

WINNIPEG

AGRI-BUSINESS

GROW FASTER | AGRICULTURAL POWERHOUSE

WINNIPEG

Agriculture nourished Winnipeg's growth and it continues to feed our economic success.

Extraordinary potential for growth lies with functional foods, biocomposites and biofuels. R&D efforts are fertilizing innovative new products for the Agri-business and fibre sector, value-added food processing, manufacturing and technology, as well as life sciences and biotech industries.

The sector benefits from low factor costs and excellent multi-modal distribution networks that bring products quickly to markets throughout North America and beyond. Cutting edge research being performed by an impressive network of world-leading food research and development institutions and companies has strengthened Winnipeg's position as a leader in the industry.



SECTOR COMPOSITION

The province of Manitoba is home to nearly 14,000 primary producers and more than 375 food and beverage manufacturing establishments. Manitoba's Agri-business sector employs a workforce of nearly 20,000. Agri-business companies in **Winnipeg employ about 6,400 people** who are mainly employed by the city's 150 food manufacturing establishments. Winnipeg's Agri-business sector is comprised of six industry sectors that fall into two categories:

1. Agricultural Production

Crop production (NAICS 111),

Animal production (NAICS 112),

Fishing, hunting and trapping (NAICS 114),

Agricultural support activities (NAICS 115),

2. Food and Beverage Manufacturing

Food manufacturing (NAICS 311), and

Beverage and tobacco products manufacturing (NAICS 312).

Winnipeg is also home to several farm equipment manufacturers that are important partners of the sector. To learn more about the agricultural equipment manufacturing sector in Winnipeg, please see the Winnipeg Advanced Manufacturing Sector Profile.





WINNIPEG'S AGRI-BUSINESS OPPORTUNITIES

Manitoba producers exported more than \$4.7 billion in Agri-business products in 2008, mainly as unprocessed bulk products. Given the high quality of Manitoba's agricultural outputs and diversity of crops, there are many opportunities for value-added intermediate food processors and consumer products food processors.

OPPORTUNITIES TO CAPTURE:

Specialty processed beef and pork, bison, sheep, goat and elk

Input suppliers for the livestock industry

Specialty processed dairy products

Soybean crushing facilities

Flax linoleum flooring

Available land for forage and growth of the cow/calf sector

Increased potato production and processing

Frozen and canned vegetable processing

Specialty food ingredients

Gourmet food products

Functional foods and nutraceuticals

Ethanol production

Organic food products processing

WINNIPEG'S FOOD PROCESSING OPPORTUNITIES

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Economic Development Winnipeg Inc.

Manitoba Agri-Business Export Stats

Figure 1: Manitoba's Agri-Food Exports (\$ billions)

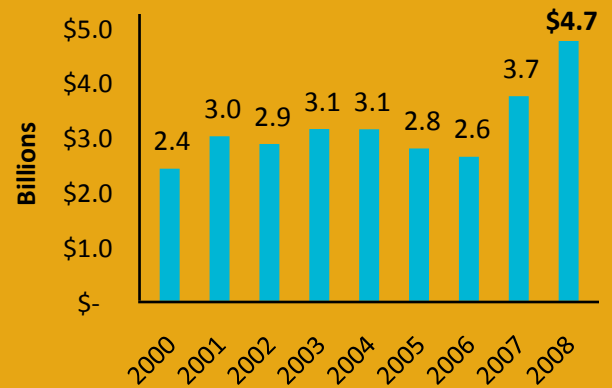


Figure 2: Agri-Business Exports by Type of Product

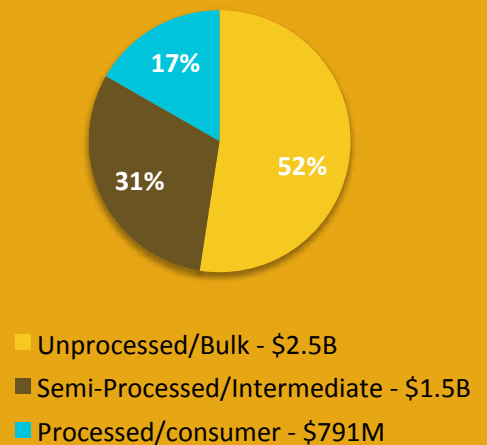


Table 1: Top Product Exports (\$M)

Product	2008 Export Value
Wheat	\$ 1,003
Canola	817
Canola Oil	489
Pork	402
Cattle/Bison	302
Potatoes, Frozen	294
Hogs	280
Oats	206
Barley	90
Dry Beans	82
Flaxseed	81
Sunflower Seed	73
Forage Seeds	62
Oat Groats, Meal & Flakes	57

Source: MAFRI

SECTOR GROWTH

The Agri-business industry in Manitoba earned revenues of **\$9.1 billion** in 2009 with agricultural production and food manufacturing each representing roughly half of the sector's revenues in 2009. Within the agricultural sector, crop receipts represented \$2.8 billion in revenues in 2009 (about 59 per cent of agricultural production receipts) and livestock receipts represented \$1.6 billion in revenues in 2009 (about 34 per cent of agricultural production receipts). The balance of receipts came from crop insurance and other sources of income.

