

THE COMPETITION TRIBUNAL

IN THE MATTER of an application by the Director of Investigation and Research for orders pursuant to section 92 of the Competition Act R.S.C. 1985, c. C-34, as amended;

AND IN THE MATTER of the acquisition by Hillsgdown Holdings (Canada) Limited of 56% of the common shares of Canada Packers Inc.

B E T W E E N:

THE DIRECTOR OF INVESTIGATION AND RESEARCH

COMPETITION TRIBUNAL		P R O D U I T
TRIBUNAL DE LA CONCURRENCE		
Response and Proof of Service		
AUG 23 1991		
REGISTRATION		
OTTAWA, ONT. # 82		

Applicant,

COMPETITION TRIBUNAL  
TRIBUNAL DE LA CONCURRENCE

- and -

File No. CT-91/01  
 No. du dossier HILLSDOWN HOLDINGS (CANADA) LIMITED,  
Div. v Hillsgdown MAPLE LEAF MILLS LIMITED,  
 et CANADA PACKERS INC. and  
 Exhibit No R-10 ONTARIO RENDERING COMPANY LIMITED  
 No. de la pièce  
 Filed on Dec. 5/91; 9237  
 Déposée le  
 Registrar Shagun  
 Greffier

Respondents

AFFIDAVIT OF FRED D. BISPLINGHOFF

I, Fred D. Bisplinghoff, of the County of Lee, in the State of Florida in the United States of America, MAKE OATH AND SAY:

1. I have been a practising large animal veterinarian (5 years), general manager of animal feed company (5 years), executive vice-president of a midwestern U.S., privately held, rendering company (6 years), regional manager of the largest publicly held, and second largest in volume, U.S. rendering company (20 years). I am a consultant for the National Renderers Association, Rothsay, Animal Protein Producer Industry as well as consulting periodically for some of the largest rendering companies in U.S.; Tyson Foods (largest poultry operation in the

world); Nabisco; and several national feed companies. I am currently President and Director of Technical Services for the Fats and Proteins Research Foundation, the major research organization serving the worldwide rendering industry. I am Chairman of the Animal Protein Producer Industry which addresses disease-related issues.

2. I have presented papers on the rendering industry, quality assurance procedures, trends in the industry, value-added products and many other rendering subjects in almost every developed and many un-developed nations in the world. Being one of the leading spokesmen for North American renderers enabled me to travel to all parts of this continent and confer with renderers as to their production, merchandising and profit planning activities. Presenting papers worldwide on all facets of rendering necessitated serious study of rendering and environmental problems. I average 30-40 presentations annually.

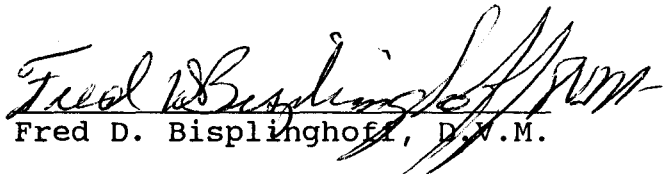
3. I had direct responsibility for four rendering plants, three restaurant grease operations, two fat blending plants, two protein blending plants and two hide processing facilities in the midwestern U.S. which afforded me the opportunity to observe and compete with practically all major U.S. rendering firms. I have been trained in and practiced budgeting procedures for twenty years with a cost control-concerned corporation giving me a broad background in planning for rendering profitability.

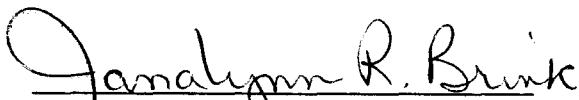
4. On August 2, 1991, I executed an affidavit enclosing my report in the present proceedings, which I prepared for Maple Leaf Foods Inc.

5. I have been retained by Maple Leaf Foods Inc., Rendering Division, to respond to the affidavits of David D. Smith and Thomas W. Ross, filed by the Director of Investigation and Research on August 2, 1991, which have been provided to me.

6. Attached hereto as Exhibit "A" to this my Affidavit is a true copy of my response prepared for Maple Leaf Foods Inc. pursuant to their request.

Sworn before me at the )  
County of LEE )  
in the State of Florida )  
this 15 day of August, 1991. )

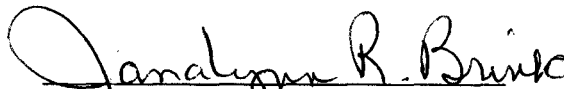
  
Fred D. Bisplinghoff, D.W.M.



A Notary, etc.  
NOTARY PUBLIC, STATE OF FLORIDA.  
MY COMMISSION EXPIRES: April 28, 1995.  
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

95870/1-3

This is Exhibit "A" to the  
Affidavit of Fred D. Bisplinghoff,  
Sworn before me on the 15th day  
of August, 1991



A Notary, ETC  
NOTARY PUBLIC, STATE OF FLORIDA.  
MY COMMISSION EXPIRES: April 28, 1995.  
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

FRED D. BISPLINGHOFF, D.V.M.

August 15, 1991

THOMAS W. ROSS

Dr. Ross, at paragraph 90 of his affidavit, suggest that if the cost of disposal of raw animal by-products became so high, packers or supermarkets might dispose of this material illegally.

Environmental laws are so strict that absolutely no one would risk dumping the offal from the slaughter of animals along a roadway or ditch. If the packer or locker plant operator elected to bury their material they would have to purchase a truck and haul it in barrels or spend a large sum of money on a leak-proof dump truck. Having lost the account the renderer would be concerned and would follow the truck to determine who is now processing the raw material. If it is not being processed and is being dumped then the renderer would notify the proper authorities. After an account is lost it is the Territory Supervisor's responsibility to monitor the lost account, i.e., who is picking it up, why did we lose it, find out price competitor is paying if possible, etc.

They can't take it to a landfill as every landfill regulation, I am aware of, prohibits the inclusion of raw animal waste (offal) in garbage. To make sure this does not occur, landfills have set strict moisture regulations on incoming material. These regulations vary from 30 - 35% maximum moisture in most U.S. cities. But beyond the moisture limitations are strict rules on types of material that are not acceptable. As an example, they will not accept fallen animals.

I don't understand how anyone would suggest that there was a remote possibility that someone would try and bury or illegally dump raw animal by-products. Within a few hours the material would putrify and residents within a reasonable distance would detect the odor. Upon investigation it would be apparent who dumped the offal. Only businesses that have the capacity to slaughter animals can generate this type of product. There are strict laws against this practice and the perpetrator would be sentenced to a long jail term.

In my 35 years of rendering and working with government agencies I have never heard of a large or small packer, locker plant operator or supermarket trying to dump or bury raw animal by-products illegally. This includes periods when renderers were charging for collection services versus paying for the by-products.

I did hear of a dispute between a small packer and a renderer in the Western U.S.. The packer elected to haul his material to a landfill. This episode lasted approximately one hour, as the landfill owner refused the product and called the police.

The scenario suggested by Dr. Ross is not realistic for the additional reason that competition from aggressive U.S. and Canadian renderers would prevent this situation from developing to the point where the slaughtering operator would consider such ridiculous action.

There is no way that any raw material waste product would be buried or illegally disposed of as suggested by Dr. Ross.