



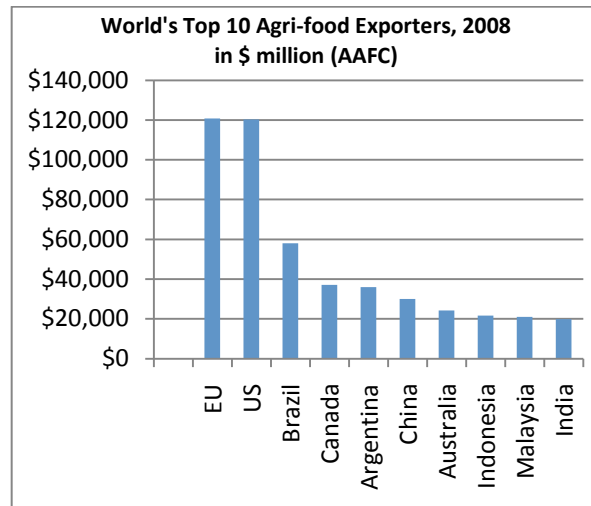
CANADA – EU COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT (CETA) AND ONTARIO’S AGRI-FOOD SECTOR

Canada is a World Leader in Agri-Food Trade

The agri-food sector is a significant contributor to the Canadian economy.

In 2008, Canada’s agriculture and food product exports totaled \$39 billion – close to 8% of the country’s total merchandise trade.

Canada is also a major player on the international stage, ranking behind the EU, United States and Brazil as the world’s 4th largest agri-food exporter.



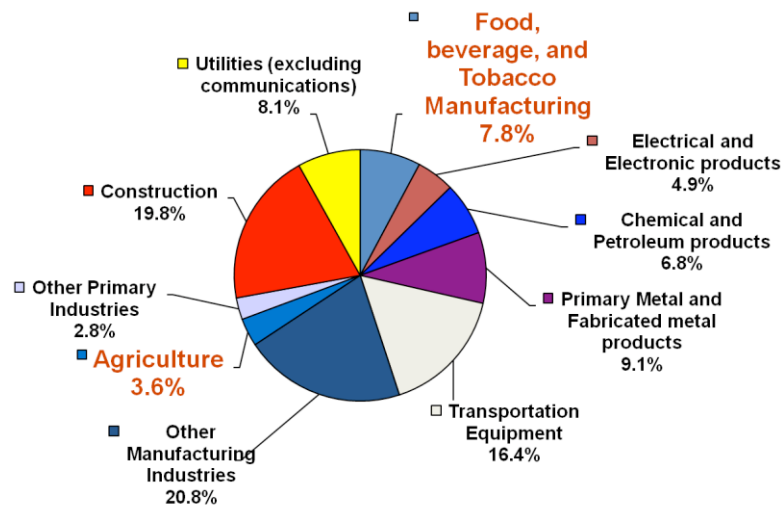
Ontario is An Important Agriculture Province

Ontario’s agriculture sector generates \$9.2 billion in annual farm cash receipts (2009) including over \$1 billion in soybean production, \$.9 billion in cattle production, \$0.7 billion in hog production, and over \$1 billion in wheat and corn production. These sectors represent almost 40% of Ontario’s farm cash receipts and 46% of Ontario farms.

Ontario is the third largest agriculture province in Canada, virtually tied with Alberta (\$9.30 billion) and Saskatchewan (\$9.26 billion) for farm cash receipts. Each of these three provinces has a 21% share of Canada’s agriculture production. Ontario is the largest soybean producer, the second largest hog producer, and the third largest cattle producer in the country.

Ontario Agriculture and food make a significant contribution to Ontario’s economy. Agriculture directly employs over 82,410 farm operators on 57,211 farms. The food manufacturing sector employs a further 130,363 people in 3,500 establishments generating \$36.5 billion in sales.

