



***Rise to the Top in Canada***

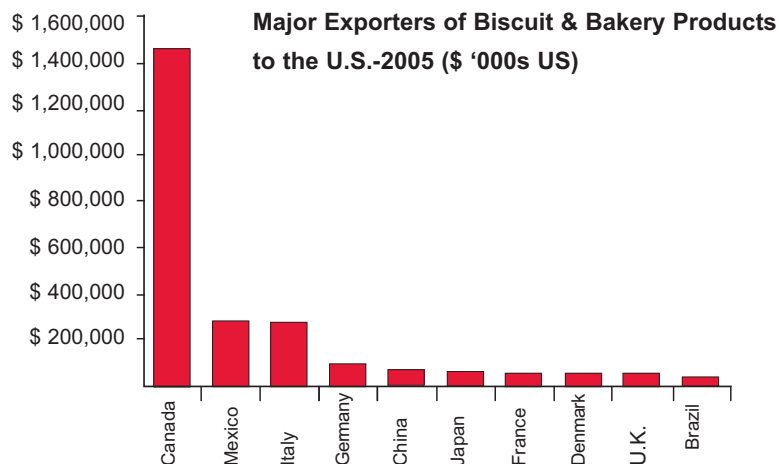
*Canada's business environment is among the best in the world. Indeed, given its openness to foreign trade and capital investment, superb infrastructure and ready access to American and Mexican markets, Canada is the location of choice for manufacturers of biscuit and bakery products wishing to supply the whole of North America.*

## **Growth Opportunities in North America's Biscuit and Bakery Markets**

The North American Free Trade Agreement (NAFTA) makes Canadian, American and Mexican markets a single trade entity. This provides Canadian-based businesses access to a market of more than 435 million consumers. U.S. markets can be supplied quickly and efficiently, as most Canadian food manufacturing centres are less than 90 minutes from the border and 50 percent of American consumers live within a one-day's drive.

Canada's thriving biscuit and bakery industry continues to experience tremendous growth and is poised for even greater market expansion. In 2005, Canadian bakery exports to the U.S. (particularly frozen and par-baked), totalled US\$ 1.49 billion, resulting in a trade surplus of US\$ 499 million. Canada's share of the U.S. biscuits and bakery imports continues to lead the world at 52 percent, over five-times that of the next largest exporter - Mexico.

An increasing number of leading biscuit and bakery manufacturers continue to expand their operations in Canada. Many others have chosen to have their products co-packed in Canada, where agricultural inputs and packaging materials are readily available at competitive costs. Firms seeking to invest in North America should consider Canada first.



Source: U.S. Department of Agriculture – Foreign Agricultural Service



## The Key Ingredients for Success

### World-Renowned Wheat

Canada is famous for the high quality of both its hard and soft wheats, which are the choice of many flour millers and bakers worldwide. Both types are competitively priced in North America and Canadian millers work closely with bakery and biscuit manufacturers to match flour requirements to their specific needs.

### Sugar Refiners Import the Vast Majority of their Raw Materials at World Prices

Canadian sugar users have traditionally enjoyed a price advantage over the U.S. Canada has historically offered companies a reliable source of high quality refined sugar at prices lower than those prevailing in the U.S.

### Specially Priced Dairy Ingredients

Bakery and biscuits companies benefit through access to competitive dairy prices administered by the Canadian Dairy Commission (CDC) under five year agreements with the sector. Information can be found on the CDC Web site, referenced as "Class 5b" under the Special Milk Class Permit Program. Visit: [www.milkingredients.ca](http://www.milkingredients.ca)

### Import for Re-export

Biscuit and bakery manufacturers that produce products destined for exports market such as the U.S. may import any ingredient used in the manufacturing process, duty free.

### Skilled Workers and Competitive Labour Costs

Canada leads the world in the percentage of citizens with a university or college education. Canada's multilingual work force gives employers valuable resources to succeed in global markets. Canada's public health care system helps businesses maintain a healthy work force while providing an international competitive edge by virtue of its system of universal medical benefits.

### Competitive Energy, Land and Building Costs

Canadian electricity and gas costs are lower than those prevailing in the U.S. and most of Western Europe. Canada's serviced industrial land and factory construction costs are lower than those in Western Europe and competitive with those of the U.S.\*

### Pure & Natural

Build on Canada's pure and natural advantages – clean air, pristine water, wide open spaces – and make the maple leaf your symbol of success.

For further information about Canada's agriculture, food and beverage industry and investing in Canada, visit Agriculture and Agri-Food Canada's Web site: [www.ats.agr.gc.ca](http://www.ats.agr.gc.ca)

To find out more about Canada's overall investment opportunities, visit: [www.investincanada.gc.ca](http://www.investincanada.gc.ca)

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\* Competitive Alternatives:  
KPMG's Guide to International Business Costs, 2006 Edition  
[www.competitivealternatives.com](http://www.competitivealternatives.com)