

Manitoba Government NEWS RELEASE



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NEW COMPANY CONTINUES OPERATIONS AT PORTAGE PLANT

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At Least 50 Farm Equipment Manufacturing Jobs Saved Through Creation of Portage Manufacturing

With the help of a \$500,000 provincial government loan, Portage Manufacturing Inc. (PMI) officially commenced operations today, saving at least 50 jobs that would otherwise be lost with the closing of Vicon Manufacturing Inc.

"This is an important step in the revitalization of the Portage economy," Industry, Trade and Tourism Minister Eric Stefanson said. "The Manitoba government has an active interest in maintaining the economic viability of rural communities."

Stefanson said the \$500,000 repayable loan, funded through the Manitoba Industrial Opportunities Program, will enable the farm equipment manufacturing plant to continue production without interruption.

PMI was established on May 1 to purchase various assets and manufacturing rights from Vicon Manufacturing Inc., a subsidiary of Vicon BV of the Netherlands. Last February, Vicon announced it would either sell or close the plant because of a strategic decision to concentrate on the company's European base.

"The province does not normally participate in acquisition financing," the minister said. "But Portage has been dealt two severe blows recently and we weren't prepared to risk a third."

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The owners of the new company are Frank Pickersgill, president of Western Combine Corp., John Priest, former manager of Vicon's Portage manufacturing operation, and Alf Weber, former supply manager of Vicon's Portage manufacturing operation. Pickersgill will be chairman of PMI, while Priest will serve as president and Weber as vice-president.

During peak periods, the Portage plant is staffed by 100 or more employees, including many who are involved with the production of self-propelled combines for Western Combine Corp. All these jobs were at risk when the plant was scheduled to close, Stefanson said.

"Vicon was the main subcontract supplier to Western Combine Corp.," he explained. "If the old Vicon plant closed, Western Combine Corp. might have been forced to relocate to fulfill their customer commitments."

Stefanson said the new ownership is expected to strengthen the plant's long-term prospects.

"We believe the close association with Western Combine Corp. will make the company more stable and viable," the minister said. "We're also pleased to see control of the company returning to local management."

The PMI plant will continue to manufacture pull-type and self-propelled swathers for Massey Ferguson and other farm equipment companies. Eventually, the plant will also take on the manufacturing of Vicon round balers, which was previously handled at Vicon's Cambridge, Ontario plant. This will make PMI the only round baler manufacturer in Canada.

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