pride
food future
authenticity wisdom line
productivity
history challenges consumers knowledge
security friendship guarantee
tradition expertise freshness
health needs taste knowledge variety
future generations team
cooperation variety satisfaction innovation health
legacy PRODUCTS evolution unity
transmission know-how EMPLOYEES
foundation MEMBERS values pure

Agropur cooperative **2009 ANNUAL REPORT**

agropur

agropur

A look at our roots, our strengths and our future.

Every day, the natural goodness of milk improves the lives of consumers by meeting their daily nutritional requirements. An increasing number of people are discovering the Cooperative's wide range of popular products.

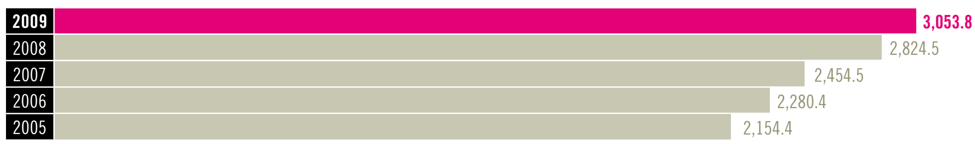
To ensure a prosperous future for the Agropur family, the organization relies on its experienced members, passionate employees and incomparable products. These three "families" beat to the rhythm of a single heart, the Cooperative, to the great benefit of everyone involved. The key to its success lies in the strong ties that bind generations of members, the employees and the products that unite them.

Today, Agropur has facilities in Canada, the United States and Argentina, and processes over 2.6 billion litres of milk annually. Thanks to the unwavering commitment of its 3,533 members, its 5,225 employees in 27 plants, the Cooperative boasts sales of close to $3.1 billion.

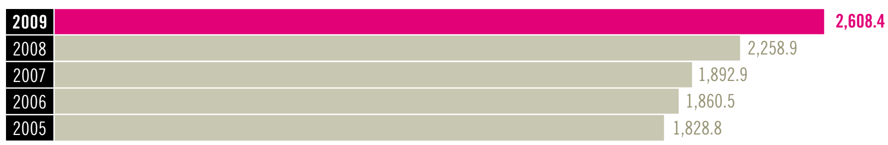
HIGHLIGHTS

	2009	2008
Sales (in millions of dollars)	**3,053.8**	2,824.5
Milk processed (in millions of litres)	**2,608.4**	2,258.9
Earnings before patronage dividends (in millions of dollars)	**138.3**	121.1
Investments (in millions of dollars)	**247.8**	197.0
Total assets (in millions of dollars)	**1,164.3**	1,096.3
Number of members	**3,533**	3,615
Number of employees	**5,225**	4,893

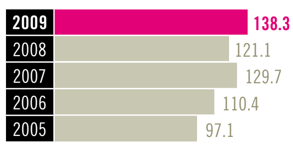
SALES (in millions of dollars)



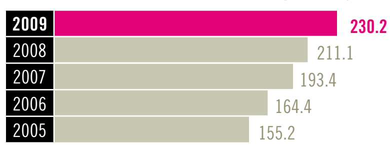
MILK PROCESSED (in millions of litres)



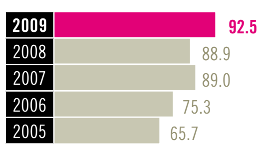
EARNINGS BEFORE PATRONAGE DIVIDENDS (in millions of dollars)



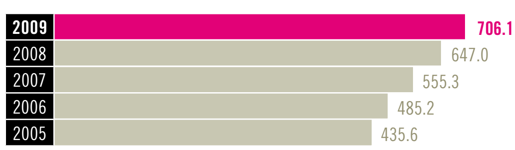
EBITDA (in millions of dollars) Earnings before patronage dividends, interests, taxes, depreciation and amortization and gain on disposal of assets



PATRONAGE DIVIDENDS (in millions of dollars)



EQUITY (in millions of dollars)



CHAIRMAN'S MESSAGE

Protect the interests of the Cooperative and its members.

