



BRAED

Battle River Alliance
for Economic Development

A top-down view of a dark red bowl filled with fresh, bright green edamame beans. Some beans are whole, while others are slightly cracked open, showing the seeds inside. The background is a soft-focus green, suggesting more edamame pods.

Your future hub for
pulse and canola
processing

VALUE PROPOSITION



With abundant and high-quality feedstock, global market access, and a specialized workforce, the Battle River region is your future hub for pulse and canola processing

Did you know?

The Battle River region...

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Is in Alberta, which has the highest food manufacturing GDP growth of the top five food producing provinces in Canada	3
Produces 10 million metric tons (MMT) of canola and pulses annually – enough to fill more than 110,000 hopper rail cars	4-5
Is home to more than 120 companies that specialize in growing seed, marketing agricultural products, and supplying agricultural inputs	6
Gives you access to Alberta’s renowned and innovative agricultural R&D institutions	7
Is located in the province that is home to the youngest and most highly educated workforce in Canada	8
Gives you access via free trade agreements to fast-growing markets counting more than 1.5 billion consumers	9
Is ideally positioned to ship your products out of Alberta to anywhere worldwide within 48 hours	10
Benefits from some of the lowest utility rates in all of North America	11
Offers a tax-landscape that is ready for business	12

Situating the Battle River region in Alberta and Canada

Canada

7th largest food exporter in the world

The only G7 country to have free-trade agreements with all other G7 countries

More than 14 national incentive programs targeted at agribusiness investors

6,900 businesses in food and beverages processing

Joint best total tax and contribution rate as a percentage of profits

Alberta

Highest economic freedom in Canada

The highest five-year food manufacturing GDP growth of the top five food producing provinces in Canada

Highest investment per capita in machinery, equipment and construction in Canada and almost double the Canadian average

26,000 people employed in the food and beverage processing industry, which accounts for \$15.2 billion in manufacturing sales

Produces 35% of Canada's canola and 34% of its pulses

Exports of primary and processed agricultural products totaling \$11.4 billion

Battle River Region

25 communities

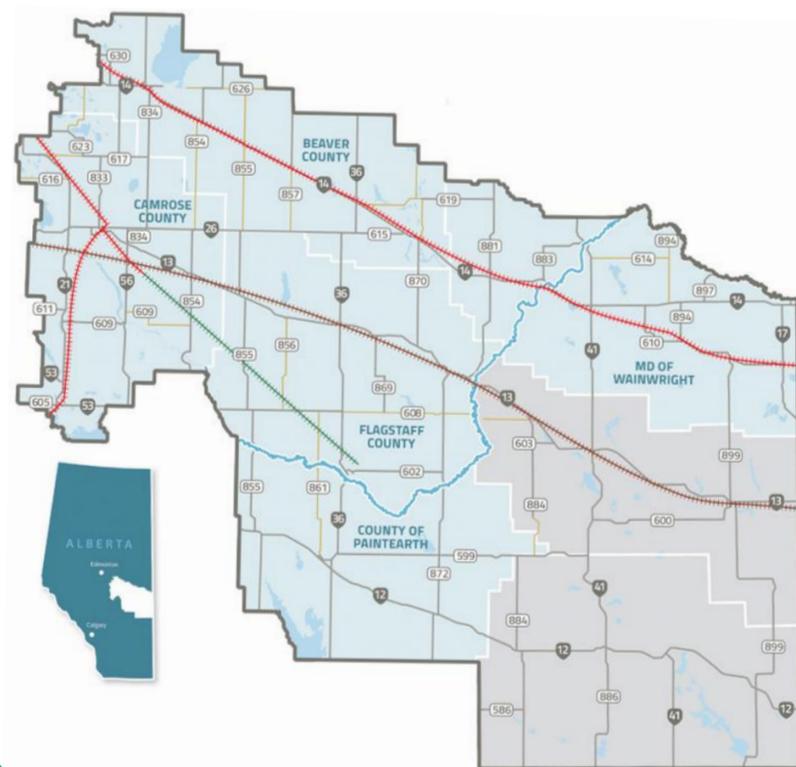
Over 62,000 residents

Over 2.5 million acres of cultivated crop land

Nearly 10% of its workforce employed in agriculture, outperforming the Alberta average at 2.8%, Saskatchewan at 8.8%, and Manitoba at 4.3%

