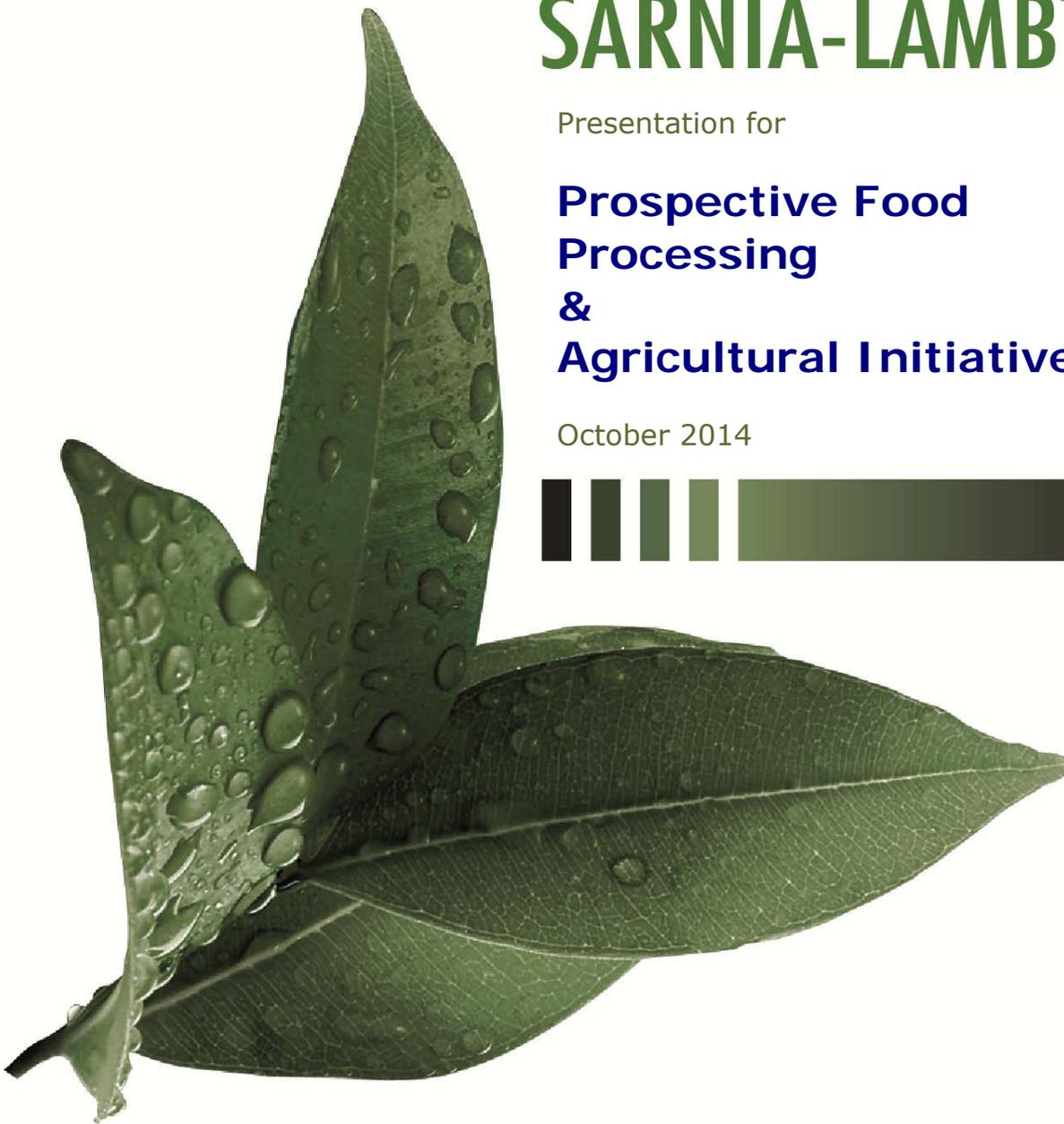


SARNIA-LAMBTON

Presentation for

Prospective Food Processing & Agricultural Initiatives

October 2014



Sarnia-Lambton's food processing advantages

- Location on Southern Ontario/Michigan border
- Transportation infrastructure - road, rail, air, water
- Abundant agricultural land with commodity & niche crop availability
- Industrial infrastructure
- Quality of workforce with processing education
- Excellent selection of private and municipal industrial parks
- Situated on multi-modal transportation routes, including Great Lakes deep water port, commercial border crossing, and Highway 402
- Existing facilities with potential to retrofit for food processing uses
- Highly supportive community with vision and purpose
- Location of Lambton College and Western-Sarnia-Lambton Research Park (Western University)
- Partnership and value-chain opportunities with bioindustrial sector
- Location of Canada's Bioindustrial Innovation Centre
- Construction safety record 25 times better than the Ontario average