The food manufacturing sector **has experienced significant growth** over recent years, growing from revenues of \$3.3 billion in 2005 to revenues of \$4.3 billion in 2009, a 33 per cent increase reflecting higher commodity prices and productivity levels in the sector.



WINNIPEG'S AGRI-BUSINESS INDUSTRY BASE

Winnipeg is the centre of Manitoba's highly-productive primary production industry. More than **7.7 million hectares (19 million acres)** is dedicated to crop and livestock production in the Province accounting for **10% of Canada's primary agricultural production**. Soils and climatic conditions are well suited to a tremendous range of crops including cereals, oilseeds, pulses, and horticultural crops, raised by a modern and forward-thinking group of farmers. A tradition of efficient agricultural production provides a strong base for expanding food processing and manufacturing of agricultural commodities to serve a growing marketplace.

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 2007 was nearly \$809 million.

Manitoba produces the **finest quality pork** in Canada from lean, fast-growing genetic stock. Proven genetics, skilled producers, research, quality feeds and a team approach to business, all contribute to Manitoba's reputation as one of the world's best for premium pork production.

Manitoba has **two egg processors** that compete internationally and provide products for the food and pharmaceutical industries.

Manitoba grows more than **120 varieties of vegetables** that are not only shipped within Canada, but also to markets in the United States, Asia, Europe and Latin America. 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 in the past 10 years, the volume of Manitoba potatoes marketed has ranged from less than 15 million cwt to more than 21 million cwt.



WINNIPEG'S AGRI-BUSINESS INDUSTRY BASE

Food processing is one of Manitoba's most dynamic industries, with annual shipments over \$4 billion. In addition to meat and poultry processing, other major segments include **flour mills and bakeries, milk and cheese**, and potato and vegetable processing.

The quality of **Manitoba's water** has been recognized internationally at the annual Berkeley Springs International Water Tasting event. Manitoba companies are recognized throughout the world for **spirits and wine**.

Manitoba has an established tradition in the production of confectionary foods, ranging from fine chocolates to family favourites.

EXISTING VALUE-ADDED CAPABILITIES

Pork slaughtering and processing

Egg products processing

Poultry slaughtering and processing

Oat milling

Potato processing

Flour milling

Oilseed crushing plants

Industrial milk products and cheese plants

Hay compaction

Livestock genetics transfer



WINNIPEG'S UNIQUE ADVANTAGES IN AGRICULTURE AND FOOD

LIVESTOCK

Manitoba is a leader in embryo-transfer technology and has the resource base to meet the production demands for all elements of the livestock industry.

GRAIN

Winnipeg has long been the centre of the grain trade and is the headquarters of James Richardson and Sons, Limited, Cargill Limited, the Canadian Wheat Board and the location of ICE Futures Canada.

CANOLA

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.

BUCKWHEAT

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.

OATS

Manitoba has the capacity to process 200,000 tonnes (13 million bushels) of oats annually.

FORAGE

Forage products are exported to the United States, Japan and South Korea.

VEGETABLE PRODUCTION

There are sizable farming operations in Manitoba with the infrastructure to support production and distribution for potential processors.

HORTICULTURE

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.

GREENHOUSE TECHNOLOGY

Leading edge technology in greenhouse operations enables vegetable production for extended vegetable/herb/flower production throughout the province.

LEADING AGRI-BUSINESS RESEARCH AND DEVELOPMENT

Applied Agri-business research in Winnipeg includes all the building blocks for product development, scale-up testing, and commercialization. State-of-the-art facilities are available to help firms produce new food products in federally-licensed pilot plants.

Winnipeg is a centre for Agri-business research where firms like [Monsanto Canada](#) are leveraging the expertise of the [Agriculture and Agri-business Canada Research Station](#) and the [University of Manitoba's Faculty of Agriculture](#) to develop new varieties of and uses for crops such as canola, wheat, oats, barley, rye and pulses.

Researchers at [Prairie Genome](#) are active in the emerging field of nutrigenomics, investigating how plant and human genetics fit together for personalized medicine. In the future, specialty food companies will be able to help understand each person's unique nutritional needs based on a full DNA sequence and determine the right doses of nutrition needed for preventative healthcare.

