

Manitoba, strategically situated in the heart of Canada and the only prairie province with a sea port, maintains a strong open-door policy to the multitude of business opportunities that exist in agricultural and opportunity-related sectors, and the enthusiastic entrepreneurs who drive them forward.

In the pages of this publication you will see the vibrant and energetic momentum in our communities as they continue to create and grow businesses based on the strong connection between producers, processors, manufacturers and value-added enterprises, creating goods made from our own products and through partnership ventures.

The wealth of primary products grown in Manitoba makes our province a potential gold mine in the value-added agri-food, nutraceutical, and emerging bio-energy industries.

The services available at our research facilities and agriculture Knowledge Centres promote the development of new economic opportunities identified by entrepreneurs and farmers, turning them into market successes provincially, nationally and internationally.

For businesses or entrepreneurs from beyond our borders, Manitoba has many important strategic advantages for large and small ventures. We make those advantages pay off by forging strong, long-term partnerships between business, government and the research community so we can more effectively market our products and services across the continent and around the world.

We invite you to join us as we build and capitalize on all Manitoba has to offer. You can be sure our industry will continue to grow and succeed in the competitive world of agriculture and food!



Rosann Wowchuk

*Minister of Agriculture,
Food and Rural Initiatives*



Manitoba's Growing Agri-Food Industry

AGRICULTURE AND FOOD PLAY A KEY ROLE IN MANITOBA'S ECONOMY

- Agricultural production represents an average of five per cent of the provincial gross domestic product. Food processing represents an estimated additional three per cent.
- One in 11 jobs depends on direct and indirect spin-offs from agriculture.

LAND RESOURCE

- Manitoba's immense size ensures continued growth for our agri-food industry.
- The total land area of Manitoba is 54.8 million hectares (135.3 million acres). Of these, 14.6 million hectares (36.2 million acres), or 26.6 per cent, have some agricultural potential.

CONTRIBUTION OF FOOD PROCESSING

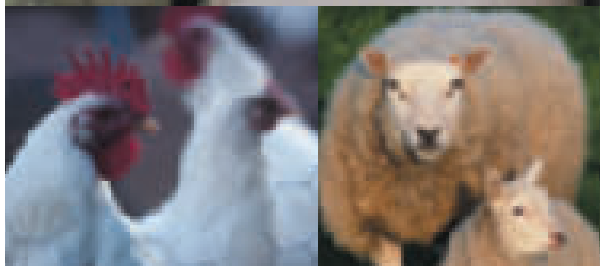
- Manitoba produced approximately \$4.0 billion of processed foods in 2006.
- This represents 28 per cent of the total manufacturing output of Manitoba.



Meat and Dairy Sector

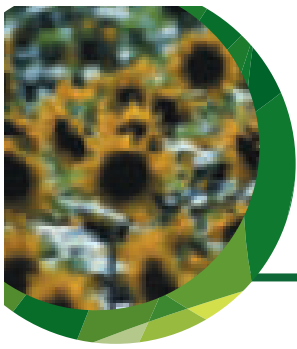


- Meat and poultry slaughtering and processing represent the largest segment of Manitoba's food processing industry.
- The combined value of Manitoba's exports of live pigs, pork and related commodities in 2006 was about \$768 million. Manitoba is the third largest pork producing province in the country and Canada ranks third in the world for exporting pork and pork by-products.
- The U.S., Morocco, Cuba, Iran, Japan and the Bahamas are significant importers of dairy products.
- Manitoba is a leader in embryo-transfer technology.
- Manitoba has the resource base to meet the various production demands for all elements of the livestock industry; leading-edge expertise and labour resources, abundant land, water, energy and reasonably priced feed.
- Manitoba has two egg processors that compete internationally and provide products for the food and pharmaceutical industries.