Location



- Sarnia-Lambton, Ontario, Canada, is **situated directly on major highway, rail, water and air corridors**, providing efficient global access for people and products. Its location on the **Canada / USA border** makes Sarnia-Lambton a cost-effective choice for many businesses.
- Lambton County and the City of Sarnia are bisected by Highway 402, which runs eastward from the Michigan Ontario border and joins Highway 401, which links Montreal and Detroit. To the west, Highway 4-2 connects with Michigan's Interstate 94/69/75 network via the international Blue Water Bridge.
- Through the North American Free Trade Agreement (NAFTA), companies in Sarnia-Lambton have direct highway access to a market of nearly 400 million people.
- The **Port of Sarnia** provides deep water facilities for both domestic and international shipping. One of its key uses is the shipping of agricultural commodities.
- The regional rail infrastructure is offered by both **CN** and **CSX** Transportation. It includes the largest flat switching rail yard in the Great Lakes District and access to the Chicago-Toronto rail corridor via the St. Clair Rail Tunnel.

Driving Times

City	Kilometres	Miles	Driving Hours
London	50	31	0.55
Detroit	96	60	1
Toronto	288	180	2.8
Buffalo	330	206	3.3
Cleveland	360	225	3.6
Chicago	530	330	5.3
Pittsburgh	550	344	5.5
Montreal	810	506	8.1

Sarnia-Lambton Demographics

Population

Based on the 2011 Census, the population of Sarnia-Lambton is 126,200 with a workforce (ages 15-64) of 82,875. Sarnia-Lambton's population is augmented by surrounding communities such as Wallaceburg (10,185), which is located south of Sarnia-Lambton in Chatham-Kent, and Strathroy (14,221), located east of Sarnia-Lambton in neighbouring Middlesex County.

Education Attainment

Sarnia-Lambton has a highly skilled work force with many local industries requiring individuals with engineering and technical backgrounds. Compared to the provincial average, Sarnia has a higher percentage of individuals with college credentials or apprenticeship trade certificates.

Lambton College, located in Sarnia, offers many technical courses and apprenticeship training for various trades including Chemical Production & Power Engineering, and Instrumentation. In addition to these technical programs, the College also offers a wide range of other diploma programs as well as joint Bachelor programs with Brock, Windsor, and Nipissing Universities.

In addition to Lambton College there are several other educational institutions that are within close proximity to the community including Western University, University of Windsor, Waterloo University, Fanshawe College and St. Clair College.

Age Characteristics	Sarnia (CA)	Lambton (CD)
0 to 4 years	4,515	6,375
5 to 9 years	4,350	6,430
10 to 14 years	4,775	6,870
15 to 19 years	5,920	8,390
20 to 24 years	5,860	7,925
25 to 29 years	5,140	6,850
30 to 34 years	4,705	6,455
35 to 39 years	4,760	6,595
40 to 44 years	5,240	7,325
45 to 49 years	6,575	9,300
50 to 54 years	7,480	10,625
55 to 59 years	7,155	10,175
60 to 64 years	6,395	9,235
65 to 69 years	4,870	7,115
70 to 74 years	3,745	5,375
75 to 79 years	3,250	4,545
80 to 84 years	2,590	3,545
85 years and over	2,235	3,070
Total	89,560	126,200
Workforce (15-64)	59,230	82,875

Statistics Canada. 2013. Lambton, CTY, Ontario (Code 3538) (table). National Household Survey (NHS) Profile. 2011 Census. Statistics Canada Catalogue no. 99-004-XWE. Ottawa. Released June 26, 2013.