Winnipeg's breadth and depth of food development expertise is available to producers at very cost effective rates. In addition, a highly-supportive provincial and national government offers a variety of grants and other financial resources for research and development. Winnipeg's highly collaborative research centres are well-connected with public and private funding partners.

"Food research in Winnipeg is low cost, compared to many places. Producers do a lot of new pioneering work here and it's done through grants and support of the research centres. They work with clients to get supporting dollars from the government and the Provincial funding partners."

– Mike Fata, CEO Manitoba Harvest



INNOVATION IN FOOD – FUNCTIONAL FOODS

Winnipeg is home to one of North America’s leading clusters of functional foods manufacturers. Functional foods are foods that contain ingredients that have a health function, often one related to health-promotion or disease prevention. Many functional foods are made from hemp, flax, pulses, or other crops with health-related bioactives. The functional foods cluster is supported by leading research institutions as well as many agricultural innovator companies. A few of Manitoba’s leading functional foods companies include:

HEMP OIL CANADA INC. (HOICI)

HOICI is dedicated to the procurement, processing, marketing & distribution of bulk hemp food products, in addition to offering private label and custom processing. HOICI brings hemp food products into the mainstream by promoting greater public awareness and media exposure to the exceptional, nutritious and healthy composition contained within the hemp seed. The proven nutritional benefits of hemp seed and oil products go far beyond providing just dietary supplementation. These products can be used as “functional foods” offering health benefits to reverse the effects of degenerative diseases and their related symptoms.

www.hempoilcan.com

BEE MAID HONEY

The beekeepers in Western Canada who supply Bee Maid have great pride in their ownership of Bee Maid Honey and take extreme care, in order to provide the best quality honey. There is no other honey company in Canada that sources all its honey from its owners. This structure ensures that the source of honey is consistent in quality year after year, bottle after bottle.

www.beemaid.com

BEST COOKING PULSES

Best Cooking Pulses, Inc. is family-owned Agri-business business active in the international pulse trade since 1936. Products include: naturally polished yellow and green split peas, pea fibre and pea bran meal, pulse flours and custom grinds.

www.bestcookingpulses.com

MANITOBA HARVEST HEMP FOODS & OILS

Manitoba Harvest Hemp Foods & Oils has a vision to be the global leader in branded hemp food products and industrial hemp ingredients, promoting health and wellness, and fostering positive change for community and the environment.

www.manitobaharvest.com

NUTRI-PEA LIMITED

Nutri-Pea Limited is a privately owned company specializing in the manufacture of food ingredients derived from Canadian yellow peas. Since its inception in 1997, the company has become the only manufacturer of pea ingredients of its kind in North America and delivers meaningful benefits to food companies worldwide.

www.nutripea.com

COMPETITIVE ADVANTAGES

Winnipeg's competitive business environment continues to attract manufacturing investment.

WINNIPEG OFFERS:

A location at the geographic centre of North America with excellent transportation links throughout North America


Low industrial and commercial land costs

Electricity costs which are among the lowest in the world

A skilled, well-educated and affordable work force

One of the best R&D tax credit regimes

Low taxes on capital investments

An aerial photograph of Winnipeg, Canada, showing the city skyline with various skyscrapers and the Manitoba Legislative Building on the left. The foreground is dominated by a large park with trees in vibrant autumn colors (yellows, oranges, and greens) and a river winding through the bottom right corner. The sky is clear and blue.

Compared to other cities, Winnipeg offers one of the highest internal rates of return on investment in a manufacturing plant.



ACCESSING GLOBAL MARKETS

Winnipeg offers easy access to global markets through a **robust global transportation and logistics infrastructure**. Located at the geographic centre of North America, Winnipeg offers producers a variety of choices to transport exports to US, Asian, and European markets via rail, road, and air.

Producers have easy access to rail via **three major continental railways**, by road via Manitoba's **1000+** for hire trucking companies, and by air from Winnipeg's James Armstrong Richardson International Airport, which has the largest number of dedicated cargo handlers in Canada.

Highly-developed public and private global marketing and export support have helped Manitoba Agri-business producers gain access to **markets in 190 countries**.



WINNIPEG'S HIGHLY-SKILLED, STABLE LABOUR FORCE

Winnipeg offers a dedicated, stable, and highly-skilled labour force for food production. Low attrition rates help Winnipeg's food manufacturing firms reduce costs related to workforce turn-over.

Winnipeg has the second-largest food production labour force in Western Canada. Winnipeg employers pay reasonable wage rates, on par with the average across Canada.