At Agropur, a sense of family can be felt throughout the organization. Our members' know-how is passed down from generation to generation, with several people of the same family working for the Cooperative, and several product families offered to consumers. The Cooperative's success stems from its committed members, competent employees and the unique wealth of its product lines. As a result, the organization surpassed itself again this year, with sales close to $3.1 billion.

Agropur has had to regularly adapt to a changing business environment in order to ensure its longevity, and the last two years, which have seen tremendous development, have been no exception. Several acquisitions in the U.S. and Argentina have propelled our Cooperative into the ranks of international organizations. Despite all of these changes, the Board of Directors continues to effectively protect the interests of the Cooperative and its members, regardless of the number, scope or geographic extent of the acquisitions.

For this reason, the Board of Directors decided to invite Robert Coallier to be a Guest Member of the Board of Directors and of the Audit Committee, adding a healthy dose of financial expertise and international experience.

In fact, the use of new accounting standards and the increasing complexity of our operations make the involvement of someone with financial expertise a necessity.

Mr. Coallier has worked for several major corporations in positions such as Vice-President, Finance. He is also a past and current member of several boards of directors. Finally, his experience acquired abroad, specifically in South America, will be a valuable asset to Agropur's Board of Directors, especially given the international business climate in which the organization is developing.

This year, like every five years, the Cooperative participated in the periodic evaluation of the administration of the joint plan of the milk marketing activities. Agropur took advantage of this opportunity to discuss its concerns about the distribution of quotas between the provinces and initiatives to promote brand names over generics. The issue of standards was also raised. Agropur reiterated the fact that it supported the implementation of national cheese standards. It also supports the adoption of a national standard for yogurt, which is still pending.

We participated in negotiations on renewing milk marketing agreements in Quebec. After nine months of discussions, the *Conseil des industriels laitiers du Québec*[1] (CILQ) asked the *Régie des marchés agricoles et alimentaires du Québec*[2] to act as arbitrator on this issue. The matter involves the provenance of the milk used to supply the increased production of yogurt and cheese. We can no longer continue to be the source of our competitors' growth without compromising our own cheese activities. Plant allocation rules are obsolete; the recycling of milk, butter and powder in recent years has now ended, and milk volumes available for our cheese growth are at risk. The rules proposed by the other parties no longer allow producers to move milk to more lucrative markets, but only to move these volumes between companies. Accordingly, these organizations want to move Agropur milk to our competitors, to the detriment of Agropur members, and with no benefit to producers.

The matter of milk pooling in Quebec/Ontario (P2) remains an important governance issue for the Board of Directors. The CILQ, among others, is questioning Agropur's accreditation to represent itself, as it is currently doing in Quebec. Further discussions on this matter will be difficult as long as this issue is not resolved.

On June 4, 2008, the members adopted a new general administrative by-law for the Cooperative, and a new capital structure that includes

[1] Quebec Dairy Industry Council
[2] Quebec Agricultural and Food Marketing Board

only three share categories. However, it took several months for the Board of Directors to obtain assurances that Agropur's capital conversion should have no negative taxation impacts for members. The new by-law and statutes came into effect on December 1, 2009. Their implementation stems from the members' wishes expressed during the 2007 Strategic Thinking.

For its part, the World Trade Organization (WTO) issue has not progressed at all, which is fine with us. This lack of development in the negotiations allows us to better prepare for an eventual agreement, which risks having a direct impact on our industry. Even though the process seems never-ending, these discussions still represent a potential threat. We are also keeping a close eye on free trade talks between Canada and Europe.

The challenges looming are still as daunting, but we will face them together. We are currently witnessing increased pressure on farmers worldwide, which clearly demonstrates the importance of maintaining the supply management system in Canada. Currently, our system seems to be the envy of a number of farmers abroad.

It becomes important then, in order to ensure our Cooperative's growth, to move beyond Canada's borders and invest abroad. In addition to diversifying our customer base, this southerly expansion also protects us against the eventual opening of Canada's dairy borders in the wake of a WTO agreement.

