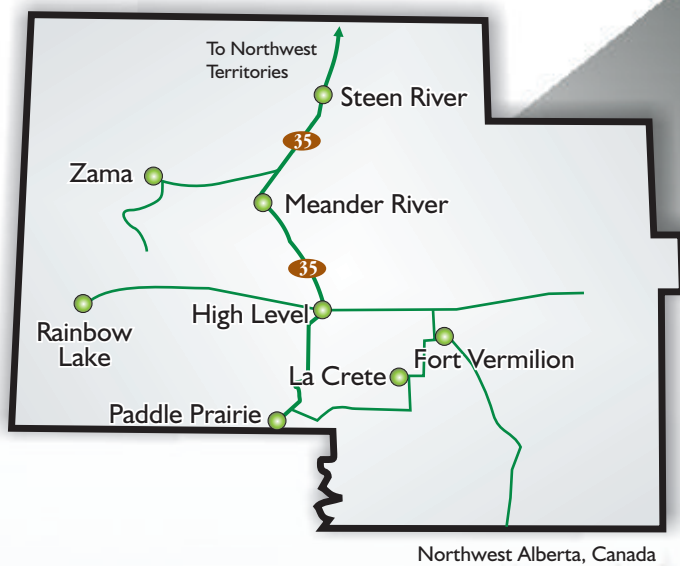


Value Added Agriculture and Forestry Opportunities... incredible!

The Agriculture and Forestry industries are two of the REDI Region's economic mainstays. In 2006, there were 830 farm operators on 647 farms who generated \$42.5 million in gross farm receipts. The Forestry industry is comprised of dimensional lumber saw mills, oriented strand board manufacturing, and transportation. The REDI Region has some great value added investment opportunities in these sectors.



Value Added Forestry Opportunities

A March 2008 study by Toma & Bouma Management Consultants identified several potential opportunities for value-added investment in the REDI Region's Forestry Sector. With REDI's vast forest resource and developed industry, the opportunities include:

- Dimensional products such as 2" x 4" studs, other dimensional boards, planks, and other products.
- Oriented Strand Board (OSB) lumber and panels.
- Value added products such as doors, millwork, cabinetry, veneers, furniture, flooring, high quality logs and buildings.
- Bio-products such as bio-chemicals, essential oils, and cosmetics.
- Non-timber forest products and services such as: boreal forest soaps and salves, teas, wreaths and floral supplies, craft kits, walking sticks and canes, Aboriginal products and crafts, and much more.

Positive Investment Climate

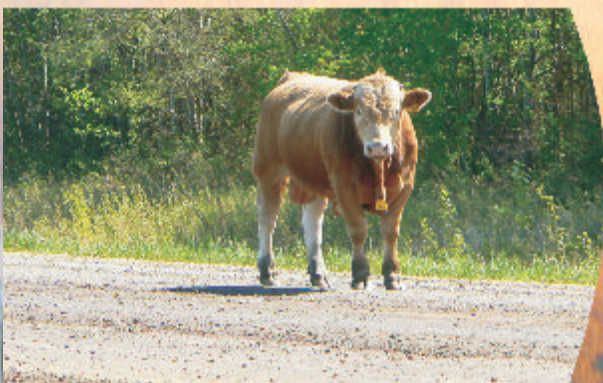
The REDI Region has an attractive investment climate for the Forestry and Agriculture sectors:

- A young and growing population. Over 21,000 people live in the REDI Region and the population has been growing at about 2.5% per year. The median age of the population is 25 years; 11 years younger than the median age in Alberta. Unlike Alberta and Canada, the REDI Region's workforce is much less susceptible to shortages arising from an aging workforce.
- The REDI Region has the capacity to support investment with a skilled labour force in these sectors.
- Rich in natural resources. The REDI Region has approximately 120,000 acres of land in crops, strong livestock production, and a vast boreal forest rich in poplar, aspen, and spruce. These resources can supply necessary inputs for a variety of value-added industries.
- An economically vibrant region. Between 2005 and 2007 the total value of building permits was over \$55 million per year. Approximately half of this value was residential construction.



Another promising opportunity is for pre-manufactured structural wood components for home and commercial construction. Examples include: walls, door frames, I beams, rafters, staircases, and other sub-structures. These products add significant value to dimensional lumber and traditional OSB and provide several builder advantages:

- Lower building site labour costs and skilled labour requirement.
- Decreases the variability in construction quality.
- Shortens construction times. Reduces building waste.



Alberta Forestry Sector Facts:

- Value of shipments of forest products in 2007: \$4.7 billion.
- 22.5 million hectares of forest considered suitable for harvest.
- Allowable annual harvest of 25.9 million m³.

Value Added Agriculture Opportunities:

The premier investment opportunity in the REDI Region is an integrated agricultural bio-fuels, bio-products, and processed food venture called “Grow North.” This concept consists of a 20 million litre per year motor fuel grade ethanol facility integrated with a cattle feedlot and meat processing plant. This exciting venture has been extensively studied and more information, including a detailed business plan, can be found at:

<http://www.rediregion.ca/redi/nwaavc.php>.

Highlights of Grow North include:

- Plant has significant cost efficiencies through interdependencies; the output from one component is an input for another.
- Significant by-product production such as vital wheat gluten for human and pet food markets, distillers grains syrup extraction for energy production, and dried distillers grains for livestock feed and exports to China.

- Risk reduction and income stabilization by linking ethanol market prices to the price paid to producers for feedstocks (wheat, barley, peas).
- Regionally based “Grow North” branded sales opportunities for the processed meats generated.
- Ownership by local producers, technology partners, and regional investors. Management would be provided by a CEO who is accountable to a 9-person board of directors.
- Transportation cost efficiencies and value to local producers as a significant proportion of the region’s cattle and grains are consumed locally.
- Development is planned in 3 phases over 5 years. The total investment requirement is \$63.1 million. Consolidated revenues are expected to be \$50 million by year 5 with net earnings before tax of \$4.8 million.



For more information on these and other investment opportunities in the REDI Region contact the REDI office at:

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