OPPORTUNITIES TO EXPLORE

- Input suppliers such as equipment and genetics for the livestock sector
- Specialty processed beef and pork and other meats such as forage-finished beef, Berkshire pork, elk and bison
- Value-added processing of home meal replacement items
- Demand for Canadian genetics driving the use of embryo transfers
- Specialty processed dairy products
- Production of value-added egg products
- Emerging feedlot sector with potential for growth, poised to respond to expansion in the livestock industry



Cereal Grain, Oilseed, Specialty Crops and Forages Sector

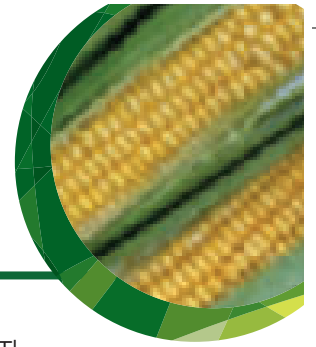
- Traditional crops of canola and wheat occupied over 50 per cent of harvested crop area in 2006.
- Manitoba has long been the centre of the grain trade and is the headquarters of James Richardson and Sons, Cargill Limited, the Winnipeg Commodity Exchange and the Canadian Wheat Board.
- In 2006, Manitoba produced 19 per cent of Canada's flaxseed and 20 per cent of the national canola crop.
- Manitoba typically produces between 85 per cent and 90 per cent of Canada's annual sunflower seed crop.
- Manitoba has canola-crushing facilities in Altona, Harrowby and Ste. Agathe, producing oil for human consumption and meal products for an expanding livestock sector. A significant proportion of this production is destined for the export market.
- Manitoba is the largest producer of buckwheat in Canada. Buckwheat is one of the best sources of high-quality, easily digestible protein, high in carbohydrates and numerous minerals, vitamins and bioactive compounds. It's the perfect ingredient for a range of functional food and nutraceutical products.
- Dry white bean production was 38 per cent of the national crop in 2006.
- Three per cent of Canada's dry pea crop, and four per cent of the canary seed crop, were produced in Manitoba in 2006.
- Manitoba has the capacity to process 200,000 tonnes (12.9 million bushels) of oats annually.
- Forage products are being exported to Japan, the U.S., South Korea, Belgium and Hong Kong.
- Timothy seed currently goes to the U.S., Germany, the Netherlands, the U.K., Austria, Belgium, Italy, and Poland.
- Forage seed exports from Manitoba increased from \$36.0 million in 1997 to \$46.2 million in 2006.



OPPORTUNITIES TO EXPLORE

- Accessing new markets for oat products through greater nutritional awareness of benefits of beta glucan
- Development of value-added baked products using flax, pulses, buckwheat or hemp as key ingredients
- Flax linoleum-flooring project, given current flax acreage
- Soybean crushing plant (Soybean acreage in Manitoba has been undergoing significant expansion, and soybeans grown for crushing are currently shipped to plants in North Dakota and Minneapolis.)
- Manitoba is ideally suited for expanded forage production. In addition to traditional feed uses, forage offers opportunities for extraction of base components

Vegetable Sector



- Vegetable production is primarily for the table market. There are sizable farming operations in Manitoba with the infrastructure to support production and distribution for potential processors.
- Manitoba is Western Canada's largest producer of potatoes and is home to four potato-processing plants. Manitoba produces approximately 20 per cent of the Canadian potato crop and averages over 1 million tonnes a year.
- Manitoba grows over 120 varieties of vegetables that are not only shipped within Canada, but also to markets in the U.S., Asia, Europe, Africa, Latin America and the Caribbean.
- Manitoba has a strong horticulture industry ranging from roadside u-pick fruit and vegetable operations to multi-million dollar greenhouse enterprises which supply regional horticultural needs and the growing demand for landscape and ornamental plants. Leading edge technology in greenhouse operations enables vegetable production for extended vegetable/herb/flower production throughout the province.



