

Trade & Development as a Tool for Change

Increasing Food Security and Well Being in Developing Countries

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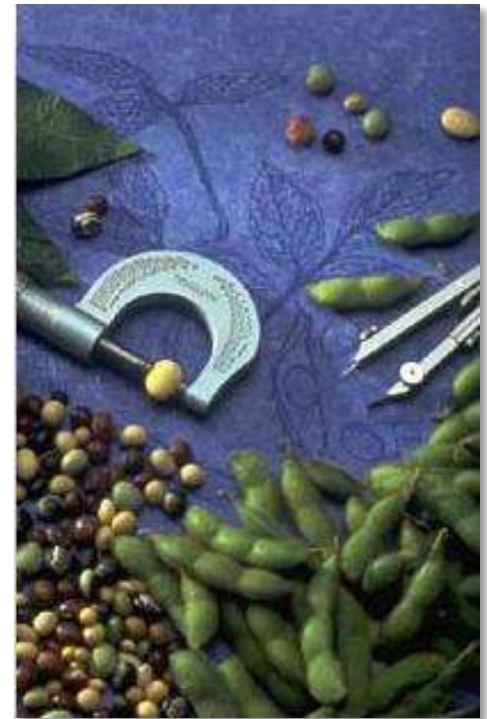
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A healthy products company

Trade & Development as a Tool for Change

- ◆ Strategic investments by companies, organizations or public/private partnerships in appropriate technologies and markets can have immediate and long-term benefits for all parties and the greater community in which they operate
- ◆ When investments are made in the area of agriculture and food processing, food security and well being can be achieved quickly, with benefits continuing for many years to come
- ◆ Job creation, infrastructure development and improved access to nutritious food are all measurable outcomes



SunOpta, Inc.



◆ The Company

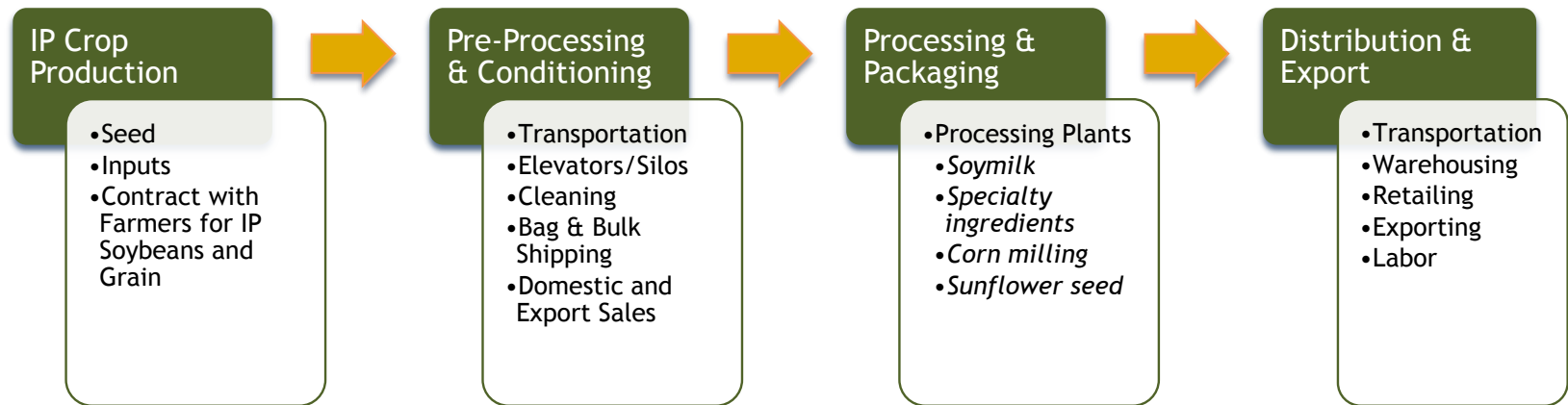
- SunOpta is one of the world's leading healthy foods company with expertise in sourcing, processing, packaging and distribution of natural and organic foods and ingredients
- The Company is publicly traded on the NASDAQ National Market (STKL) and the Toronto Stock Exchange (SOY)
- *SunOpta Food Group* (over 90% of all SunOpta revenue) is comprised of 5 divisions including *SunOpta Grains and Foods Group*
- Annual revenues for all groups and divisions were ≈ \$1 billion in 2009

◆ The Mission

- To be a global leader in natural and organic food products that is driven by a spirit of continuous improvement, innovation and category expertise to enable our customers' and consumers' well-being.

