

Analysis of Land Investment Opportunity: Saskatchewan

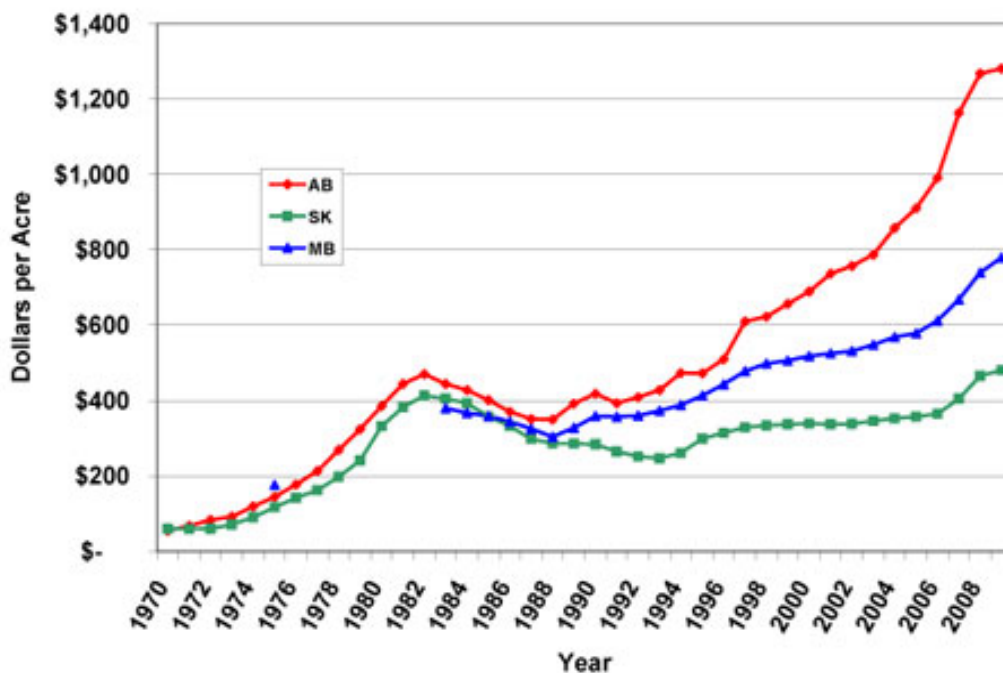
A Multi-Client Proposal

July 2010

Global Growth Creates Local Opportunities

In contrast to developed countries where economic growth is in recovery mode from the recession, economic growth in developing economies such as China and India is strong. Consumers in these regions are increasing the quantity and quality of food consumed. As this added demand works its way back through the food chain, it can result in stronger prices at the farm gate and higher asset values for production inputs such as farmland. As the chart below shows, there already has been an increase in farmland prices across *Western Canada but not at equal pace to other areas in North America.*

Value of Farmland on the Canadian Prairies (per acre)



Source: Assiniboia Capital Corp

While there has been a general uptrend in global farmland values in recent years, not all regions have participated equally in this trend. Indications are that there are certain areas of the Western Canadian Prairies that have not yet caught-up with the general increase in land values in other parts of North America. The objective of this study is to identify specific locations in Saskatchewan, Canada that have not yet experienced valuation increases, but are expected to benefit from continued growth in agricultural demand.

Why Saskatchewan?

Located in the middle of the Canadian prairie, at 251,718 square miles Saskatchewan is almost the size of the State of Texas. Moreover, Saskatchewan represents almost half of Canada's cropped acres and has a diverse agricultural base that includes wheat, canola, pulses, feedgrains and a variety of specialty crops. From a land investment perspective, Saskatchewan has lagged other regions of North America as initial interest in farmland investment focused on conventional areas closer to markets. This has created a potential for timely and profitable land acquisitions in a region such as Saskatchewan. The objective of this study is to identify specific locations in Saskatchewan where a combination of factors that impact farmland values creates the most favorable land acquisition environment.

Certainly there are other regions of the world that represent interesting farmland acquisition opportunities. This study is a response to interest observed in the market for farmland acquisition in Saskatchewan.

Note On Farmland Ownership Issues In Saskatchewan

Farmland purchases and ownership in Saskatchewan are governed by the Saskatchewan Farm Security Act (the "Act"). Section VI of this Act stipulates that ownership of land above 10 acres is restricted to "Residents" of Canada as defined by the Act. While there appear to be several ways to own farmland in Saskatchewan that will comply with the provisions of the Act, it is not the purpose of this study to define these situations.

Study Methodology

The objective of this study is to identify the most favorable areas of Saskatchewan suitable for farmland investment. To do this, the project team will identify key drivers of farmland value and combine or "layer" these factors to identify potential acquisition areas. Key factors are expected to include:

- Current farmland values
- Revenue per acre
- Distance from markets
- Marketing infrastructure
- Soil types
- Climatic zones

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Other factors will likely be identified during the course of the study, but these are expected to be critical ones.

