

Innovation for Survival

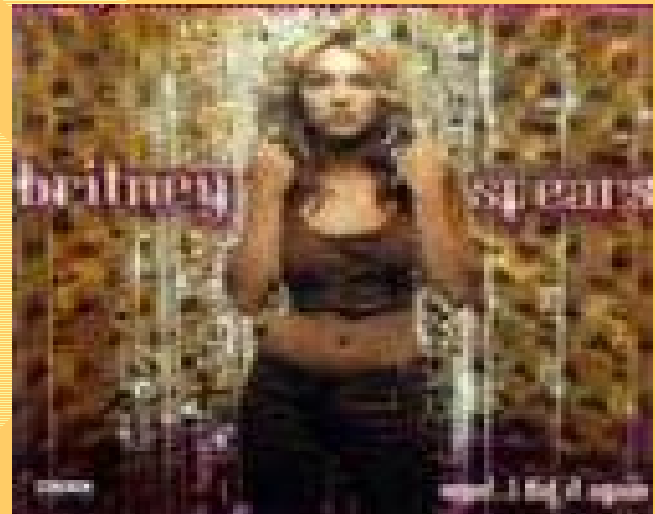
By: Gaétan Lussier

Lussier et associés



Changing demography

- Baby boomers
(45-54 years old)
30% growth by 2005
- Generation Y
(12-19 years old)
10% growth by 2005



Consumers want quality

■ Traceability



■ Origin



■ Authenticity

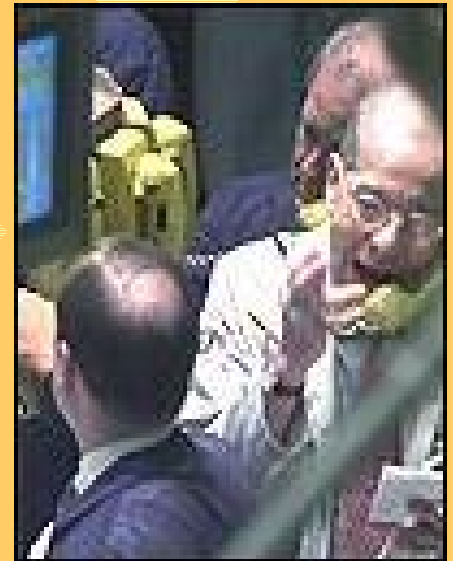
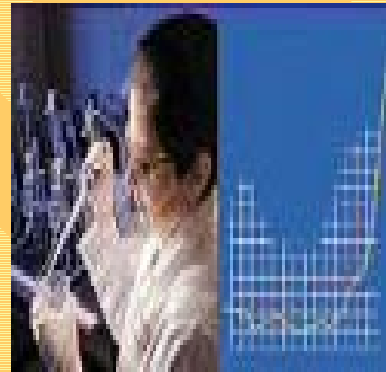


■ Health



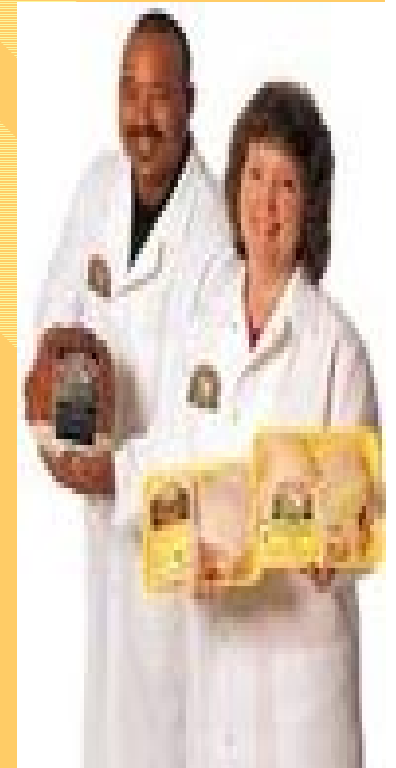
Opportunities in the agri-food industry

- Demography
 - 1 million more every 4 days
- Biotechnology
- Globalization
 - **Macroeconomics**
 - » • Buying power
 - » • Impediments to trade
 - **Microeconomics**
 - » Saturation of domestic markets
 - » Potential of transborder growth
 - **Regulatory framework**



Protein consumption

- North America, Western Europe and Japan
 - **60-70 grams per day per person**
- Asia
 - **20 grams per day per person**
- China
 - **Will double to 60 grams in 20 years**