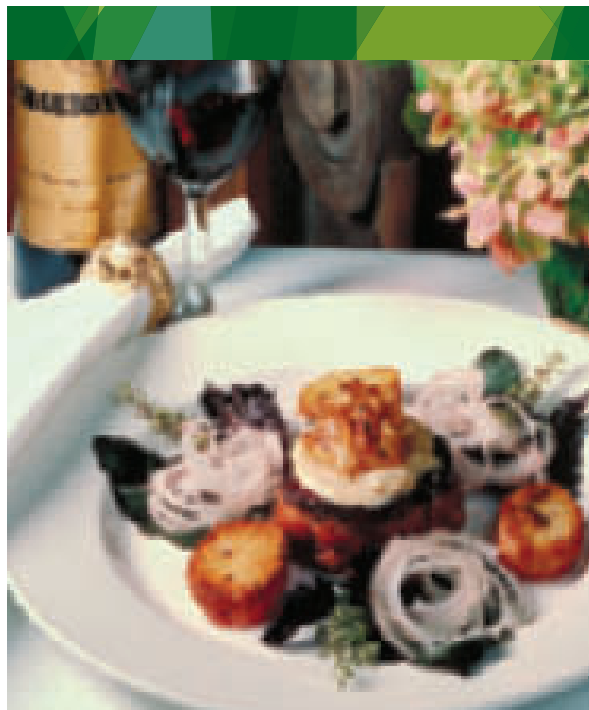
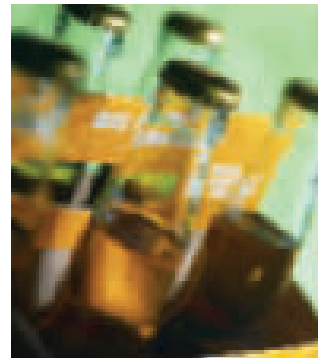
OPPORTUNITIES TO EXPLORE

- Potato dehydration plant, given current and historical levels of potato production
- Due to increased consumption of fresh and processed vegetables with greater awareness of their health benefits, opportunity for frozen and canned vegetable processing, including aseptic tetra-packaging capabilities
- Fresh vegetable product processing using modified atmosphere packaging
- Commercial development of oriental vegetable production
- Development of commercial greenhouses for year-round vegetable production
- Local landscape industry
- Export markets for nursery and bedding plants



Specialty and Prepared Foods and Beverage Sector

- Food processing is one of Manitoba's most dynamic industries, with annual shipments of approximately \$4 billion, representing 28 per cent of the province's total manufacturing output.
- The largest segment is meat and poultry processing. Other major segments include flour mills and bakeries, milk and cheese, and potato and vegetable processing.
- The gourmet and specialty food industry is a growing segment of the total North American food industry and is currently growing at an annual rate of over nine per cent.
- Value-added processing of wheat and other cereal grains has developed significantly under the free trade agreement with the U.S. Canada's flour exports have grown by 47 per cent in the last decade.
- The quality of Manitoba's water has been recognized internationally at the annual Berkeley Springs International Water Tasting. Manitoba companies are recognized throughout the world for spirits and wine.
- Market potential for liquid foods is high. There has been limited exploitation of export opportunities for value-added, liquid food products.
- Manitoba restaurants serve food for every taste – from regional cuisine to ethnic specialties – using Manitoba's finest, locally grown ingredients.
- Manitoba has an established tradition in the production of confectionary foods, ranging from fine chocolates to family favourites.



OPPORTUNITIES TO EXPLORE

- Specialty foods emphasizing quality and integrity of ingredients and production for niche markets for saskatoon berries, seabuckthorn berries and wild blueberries. (This includes a growing organic industry.)
- With increased demand for dried fruits in the cereal and baking industries, there is an opportunity for production of dried saskatoons, etc.
- Liquid foods processing and packaging opportunities
- Ethnic food markets reflecting the multicultural population of Manitoba