LOWEST ELECTRICITY RATES IN NORTH AMERICA

Companies that are large and medium-sized consumers of electricity can experience significant savings by establishing their operations in Winnipeg. Winnipeg offers the lowest published electricity rates in North America.

According to the 2010 annual Comparison of Electricity Prices in Major North American Cities, published by Hydro Quebec, Winnipeg offers the lowest cost of electricity of major metro areas in the US and Canada. Compared to Winnipeg, the cost of electricity for a mid-sized electricity user (2,500 kW of power demand, 1,170,000 kWh consumption and 65% load factor) is 9 per cent higher in Calgary (AB), 27 per cent higher in Vancouver (BC), 34 per cent higher in Montreal (QC), 80 per cent higher in Edmonton (AB), and more than twice as expensive in Toronto (ON), Halifax (NS), Moncton (NB), and Charlottetown (PE). Compared to cities in the US, the cost of electricity is 6 per cent higher in Houston (TX), 11 per cent higher in Seattle (WA), 68 per cent higher in Detroit (MI), 76 per cent higher in Nashville (TN), and more in other cities. For companies that are very large consumers of electricity, the savings are even greater.



A HIGHLY-SUPPORTIVE GOVERNMENT FOR AGRICULTURE AND FOOD

Winnipeg benefits from a highly-supportive policy environment, designed to encourage investment production, manufacturing and innovation across the Agri-business value chain.

GROWING FORWARD – MANITOBA'S AGRICULTURAL POLICY FRAMEWORK

Growing Forward is the product of Manitoba's and Canada's commitment to the agriculture sector. Through this framework, governments are investing \$1.3 billion over five years toward programs in Manitoba that are focused on achieving results. Programs are simple, effective and tailored to local needs. Growing Forward is building a profitable agricultural sector through:

Investment in innovation;

Action on key regulatory priorities;

Environment and food safety programs;

Programs that meet local needs;

Measures that enable farmers to be proactive in managing risk when faced with disasters.

For more Information, visit:

