

Economic recovery: our vision

June 4, 2020



Sollio Cooperative Group's 53 member cooperatives promote a broad redistribution of wealth throughout Quebec

Sollio Cooperative Group at a glance

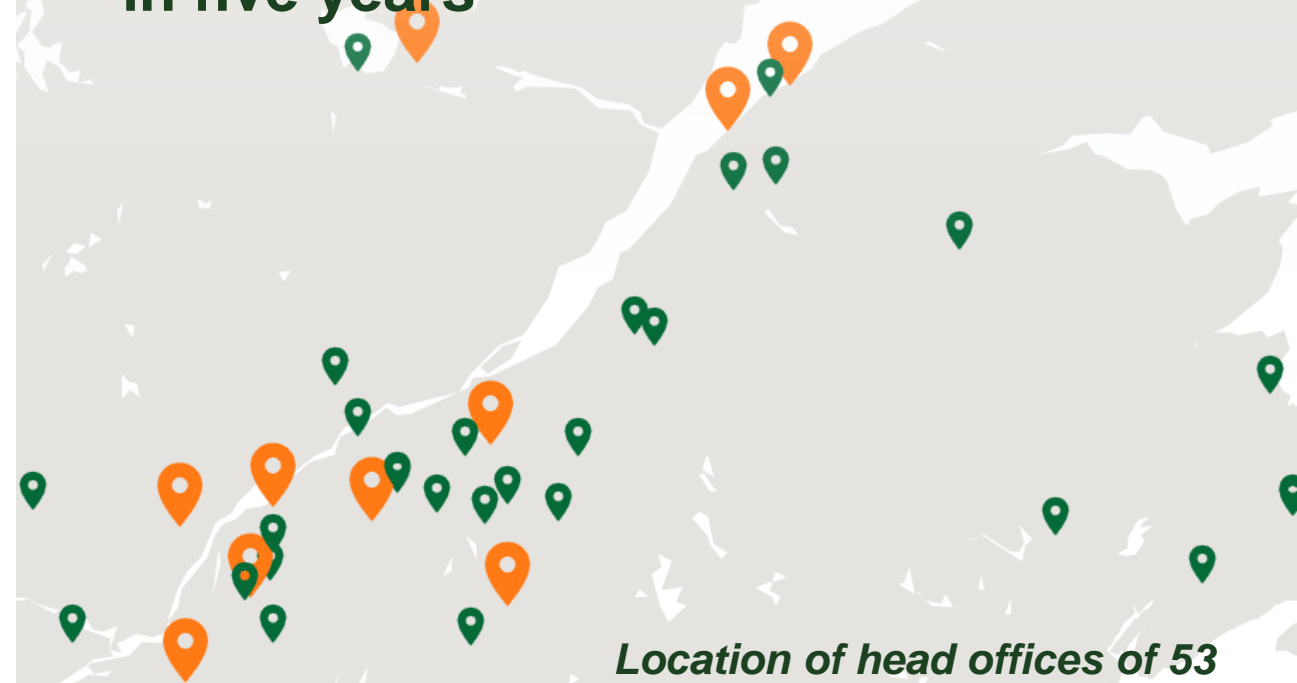
La Coop fédérée's new brand image

- The only pan-Canadian agricultural supply cooperative
- 53 cooperatives rooted in their community, owned by 120,000 members
- \$7.3 billion in revenues
- Three divisions that are pillars of their respective industries:
Olymel, Sollio Agriculture and BMR
- 22,000 employees



