



Section 1.0

Introduction

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This report documents the Environmental Impact Statement (EIS) of the proposed OlyWest pork processing facility and is submitted as supporting documentation for the formal Proposal. This assessment report covers the construction, operational, and decommissioning stages of the proposed development.

1.1 OVERVIEW OF OLYWEST

OlyWest is a unique partnership initiative between three Canadian pork industry leaders. OlyWest will combine the hog production expertise of Hytek Ltd. and Big Sky Farms Inc. with the processing expertise of Olymel S.E.C./L.P. Hytek Ltd., of La Broquerie, Manitoba and Big Sky Farms Inc., of Humboldt, Saskatchewan, are Canada's second and third largest hog producers. Olymel S.E.C./L.P., of St. Hyacinthe, Quebec, is Canada's largest pork processor.

Hytek Ltd. was originally founded in 1994 in southeastern Manitoba and today has operations across North America. Hytek produces and sells over 1 million hogs each year in Manitoba and in the United States. Hytek currently employs 360 people in key operational positions including: production & genetic management, veterinary services, nutrition, research & development, quality control, environmental management, transportation, information management systems, sales, and human resources. Hytek's strong success and track record is attributable to its unwavering commitment to their employees and the communities in which Hytek does business with.

Big Sky Farms Inc. entered the hog production business in 1995. Big Sky produces over 1 million pigs per year, mainly in operations in Saskatchewan and western Manitoba. Big Sky currently employs over 500 people in its company, and the corporate Mission Statement is "To be the Canadian Leader in the Efficient Production of Pork in a Socially Responsible Manner". The company's core values focus on valuing employees, being positive contributors to the communities in which they operate, to be responsible stewards of the environment, and to provide value for their shareholders.

Olymel S.E.C./L.P. is Canada's largest pork processor and produces pork and poultry products under the Olymel, Lafleur and Flamingo foods brands. Olymel generated \$2.1 billion in sales in 2005 in the processing and distribution of pork and poultry meat products. Of this, 45% are exported outside of the country. Olymel currently operates 18 slaughtering, processing and distribution facilities and, in total, processes four million hogs, four million turkeys and eighty million chickens annually. Olymel employs over 10,000 people nationally, and is a lead player in protein processing in Canada.

1.2 GENERAL PROJECT DESCRIPTION

This development proposal is for the construction and operation of the proposed OlyWest pork processing facility in the St. Boniface Industrial Park in the City of Winnipeg. Figure 1.1 shows the proposed location of the processing facility. This EIS document is being submitted to describe the construction and operational effects of the proposed pork processing facility. This document has been prepared in general accordance with the Manitoba Conservation document "Advice Document for OlyWest for the Preparation of an Environment Act Proposal for a New Hog Processing Plant in Winnipeg" issued on June 13, 2006. This Advice Document is available at:

http://www.gov.mb.ca/conservation/envapprovals/registries/olywest/final_advisedoc.pdf

The proposed OlyWest pork processing facility will be located on a 19 ha (48 acres) section on the west side of the 46 ha (114 acre) parcel of land with a total floor area of approximately 35,415 m² (381,200 ft²). The legal description of the site is Block 202 Roman Catholic Mission Property Plan 433 WLTO and all those portions of Blocks 159, 166, 195, 196 and 201 Roman Catholic Mission Property Plan 433 WLTO, which lie to the South of the Southern limit of the Right of Way of the Greater Winnipeg Water District Plan 2474 WLTO. Exc out of said Block 202, Parcel A, Plan 14869 WLTO. The proposed facility is proposed to employ 1,134 employees and will process, at full capacity, approximately 9,000 hogs per day with a line speed of 600 hogs per hour. The proposed OlyWest facility will pre-treat its process-generated effluent prior to discharge to the City of Winnipeg sanitary sewer system. The sanitary and pre-treated wastewater will be transported to the City of Winnipeg North End Water Pollution Control Centre (NEWPCC) via an interceptor sewer line for final treatment. Pre-treatment will consist of screening and a Dissolved Air Flootation (DAF) system to remove and recover particles of meat, fat, bone chips, and other extraneous solids prior to discharge to the City of Winnipeg system. The proposed OlyWest facility will include a protein recycling facility for the processing of blood, bone, trimmings, "dead on arrival" (DOA) hogs, and pre-treatment sludge into tallow, blood meal and meat and bone meal on a continuous basis. The protein recycling facility will be an integrated plant process and will operate at approximately the same time as the processing plant. The protein recycling facility will be enclosed in the plant and will include particulate cyclones, room air scrubbers and high intensity gas scrubbers for odour control.