9.5% lower agri-food manufacturing costs than the US

Easy and cost-effective rail access to Vancouver and Montreal, Canada's largest international ports



“Cargill operates an oilseed processing facility, grain elevator, crop inputs retail and animal nutrition feed mill in Camrose County, and we’re constructing a fertilizer retail and distribution center. We have been able to employ many local residents, and this location in central Alberta is ideal for us because it is in the heart of some of Alberta’s most productive agricultural land, particularly as it relates to growing canola. The county has welcomed Cargill and has helped us work through the many challenges of establishing and running major agricultural operations.”

- Fady Philippe, Oilseed Processing Facility Leader, Cargill

Abundant, high-quality agricultural supply

According to the United Nations World Risk Index, Canada has a very low risk of natural hazards, ranking well-ahead of the United States.



British Columbia	Prairies	East	Maritimes
Canola 74,400 MT	Wheat 24,418,600 MT	Corn 12,809,100 MT	Corn 140,000 MT
Peas 64,200 MT	Canola 19,559,500 MT	Soybeans 5,292,000 MT	Barley 99,200 MT
	Barley 6,875,200 MT	Wheat 2,652,400 MT	Soybeans 81,200 MT
	Lentils 2,438,600 MT	Beans 134,800 MT	

Seeded Acres 2016

	BRAED	Alberta	Canada	Alberta %
Land in crops	2,566,644	25,261,781	93,400,000	27.1%
Canola (rapeseed)	844,248	6,071,744	20,606,778	29.5%
% Increase 2011-2016	6.2%	1.6%	6.4%	
Beans, all dry	8,471	102,827	446,057	23.1%
Chickpeas	-	20,766	195,569	10.6%
Lentils	4,952	463,500	5,584,80	8.3%
Peas, dry	187,802	1,909,491	4,291,872	44.5%
Pulses	201,225	2,496,584	10,518,306	23.7%
% Increase 2011-2016	224%	189.5%	197.3%	

Canada is the center of global canola production:

- More than 25% of the global canola supply
- Accounts for \$26.7 billion of economic activity
- Canola yields increased by 62% since the early 2000s
- National canola production is estimated to rise by 30% to 26 MMT by 2027

Alberta is one of the most dynamic and productive regions in Canada for agricultural inputs and processing. Specialized farms with a strong focus on organic production offer a very large and ever-increasing supply of canola and pulse crops.

- Gross farm receipts of \$17.7 billion
- Produces 35% of Canada's canola, 34% of its pulses, 48% of its barley, 32% of its wheat and 20% of its oats
- Stable supply with a maximum deviation of 13% from the mean in canola yields in the last five years
- Pulse acreage grew by 186% between 2012 and 2016, while its share of Canada's total acreage increased from 14% to 23%
- An additional 630,000 acres are suitable for pulse production (accounting for the 4-year rotation cycle)
- Faba bean yields per acre are on average 47.8% higher than in neighboring provinces
- More than 6,500 farmers growing pulses

The BRAED region offers:

- 5.2 million acres of high-quality farmland, cultivated by 3,452 farms
- Dryland growing conditions
- Class 2 black soil in the Holden area is among the most fertile in the province
- Typical canola yields are 37% above the Alberta average
- Without sacrificing oil content, Alberta canola contains between 37% and 51% protein. This is more than twice as much as in the neighboring prairie provinces.
- Acres dedicated to peas increased by 224% from 2011 to 2016

A leader in plant-based proteins

Canada is a leading producer of pulses suitable for further plant-based protein processing

Pulse	Production Metric Tons	Share of global total Percent	Canada's global ranking Rank
Lentils	1,531,900	34.8	1 st
Dry peas	2,115,600	21.7	1 st
Chickpeas	90,800	0.8	9 th
Dry beans	144,000	0.6	27 th

- A 20% rise in Canadian pulse yields is expected by 2027
- Canada is leading research in the marketization of new pulse varieties, such as the new mung bean, super-size kabuli chickpea, lupin, and winter field pea and lentil

A well supported industry

The Plant Protein Alliance of Alberta is a catalyst in the creation of strategic alliances and the education of agribusiness industry players in Alberta, pushing the benefits of whole-crop utilization and encouraging the processing of plant-based proteins in Alberta.