The Chemical Production & Power Engineering and Instrumentation programs provide students with skills that correlate directly to the food processing industry.

	Total	% of pop. 25-64
Total population aged 25 to 64 years by highest certificate; diploma or degree	65,930	
No certificate; diploma or degree	7,025	11%
High school diploma or equivalent	20,570	31%
Postsecondary certificate; diploma or degree	38,335	58%
Apprenticeship or trades certificate or diploma	8,055	12%
College; CEGEP or other non-university certificate or diploma	19,325	29%
University certificate or diploma below bachelor level	1,515	2%
University certificate; diploma or degree at bachelor level or above	9,445	14%
Bachelor's degree	6,130	9%
University certificate; diploma or degree above bachelor level	3,310	5%

Statistics Canada. 2013. Lambton, CTY, Ontario (Code 3538) (table). National Household Survey (NHS) Profile. 2011 National Household Survey. Statistics Canada Catalogue no. 99-004-XWE. Ottawa. Released September 11, 2013.

The Labour Force

Sarnia-Lambton draws from a dependable and abundant supply of labour. There are over 66,000 people in the total Sarnia-Lambton workforce. In addition, there is an additional labour pool of over 250,000 located within a 100 kilometre area that takes in surrounding Chatham-Kent, and parts of Middlesex, Elgin and Huron Counties.

Agriculture and food processing are two of the most predominant industries in Lambton County, providing for 2243 jobs.

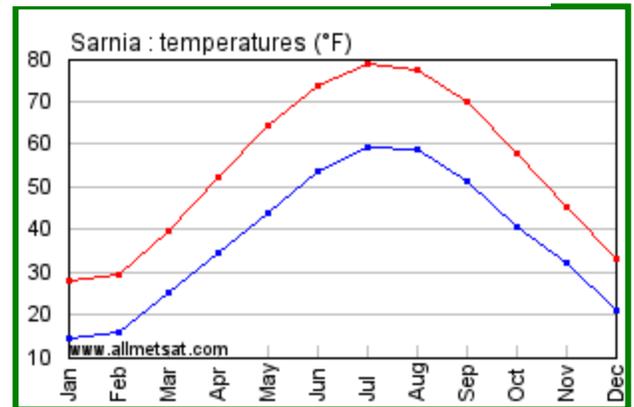
The last reported unemployment rate from **April 2013** is an estimated **8.6%** (<http://www.sltb.org/>)

Business Establishments and Estimated Employment— Agriculture (2012)		
	Establishments	Employment
Crop Production	707	1238
Animal Production	671	1005
Total	1378	2243

Other Location Factors

Source—Sarnia-Lambton Workforce Development Board, 2013, Labour Market Update

Located at the southern end of Lake Huron and along the shores of the St. Clair river, Sarnia-Lambton offers many environmental factors that make it an ideal location for agriculture and food processing. The community experiences very moderate summer and winter temperatures as a result of the proximity to Lake Huron. Average highs in July are just under 80 F with lows in the winter only reaching 13 F (www.allmetsat.com)



These factors make Sarnia-Lambton a key location for 24-hour processing and manufacturing facilities and crop production. It also means the area has potential for increased greenhouse production, given its temperate climate and amount of sunlight throughout the year.

Sarnia-Lambton is located within Canada and the province of Ontario, an area well known for political and economic stability.

Lifestyle

Sarnia-Lambton is a great place to live, with an appealing mix of big city amenities and small town friendliness.

- Sarnia-Lambton offers very affordable housing, with the average price of a single family detached home at approximately \$200,000.
- 40 miles of beautiful freshwater beaches
- 60 recreational parks and conservation areas
- Excellent health care system (with a new state-of-the-art hospital)
- Wide variety of sports teams for all ages and abilities, 20 golf courses, sailing, scuba diving, fishing, wake boarding and more
- Theatres, RBC Sports and Entertainment complex, and new art gallery
- Sarnia-Lambton is family-friendly and affordable



Utility Infrastructure

Energy

Electricity is the driver of industry and Sarnia-Lambton has an extensive power infrastructure. Our community has over 2,300 MW of natural gas based electrical generating capacity, 120 MW of solar capacity and another 420 MW of proposed wind generation capacity. An additional 300 MW natural gas electrical generation station is currently in the early stages of construction.

