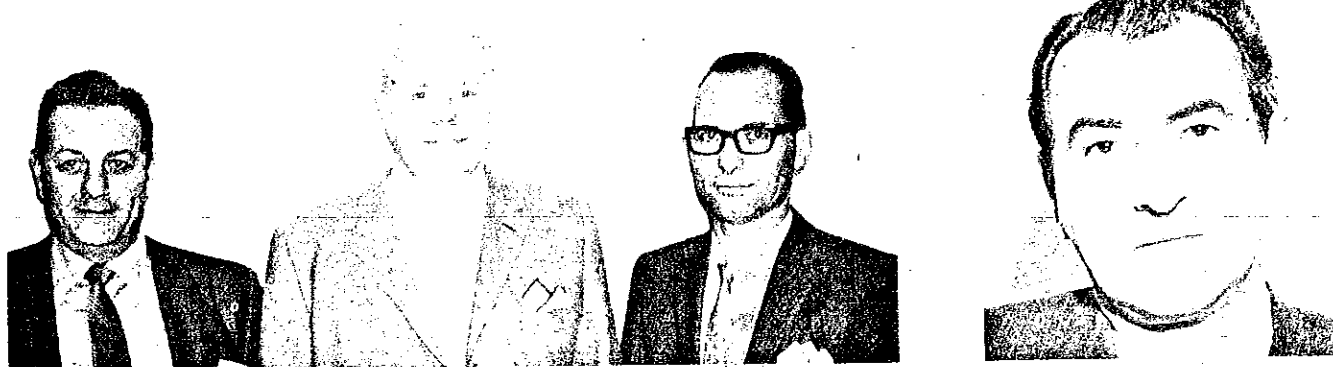
The plant uses 70,000 to 80,000 pounds of potatoes per day. Of this only 500 to 600 pounds are lost in peeling and trimming.

Spuds are unloaded onto rubber conveyor belts to avoid bruising. Bruising may cause breakdown when spuds are in storage. There is a saying at Old Dutch that "potatoes should be handled like eggs."

Lowered onto pallet boxes by a rubber conveyor, they are then placed in a conditioning room to lower the sugar content. Each pallet box holds approximately 2,300 pounds of spuds. The conditioning room has a 600 pallet box capacity.

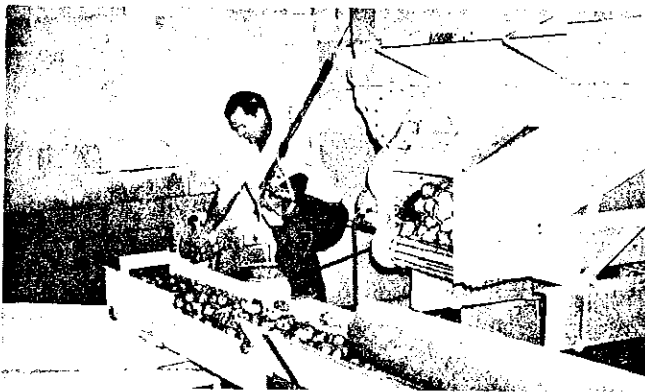
The conditioning room is specially controlled as to heat, humidity and air circulation. The room is kept at 70 degrees F. The spuds are stored from 3 to 6 weeks depending on the time needed to lower sugar content.

A sugar content of about 1% is average with 1½% being the maximum allowed. The lower the sugar content the lighter the color of the



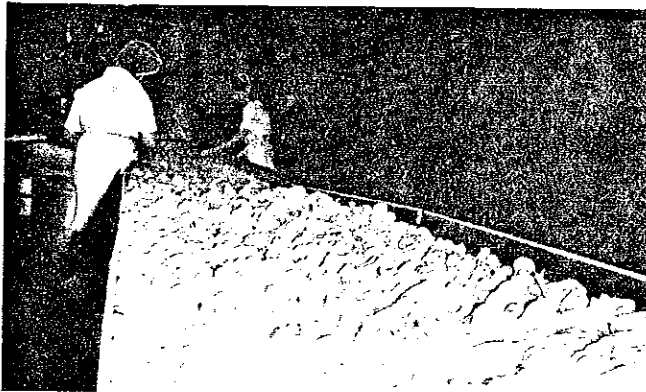
LEFT TO RIGHT: Fred Mussellam, southern Alberta, branch sales manager; Vernon Aansen, president, Old Dutch Foods Limited; Martial Boulet, plant superintendent of new Calgary plant.

JOE LAMONICA, general sales manager for western Canada.