Increasing global demand

- Total global protein demand will double to 944 MMT by 2054
- The share of this demand attributed to plant-based protein sources is expected to rise to one-third, including proteins for direct human consumption, aquaculture feed, pet/animal food, pharmaceuticals and cosmetics
- The global plant-based protein market will reach \$14.8 billion USD by 2023 (CAGR of 5.9 from 2017 to 2022)

Opportunities in the Battle River region and Alberta

3.59 MMT of canola and 1.69 MMT of pulse seeds were exported from Alberta in 2017, making the region an untapped resource for further in-province processing.

Processing operations the region is ready to welcome:

- Pulse milling and fractionation of peas, fababeans and other pulses
- Protein isolate and concentrate production from pulses
- Canola crushing
- Protein extraction from cold-pressed canola meal
- Biodiesel processing

Plant-based protein products that can be produced using the Battle River region's abundant resources:

- Functional food ingredients (canola meal, pulses)
- Pet/animal food
- Pea protein, fiber and starch
- Natural health products
- Pharmaceuticals

Access to an established industry cluster

The pulse and canola processing industry in the Battle River region is already well-established and continues to grow, with a broad range of local and multinational companies choosing to take advantage of its considerable benefits.

An established cluster

There are over 120 companies in the region that specialize in growing seed, marketing, and supplying agricultural inputs. These include:

- Eight seed cleaning plants, including facilities in Alliance, Camrose County, Coronation, Lougheed and Wainwright
- Canola and pulse processing plants operated by W.A. Grain and Pulse Solutions (Bashaw), Cargill (Camrose), and Viterra (Killam)

In Alberta, there are a total of 24 existing ingredient and crop processing facilities and one currently in planning that is set to be established in nearby Bowden.

Prior expansions and investments



Cargill Canola Processing invested \$252M in the region where it operates a 40-acre site with 35 employees



Viterra has a strong presence through the region and one of its largest facilities is in Camrose, where it operates a 5.8-acre site



A 5.3-acre site in Wainwright processes canola oilseed into salad oils and margarine, employing 32 people



Apex Nutrition operates a canola processing plant on a 0.6-acre site, employing 5 people



Parrish & Heimbecker invested \$50M in a regional facility, which currently employs 20 personnel



Cargill Animal Nutrition invested \$15M in the region where it operates a 5-acre site and employs 5 people



W.A. Grain and Pulse Solutions

“Our pulse processing plant in the Battle River region is ideally situated, enjoying access to an ample supply of locally grown pulses, flexible and affordable logistical connections to national and overseas markets, and a very reliable and extensive water and gas infrastructure. The region is perfectly poised for future growth in our exciting industry.”

- Chris Chivilo, Chief Executive Officer

A research and development powerhouse



The Western Canadian Research Hub

- Western Canada is home to 60 institutions that conduct research in the areas of crop science and agriculture-related R&D. Western Canadian expertise in this area is internationally renowned.
- Alberta alone is home to 27 institutions of this kind, more than any other Western Canadian province
- The canola crop has its roots in Canada – invented by Western Canadian scientists in the 1970s, the crop’s name combines the words “Canada” and “OLA” (meaning “oil, low acid”). It now contributes more than \$26 billion to the Canadian economy.