Despite these hurdles, Agropur is resolutely focused on its growth, thanks to its cooperative values, its dedicated employees and its innovative products. The organization is well positioned to take advantage of global growth in the dairy sector, and it is taking steps to establish solid foundations, both at home and abroad.

During the 2007 Strategic Thinking, the members affirmed their support for a strategy focused on the Cooperative's expansion. The current business context is full of opportunities, which we intend to capitalize on if they can assure our long-term growth and development. Even in times of economic crisis, our organization's sound financial situation enabled it to seize business opportunities in the United States. The Agropur family grew by three U.S. acquisitions in the last year.

In conclusion, on behalf of myself and the Board of Directors, I would like to thank everyone for Agropur's excellent results in its 71st fiscal year. I would also like to thank the CEO, Pierre Claprood, and his entire team, for their invaluable collaboration and unwavering support. Finally, special thanks to Agropur's members and employees, who represent the very essence of the Cooperative, and who play a direct role in its success.

S. Riendeau

Serge Riendeau, Chairman

BOARD OF DIRECTORS

1. **Roger Massicotte (E.C.)**
   Mauricie/Portneuf, 2003
2. **Michel Couture (E.C.)**[1]
   De L'Érable, 2001
3. **René Moreau (E.C.)**[1]
   Bois-Francs, 1998
4. **René Grimard (E.C.)**[1]
   Vice-Chairman
   Des Appalaches, 1995
5. **Serge Riendeau (E.C.)**
   Chairman
   Estrie, 1991
6. **Lorna Jean Neveu**
   Laurentides/Lanaudière, 1996
7. **Daniel Lamy**[1]
   Berthier/Maskinongé, 2004
8. **Luc Chassé**
   Des Seigneuries, 2006
9. **Daniel Gagnon**
   Est du Québec, 2008
10. **Gaétan Jodoin**
    Granby, 1996
11. **Jean Filiatrault**
    Acton, 1993
12. **Roger Daoust**
    Salaberry, 1993
13. **Jean-Pierre Lacombe**
    Yamaska, 2007
14. **Vital Vouligny**[1]
    Lac Saint-Pierre, 2007
15. **Darie Gagné**
    Chaudière, 1997
16. **Robert Coallier**
    Guest Member of the Board of Directors and of the Audit Committee

Legend: Director/Administrative region/ Year elected to the Board

(E.C.) Executive Committee members

[1] Directors whose term expires in 2010, but who can be re-elected

CHIEF EXECUTIVE OFFICER'S MESSAGE

The organization continues to grow.

Despite these uncertain economic times, the organization has held its course and achieved the highest sales and earnings before patronage dividends in its history: $3.1 billion and $138 million, respectively.

Again this year, Agropur strengthened its presence in the U.S. with three acquisitions: the Schroeder Milk dairy in Minnesota in December 2008; a dairy in Grand Rapids, Michigan in September 2009; and the Green Meadows Foods cheese plant in Hull, Iowa in December 2009. The latter, one of the newest cheese plants in the U.S., opened its doors in late 2008.

The acquisitions made over the past two years outside of Canada, including La Lacteo and Trega Foods, are worth over $400 million, and provide Agropur with a solid foundation for pursuing further development, which is directly in line with the organization's vision. On an annualized basis, operations outside of Canada represent between $750 and $800 million in sales, or approximately one-quarter of our revenues. Our forecasts indicate that, in 2010, our U.S. cheese facilities should produce 50% more cheese than our Canadian cheese plants, and twice as much within a few years.

The organization is growing. Today, in the U.S., it employs close to 800 people at six plants in Iowa, Michigan, Minnesota and Wisconsin, states where the dairy industry is very dynamic.

In 2009, each of the organization's divisions and joint ventures posted improved results. In a difficult economic climate, where prices are decreasing, the cheese divisions continue to perform well, in Canada as well as in the U.S. For its part, the Cheese and Functional Products Division is pursuing its cheese shift. This emphasis on cheese began several years ago. In a year affected by the recession, the Fine Cheese Division maintained its growth, but at a slower-than-expected pace.