www.gov.mb.ca/agriculture/growingforward

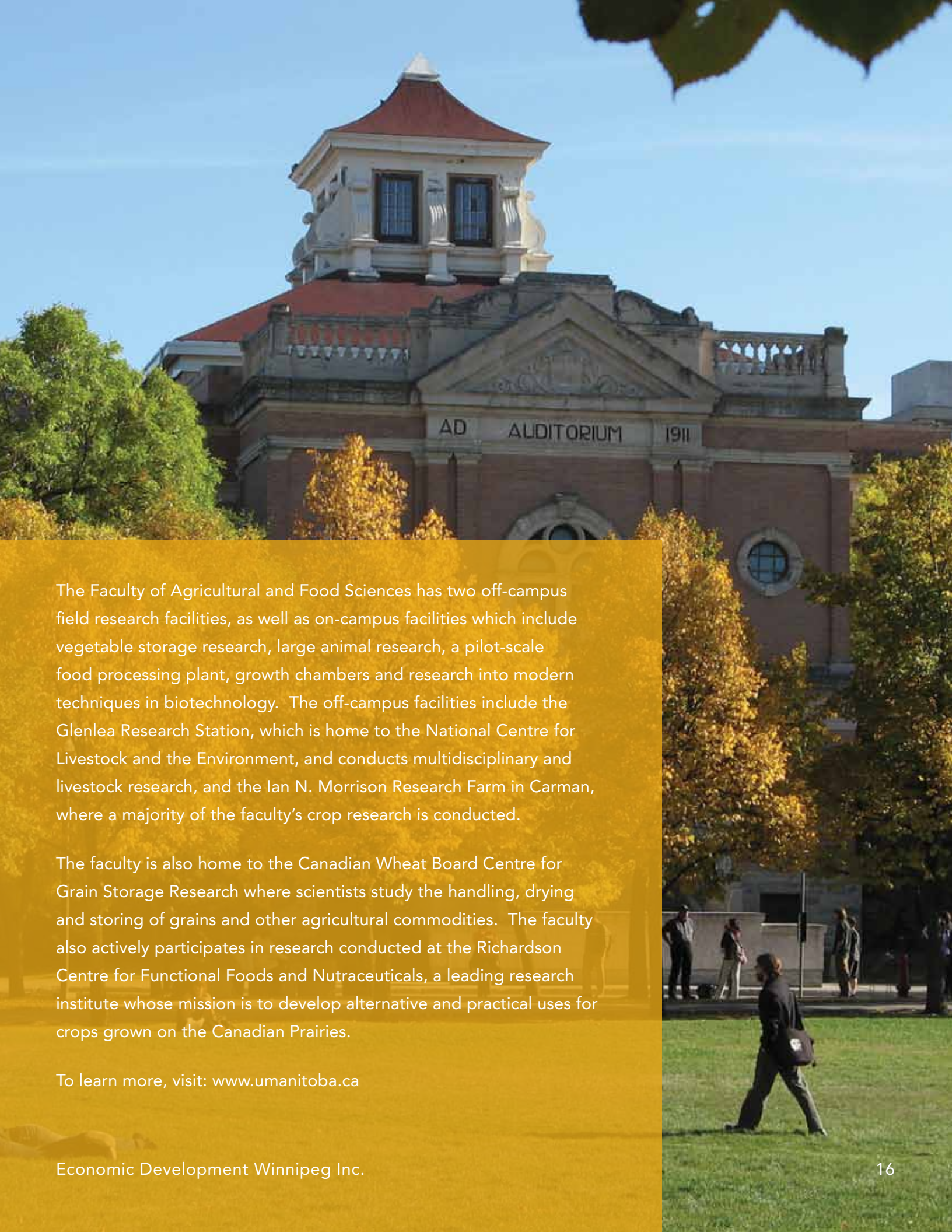


TRAINING AND EDUCATION RESOURCES

Winnipeg is home to two world-class universities, the **University of Manitoba** and the **University of Winnipeg** as well as the province's leading applied sciences college, **Red River College**. More than 42,000 students are currently enrolled at the city's post-secondary learning institutions, giving Winnipeg a diverse supply of young, highly educated and highly skilled workers.

AGRICULTURE AND FOOD SCIENCE

Originally established in 1906 as Manitoba Agricultural College, the Faculty of Agricultural and Food Sciences at the University of Manitoba offers science degrees in agriculture, agro-ecology, agribusiness, and food science. Graduates of faculty programs often go into a broad spectrum of careers, including Agri-business, finance, and international business development. Students have the option to participate in co-operative education programs which give hands-on, paid experience while attending university training. Also available to agriculture students is the opportunity to partner with the Faculty of Engineering to obtain a bachelor of science degree in bio-systems engineering, which can be used to gain admission into the university's medical school.



The Faculty of Agricultural and Food Sciences has two off-campus field research facilities, as well as on-campus facilities which include vegetable storage research, large animal research, a pilot-scale food processing plant, growth chambers and research into modern techniques in biotechnology. The off-campus facilities include the Glenlea Research Station, which is home to the National Centre for Livestock and the Environment, and conducts multidisciplinary and livestock research, and the Ian N. Morrison Research Farm in Carman, where a majority of the faculty's crop research is conducted.

The faculty is also home to the Canadian Wheat Board Centre for Grain Storage Research where scientists study the handling, drying and storing of grains and other agricultural commodities. The faculty also actively participates in research conducted at the Richardson Centre for Functional Foods and Nutraceuticals, a leading research institute whose mission is to develop alternative and practical uses for crops grown on the Canadian Prairies.

To learn more, visit: www.umanitoba.ca

A photograph of the University of Winnipeg building, a large stone structure with a prominent tower and arched windows. The building is partially obscured by a large tree in the foreground. The scene is set outdoors with a clear blue sky. A yellow semi-transparent box covers the left side of the image, containing text.

UNIVERSITY OF WINNIPEG

Consistently ranked in the top 10 in the country by Maclean's magazine and The Globe and Mail newspaper, the University of Winnipeg is a leader in academic excellence, aboriginal education, environmental studies and sustainability. The University of Winnipeg's Environmental Studies Program was one of the first interdisciplinary undergraduate environment programs in Canada, and one of the first few to emerge worldwide. Following the general principles of sustainability, the program takes an integrated yet practical approach to human-environmental interactions and resource and environmental problems.

The University has recently opened the Richardson College for the Environment and Science Complex, a centre for cutting-edge innovation, research and development, and incubation and commercialization of environmental technologies at the university. The Science Complex consists of 19 state-of-the-art instructional labs and 36 per cent of the total laboratory space is dedicated to scientific research activities.



RED RIVER COLLEGE

Red River College (RRC) is Manitoba's largest institute of applied learning with 32,000 enrollments across more than 110 programs. RRC works closely with industry and employers to ensure that graduates have the right skills and knowledge to contribute successfully in the workplace. Successful partnerships have helped graduates to achieve a 97% graduate employment rate.

MOBILE TRAINING LABS

RRC is committed to delivering high-quality applied learning to communities throughout rural areas in Manitoba outside of Winnipeg through the deployment of its mobile training labs. The college has two mobile training facilities consisting of 53-foot trailers which provide nearly 2,000 square feet of training space to instruct students in the areas of automotive service, carpentry, electrical, pipe fitting and plumbing, as well as welding and industrial mechanics. The labs are useful tools to increase accessibility to aboriginal students and provide access to useful training which helps maintain rural labour capacity.