R&D Incentives and Programs

- Innovation Employment Grant:** When it launches in January 2021, this Alberta-wide program will fund up to 20% of firms’ qualifying R&D expenditures.
- Scientific Research and Experimental Development Program:** The worldwide-renowned Canadian tax incentive available to businesses of all sizes conducting research.
- AgriInnovate Program:** Canada-wide program accelerating the commercialization, adoption and/or demonstration of innovative products, technologies, processes or services that increase agri-sector competitiveness and sustainability.
- Canadian Agricultural Partnership:** wide reaching five-year (2018-2023) \$3 billion investment that will strengthen sector competitiveness, market access for exports, and R&D.
- Alberta Innovates BioSolutions:** provides leadership and coordination for research and innovation that supports the growth and diversification of Alberta's agriculture, food, forest and life science sectors.

The Protein Industries Supercluster Initiative

- In 2018, the Government of Canada recognized plant-based proteins as one of the country’s highest potential industries for growth, dedicating \$150 million to match private sector R&D investments in plant-based new food products
- Based in Western Canada, the Protein Industries Supercluster is one of only five created by federal government and is specifically designed to increase the value of the Battle River region’s key crop groups: canola and pulses
- The very first investment, a \$3.1 million USD commitment, was made in the Alberta-based Botaneco, to commercialize a new processing technology that will use canola and other crops to yield new oil and protein products

“The Protein Industries Canada co-investment will allow us to expand our internal research capacity and contribute to the building of a Prairie proteins ecosystem with our consortia partners and key public research institutions. This investment will greatly accelerate our development timelines; opening new, high-value markets for Canadian oilseed crops.”

James Szarko, CEO of Botaneco Inc.

A talented & affordable workforce

Workforce Development Programs

A variety of programs support the professional development of Albertans, creating a population that is ready for new work opportunities:

- **Canada-Alberta Job Grant:** Government and employers share the costs of training existing and new employees. 100% of training costs covered if the hire was previously unemployed.
- **Transition to Employment Program:** Helps individuals to attain occupational skills in Camrose, Leduc and Wetaskiwin.
- **Canada-Alberta Workforce Development Agreement:** Funding provided by the federal government to aid Albertans in developing their skills and gaining work experience.
- **Workplace training:** Supporting training on the worksite and paid work-experience opportunities for those that are unemployed or facing difficulties in finding employment.
- **Integrated training:** Provides skills to the unemployed and marginally employed to assist in their inclusion in the labor force.
- **Immigrant bridging:** Provides training for skilled immigrants, bridging the gaps that might exist in knowledge and skills so that they can be employed in a related occupation.

Canada

- Canada has the lowest labor costs amongst the G7
- Labor costs are 31.2% lower than in the U.S.
- 1 in 8 Canadian jobs are in the agriculture and agri-food industry
- Canada's worldwide-renowned Global Skills Strategy streamlines immigration processing times to help businesses to hire global talent quickly

Alberta

- Canada's youngest workforce
- The food and beverage processing industry is the largest manufacturing employer in the province, with a workforce of 26,000 and \$15.2 billion in sales
- Populous urban centers Edmonton and Red Deer lie in close proximity to the BRAED region
- The highest post-secondary completion rate in Canada
- Provides significant labor cost advantages compared to the U.S., largely owing to publicly funded health care and low taxes

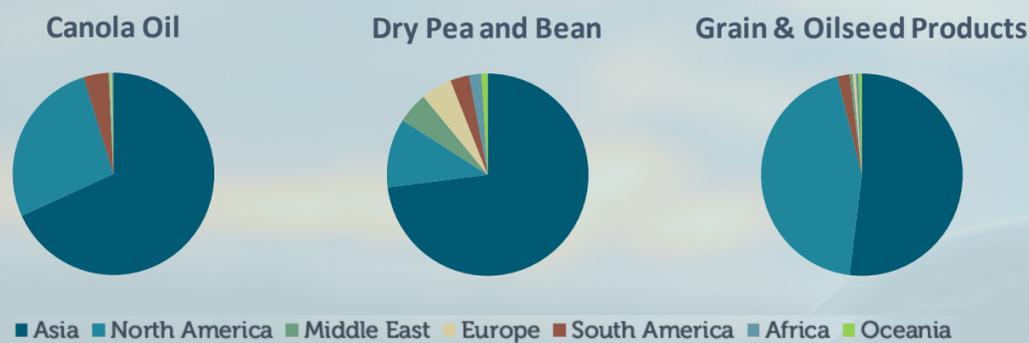
The Battle River region

- The Battle River region has a total workforce of 42,000 with over 15.8% of the residents holding a trades diploma (higher than the Alberta average)
- Amongst its workforce, 4,063 individuals are employed in agriculture and 73 in food manufacturing
- 59% of the BRAED's population hold a post-secondary qualification, increasing by 16.8% between 2011 and 2016 – for Canada the average stood at 54%
- According to most recent survey, the average hourly wage for the Battle River region was just under \$24/hour, with variations ranging from \$12/hour to \$38/hour

