

THE BEST OUT WEST

Crown Packaging proudly carries on with the legacy of manufacturing excellence and environmental stewardship



A bird's eye view of the Crown Zellerbach plant in 1959 (left) and the present-day Crown Packaging facility in Richmond, B.C.

Although the use of paper to wrap and save food can be traced back to China as far as the first or second century B.C., it wasn't until the middle of the 19th century that paper made from wood pulp was introduced to the larger world of commerce and trade driven by the forces of the Industrial Revolution.

First used primarily to make glued paper sacks and bags, the new versatile material was eagerly adopted by the emerging captains of industry to package new foodstuffs for the masses, with the Kellogg brothers widely credited to have spearheaded the development of first mass-produced cartons to package their flaked cereals in the late 1890s.

Before long, both Europe and North America began to see the rise of many new companies specializing in the production of paper-based containers to replace traditional wooden crates and fiber sacks—enabling manufacturers of food and non-food product alike to move their products to market faster and more efficiently.

Aided by the commercial development of first-generation corrugated boxes in the early 1900s, making boxes soon became a highly lucrative new industry in its own right—prompting the launches of hundreds of new papermaking business ventures across the U.S. and Canada.

While not all of these enterprises have survived the considerable passage of time since then, in fact far from it, some of those early-day pioneers are still around today—albeit in vastly changed iterations.

As one of the original founding members of the former **Packaging Association of Canada (PAC)** in 1950—recently rebranded to the modern-day moniker of **PAC Packaging Consortium**—the Richmond, B.C.-based **Crown Packaging** provides an inspiring lesson in corporate longevity and continuous reinvention.

Originally established under the name **Crown Zellerbach** in 1926, the fledgling wood and paper products supplier soon moved its operations to Vancouver, B.C., in 1930 to be in closer proximity to its client base of the day.

After surviving through the darkest days of the Great Depression and the following outbreak of World War II, the privately owned company saw a timely opportunity for expansion in 1945, leading to its landmark acquisition of nearby rival **Canadian Boxes Ltd.**, which was operating in Vancouver's fast-growing Yaletown district.

In 1956 Crown Zellerbach completed a major expansion and business consolidation at their location on the south arm of the Fraser River, holding the grand opening of its new Richmond facility in Sept. 26, 1956.

“Crown Zellerbach had owned the land, built the facility, and then sold the property and building back into an 80-year lease on which we still reside today,” says Mark Miedema, general manager of the Richmond plant.

“It was known back then as Crown Zellerbach Paper Products, which supplied items such as paper bags, tissue, napkins, wrap, sheeted newsprint, wax-coated burger wraps, wallboard tape, and corrugated packaging,” Miedema relates.

As the company continued to grow, it attracted a lot of top-level executive talent into its management ranks—most notably former **CFL (Canadian Football League)** trailblazer Byron “By” Bailey.

Entrenched in the CFL folklore by scoring the first-ever touchdown in the history of the B.C. Lions football club on Sept. 18, 1954, the *CFL Hall of Famer* joined Crown Zellerbach in an executive capacity in 1964 following his retirement from professional football.

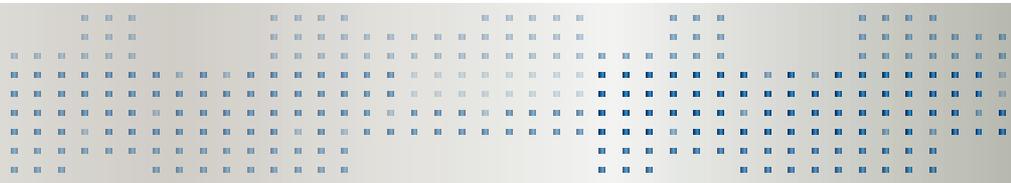
“Working together under the PAC umbrella creates valuable opportunities for education in all our packaging sectors, while also helping to bring the customer-supplier relationships closer together.”



In 1970, the company started up a new box plant in Kelowna, B.C., to expand its manufacturing and packaging presence in the Okanagan region, famed for its abundance of fruit orchards and vineyards.

“Customers like Consumers Glass and companies in the soft fruit industry were significant and plentiful back then,” says Miedema, noting the Kelowna location also became a major packaging supplier for the **Hostess/Frito-Lay** potato chip plants located in the nearby province of Alberta.

In 1981, Crown Zellerbach Canada was purchased by the pulp-and-paper industry giant **Fletcher Challenge**, resulting in name changes of the acquired assets to **Crown Forest Industries** (wood products) and **Crown Forest Pack-**



aging (paper products).

After further Fletcher Challenge acquisitions in 1987, the paper products business changed its name to Crown Packaging, remaining so for the next five years.