WHERE IT ALL BEGINS: Load of potatoes starts on the processing line on way to become Old Dutch potato chips.

OLD DUTCH POTATO CHIPS, shown as they move along the conveyor belt to the packaging lines.



FRED KUEHN, who heads the chip fryer operation, points out his product with keen interest.

READY FOR DELIVERY: as the finished product, the package of Old Dutch Bar-B.Q. potato chips is ready for the shipping carton.



chips and the better frying condition.

The potatoes are transferred from the pallet onto the rubber conveyor belts and then augered into the peeling machines. From here the potatoes go to the inspection table, where they are examined for any necessary trimming. The spuds then pass through a vertical washer. It is vertical for two reasons: as a space saver and to eliminate any stones, etc., before they get to the slicer. The slicer is a circular arrangement with eight razor sharp blades (straight or special for ripple chips). These blades nick very easily (reasons for vertical washer elimination of stones) and are not re-sharpened but replaced with new blades. Each blade is worth about 30c. The gravity of the spud determines the thickness of the slice.

The slices then pass through a wash of water. They then pass over a shaker to eliminate excess water and small pieces before going into the fryer. It takes about 4 pounds of spuds to make 1 pound of chips.

The fryer can operate at a 3,100 pound per hour capacity and burns 20 million BTU's natural gas per hour. They operate approximately 7½ hours per day. The fryer uses 160 gallons of polyunsaturated cottonseed corn oil per hour. The oil is at 375 degrees F where it comes into the fryer and approximately 355 degrees F at the end of the fryer. The oil is checked many times a day.

The chips then pass through a salter-seasoner and roll on to the packaging machines.

Tests are made on the chips every hour for salt, moisture, oil content, etc. A machine for adding Barbecue, Onion & Garlic or Salt & Vinegar flavouring is operated off the conveyor. The chips are flavoured then carried to different packaging machines. The packaging machines are checked at least every 10 minutes to ensure that they are packaging at a uniform preset rate. It takes approximately 20 minutes from the time the spuds leave the pallet box until they reach the packaging machine.

Packaging materials are special types of paper supplied by E. S. & A. Robinson (Canada) Ltd., Toronto. The packaging must be stored in a room with 60% humidity to avoid becoming brittle and causing breakage on the machines.

The plant is planning to expand later this winter to include other Old Dutch Snack Items.

They expect to add equipment to

produce products such as cheese corn, corn balls, popcorn twists, corn chips, onion rings and other items. The plant employs 63 employees, all Canadian.

The warehouse has 4 truck loading docks with room for two more, and at the back of the warehouse there are provisions for loading and unloading rail cars. The plant has 300 feet on either side for expansion if required.

A laboratory is in operation to make various tests on the products.

In a recent news release of the Canadian Potato Chip Association to business members comparative figures are shown for 1968 and 1969 of potatoes used and potato chips produced by the Canadian potato chip industry and the per capita consumption of potato chips. 1970 will produce a further increase of per capita consumption by Canadians of potato chips.

#### 1969 Potato Chip Statistical Report

	1968	1969	% Change
Total Pounds of Potatoes used — (lbs.) (Canadian and U.S. Imports)	359,253,408	393,295,639	+8.66
Total Pounds of Potato Chips Manufactured (lbs.)	82,803,715	85,692,324	+3.77
Total Pounds of U.S. Potatoes Imported (lbs.)	52,094,410	46,050,939	-11.6
Percentage of U.S. Potatoes to total Potato Requirement	14.5%	11.7	-2.8
Per Capita Consumption (lbs.)	3.95	4.07	+0.12

The 1969 survey represents sixteen out of seventeen Potato Chip Manufacturers reporting. Per capita consumption is based on Dominion Bureau of Statistics 1969 Canadian Population report of 21,061,000.

# THIS IS GROWING COUNTRY

And at **Old Dutch** we're proud to be growing with it.



Yes, we are proud of the location and site of our new \$1,500,000.00 plant in Calgary.

Proud of our gleaming new equipment and machinery that will manufacture our top quality line of "Everybody's Flavour Favorite" snack foods.

Now we'll be able to offer our Alberta and British Columbia friends and customers even 'fresher' products, even 'prompter' service.

Our 63 new employees will see to that.

We'll be using Alberta produce too. By the end of 1971—approximately 18 to 20 million pounds of Alberta grown potatoes will go into our famous Old Dutch Potato Chips.

We like the people. We like the area. And we like being part of Canada's fastest growing country. We're looking forward to booming years ahead. That's why we picked the west to grow in.



## Old Dutch FOODS LTD.

*Everybody's Flavour Favourite*