In addition to its first foray south of the border, Division Natrel continued to grow as well, despite fierce competition in the Canadian fluid milk sector.

Overall, our U.S. operations made a positive contribution to the organization's results. Various other projects are also under evaluation or negotiation, some of which may be concluded within the next year.

The Ultima Foods joint venture also posted improved results, due to several factors, including increased sales and revenues, solid market shares and progress in the Active Health segment. In Argentina, sales at La Lacteo have increased by 30%, and the operating surplus is now positive, excluding exceptional factors such as major inventory devaluations. It is also interesting to note that last half-year's results were positive, which suggests that they will grow in the upcoming fiscal year. The joint venture is continuing to develop, slowly but surely.

Every day, our 5,225 employees help maintain Agropur's position as a leader in the dairy industry, solidifying our competitive edge in an increasingly competitive industry. Even though our business landscape has changed in just a short period of time, resulting in new management challenges, such as new corporate cultures, and although we are confronted with the increasingly challenging demands of globalization, our employees continue to support and stand by us.

Our personnel is Agropur's most valuable asset, hence the importance of treating everyone with dignity and recognizing their individual contribution to the success of the organization. There is absolutely nothing we do that is important enough to justify a workplace accident. Several facilities have already achieved our goal of zero accidents, and everything indicates that all other work sites will be able to reach it as well. Agropur is a leader in health and safety in the dairy industry. We intend to remain focused on this goal and continue to work toward it. We plan to double our efforts in 2010, because we're convinced that operational efficiency depends on a safe and healthy work environment.

Again this year, Agropur renewed long-term commitments with its employees by signing four collective agreements for terms ranging from five to seven years, thereby ensuring long-term stability for all parties involved, as well as continuity of operations. This also proves to our customers that we are determined to remain a reliable supplier.

However, growth means acquisition, and acquisition means change. If Agropur wants to continue making acquisitions to ensure the organization's future growth, it needs to be able to rely on motivated employees, since everyone's contribution is crucial to building the Agropur of tomorrow. This is why we decided to survey our employees last June, to learn about their opinions on their jobs, their work environment and the organization's leadership. Agropur listens to its employees, and is aware that they make all the difference in a demanding and fiercely competitive business world.

The detailed results and analysis illustrate the factors that increase employee motivation and that will help us determine how we can raise engagement across the board. The results also show that there are still

efforts to be made in terms of integrating new employees joining Agropur through our various acquisitions. The organization needs to increase their sense of belonging, which is another challenge in itself.

Thanks to the creativity of its employees, Agropur is a leader in the Canadian dairy industry. It intends to apply these same principles to its international activities. Given the competitive environment in which the organization operates, Agropur's profitability depends on strong brands and innovative products. Accordingly, the Cooperative actively supports the research and development of new products. Once again, the organization has shown proof of innovation with the introduction of several new products, including Natrel's Omega-3 milk with DHA, Allégro 4% ricotta and Yoplait Asana yogurt. Our products have also made a good impression by winning numerous prizes in Canada and abroad.

While Agropur's priority continues to be consolidating and developing its business in Canada, the domestic dairy industry remains unchanged, with a limited number of business opportunities. The small size of the domestic market represents an ongoing challenge for the future growth of our organization. We must conclude that Agropur's sustainability largely depends on our ability to identify and capitalize on business opportunities that may arise outside of the country.

In addition to its acquisitions, Agropur is also continuing to invest in its plants. Increasing our processing capacity and ensuring the smooth operation and upgrading of our facilities remain priorities in our strategic planning initiatives. This is also true of environmental issues. Significant efforts have been made to decrease waste and energy consumption. We are also injecting substantial amounts into our operations in all cities where our facilities are located, in order to comply with existing environmental standards and regulations.

Many economic variables are uncontrollable, and economic recovery is uncertain, both in Canada and the U.S.; this is why we must remain vigilant. As growth opportunities in the Canadian dairy industry are limited, we need to stay alert to renewed negotiations at the World Trade Organization as well as between Canada and Europe, the outcome of which could affect our forecasts. Regardless of the outcome of these discussions, Agropur will continue its strategy of expansion and positioning, both in Canada and south of the border.