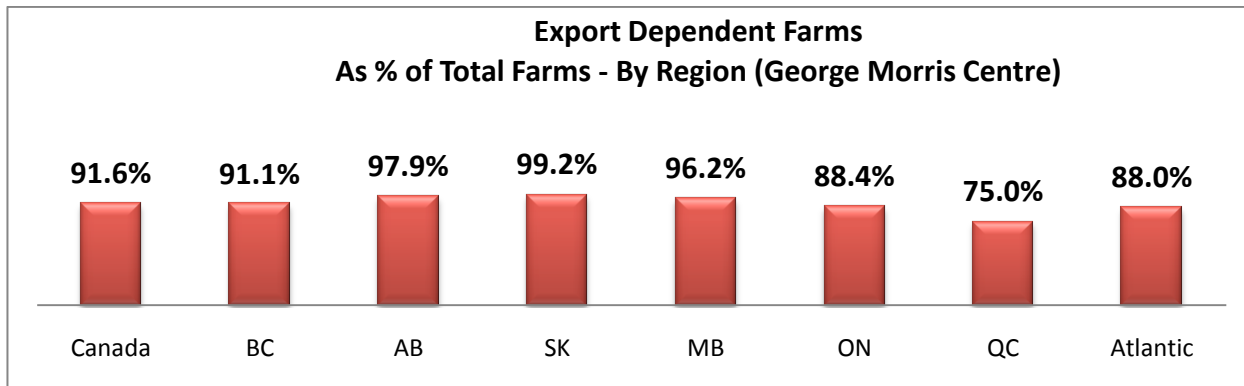
**Why Agriculture Matters:
GDP% for Goods-Producing Industries in Ontario 2008 (University of Guelph)**



Ontario Farmers Depend on Trade

Trade matters to farmers. Across Canada, half of beef/cattle production is exported. Similarly, half of wheat production, 60% of hog/pork production and over 70% of oilseed production are exported.

In Ontario, over 88% of farms are dependent on trade and over 70% of farm cash receipts come from export dependent commodities.



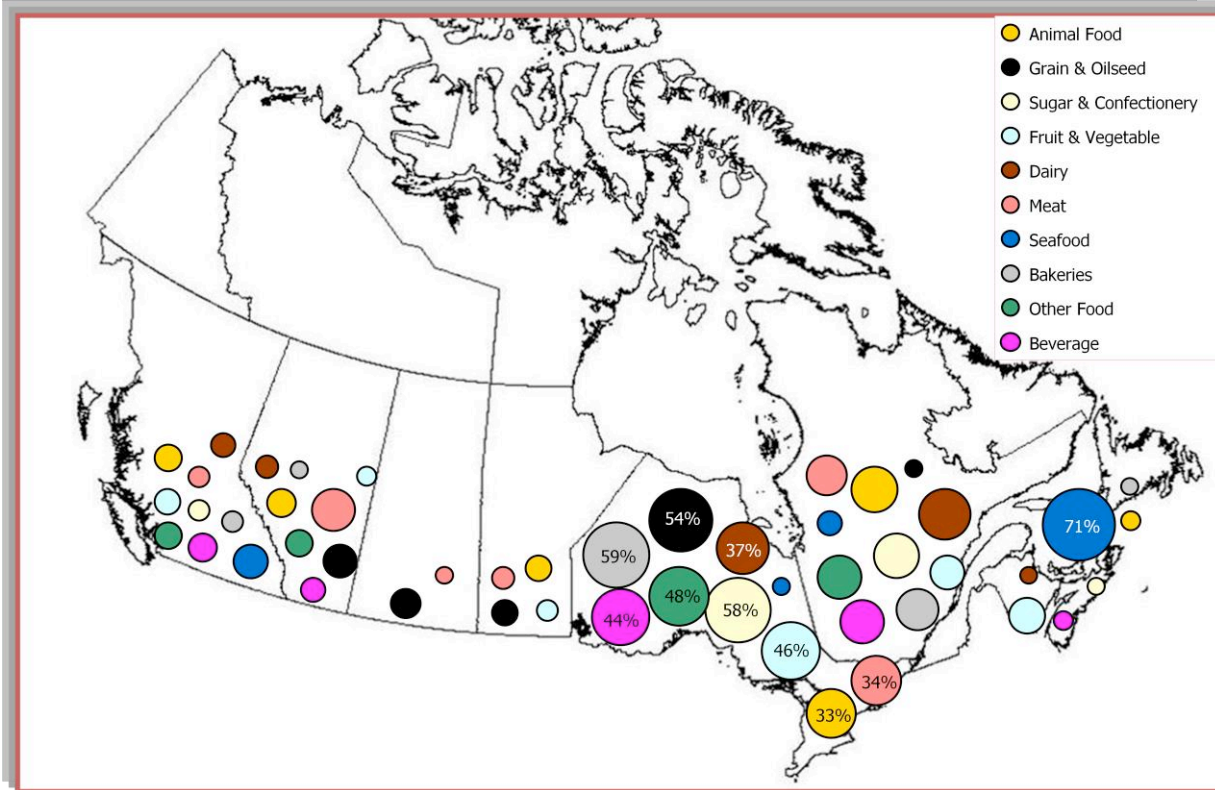
In 2009, Ontario exported \$8.9 billion in agriculture and food products, up 12% from \$7.9 billion in 2001. Ontario is the second largest agri-food exporter in Canada second only to Saskatchewan. Ontario's agri-food exports are diverse and weighted towards processed products. The largest exports include baked goods (13%), confectionery products (6%), soybeans (5%) and pork (5%).