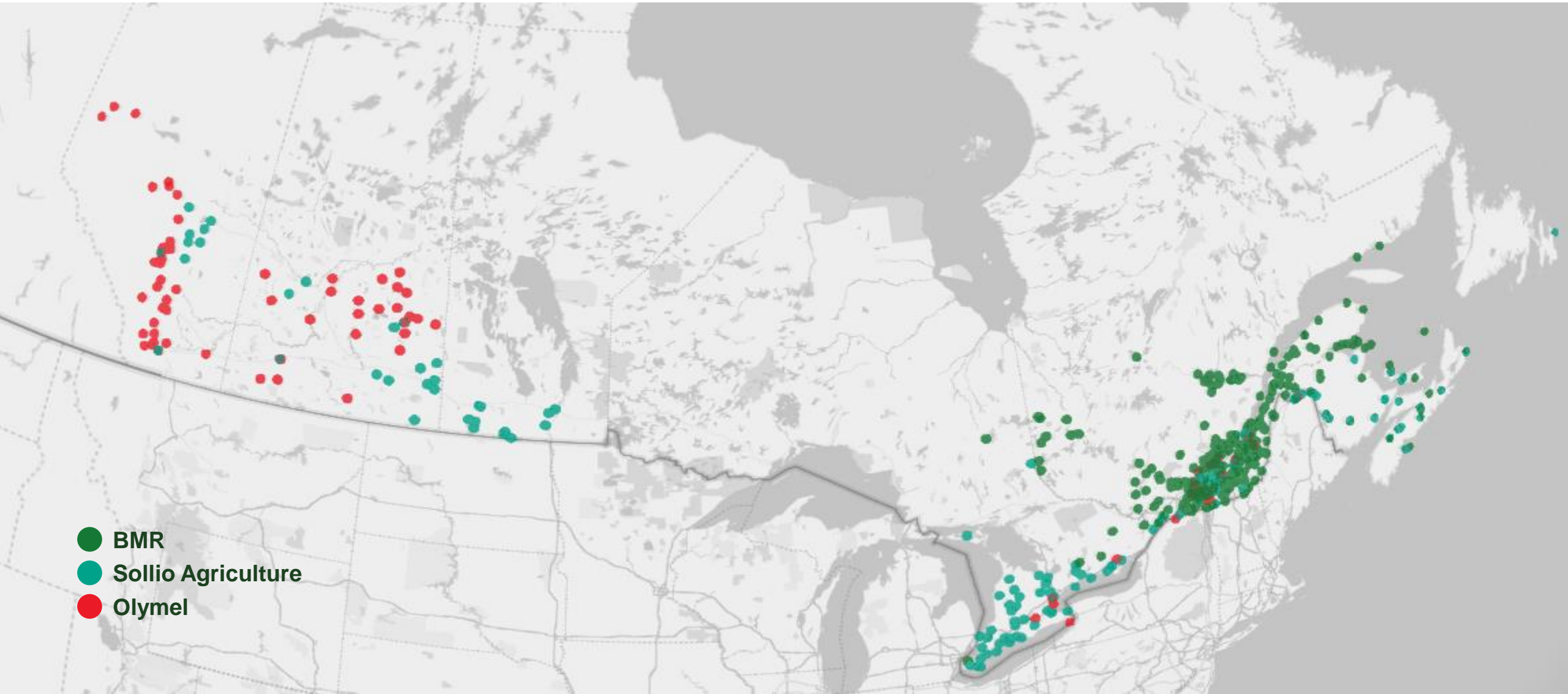
\$238 M in patronage refunds

distributed in the regions in five years



*Location of head offices of 53
member cooperatives*

Location of our divisions across Canada



Our divisions: Three leaders to bank on



- Canada's leader in farm procurement
- Animal production (feed, genetics, research, breeding)
- Crop production (fertilizers, pesticides, seeds, research)
- Grain trade (valuation, export)
- \$2.5 billion in revenues
- More than 1,100 employees
- Exports to 29 countries



- Canada's leading processor of pork and poultry products
- Leader in Quebec food processing
- Leading Canadian hog producer
- Leading Canadian exporter : \$1.5 billion in pork exports
- Activities: production, slaughter, processing, further processing
- \$4 billion in revenues
- More than 14,000 employees
- 27 processing plants



- Quebec's leader in the retail sale of building materials and hardware
 - 163 cooperative stores
 - 110 independently owned stores
 - 17 corporate stores
- Majority shareholder in Lefebvre & Benoit, one of the most important distributors of building materials in Quebec.
- \$1.2 billion in revenues
- 8,000 employees
- Leader in supplying multiplex housing sites