The current economic landscape is also being shaped by other factors, such as possible changes to the U.S. dairy system, international and American markets that seem to be gaining momentum but are still more volatile than the Canadian market, not to mention currency fluctuations that can affect our results.

I am convinced that our divisions' strategic plans and our top-notch employees will enable us to meet the challenges facing our industry brilliantly.

Many thanks to all of our employees for their confidence and support. Our success would not be possible without the commitment of everyone at Agropur. I would also like to thank my colleagues on the Management Committee, who have made the progress and development achieved by the organization over the last few years possible. Finally, I would like to express my gratitude to the Board of Directors for their unwavering commitment and support, and particularly to Serge Riendeau.

Pierre Claprood, Chief Executive Officer

MANAGEMENT COMMITTEE

1. **Benoit Gagnon**
   Executive Vice-President,
   Global Development
2. **Pierre Claprood**
   Chief Executive Officer
3. **Lorraine Bédard**
   Corporate Secretary and
   Vice-President,
   Member Relations
4. **Jocelyn Lauzière**
   Chief Financial Officer
5. **Serge Paquette**
   President,
   Division Natrel
6. **Louis Lefebvre**
   President,
   Cheese and Functional
   Products Division
7. **Robert Gour**
   President,
   Fine Cheese Division
8. **Scott McDonald**
   Vice-President,
   Human Resources
9. **Jean Brodeur**
   Vice-President,
   Communications and
   Public Relations
10. **Michel St-Louis**
    Vice-President,
    Legal Affairs

transmission
generation
evolution
pride
history
know-how
cooperation
foundation
tradition
values

OUR MEMBERS: A LASTING KNOW-HOW.

Milk, a rich and natural product, is the first link in a long chain of values. After being produced by families, and then processed by Agropur, it is consumed by countless other families in many countries. As a leader in the Canadian dairy industry, Agropur is proud to rely on proven expertise passed down from one generation to the next. In fact, the rich history of many of our products has been written by successive generations of Agropur members. They are proud to pass on their knowledge and values of commitment to their successors, who in turn will pass this expertise on to their own descendents. Agropur members are driven by passion to produce the highest quality milk. They are the people behind the excellent products that end up in consumers' homes.

The democratic structure and the strength, vitality and wealth of Agropur associative life are major assets that distinguish our organization from other dairy operations. Agropur aims to maintain close, quality relationships with its members, which is why the organization, through its Solidarity Committee, consults members periodically in determining its major orientations; the latter are then communicated to members by the Board of Directors, which is comprised of elected dairy producers who represent the interests of Cooperative members.

The organization promotes member development through various regular training activities. The succession of members is also an important issue. Launched in 2008, Agropur's one-year Provincial Internship Program is one of the Cooperative's activities. The main goal of this internship is to integrate young dairy producers into Agropur associative life in order to better prepare the Cooperative's future leaders.

Despite the organization's growth and international expansion, Agropur has managed to keep its original values alive, thanks to its emphasis on associative life, which adapts constantly to an ever-changing business environment. The close ties between the Cooperative and its members, the quality of their communications and their participation in various activities are also important factors.

With business opportunities emerging everywhere, new challenges will force the organization to adapt quickly to the new business environment, and will require its key people to act decisively in the best interest of the Cooperative's future, as their predecessors did.

legacy

In 1944, Mr. Pierre Létourneau posed proudly with his father, an Agropur member, on their family's land. Today, he is surrounded by his grandchildren, the family's fourth generation of dairy farmers.

DEDICATED EMPLOYEES WHO PLAY A PART IN AGROPUR'S SUCCESS.

The Agropur family is defined by its employees, the organization's most valuable resource. Loyalty to the Cooperative is sometimes passed down from generation to generation. Whether in Canada, the United States or Argentina, our employees have at least one thing in common: they are the links in the Agropur chain. No matter where the employees are on the planet, one tie binds them all: the Agropur family.

