Selling to the Global Market

Jean-Marc Ruest
Senior Vice-President,
Corporate Affairs and General Counsel
Our history

• James Richardson & Sons Limited (JRSL) founded in 1857
• One of Canada’s oldest and largest privately-owned companies
  • Five generations of family ownership
• Richardson International is the largest wholly-owned subsidiary of JRSL
• Canada’s largest agribusiness
  • Operations in Western and Eastern Canada and the U.S.
  • Based in Winnipeg with more than 2,500 employees
Our business

Production:
- Farmers purchase Crop Inputs from Richardson
- Ag Business Centres and Transfer Elevators
- Richardson purchases grain from farmers

Grain Handling:
- Grains are handled in high throughput, conventional, port terminal and port transfer grain elevators

Grain Merchandising:
- Grains are marketed to international consumptive customers

Consumption:
- Sales to domestic customers
- Canola, oats and wheat is delivered to Processing

Processing:
- Sales to export customers
Our business

• Head office in Winnipeg, Manitoba
• 100+ locations across Canada and the U.S.
  • Over 2,500 employees
• 14 – 16 million tonnes handled annually through elevator network
  • 55 full service Richardson Pioneer Ag Business Centres
  • 80 retail crop input locations
• Seven export terminal facilities representing about 10 million tonnes of throughout capacity
  • Export 12.5 million MT of grains and oilseeds each year
• Process canola oil and oats into value-added products
  • Process 1.8 million tonnes of product annually
Our locations
Richardson sells grains and oilseeds to over 50 countries.
The global market

International trade presents great deal of opportunity, but not without risk

- What are those risks?

**RISKS:**

- Volatile commodity prices
- Volatile currencies
- Credit risk
- Rule of law (or lack thereof)
- Political instability
- Trade barriers – Tariff and non-tariff
- Opposition to agricultural production/technology
Opportunities

- Growing population means growing customer base
- World-class grain handling and logistics system
  - Canada is a reliable supplier of quality goods to end-use customers
- World-class food quality and food safety assurance systems
  - Addresses growing requests from end-use customers
- Support new technologies / science-based regulatory environment
- Canadian producers are world-class and quickly adopt new technologies
  - Benefits clearly demonstrated through steady growth in production
- Canadian producers react quickly to market signals
  - Shift production based on demand (i.e. soybeans/lentils)
How do we take advantage of opportunities?

• Need to understand who we are competing against and our strengths
  • Who’s in the game and what is our relative advantage?
  • If no competition, why not?

• Work as a value-chain
  • Competition between Canada and the rest of the world
    • Not life sciences companies, grain handlers, producers, processors, commodities
    • Continue to maintain unified front
How do we take advantage of opportunities?

• Ensure transportation system remains world-class
  • Especially with increased crop sizes now and in years to come

• Regular review of regulator mandates and requirements
  • Ensure Canada is best placed to meet opportunities and compete internationally
Capitalizing on opportunities…

• Ensure government and regulatory decisions are science-based and importing countries do the same (especially with new technologies and sanitary / phyto-sanitary requirements)
  • If not, remove predictability of our industry
  • Uncertainty means less investment and less opportunities
  • Opens door to flood of non-tariff trade barriers

• Place reasonable definition around “sustainability”
  • Ensure costs of managing sustainability programs are sustainable
Capitalizing on opportunities…

- Understand and respect who does what within the value chain
TRULY INVESTED