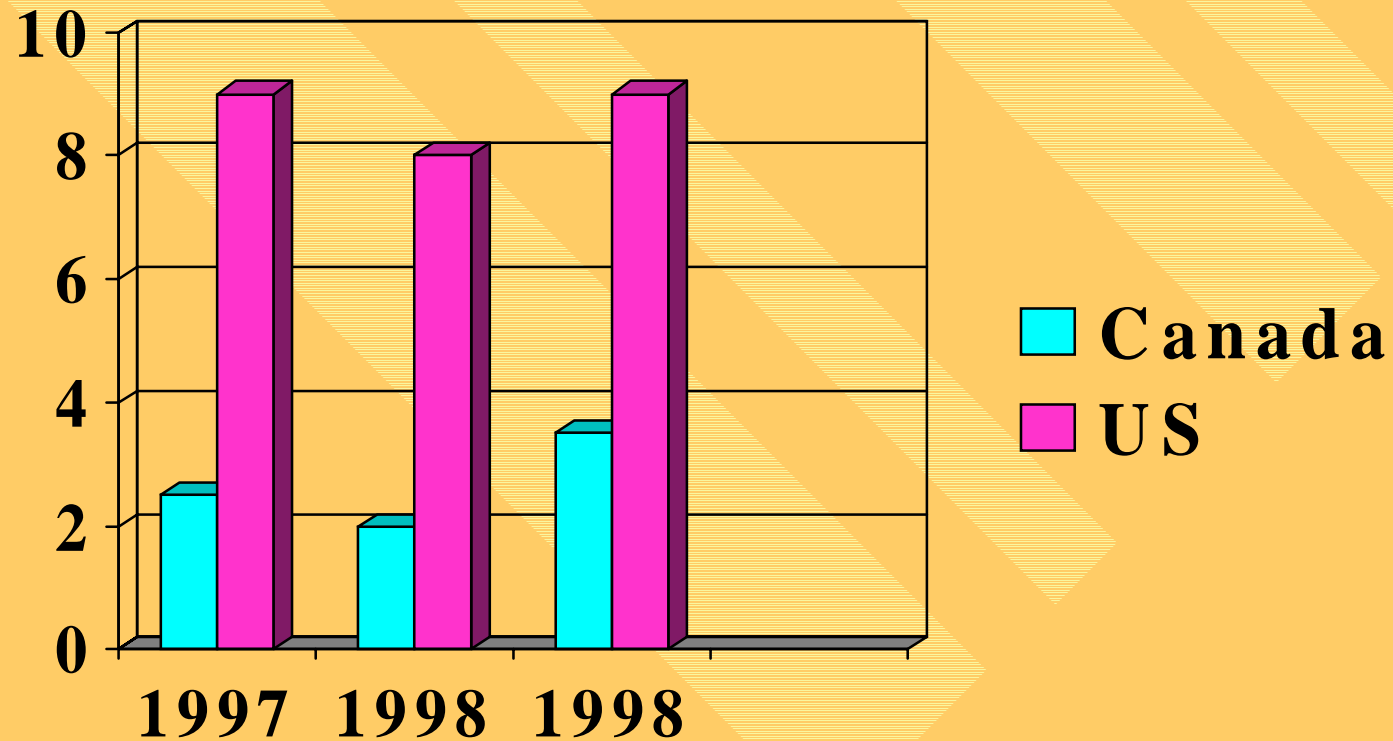


Change: a constant

- For:
- governments
- consumers
- farmers
- processing industries
- distribution networks



