

# News from

Manitoba Cattle Enhancement Council  
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For Immediate Release

## **MCEC announces new corporate structure for new Winnipeg beef plant**

### **Beef plant changes name to Keystone Processors Ltd.**

**Winnipeg, December 4, 2008** –The Manitoba Cattle Enhancement Council (MCEC) announced today the reorganization of the corporate ownership of the province’s newest beef plant. The plant – formerly a Maple Leaf pork plant at 663 Marion St. – is now owned and operated by Keystone Processors Ltd. and is open to all Manitoba cattle producers as well as multiple processing companies.

MCEC joins Natural Prairie Beef Inc. as the first two shareholders of Keystone Processors Ltd. The new company expects to welcome additional shareholders as the plant begins operations.

“The new ownership structure is beneficial for a number of reasons,” said Kate Butler, executive director of MCEC. “For example, it creates a parent company with room for investors that will run the plant for the benefit of all Manitoba producers. Plus, the name itself is a visible reminder that the plant’s very modern facilities can be used to process and bring a variety of Manitoba beef products to market.”

MCEC announced the purchase of the plant originally on behalf of Natural Prairie Beef Inc. in July 2008. That brought the total investment by MCEC into the venture to \$2.4 million, all of which is now transferred to be in Keystone Processors Ltd. In exchange for its investment, MCEC is a shareholder in Keystone and can convert shares to hook rights for Manitoba producers. The hook rights are structured to give Manitoba producers access to the plant through the MCEC investment in the event of another crisis like the recently ended US border closure.

“For MCEC, it means we are a major shareholder – on behalf of Manitoba cattle producers – in a new beef plant that will be flexible enough to handle all kinds of beef products while bringing different kinds of products to market,” said Butler.

Keystone Processors expects to begin processing and marketing local products to Manitoba consumers in early 2009.

When it begins operations in early 2009, the plant will at first be provincially inspected and licensed, meaning its products can only be marketed within Manitoba. Meanwhile, Keystone will continue to upgrade and renovate the plant so that it can earn a federal, Canadian Food Inspection Agency license. Once it is federally inspected, products from the plant will be eligible for export outside of Manitoba and Canada. It will also be able to sell to major supermarket chains.

“This is going to be among the most advanced plants in Canada,” said Corry Berndsen, Vice President of Operations for Keystone Processors Ltd. “We’re investing in the latest technologies to ensure food safety and product quality.”

MCEC began operations in 2006 with a mandate to support made-in-Manitoba solutions for a long-term, viable beef industry in Manitoba. The prime goal of the council is to increase slaughter and processing capacity here at home. The council administers an investment pool that is funded by a \$2 per head levy on all cattle sold by Manitoba producers. The province is matching the levy for the first three years so every \$2 becomes \$4. The council's goal is to invest in initiatives that will lead to increased slaughtering and processing capacity, or that will enhance the market for value-added cattle products.

For more information on the council, please visit [www.mancec.com](http://www.mancec.com).

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