RRC takes an entrepreneurial approach to meeting the needs of community, business, and industry. The college is home to a vast pool of knowledge and expertise that is readily available to help organizations arrive at practical, innovative solutions that deliver results.

For more information, visit: www.rrc.mb.ca

MANITOBA AGRI-BUSINESS NETWORKS

Winnipeg is home to a number of industry and professional associations that are active in supporting growth of Manitoba's agriculture and food production sector. As the capital of Manitoba, Winnipeg is also home to several government organizations that play an integral role in the Agri-business sector.

THE MANITOBA FOOD PROCESSORS ASSOCIATION (MFPA) is a non-profit, industry-run organization that promotes Manitoba made food products to local and international markets. The Association serves more than 260 member companies, ranging from small, start-up operations to large multi-national companies consisting of growers, processors, marketing boards, government agencies, retailers, and industry suppliers of goods and services.

www.mfpa.mb.ca

The role and mission of the **MANITOBA BEEF PRODUCERS ASSOCIATION (MBP)** is to represent Manitoba's cattle producers through communication, research, advocacy and education - within industry, to government, and to consumers. These efforts take place to strengthen the industry's viability, improve prosperity and ensure a sustainable future for the beef industry in Manitoba. www.mcpa.net

KEYSTONE AGRICULTURAL PRODUCERS (KAP) is a democratically controlled general farm lobby organization which represents and promotes the interests of agriculture and agricultural producers in Manitoba. KAP's mission is to be an effective policy organization, promoting the social, economic and physical well-being of all Manitoba agricultural producers. www.kap.mb.ca

The primary role of the **MANITOBA INSTITUTE OF AGROLOGISTS (MIA)** is to regulate practicing agrologists in Manitoba in the public interest. Under authority of The Agrologists Act of Manitoba, registered professionals share the responsibility of self-governance so that standards of practice and ethical conduct are followed. Registration to practice agrology is required in Manitoba and most other provinces in Canada. mia.mb.ca

Economic Development Winnipeg Inc.



THE MANITOBA BEEKEEPER'S ASSOCIATION exists to represent and promote the welfare of the entire Manitoba honey bee industry through presentations to the federal and provincial governments, participation on the Canadian Honey Council and other organizations with similar goals, and to promoting a better understanding of beekeeping and honey to the general public.

manitobabee.org

MANITOBA CANOLA GROWERS ASSOCIATION is a member organization committed to maximizing net income from canola through the development of profitable markets for canola growers. The association collaborates with industry and government to build trust and confidence through planning, governance, and decision-making focused on the best interests of canola growers.

mcgacanola.org

MANITOBA CHICKEN PRODUCERS (MCP) represents the needs of hatching egg and chicken producers of Manitoba by providing leadership in maintaining a viable and stable chicken production industry.

www.chicken.mb.ca

THE MANITOBA CORN GROWERS ASSOCIATION is headquartered in Carman, Manitoba, and is dedicated to advancing the corn industry in Manitoba in the areas of market development, promotion, research and education. The association also administers the Cash Advance Program for corn, alfalfa seed, annual and perennial rye grass, pulse crops, sunflowers and honey.

www.manitobacorn.ca

DAIRY FARMERS OF MANITOBA is responsible for managing the supply of milk in the province, selling milk from Manitoba dairy farmers to processors and scheduling its transportation, representing the interests of Manitoba dairy farmers at the provincial and national level, advertising and promotional programs for fluid milk and real cream, and delivering nutrition and dairy agriculture education.

www.milk.mb.ca



MANITOBA EGG FARMERS' MISSION is to promote a thriving and sustainable egg industry, with the goals of: building strong relationships and maintaining open communication with stakeholders, enabling farmers to practice the highest standards of animal care, food safety and environmental sustainability through education and support, and satisfying consumer needs while promoting choices and growth in egg consumption.

www.mbeegg.mb.ca

THE MANITOBA FORAGE COUNCIL (MFC) is a non-profit organization comprised of over 400 producers, agri-business and extension leaders who are dedicated to the development and promotion of a sustainable hay, forage and livestock industry. MFC also works to protect our most valuable resources – our land, waterways, and wildlife diversity.

www.mbforagecouncil.mb.ca

THE MANITOBA PORK COUNCIL (MPC) is the association of the province's pig producers. As a membership association, MPC delivers a wide range of programs and activities designed to benefit its farmer members and promote the industry as a whole. MPC's mission is to foster the sustainability and prosperity of the pork industry for the good of all hog farmers and all Manitobans.