SunOpta Grains and Foods Group

◆ Vertically Integrated Business Model



- “Field to Table” approach allows us to control every stage of production, helping to maintain the highest quality at a competitive cost
- SunOpta G&FG operates 14 plants including 3 cleaning and conditioning operations, 2 sunflower seed plants, 2 oil and meal plants, 1 roasting plant, 1 corn miller, 3 soymilk plants and 2 packaging plants

SunOpta Invests in Developing Soymilk in Africa

- ◆ Additional global soymilk capacity was recently added through a new partnership with a processing plant in South Africa
- ◆ SunOpta Africa is now sourcing soybeans from South Africa, Zambia and Malawi and is offering premiums to farmers for non-GMO or IP soybeans
- ◆ Sales are ongoing in country and exports have begun to Europe, Asia, Latin America and other regions in Africa.



Corporate Social Responsibility and business

- ◆ On a business level, SunOpta makes investments that promote fair trade, provide a return for all stakeholders and adds value to its partners and the regions in which it operates
- ◆ SunOpta also recognizes that as a global corporate citizen it has a responsibility to participate and give back to appropriate philanthropic and community development projects
- ◆ In 2009, SunOpta became a founding corporate board member of the World Soy Foundation and is currently helping to develop a soymilk project in Durban, South Africa that will provide soymilk to hundreds of school children daily
- ◆ Other projects being discussed include helping to develop organic soybean production and trade for a Malawi-based farmer co-op

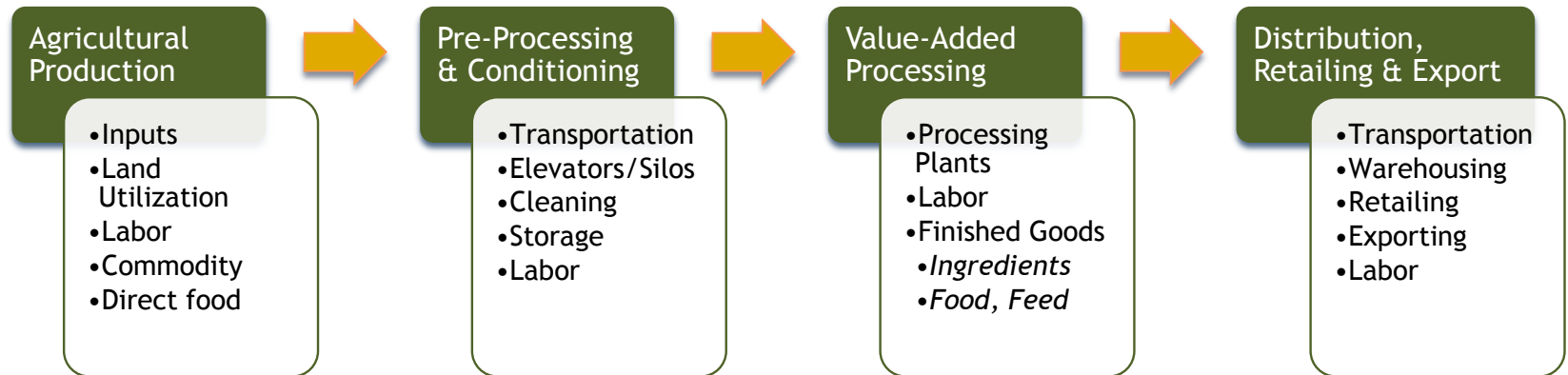
Private Sector Investments as a Tool for Development in Sub-Sahara Africa



- ◆ Strategic investments, alliances or partnerships can create sustainable jobs and ever increasing returns if well-placed
- ◆ Business interdependencies up and down the value chain can have a multiplier effect on jobs
- ◆ Industries that rely upon renewable and expansive resources or raw materials such as agriculture, will benefit many sectors and levels of the economy

Agricultural Product Processing Value Chain

Value added at each step:



Sell Price	\$1.00	\$1.15	\$1.65	\$3.30
Return and value added	Add 5-15% over input costs	Add 10-15% for handling and cleaning services	Add 40-50% value and gain 20 to 30% GM	Add 100% value and gain 20 to 30% GM