Global market access



Export destinations of Alberta produce:



Canada

- G7 economy with a GDP of 1.9 trillion int.\$
- A population of 38.3 million and an average household disposable income per capita well above the OECD average
- The country's changing consumer consciousness is prioritizing health and wellness and preferencing plant-based foods for their improved environmental impact
- Initiatives for increasing the renewable content in diesel to 5% would require the additional processing of 1.3 million metric tons of canola locally

Alberta

- 3rd-largest exporter of agri-food products in Canada
- Agricultural exports rose by 41% over the last five years
- Total exports of \$11.91 billion to over 150 countries in 2018

Alberta's market share for food and agriculture imports in selected countries (2018):

- China 8th
- Mexico 9th
- Japan 11th
- South Korea 15th

CUSMA

The Canada-United States-Mexico Agreement (CUSMA) is now in force. All agricultural products that had zero tariffs under NAFTA will remain at zero tariffs. In addition, the new agreement specifically addresses agricultural biotechnology to support innovation.

CETA

The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) ensures 98% of EU tariffs are duty-free for Canadian goods and guarantees market access to both the EU and North America. No other top investment destination in the Americas can offer access to all 27 EU Member States.

CPTPP

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) gives companies operating in Canada preferential access to one of the largest trading blocs in the world, including key markets in Asia and Latin America.

The Battle River region

- Operating in the Battle River region, you benefit from Canada's 14 free trade agreements that grant you preferential market access to 51 countries with nearly 1.5 billion consumers and a combined GDP of \$49.3 trillion, or 60% of global GDP.
- Canada is the only G7 country where you benefit from free trade agreements with all other G7 countries.

Transportation infrastructure and logistical connections

BRAED's excellent transportation system allows you to move your agricultural products quickly and economically to markets near and far. You have a choice of rail, road, and air to ship your products, and enviable access to intermodal and source loading options for straightforward and cost-effective shipping. Proximity to the Edmonton metropolitan area further expands your packaging and distribution options.

	Distance from Battle River (miles)		
	Camrose	Coronation	Wainwright
Edmonton	62	165	130
Calgary	180	190	261
Saskatoon	283	224	196
Regina	444	382	357
Winnipeg	767	708	680
Vancouver	777	786	848
Coutts (US border)	320	245	326

Road

- High-load corridors along Highways 21, 36, and 41 run north-south and connect with the country-spanning Trans-Canada Highway
- Alberta's central highway corridor, part of the Canada-US-Mexico (CANAMEX) trade corridor and home to more than 4 million residents, is just 40 minutes west of the City of Camrose
- Well-maintained principal Highways 13 and 14 bisect the region from west to east, and north to south
- Local trucking firms and courier service companies offer reliable, on-demand service

Rail

- CN Railway, CP Railway and Battle River Railway provide daily freight service east, west and to the U.S.
- Interchange is available at many points throughout the region
- Rail terminals Wainwright (CN) and in Camrose (CN/CP) connect into Calgary and Edmonton hubs for national transit
- Individual rail sidings available
- Availability of producer cars and intermodal transport
- Untapped supply chain capacity, with abundant empty containers available for low-cost, source loaded shipments

Air

- Edmonton International Airport offers access to 11 airlines with freight capacity, rapid customs, and unlimited 24/7 operations
- The commercial airports of Lloydminster and Calgary are also within easy reach, with the latter handling over 140,000 MT of cargo annually
- Various regional airports complete air-borne transportation options

Sea

- Alberta offers you the closest access in the Prairie region to the ports of Prince Rupert and Vancouver, Canada's largest by tonnage processed, opening up Asian markets
- Local CN and CP rail connections ship to the Eastern Ports of Montreal (set to double its capacity to 2.1 million TEUs), the Great Lakes, and beyond, giving you access to European markets and the Eastern seaboard

Available greenfield opportunities and favorable utility costs

The Battle River region's land and building costs are lower than many other Alberta locations, making the region a viable place to seek out new development opportunities.