Economic recovery is based on five main areas of action



1. Increasing productivity	2. Advancing food autonomy and exports	3. Developing regional vitality	4. Supporting a more sustainable economy	5. Enhancing the value of frontline jobs
Invest in digital platforms	Support food exports	Deploy telecommunications infrastructures	Accelerate digitization and performance in agriculture	Recognize the contribution of unskilled workers
Automate and robotize infrastructure	Set up agricultural value chains, from production to processing	Make it easier for the new generation to take over farms	Support short, local supply channels	Develop the appeal of working in the regions
Create an agrifood innovation zone	Invest in food processing	Redistribute wealth in the regions (outside CMAs)	Promote the cooperative model	Support immigration regionalization

Increasing productivity

- **Invest in digital platforms**

The dramatic increase in online sales in recent months is forcing local retailers to adapt their business practices to improve their customer experience.

- **Automate and robotize infrastructures**

The modernization of processes in plants makes it possible to alleviate some labour shortages in frontline trades and increase production rates and capacities in a context of physical distancing.

E.g.: Introduce robotic systems in the different links of the production chain.

- **Create an agri-food innovation zone**

With 5.4% of Canada's cultivated area (2 million vs. 37 million hectares), the Netherlands generates 11.2 times more production value. If Canada's food self-sufficiency truly is desired, producers must be helped to access innovation.

E.g.: Create a virtual research farm with plots in all regions of Quebec.

Advancing food autonomy and exports



- **Support food exports**

Quebec's bio-food policy aims to increase the province's international bio-food exports by \$6 billion to reach \$14 billion by 2025. Exports generate spinoffs in the regions and the agri-food sector contributes to Canada's economic growth.

E.g.: Maintain efforts to ensure Canada products are present in foreign markets.

- **Set up agricultural value chains, from production to processing**

Lengthening value chains promotes the creation of wealth that can be redistributed to all the links in the regions.

E.g.: Develop a plant protein section (soy and tofu)

- **Invest in food processing**

This industry processes 70% of Quebec's agricultural production and is its leading manufacturing employer, with 71,850 direct jobs and 100,000 indirect jobs (source: CTAQ).

E.g.: Develop a chain of pre-packaged products

Developing regional vitality

- **Deploy telecommunications infrastructures**

The current situation makes it clear that all of Canada must have access to reliable high-speed Internet service. Accelerating projects to connect all regions would enable them to act as true economic drivers.

E.g.: Make AgConnexion accessible to as many producers as possible.

- **Make it easier for the new generation to take over farms**

The owners of farm businesses contribute to their region's vitality by maintaining an economy of owners rather than employees. Relief measures would be needed to encourage the presence of young producers in the regions.

- **Redistribute wealth in the regions (outside CMAs)**

Measures to make the awarding of government procurement contracts more flexible would give local SMEs easier access to government contracts, while maximizing regional spinoffs in times of economic recovery.

Supporting a more sustainable economy



- **Accelerate digitization and performance in agriculture**

Precision agriculture makes it possible to determine which parts of a tract of land require which type of intervention so that the necessary product can be applied locally. Inevitably, this reduces GHG emissions from agricultural production since field operations are more targeted and of shorter duration.

- **Support short, local supply circuits**

In addition to benefiting the local economy, short, local circuits help avoid GHGs associated with long-distance transportation.

- **Promote the cooperative model**

Co-operatives are difficult to “relocate,” since they respond directly to a need and are rooted in their community. Strategic decisions are made locally by directors to diversify revenue sources in their regions.

E.g.: Coop Carbone, with partners such as Energir and Sollio Cooperative Group, which develops, builds and operates cooperative agricultural biomethanization projects for Quebec agricultural producers.

Enhancing the value of frontline trades

- **Recognize unskilled workers**

There are limits to the automation and robotization of some activities, which means that unskilled workers that we train are needed to create added value.

E.g.: Different cuts of pork

- **Develop the appeal of working in the regions**

In many regions, efforts to counter population decline need to continue and even increase.

- **Support immigration regionalization**

Immigration (permanent and temporary) is one of the essential solutions to meet the need for unskilled labour in the regions.



Thank you!