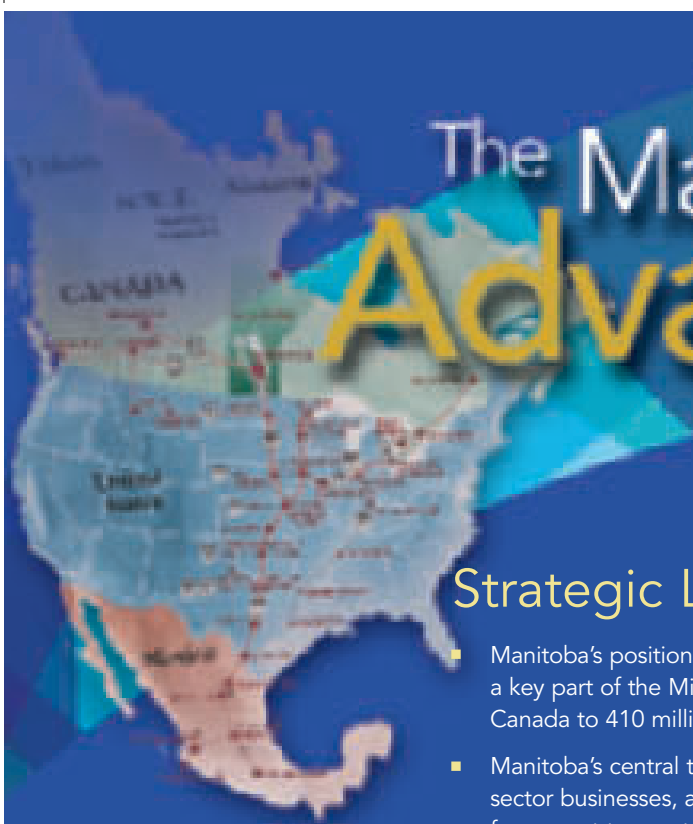
Growing Opportunities Sector



- Functional foods and nutraceuticals – Manitoba is home to one of Canada’s largest manufacturers of private label vitamins, minerals, herbal products, dietary supplements and over-the-counter drugs. Currently, the manufacturer imports most materials because local supply of semi-processed product is still developing. The opportunity exists for an intermediate processing facility and production of high-quality medicinal crops. Manitoba’s cluster of functional food experts can assist companies through all stages of product development from concept through clinical trials to product development and marketing. The cluster can coordinate interdisciplinary studies at the food-health interface employing world renowned scientists in state-of-the-art of facilities.
- Manitoba is the focal point of the emerging natural fibre sector in Canada. Flax, wheat and hemp fibres are processed into environmentally friendly products.
- Wind is an emerging source of electricity in the province and the electricity generated provides a clean and efficient natural resource.
- Ethanol production is increasing as the province moves toward a mandate for ethanol-blended fuel. This mandate provides local market potential for 160 million litres (35 million imperial gallons) per year, using 460,000 tonnes (16.9 million bushels) of wheat. A marketable by-product of ethanol production is distiller’s grain – a source of high-protein livestock feed.
- Biodiesel can be produced from the prairies’ signature crop – canola – and from animal fats. There are opportunities in local and neighbouring markets as the demand for bio-fuels increases. Further development is targeted at bio-composites, ethanol and fuel pellets and bio-refineries.
- The market for organic products is growing at approximately 20 per cent across product sectors. Opportunities to market branded organic products to Canadian retailers are increasing. Few companies have successfully branded natural and organic products, so the market is open to create brand loyalty among consumers.

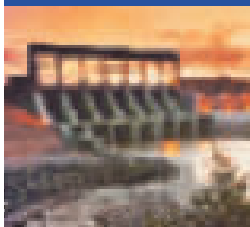


The Manitoba Advantage



Strategic Location

- Manitoba's position in the centre of North America makes it a key part of the Mid-Continent Trade Corridor, connecting Canada to 410 million people in the U.S. and Mexico.
- Manitoba's central time zone is a major advantage for service-sector businesses, allowing them to be in contact with clients from coast to coast, within their regular business hours.
- Transportation facilities connect Manitoba to the world via rail, road, air and sea.
- Winnipeg is on the main line for both the Canadian Pacific and Canadian National railways, with three rail links to the U.S.
- Manitoba is home to an estimated 360 for-hire trucking companies that operate nationally or internationally, with five of the country's largest employers in the industry headquartered here.
- Winnipeg's James Armstrong Richardson International Airport offers several international courier companies, food product-handling capabilities, round-the-clock air service and world-class brokerage support. Approximately 140,000 metric tonnes of cargo move through Winnipeg James Armstrong Richardson International Airport on an annual basis. Goods from Winnipeg can reach anywhere in the world within 48 hours.
- Churchill, Manitoba's ocean port on Hudson Bay, is only 3,380 nautical miles from Liverpool, U.K.



Competitive Energy Costs

- Manitoba's hydroelectricity rates are among the lowest in the world.
- Manitoba Hydro has a generating capacity of over 5,000 megawatts, virtually all from environmentally desirable, water-powered facilities.
- Potential hydro-power-generating sites, that could double the existing generating capacity, have been identified. A new 200 megawatts hydroelectric station is currently under construction in Northern Manitoba and a larger 1,250 MW project is being considered.
- Additionally, Manitoba is pursuing several initiatives to develop alternative sources of energy, including biodiesel, ethanol, geothermal heat pump systems, hydrogen and wind power.