Your production benefits from an electricity, gas and water utility infrastructure that is among the most reliable and economical in the Prairie provinces.

Available industrial land in the Battle River region:

- A wide variety of land available, from small to very large publicly and privately held lots, boasting proximate rail and highway access
- BRAED officials can help with quick and flexible access to additional sites
- Reliable energy and water supply to your chosen location
- Low development costs (permits and licenses)
- An average of \$138,000 per acre vs. approximately \$600,000 in greater Calgary and as much as \$1 million in the inner city
- The Central Alberta Realtors Association has more than 650 real estate brokers and agents among its membership working across Central Alberta, including in the City of Camrose

Electricity

- A deregulated energy industry ensures a reliable energy supply for industrial customers
- Electricity rates between 5 c/kWh and 7 c/kWh in Battle River communities are comparable to the top 5 cities in North America for industrial power rates
- Alberta is the 3rd largest producer of electricity in Canada and has a generating capacity of 16,332 MW
- Alberta's wind fleet has a capacity of 1,467 MW, the 3rd highest in the country after Ontario and Quebec
- Approximately 26,000 km of transmission lines with 235 generating stations bring energy to your business
- Providers in the BRAED region include ATCO Electric, Epicor, and Camrose Energy

Gas

- Nova Gas Transmission Ltd. System is comprised of approximately 24,500 km of pipelines and facilities across Alberta
- Competitive gas rates from different providers (Dec. 2020 values):
 - Gas Alberta: \$2.20 per gigajoule
 - WTD AVG: \$2.72 per gigajoule
 - ALTAGAS \$2.83 per gigajoule
 - DERS: \$2.71 per gigajoule

Water

- Water rates in BRAED are between 1.938c/m³ and 18.25c/m³
- Recent wastewater upgrades in the City of Camrose and in Lougheed
- Communities along the Battle River or with large reservoirs or water pipelines, such as Camrose County, Castor, Lougheed, Viking and Paintearth County, are particularly suitable for businesses requiring heavy access to water

Tax advantages in the Battle River region

Progressive reductions in both federal and provincial taxes create a significant advantage for companies operating in the battle River region when compared to other Canadian regions and the United States.

Alberta has the lowest corporate income tax rates in Canada

- The provincial corporate income tax rate of 8% and combined federal-provincial corporate tax rate of 23% are the lowest in Canada
- This figure is substantially below a general net effective corporate tax rate of 27% in the U.S. (KPMG).
- In fact, Alberta's combined federal-provincial business tax rate is now lower than that of 44 U.S. states.
- Alberta has the second lowest corporate tax rate on new business investments in the G7
- For small businesses with up to CAD\$500,000 of active business income, a combined federal and provincial tax rate of only 11% applies

Low property tax rates

- Average estimated commercial property tax is 20.58%, considerably less than the Canadian average of 24.21%.
- This compares favorably to major population centers in Quebec, Ontario, Manitoba, and Nova Scotia.

Low personal income tax rates

- The maximum provincial personal income tax rate of 15% is one of the lowest effective systems in Canada and is combined with generous income brackets and the highest property and spouse tax exemptions in the country
- Federal personal income tax rates range between 15% on the first \$48,535 of taxable income and 33% of taxable income over \$214,368
- The effective income tax rate in Canada is 17.9%. This is 11.9% below that of the U.S.

Companies in the BRAED region also benefit from:

- No payroll tax
- No capital taxes
- No inventory tax
- No machinery and equipment tax
- No retail sales tax
- No health care premiums
- Free provincial health care insurance
- The lowest fuel tax among provinces



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