www.manitobapork.com

MANITOBA PULSE GROWERS ASSOCIATION (MPGA) is a not-for-profit organization that represents 3,000 farmers in Manitoba who grow edible beans, peas, lentils, chickpeas, faba beans, and soybeans. Their mission is to provide Manitoba pulse grower members with production knowledge and market development support through focused research, advocacy and linkages with industry partners.

www.manitobapulse.ca



OVERALL COMPETITIVENESS

Overall competitiveness is compared by calculating internal rates of return, which are commonly used by business in making investment and location decisions. A higher internal rate of return indicates a city is more competitive than others. Internal rates of return for each city are calculated using start-up costs and cash flow over a 20-year period, specific to a smaller and a larger manufacturing firm, then discounted using applicable Canadian and US commercial interest rates. The following charts illustrate the combined impact of taxes and costs on the internal rates of return for the representative smaller and larger manufacturing corporations in the selected jurisdictions.

Figure 2: Internal Rate of Return Small Manufacturing Firm

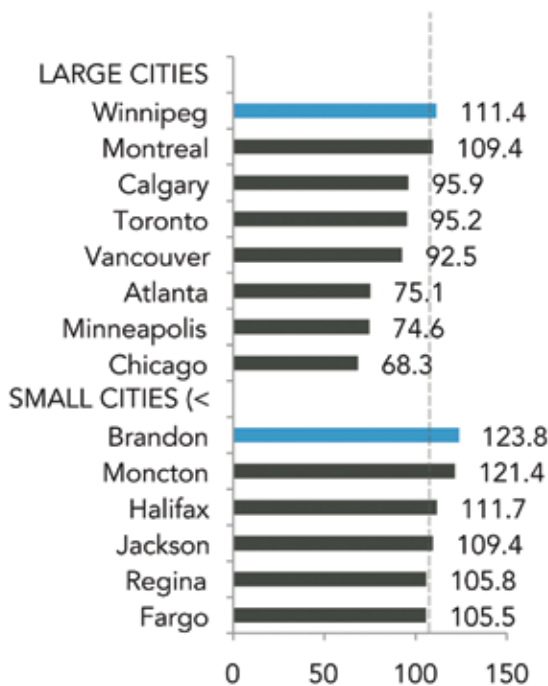
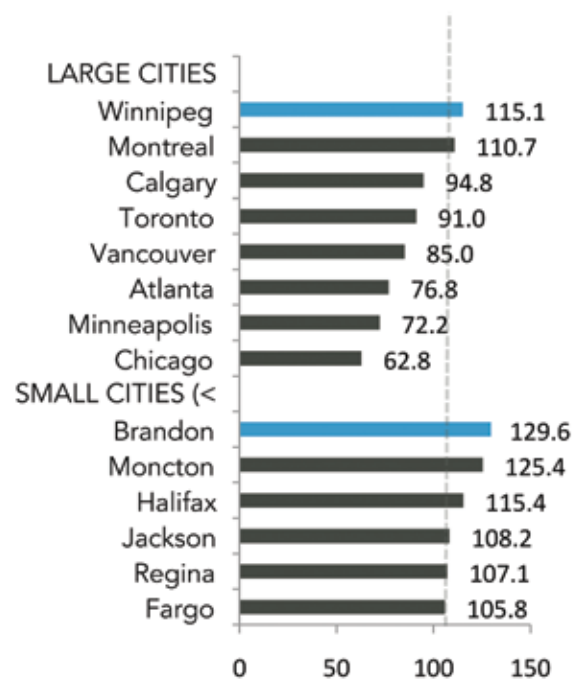


Figure 3: Internal Rate of Return Large Manufacturing Firm



Source: Manitoba Finance 2011

Manitoba maintains a **highly competitive overall business cost and tax environment** for both smaller and larger firms engaged in manufacturing and processing. The internal rates of return for both Winnipeg and Brandon are above the overall average of the cities included in the study. Among cities with populations over 500,000, **Winnipeg has the highest internal rate of return** for both smaller and larger manufacturing firms. Brandon has the highest internal rate of return, overall, for all cities compared.

R&D TAX INCENTIVES, GRANTS, AND OTHER FINANCIAL SUPPORT

The Province of Manitoba offers a variety of financial support products to businesses. More information on the Manitoba's many programs is available at www.manitoba.ca/business.