In 1992, the packaging business was acquired from Fletcher Challenge by two long-time packaging industry veterans Hans Koch and Tim Dwayne, joining their existing sheet plant operation **Boxmaster** in Delta, B.C.

“A year later they expanded by purchasing the western Canadian assets of Cascades Paperboard Industries,” according to Miedema, “adding folding carton to the increasing diversity of products offered by the company.”

This structure lasted until 2001, when the U.S.-based **Port Townsend Paper Corporation (PTPC)** acquired Crown Packaging, Boxmaster and all other Canadian operating locations, with the exception of the folding carton division.

“As part of the focus on their core business of corrugated packaging, Port Townsend chose to collapse most of the converted paper operations at the Richmond facility,” Miedema relates.

“In 2007 PTPC acquired Tekpac Packaging, a small operation in the Okanagan, which was fully integrated into the Crown Packaging manufacturing locations.”

After further manufacturing consolidation in 2010, the company’s two core manufacturing assets have been pared down to the two main production facilities in Richmond and Delta.

“Since then Crown Packaging has continued to operate in a similar fashion,” Miedema states, “albeit under different investment companies.”

Currently operating as part of the **Crown Paper Group (CPG)** of companies owned by the U.S. private equity firm **Lindsay Goldberg**—along with Boxmaster Packaging, Port Townsend Paper Company and multiple **Montebello Container** locations in the Los Angeles area—Crown Packaging today focuses primarily on containerboard production and corrugated packaging, according to Miedema.

“The Canadian packaging locations are focused on a wide range of corrugated packaging—from specialty items like displays and complex retail packaging to mainstream master-case packing and direct food retail packaging, such as hothouse trays.”

As Miedema explains, the steady long-term decline of general manufacturing industries throughout western Canada has led Crown Packaging to concentrate primarily on the food and beverage sectors, which now account for about 80 per cent of the company’s revenues.

Miedema says that food industry customers in British Columbia and Alberta drive for bulk of the company’s annual sales, along with some select northern regions of the neighboring State of Washington to the south.

Today employing approximately 350 full-time people at the Richmond and Delta plants, “Crown Packaging has built its firm foundation over all these years on deep relationships with customers—offering the highest level of quality and service,” Miedema proclaims.

Today ranking as the largest corrugated facility in western Canada and the largest corrugated volume supplier to the B.C. market, Crown Packaging is proud to remain one of the handful of original PAC founders still in business today.

“Although I cannot personally answer what made Canadian Boxes join the originally formed PAC, or to speak for the other ownership groups that followed, I could surmise that it was done for the combined benefit of industry knowledge and the ability for a larger industry group like PAC to lobby the governments and policy makers on behalf of each of the packaging sectors it represents,” Miedema reflects.

“In addition, there are synergies that arise when working together with other types of packaging companies such as flexible film, plastic bottles, etc., to ultimately get the final consumer products on the shelves or to their destinations,” adds Miedema, who has served as director of the **PAC British Columbia Chapter** between 2000 and 2005.

“I personally taught Corrugated 101 when the PAC offered the short course in our region,” says Miedema, praising PAC’s diversified and evolving offering of educational services and resources for the Canadian packaging community.

Says Miedema: “Working together under the PAC umbrella creates valuable opportunities for education in all our packaging sectors, while also helping to bring the customer-supplier relationships closer together.”

“Bringing together this knowledge base and improving the relationships among its member-companies are key to moving forward into the future both as companies and as the packaging industry at large.”

With packaging sustainability expected to become an ever-growing feature of that future, Crown Packaging seems well-poised to continue its tradition of maintaining healthy business growth, “while still meeting our need to responsibly balance social, environmental and economic interests for future generations,” according to the company.

By obtaining the vaunted global *FSC Chain of Custody and Controlled Wood Standards* certification of the **Forestry Stewardship Council (FSC)** in July of 2010, Crown Packaging today boasts an exemplary environmental profile that is continually reinforced on a daily basis through concrete proactive actions throughout its operations.

According to Crown, “Our Richmond facility is actively pursuing measures to reduce our environmental footprint through initiatives that include:

- Using recycled liners and mediums where appropriate;
- Making responsible ink supply choices;
- Using recycled fuel oil;
- Increasing energy efficiency;
- Reducing waste wherever possible through internal recycling programs targeting OCC containers (as much as 700 tonnes per month), plastic strapping and stretchwrap, office paper, toner and ink cartridges, fluorescent light tubes, used engine oil and antifreeze, computers and peripherals, batteries, metal and other scrap.

As the company proudly states, “Our sustainability successes are measured in economic growth, sound environmental practices, and a considerable commitment to providing our employees with a safe and healthy workplace.”