330% Value Added in Country

Agricultural Production

Agricultural Production

- Inputs
- Land Utilization
- Labor
- Commodity
- Direct food

- ◆ Inputs require seed, chemical and related materials
- ◆ Land utilization increases value and soil quality if well managed
- ◆ Labor is needed for preparation, planting and harvesting
- ◆ Commodities or other crops are available for sale locally or regional trade
- ◆ Crops can be utilized locally as direct food

Pre-Processing & Conditioning

Pre-Processing & Conditioning

- Transportation
- Elevators/Silos
- Cleaning
- Storage
- Labor

- ◆ Transportation resources are utilized – truck, rail, barge
- ◆ Elevators and grain silos can provide identity preservation
- ◆ Cleaning and conditioning services improve quality
- ◆ Storage facilities can help to assure buying and selling at appropriate times to maximize margins
- ◆ Labor is needed – jobs are provided

Value-Added Processing

Value-Added Processing

- Processing Plants
- Labor
- Finished Goods
 - *Ingredients*
 - *Food, Feed*

- ◆ Processing plants are built or expanded to achieve higher utilization rates
- ◆ Jobs are created
- ◆ Value-added finished goods are created such as:
 - Ingredients that are further processed into other food products
 - Direct food such as soymilk, soy flour, vegetable oil
 - Feed ingredients such as high protein meal or related

Distribution, Retailing & Export

Distribution, Retailing & Export

- Transportation
- Warehousing
- Retailing
- Exporting
- Labor

- ◆ Transportation is utilized to bring products to market
- ◆ Warehousing facilities are used to store and maintain product stocks
- ◆ Retailing, formal and informal, creates business opportunities, and increases access to food
- ◆ Exporting of value-added foods or ingredients increases value further by helping to adjust trade balances and attracting additional investments

Ancillary Regional Benefits

◆ Food Security

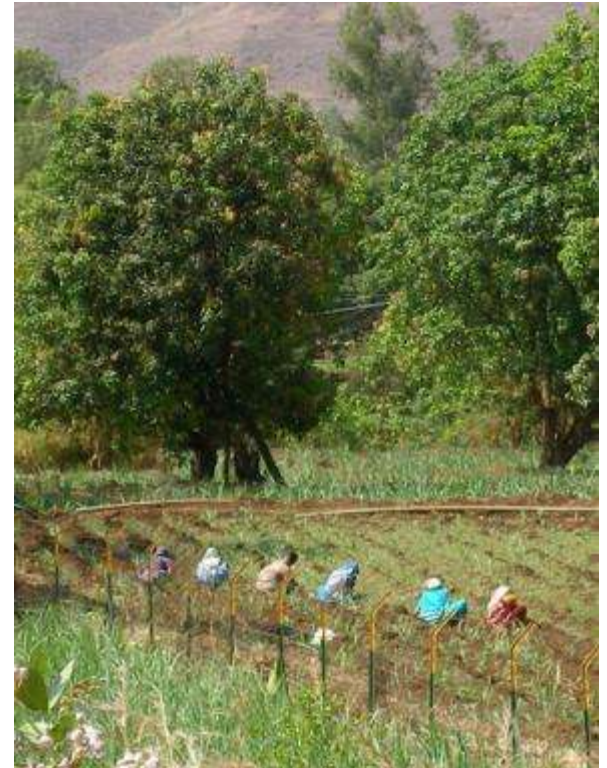
- Creating local food resources reduces food costs and increases availability

◆ Jobs

- From farm to final consumer, labor is needed to harvest, add value and deliver food from the farm to consumers

◆ Resource Management

- Land, water, transportation and business resources are more efficiently utilized and/or expanded



Ancillary Regional Benefits

◆ Education

- Necessary skills are taught or enhanced, schooling is expanded, community is elevated

◆ Empowerment

- Communities that can produce food and educate themselves become secure, empowered and more confident of their future



Ancillary Regional Benefits

◆ Sustainable Development

- This is achieved when the value created is distributed up and down the value chain, giving a fair return to all stakeholders and allowing for reinvestment and further development

◆ Health & Well Being

- The net result of all of these benefits is personal and community health and well being — part of SunOpta's mission statement, and a worthy objective for any business and development project



Conclusion

- ◆ Fair trade and strategic investments can be used as a constructive tool for change
- ◆ Agriculture and food processing, due to the structure of its value chain, can have immediate and long-term impact in many sectors of the economy and on many levels
- ◆ Food security, jobs, resource management, education, empowerment and well-being all are outcomes of appropriate investments



Thank you!

Comments, questions or follow ups:

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