Based on the “layering” analysis to be conducted, the project team will identify at least 6 and as many as 12 optimal areas within Saskatchewan suitable for investment.

Project Deliverables

The analysis will result in a comprehensive report in PowerPoint format that summarizes and explains the study conclusions. To convey the conclusions, extensive use will be made of data mapping using MapInfo software licensed to Informa. As needed, the project team will provide to clients background data and information that will facilitate a better understanding of the report’s conclusions. As part of the deliverables, the project team will make itself available to participants for a conference call presentation of the results. If requested, the project team also will travel to the client for a presentation of the study findings with out-of-pocket travel expenses billed to the client in addition to the project fees.

Project Team

This project will combine the resources of Informa Economics, Inc. (Informa) and Pike Management Group (PMG). In doing so, the project will bring together the analytic and data management capabilities of Informa with PMG’s extensive knowledge of the Canadian Prairie agriculture and the drivers of Canadian farmland values. Mr. Tom Scott, President and Chief Operating Officer at Informa will head up the project for Informa. Mr. Gary Pike, CEO of PMG will coordinate the research efforts at PMG. Mr. Juan Sacoto, Senior Vice President and leader of Informa’s Financial Consulting will be a major contributor to the project. Mr. Darwin Lockhart, Senior Consultant in Informa’s Winnipeg office will head-up the mapping analysis aspects of the project. Brief biographies of the primary project team participants are included at the end of this prospectus.

Study Timetable

Project Initiation:	August 1, 2010
Project Completion	September 15, 2010

Study Fees

The fees for participating in this study are CD\$8,500 (US\$8,100) for Informa or PMG clients and CD\$10,000 (US\$9,500) for non-clients of these organizations. Half of the fee will be billed upon initiation of the study and the balance upon completion of the study.

Qualifications of Study Team

Informa

Informa Economics, Inc., formerly known as Sparks Companies, Inc., is the world leader in broad-based agribusiness consulting and commodity market analysis. Founded in 1977, the company now serves hundreds of firms and institutions worldwide. In December 2003, Sparks was acquired by Informa plc, a global business information group. Informa Economics and its international divisions including: Agra CEAS in The UK and Brussels, FNP Brazil and Washington Policy and Analysis represents one of the world's most comprehensive agriculture, food and energy, consulting groups.

Informa Economics offers several broad categories of services:

- Management Consulting for Agribusiness;
- Agricultural Commodity Market Analysis;
- Risk Management Strategies;
- Education and Training;
- Newsletters and Other Publications; and
- Energy Market Analysis.

Our Mission: "To Be a Vital Force in the Success of Agriculture, Food, Energy and Transportation Interests Around the World."

Commodity Market Analysis

Informa Economics offers a comprehensive package of well-respected, timely and highly detailed commodity market information and decision support materials. Informa Economics constructs estimates and forecasts of U.S. and world acreage and crop production, weather, crop and livestock/meat supply and demand fundamentals and prices, as well as assessing transportation and storage factors, agricultural policies and long-term agribusiness trends. The scope of this work covers the following areas:

- All major grains, oilseeds and products, cotton and fibers;
- Livestock, meat, poultry and dairy;
- Soft commodities, including sugar;
- Specialty vegetable oils;
- Transportation services;
- Energy Services
- Weather services; and
- Long-term forecasting.

Consulting Services

The Informa Economics Consulting Group provides management and economic consulting services to organizations in the agriculture, renewable fuels, food processing and foodservice sectors. Clients include corporations, cooperatives, trade associations and government agencies in the United States, Canada and overseas. Informa Economics advises clients on a broad range of economic, marketing, financial, strategic planning and regulatory issues.

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In order to meet client objectives, Informa Economics utilizes a variety of methods, including:

- Financial statement preparation;
- Business plan development;
- Site selection studies;
- Market research;
- Strategic planning;
- Econometric analysis; and
- Risk management strategies.

In addition to business-related services, the Informa Economics Consulting Group conducts analyses of government policies and regulations. Informa Economics consults with government agencies, non-government organizations, multinational organizations and agribusinesses regarding the impacts of policies and regulations on agricultural markets and industries. Informa Economics consultants also participate in a variety of international economic development projects. Additionally, Informa Economics provides expert testimony for legal cases and government hearings.

Pike Management Group

Pike Management Group Inc. (PMG) is a producer-focused, management services firm dedicated to helping farmers make more accurate, strategic and profitable farm business and grain marketing decisions across Western Canada. PMG is based in Calgary, Alberta, Canada.