Well known for pipelines that carry oil from western Canada, Sarnia-Lambton is also a hub for other pipeline infrastructure including those that supply natural gas. Union Gas' Dawn facility is the largest underground natural gas storage facility in Canada, supplying much of the needs of eastern Canada.

Natural Gas

Industrial, commercial and residential customers may buy natural gas from a marketer, a producer or Union Gas Limited, the local utility in Sarnia-Lambton. Whomever you buy from, Union Gas delivers the gas to you.

Union Gas, a Spectra Energy Corp company, owns and operates the natural gas storage, transmission and distribution systems in Sarnia-Lambton. A major Canadian utility, it delivers energy and related services to more than one million industrial, commercial and residential customers in more than 400 Ontario communities. It's Dawn Storage Complex in Sarnia-Lambton is the largest natural gas facility of its type in Canada with a working capacity of over 150 billion cubic feet.

Water

Sarnia-Lambton has a large water distribution network that provides clean, affordable water to communities throughout Lambton County. Lambton Area Water Supply (LAWS) is the main water distribution company, sourcing water from Lake Huron and distributing it to a number of municipalities in Lambton County (capacity of 181,844 m³/day). The Town of Petrolia operates their own water pipeline, storage facilities and water treatment plant in addition to LAWS.

Telecommunications

In addition to traditional infrastructure, Lambton County has an extensive telecommunications infrastructure delivering data services via traditional cable and DSL infrastructure as well as fibre. Throughout Lambton County, Internet access exceeds 85% both in urban and rural areas. Some communities, including rural communities, have access to telecommunication services from multiple providers as well as fibre to the home services.

Photo – Enniksillen Pepper Co. Ltd., Petrolia
Photo courtesy of www.liveinlambton.ca



Bioindustries – a key partner for agriculture and food processing

With Sarnia-Lambton on-farm revenues of \$450 million, agriculture is a strategic partner in the community's development of the Biohybrid Chemistry Cluster. Traditional focus has been on commodity crops and livestock but a proactive effort is underway to find opportunities to add value to the sector.

With over 500,000 acres of cultivated land, Lambton County is a leading Ontario producer of soybeans, winter wheat, and corn. The region is a one day drive to 1.6 billion bushels of corn and 621 million bushels of soybeans. At its St. Clair Ethanol facility, Suncor Energy utilizes locally grown corn along with U.S. Midwest crop. Local producers are partnering with staff at the Bioindustrial Innovation Centre on the production of energy crops such as miscanthus and switch grass.

The researchers at the Western-Sarnia-Lambton Research Park conducted a series of studies, sponsored by Ontario Power Generation and the Ontario Federation of Agriculture, to investigate the feasibility of utilizing local biomass resources for heat and power generation.

Bioindustrial feedstocks and the agricultural industry Agricultural crops and residues are important sources of biomass feedstocks for the bioproduct value chain.

Sarnia-Lambton is an important supplier of bio-based feedstock in Ontario

Through its combination of agricultural and chemistry Sarnia-Lambton has the necessary components to fulfill the industrial biotechnology value chain; from bio-feedstocks and conversion processes to finished products.

There is potential for the food processing industry to utilize resources within the biotechnology value chain in Sarnia-Lambton.

Agricultural Information

Sarnia-Lambton has all the ingredients to provide a profitable location for the food processing industry and it's situated in the agriculture heartland of Southern Ontario.

It has the capability to support Ontario's food and beverage processing industry's strategy for the long term health of the sector.

There is a plentiful supply of high quality raw product for inputs. With 513,043 acres (207,621 hectares) of farmland and on-farm revenues of \$450 million, agriculture and food production is big business in Sarnia-Lambton.

Ontario's largest acreages of soybeans and wheat, as well as corn, specialty crops of tomatoes, bell peppers, and many varieties of fruits and vegetables are all grown here. There is also a wide range of livestock, including beef and dairy cattle, pigs and poultry.

Lambton County offers excellent growing conditions for field crops, with flat, well-drained lands, desirable heat levels in the summer, and good snow cover in the winter.