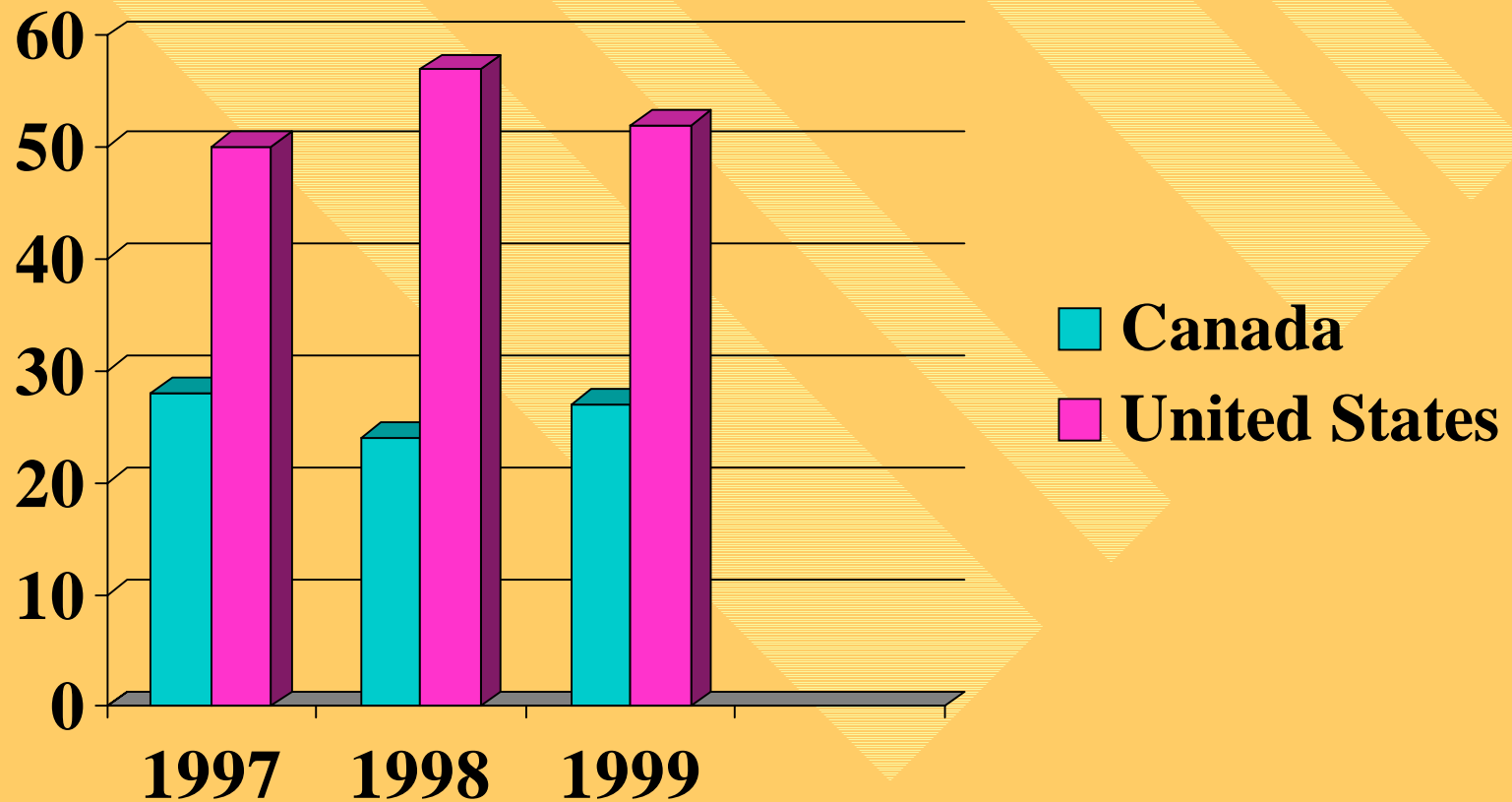
Profitability in % of food industry sales



Agriculture in the world

Year	Value (\$)	Farmers' share
1950	423 billion	30%
2000	1.3 trillion	20%
2028	10 trillion	10%

Return on equity (EBITDA)



Future of food processing businesses



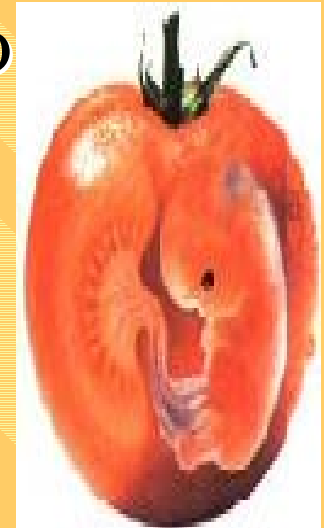
The World's Largest Producer of French Fries and Appetizers



- •dependence on Canadian markets
- Geographic growth
- Development of value-added products
- Build a strong brand
- Increase productivity

Biotechnology and agriculture in the 21st century

- Genomes and proteomics are going to change the agricultural world
- Life sciences — revolution
- New opportunities for the agri-food sector



Conclusion

- Innovation for survival = OPPORTUNITY
- In 2005, world exports will be \$745 billion*US dollars.
- Canada represents 3% of all exports.
- 1% increase = 100,000 jobs ++
- Excellence in agriculture: a challenge that is possible to achieve