Over the past decade, PMG has developed deep business relationships with Western Canada's largest and most successful grain producers. These producers have utilized the advice and services of PMG, realizing the strengths of spreading fixed costs over a larger acreage base, and ultimately resulting in increased profitability.

PMG offers an established management and administrative infrastructure with years of agricultural business and marketing expertise. PMG has an industry leading proprietary cost of production/crop planning agricultural software program called Economic Verification (EV). This program assists in integrating marketing and planning decisions around accurate cost of production data. PMG is unique in developing this accurate relationship between the market and farm costs. This program is foundation for decision making on the entire PMG client base. PMG has a client base of farmers with acreages of 2,500 to 38,000 – influencing over 1.5 million acres of farmland.

Biographies of Project Team

Thomas P. Scott, President and Chief Operating Officer. Mr. Scott has been with Informa since 1989 with the majority of that time being the head of the Informa Economics Memphis-based Project Consulting Group. Mr. Scott's specialized work has included business strategy, agribusiness economic development, feasibility and site selection work, as well as various market analyses. In addition to his work in North America, Mr. Scott has extensive experience in the agribusiness sectors of Central Europe, Southeast Asia and South America. He has been involved in many training

programs developed and delivered by Informa Economics. Prior to joining the company, he had various assignments in management, trading, logistics and merchandising with Continental Grain Company. He received his bachelor's degree in agricultural economics and business from Cornell University and a master's degree in business administration from the Amos Tuck School of Business Administration at Dartmouth College where he was an Amos Tuck Scholar.

Gary Pike, CEO. Gary is a co-founder of Pike Management Group and the AgCoach peer-to-peer mentoring system. Over the past 18 years, Gary has worked directly with producers to develop improved price risk management procedures. His emphasis has always been on serving the needs of the individual. He is dedicated to keeping PMG members current in a global environment of rapidly changing agricultural practices and economics. Gary holds a B.Sc. in Agriculture from the University of Alberta. He has participated in the John Deere Global Ventures Group, Western Canadian Wheat Growers Association (Director), the Canadian Wheat Board Advisory Committee and the Alberta Conservation Tillage Society (Director).

Juan E. Sacoto, Senior Vice President. With Informa Economics since 1997, Mr. Sacoto is the leader of Informa's Financial Consulting and heads the Biodiesel Consulting practice with his primary responsibility including research and analyses for international and domestic consulting clients. His work often involves market assessment, financial and competitive analyses, economic modeling, business strategy, international economic development, economic impact, risk management, and acquisition/investment due-diligence studies. Mr. Sacoto has extensive knowledge and experience analyzing most agricultural, food and related markets, including grains and oilseeds, feed ingredients, livestock and meat, vegetable oils, fisheries, fertilizers, fruits and vegetables, grain storage, and farm equipment as well as the renewable fuels industry, particularly biodiesel. He also has extensive practical experience evaluating agribusiness and renewable fuel projects across several regions, including Latin America, Europe and Africa. He is fluent in Spanish and has broad cross-cultural training. Prior to joining the company, he worked as a financial and equity analyst. He received his bachelor's degree in finance from Jacksonville State University and his master's in international business administration from The University of Memphis.

Darwin K. Lockhart, Senior Consultant. Mr. Lockhart's primary responsibility in the Informa Economics Winnipeg office is to provide analytic support in both projects and Canadian commodity research. This work encompasses a wide variety of sectors across Canadian agribusiness with areas of expertise including the use of Geographic Information System technology to provide site selection and spatial competitive analyses involving the evaluation and modeling of grain and their handling networks. Prior to joining the company, Mr. Lockhart worked for the Winnipeg Commodity Exchange (WCE) where he held positions as market research analyst and market information manager. While at the WCE, Mr. Lockhart's primary responsibility was the coordination of all aspects of market information accumulation and dissemination. He received his bachelor's degree in finance from the University of Manitoba.



ENROLLMENT FORM

- Yes, I want to participate in the special multi-client study, entitled **“Analysis of Land Investment Opportunity: Saskatchewan.”** The cost of the study is CD\$8,500 (US\$8,100) for clients of Informa Economics, Inc. and Pike Management Group. One half of the project fee will be billed upon project initiation and one half upon project completion.
- Non-client cost is CD\$10,000 (US\$9,500). One half of the project fee will be billed upon project initiation and one half upon project completion.
- Please have someone contact me to provide further information.

FAX to (901) 766 8158

Name: _____ Signature: _____

Title: _____

Company: _____

Street Address: _____

City, State, Zip: _____

Telephone: _____ Fax: _____

E-mail Address: _____

Return form to:

Tom Scott
President and COO
Informa Economics, Inc.
Email: tom.scott@informaecon.com
FAX: (901) 766-8158

Gary Pike
CEO
Pike Management Group
Email: gpik@agcoach.ca
FAX: (403) 695-1928