Key Statistics

Total Number of Farms	2,153
People Employed in Agriculture	3,200
Cropland Acres	513,000
Livestock Farms	443
Oilseed & Grain Farms	1,556
Greenhouse and Nursery Production	27

Statistics Canada. 2012. Lambton, CTY, Ontario. 2011 Census of Agriculture. Statistics Canada Catalogue no. 95-640-XWE. Ottawa. Released May 10, 2012.

2010 field crops – Sarnia-Lambton and Ontario

	Sarnia-Lambton	Ontario
	Acres Harvested	Acres Harvested
	Provincial %	
Soybeans	300,000 – 10.8%	2,437,000
Winter Wheat	100,000 – 10.2%	815,000
Grain Corn	99,700 – 5.6%	1,860,000

2010 field crop production – Sarnia-Lambton and Ontario

	Sarnia-Lambton	Ontario
	('000 bushels)	('000 bushels)
Soybeans	12,000	112,000
Winter Wheat	8,700	64,800
Grain Corn	14,656	305,000

Ontario Ministry of Agriculture, Food and Rural Affairs, 2011

Food Processing

Sarnia-Lambton is home to a growing food processing sector, with several new and well established food and beverage manufacturers currently in operation.

Since 1914 Munro Honey has grown to be one of the largest producers, packers, and exporters of Ontario Honey and hive products. In 2000 they started producing and selling Mead (Honeywine). Their 12000 square foot facility is federally regulated by the Canadian Food Inspection Agency. Honey products are sold throughout central and southwestern Ontario under the Munro Honey label.

Purdy Fisheries Ltd. was founded in 1900 on the shores of the St. Clair River in Point Edward. The company processes fish—both by hand and machine—they net from Lake Huron including pickerel, yellow perch, whitefish, lake trout, and catfish. Processed fish are then sold to grocers, food markets, and fine restaurants around Canada and the United States.

Twin Pines Orchards & Cider House is a key player in Sarnia-Lambton's growing alcoholic beverage sector. The company processes various hard ciders, including: Hammerbent Original, Hammerbent Red, Scrumpy, and Perry as well as Crack Willow (dry white wine), Ice Cider and Cyser. This is accompanied by the production of various sauces, baked goods, and other apple based food products.



Agriculture and Food Processing Equipment Manufacturing

Sarnia-Lambton is also a key location for companies looking to manufacture equipment for use in the agriculture and food processing industries. With domestic and export sales opportunities, companies can take advantage of the educated labour, partnership opportunities, and beneficial location that Sarnia-Lambton can provide.



Based in Petrolia, Penta TMR Inc. has manufactured feed mixers and tillage equipment since 1995. The diversity of mixers provided by the company can be seen in the custom designs being used in agriculture, commercial and other industries. The company continues to grow as it prides itself on durability and innovation