The environmental goal of the proposed OlyWest pork processing facility is to ensure the plant is designed, constructed, operated, and eventually decommissioned in full compliance with all environmental requirements of the Province of Manitoba.

1.3 REGULATORY PROCESS

The Environmental Assessment (EA) and licensing of projects in Manitoba is legislated under The Environment Act (the Act) and its subsequent regulations and guidelines. The Act is administered by Manitoba Conservation. Under The Environment Act Classes of

Development Regulation (Regulation 164/88), there are three Classes of Developments; Class I, Class II; and, Class III ranging from least disruptive (primarily the discharge of pollutants) to most disruptive (effects of which are of such a magnitude or which generate such a number of environmental issues that it is as an exceptional project). Manitoba Conservation's "Advice Document for OlyWest for the Preparation of an Environment Act Proposal for a New Hog Processing Plant in Winnipeg" indicates that the proposed development is considered a Class I development.

An interdepartmental Technical Advisory Committee (TAC) has been established to provide advice and guidelines for the assessment of potential environmental effects as well as to aide in the preparation of an appropriate EA report. By agreement between the Province of Manitoba and the Federal Government through "Canada-Manitoba Agreement on Environmental Assessment Cooperation", the TAC consists of provincial department technical staff and federal representation as a matter of protocol. This procedure has been adopted in order to facilitate a coordinated approach to the review of proposed projects where both the provincial and the federal jurisdictions have a legislated requirement or interest in the EA and review of such projects.

This present document forms the EA Report for the proposed development and is submitted in conjunction with a written Proposal. If the Director is satisfied that the EA Report and the Proposal are complete, these documents will be deposited with the local and central Public Registries for comment within 30 days of their receipt which will also be advertised in local newspapers. The Minister of Conservation has already publicly committed to requesting the Clean Environment Commission (CEC) to hold a public hearing on the proposal. The advertisement will also formally advise the public that the CEC hearings will take place and will request those who will be affected by the Proposal and wish to make a representation to serve notice to that effect in writing within 30 days of the date of the advertisement. A review of the Proposal and EA report by the interdepartmental TAC will be initiated by the Director within 30 days of the advertisement.

The CEC hearings will be held after the public has been given a reasonable amount of time to review the Proposal and the EA report. The CEC hearings will provide advice to the Minister of Conservation as a component of the Department's assessment of the Proposal.

An Environment Act Licence with appropriate terms, limits and conditions would be considered by the Director after the public and TAC have reviewed and submitted their comments on the Proposal and EA report and after the CEC hearings recommendations have been received. The recommendations of the CEC hearings would be submitted to the Minister of Conservation subsequent to the completion of the hearings.

The Director may refuse to issue a Licence once the assessment process is completed and would inform the concerned parties within 30 days of that decision. If a Licence is issued,

there is a 30-day period where an appeal can be made to the Minister of Conservation by any party affected by the issued Licence.

1.4 SITE SELECTION PROCESS

The involvement of Hytek Ltd., Big Sky Farms Inc. and Olymel S.E.C./L.P. resulted in considering locations for the proposed OlyWest site within either Saskatchewan or Manitoba. The general requirements for the site were a City with a population of more than 100,000 people to accommodate the staffing requirements of the plant. It was further desirable to locate the facility where there was existing or pre-existing experience with the meat packing industry. The infrastructure was required to be capable of accommodating plant requirements along with all provincial and municipal environmental regulations. The specific site requirements were that the site zoning had to be compatible with the plant and that no rezoning was required, with an industrial park setting preferred. Existing transportation routes were also required for truck and potential for future rail access to the site and that these routes minimize interaction with existing and planned residential areas. The site had to be within the City limits for the transportation of the workforce and presence of wastewater treatment infrastructure. It was desirable that the local infrastructure could be developed with reasonable expenditures.

The specific location in Winnipeg was chosen because:

- The site is zoned M3 and is located well within an existing industrial park, therefore no rezoning was required;
- The site is a large tract of land that provides maximum separation distances to residential area but is close enough to ensure convenient access to the plant by the future labour force;
- The pre-treated wastewater can be accommodated at the City of Winnipeg NEWPCC;
- The specific location does not require establishment of any new truck routes;
- The site can easily accommodate incoming highway traffic due to its location on Winnipeg's east side;
- The proximity of the Canadian National (CN) Railway's Symington Yards to the south of the proposed site provide good potential for future rail accessibility; and
- City of Winnipeg Transit service can be accommodated at the site.