

Organic Valley begins rebuilding Oregon creamery damaged in fire

By **GEORGE PLAVEN**
Capital Press

McMINNVILLE, Ore. — One year after a fire significantly damaged the Organic Valley creamery in McMinnville, Ore., a new and expanded facility is rising from the ashes.

The country's largest organic dairy cooperative announced it is nearly finished with the first phase of rebuilding, and will hire eight new employees on May 2 to resume making nonfat milk powder at the original plant site. Fourteen employees are already back on the job.



Mark Pfeiffer

"It's been a long, slow road," said Mark Pfeiffer, vice president of internal operations for Organic Valley. "It's nothing short of miraculous, where we're at."

Organic Valley acquired the creamery from another co-op, the Farmers Cooperative Creamery, in 2016. Fire erupted at the plant on April 20, 2021, destroying the 25,000-square-foot main building. Other assets — including the milk dryer, butter churn and storage tanks — survived the blaze.

"That was a really big deal for us," Pfeiffer said. "If it had been a total loss, I'm not sure we'd be rebuilding anywhere, quite frankly."

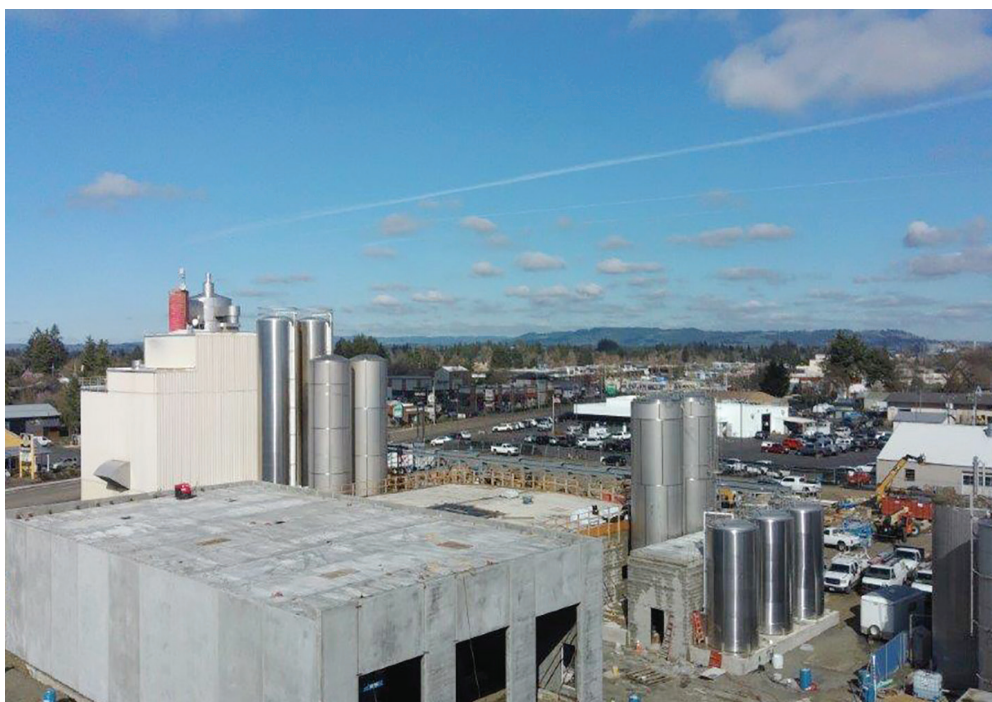
Before the fire, the McMinnville creamery had 44 employees and handled approximately 4 million pounds of organic milk every week to make butter and milk powder.

Pfeiffer said the co-op did a supply chain analysis to determine whether it was feasible to rebuild in McMinnville, about 45 miles southwest of Port-



Organic Valley

Phase one of rebuilding the Organic Valley creamery in McMinnville, Ore. The co-op plans to hire eight new employees on May 2.



Organic Valley

Work progresses on the Organic Valley creamery in McMinnville, Ore. The co-op will soon resume making milk powder at the plant.

land in Oregon's Willamette Valley. Organic Valley has 1,700 farmer-members, including 69 in Oregon, Washington and Idaho.

After studying the farms' locations and

trucking routes to deliver their milk for processing, Pfeiffer said McMinnville "was close enough to the epicenter where it just made sense."

Groundbreaking for phase one of the rebuild

was Oct. 4, 2021.

In the meantime, Pfeiffer said the co-op arranged co-processing of members' milk at other plants around the Northwest, posing a major logistical challenge.



Amy Hanifan/
McMinnville Fire Department

Firefighters battle the flames April 20, 2021, at the Organic Valley Creamery in McMinnville, Ore.

"The metaphor I would use is (like) asking a 2-year-old to learn how to solve a Rubik's Cube," Pfeiffer said. "You're dealing with such a perishable commodity. It's just very difficult."

Despite this, Pfeiffer said the co-op continued to pick up milk and pay its members in full.

"One thing we're very proud of is that none of our farmers were ever really impacted by this," he said.

The McMinnville creamery is one of only two milk processing plants owned by the Organic Valley, Pfeiffer said, with the other being in Wisconsin. The co-op contracts with co-processing partners to ensure milk stays as fresh and local as possible, without having to travel long distances from the farm.

Phase one of the rebuild is estimated to cost \$35 million. Crews have constructed a new fluid milk processing room next to the original milk dryer and evaporator, which was unaffected by the fire.

The fire also spared two 50,000-gallon raw milk silos. Pfeiffer said the new plant will include an additional two 40,000-gallon milk silos, as well as two 30,000-gallon storage tanks for pasteurized milk and three 10,000-gallon cream silos.

Pfeiffer said the increased capacity will better serve Organic Valley and potentially play a role in co-processing for other companies in the future.

"Not only us, there is a lot of milk supply in the Northwest," he said. "The processing infrastructure and supply chain out there leaves a lot to be desired."

The timeline for phase two of the rebuild remains uncertain. Pfeiffer said that effort will prioritize employee offices and potential for renewed butter production at the McMinnville creamery, though construction costs have spiked with inflation.

"We anticipate that this phase will extend into 2023," he said.

Pfeiffer credited the city of McMinnville and local support for making phase one of the rebuild a success.

"It's just been a great community effort," he said.

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