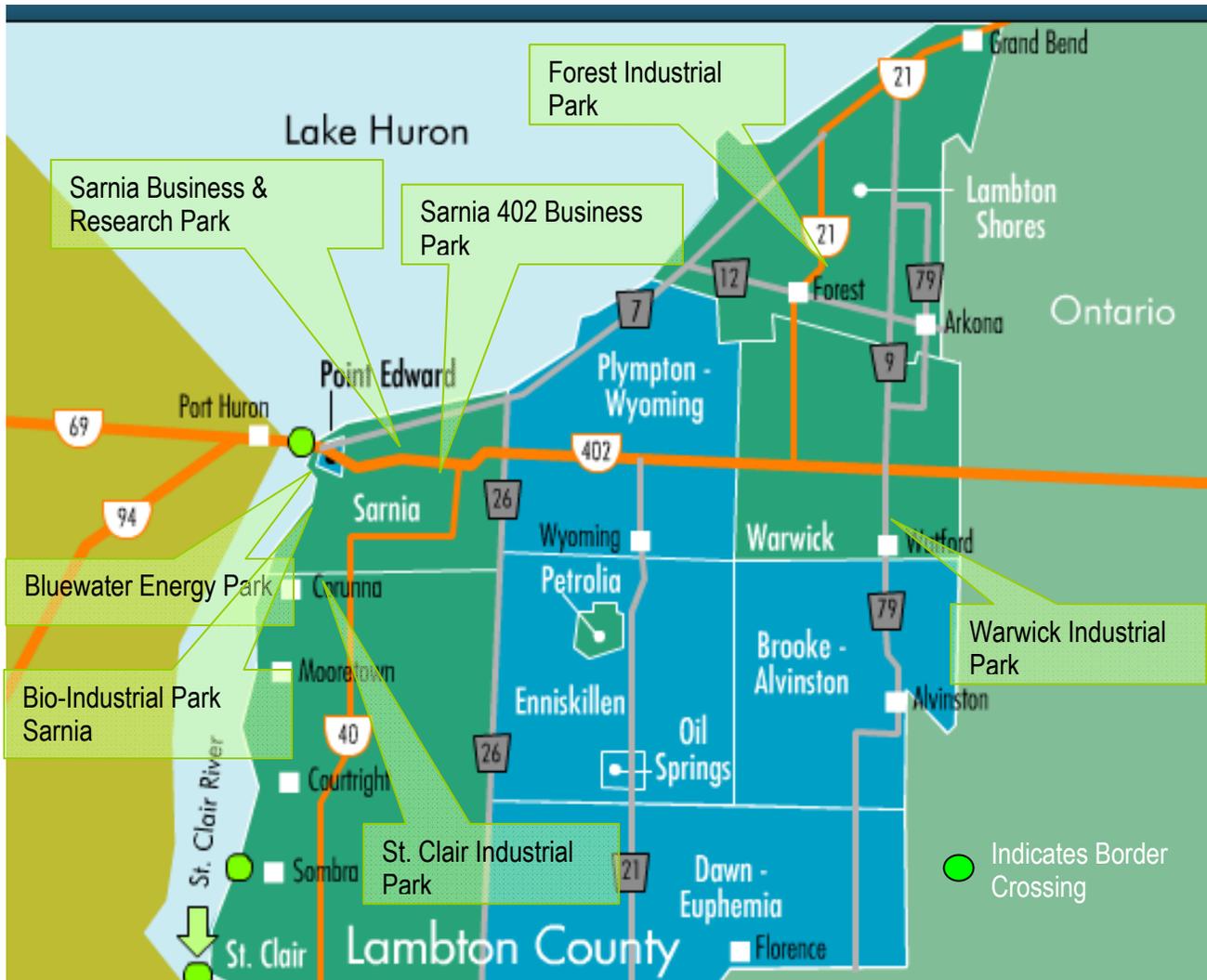


The Sarnia Lambton Industrial Alliance (SLIA) is a cluster of manufacturers, machine shops, engineering and environmental service companies. They provide high quality, innovative and precision services that are needed for the chemical production, automotive, engineering, instrumentation, metal and plastics fabrication, and machining industries. SLIA companies have the background knowledge and proven ability to help develop new products, establish and improve production quality, reduce overall costs and add value to outside organizations, including those in the agricultural and food processing industry. (www.sarnialambtonindustrialalliance.com/)

Food Processing Site Options

Sarnia-Lambton has several Industry & Business Parks capable of hosting a food processing facility of any scale. Existing land includes:

- Sarnia 402 Business Park
- Sarnia Business & Research Park
- Forest Industrial Park East
- Warwick Industrial Park
- St. Clair Industrial Park
- Vidal Street Industrial Park
- Bio-Industrial Park Sarnia
- Bluewater Energy Park



Sarnia-Lambton’s municipally-owned industrial and business parks provide affordable light industrial land for sale. The Bluewater Energy Park (owned by TransAlta) and the Bio-Industrial Park Sarnia (owned by Lanxess) provide industrial land in the heart of Sarnia-Lambton’s industrial corridor. The Bluewater Energy Park offers “behind the fence” pricing for large steam and electricity users. The Bio-Industrial Park Sarnia offers “behind the fence” pricing for large steam users. Both offer a deep water marine terminal.

The Sarnia-Lambton Economic Partnership

The staff of the Sarnia-Lambton Economic Partnership are ready and eager to assist with site location services such as accessing any eligible training incentives, assistance with any needed permitting, temporary head office space, and any other location assistance needed.

At the Sarnia-Lambton Economic Partnership we are here to work with you in every way we can to make your site selection process as easy as possible.

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March 2012. For illustrative purposes only. Not to scale