In addition, the Province has a history of helping businesses in Manitoba to gain access to capital through grants, loans, loan guarantees, refundable tax credits, equity investments and other similar forms of support. Contact Economic Development Winnipeg Inc. to learn more about the opportunities that may be applicable to your business. www.economicdevelopmentwinnipeg.com

INDUSTRIAL RESEARCH ASSISTANCE PROGRAM (IRAP)

The National Research Council-Industrial Research Assistance Program (NRC-IRAP) is Canada's premier innovation assistance program for small and medium-sized enterprises (SMEs). It is a vital component of the NRC, a cornerstone in Canada's innovation system, regarded world-wide as one of the best programs of its kind. Through expert technical and business advice, financial assistance, access to business information, contacts, and national and international networks, the program provides customized solutions to some 10,000 SMEs annually. NRC-IRAP operates on a shared-risk model, providing cost-shared financial assistance for research and development projects that meet both the firm and project assessment criteria. www.nrc-cnrc.gc.ca/eng/ibp/irap.html

MANUFACTURING TAX CREDIT

The Manitoba Manufacturing Investment Tax Credit provides (MITC) a 10% tax credit applicable against Manitoba corporate income tax payable. This credit is for new and used manufacturing buildings, machinery and equipment used directly in the manufacturing process. Qualified investments must be made prior to December 31, 2014.

The amount deductible against Manitoba income tax will be the lesser of the 10% investment tax credit or the Manitoba Corporate Income Tax otherwise payable. Unused investment credits can be carried forward up to 10 years, or carried back up to three years. This allows firms without taxable income to take immediate advantage of the MITC.

Beyond these incentives there are a variety of incentives available to manufacturers in Manitoba including grants, loan guarantees, wage subsidies, and equity investments.

R&D TAX INCENTIVES, GRANTS, AND OTHER FINANCIAL SUPPORT

SR&ED

The tax environment in Manitoba encourages industry to continuously develop new and innovative products and processes. The Manitoba Research and Development Tax Credit and the federal Scientific Research and Experimental Development Tax Credit (SR&ED) provide Manitoba companies with considerable leverage for their R&D investments. Studies by the Conference Board of Canada comparing the R&D tax incentives among the world's industrialized countries have repeatedly found that combined federal and provincial R&D tax incentives in Canada are the "most generous and stable offerings in the industrialized world.

"To encourage research and development in Manitoba, the Research and Development Tax Credit provides a 20% partially refundable tax credit. Eligible corporations must incur qualifying scientific research and development expenditures (as defined for federal income tax purposes) in Manitoba. The credit is fully refundable for eligible R&D expenditures incurred in Manitoba after 2009 under an eligible contract with a qualifying research institute, which includes post-secondary institutions and persons approved for this purpose by the Minister of Innovation, Energy and Mines. The credit is partially refundable up to 50 per cent on R&D expenditures incurred after 2011.

The amount deductible against Manitoba income tax will be lesser of the Manitoba R&D Tax Credit and the Manitoba Corporate Income Tax otherwise payable. Any unused credit will be available for carry-forward for up to 10 years and carry-back for up to three years. For more information on the Manitoba Research and Development Tax Credit, please visit the Manitoba Department of Finance at: www.gov.mb.ca/finance/ccredits.html

R&D TAX INCENTIVES, GRANTS, AND OTHER FINANCIAL SUPPORT

NATIONAL RESEARCH COUNCIL'S (NRC) INDUSTRIAL RESEARCH ASSISTANCE PROGRAM (IRAP)

IRAP provides cost-shared financial support to qualified small and medium-sized enterprises in Canada to help them develop technologies for competitive advantage. NRC total expenses through the IRAP in 2009-10 were in excess of \$1 billion, of which more than \$280 million was in direct grants. Contact: www.nrc-cnrc.gc.ca/eng/index.html or publicinquiries.irap-pari@nrc-cnrc.gc.ca

SCIENTIFIC RESEARCH & EXPERIMENTAL DEVELOPMENT TAX AND FINANCE CENTRE

Canada offers some of the world's richest R&D tax incentives, but many businesses are not taking advantage of them as a valuable source of capital. The finance centre offers the expertise needed to identify and manage R&D tax claims.

Contact: <http://www.cra-arc.gc.ca/txcrdt/sred-rsde/menu-eng.html>

THE MANITOBA COMMERCIALIZATION SUPPORT FOR BUSINESS PROGRAM

The Manitoba Commercialization Support for Business Program supports entrepreneurship, commercialization, and business development by offering a comprehensive suite of financial assistance and services across the business lifecycle. The program targets entrepreneurs and businesses seeking to start-up, expand, or modernize a business in Manitoba.

The program provides financial assistance to cost share arms-length third party expenses up to a maximum of 50 per cent. The Government of Manitoba's total contribution to funded projects will not exceed 50 per cent of eligible/approved costs. Total government support from all levels of government (federal, provincial, municipal), including tax rebates, cannot exceed 75 per cent of total project costs.



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