Ontario Leads the Country in Food Processing

Food processing is the second largest manufacturing sector in Canada and the largest manufacturing employer. Ontario's \$32 billion food processing sector is the largest in Canada, representing 35% of food processing firms and 40% of processed food shipments.

Ontario leads the country in all food processing sectors except seafood hosting 59% of the countries bakery processing, 58% of sugar and confectionery processing, 54% of grain and oilseed processing, 46% of fruit and vegetable processing, 44% of beverage processing, 34% of meat processing, and 33% of animal feed processing.

Provincial contribution to Canadian food and beverage manufacturing production by industry, 2006



Source: Statistics Canada, Annual Survey of Manufactures and Logging (2006), and AAFC estimates

Note: Industry representation does not necessarily equal 100% across Canada. Shares of less than 4% are not represented Atlantic data is aggregated

The EU is an Important Market for Ontario Agri-food

The EU is Ontario's third largest export market after the U.S. and Asia. Between 2001 and 2009, Ontario's exports to the EU increased by 23% from \$290 million to \$358 million.

The EU is one of Ontario's largest trade destinations for agri-food exports but it lags considerably behind the United States as a trading partner. In 2008 Ontario sent \$7.4 billion or 80% of its agriculture and food exports to the U.S. In that same year, just 5% of Ontario's agri-food exports were destined to the EU.

There is considerable room to increase exports to the EU. A joint Canada-EU economic study estimates that Canadian processed food exports to the EU could increase by 141% or \$2 billion while exports of primary agriculture products could increase by 41.8% or \$1 billion. This could double Ontario's current exports to the EU and make the EU Ontario's second largest agri-food trading partner.

Increased EU trade would represent significant economic value and job creation for Ontario – not just in primary agricultural products but in value-added processed products.

About CAFTA

CAFTA is a coalition of national and regional organizations, associations and companies which support a more open and fair international trading environment for agriculture and agri-food. CAFTA's members include producer organizations, processors, marketers and exporters from the major trade dependent sectors in Canada. Together, CAFTA's members produce almost 80 per cent of Canada's agriculture and agri-food exports, conduct about \$40 billion in business annually and directly employ close to 500,000 Canadians.

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For more information on CAFTA, visit www.cafta.org