The organization is driven by passionate, committed and talented individuals who all work together toward a common goal. Agropur knows that its employees are an essential resource and its most valuable asset in producing excellent products and positioning the Cooperative as a leader in the Canadian dairy industry and a major player on the U.S. market. The Cooperative's success has been and always will be a reflection of its employees' achievements. In fact, each employee has a hand in the many successes of Agropur, now an international organization. Its past and future are shaped by the dedication, competence and enthusiasm of its employees.

Accordingly, the Cooperative is continuing its efforts to meet the challenges of effective human resources management, in a context of sound financial management and in a labour market characterized by increasingly stiff competition in the recruitment of skilled employees.

Today's modern technology makes it difficult for any company to stand out on the market, since the same tools are available to everyone. As such, employee expertise becomes crucially important, allowing an organization to rise above the rest.

The family is growing, diversifying and spreading out, and maintaining and promoting the original values behind Agropur's success is more important than ever.

fraternity

team

Bruce and Kevin Tilliapugh, father and son working at the Victoria plant, in British Columbia.

Knowledge passed on from generation to generation is what makes our organization so successful.

freshness
health

pure

For many years now, Agropur products have been contributing to the health and vitality of families.

THE QUALITY OF OUR PRODUCTS MAKES THEM OBVIOUS CHOICES.

Essentially, milk is a top-quality product that lends its multiple nutritional qualities to other dairy products. Agropur adds value to this already wholesome food. Dairy products have long been an essential part of any balanced diet, and Agropur is proud to offer consumers a host of milk products that are each more delicious than the next. A growing number of consumers are now enjoying the ever-improving products expertly produced by the Cooperative.

At Agropur, innovation starts with its employees, architects of research and development. Their ideas inspire processes that in turn lead to products. It is their creativity that allows Agropur to maintain its status as an innovative organization.

The Cooperative is spurred on by recognition of its strong brands and by the development of new products. The organization's strength lies in its ability to meet consumers' increasingly specific demands. It continuously invests in product development in order to meet consumer demand for more nutritional and value-added products. The various families of Agropur products meet the needs of today's families. The products continue to evolve, keeping the organization at the forefront of new trends, and allowing it to proactively meet consumers' needs. The organization's success hinges on product lines such as Natrel, Oka, Sealtest, Yoplait, Québon, Allégro, Island Farms, Canadian Reserve, La Lacteo and Schroeder.

Innovation plays a key role at Agropur, and is one of the cornerstones of the Cooperative's growth strategy. In fact, this is evident by the many prizes won over the years, on more than one continent. Once again, 2009 is no exception: Agropur products are still taking honours at national and international competitions.

A family

agropur

A look at some of our products.

NATREL NATURE~PURE ORGANIC
Milk with same good taste and same fresh taste.

YOPLAIT ASANA
A delicious yogurt for strong bones.

ALLÉGRO PROBIO 7%
The first soft cheese with probiotics in Canada.

ISLAND FARMS
The fat-free sour cream: a guilty pleasure.

portrait

SCHROEDER
One of the smoothest creams.

AGROPUR CANADIAN RESERVE
The world's best aged cheddar.

LA LACTEO
A refreshing Argentinean milk beverage.

AGROPUR HAS SURPASSED THE $3 BILLION SALES MARK.

INVESTMENTS
Major investments of over
$93 million in its plants were approved.

The Grand Rapids dairy plant in Michigan is part of Agropur's investments in 2009.

SALES

With sales of close to $3.1 billion, Agropur has posted its best performance to date. The economic situation did not affect the organization's overall growth.

Despite pressure on retail sales prices in Ontario, Division Natrel continued to grow through two acquisitions in the U.S. and increased sales on the Canadian market.

Fine cheese sales were slightly affected by the recession; while growth remains positive, it is slower than anticipated. However, it was mainly imported fine cheeses that were impacted by the economic crisis.

Despite a decreased milk supply in Canada, a difficult economic climate and falling prices, sales increased slightly for cheese and functional products. Trega Foods in the U.S. continued to post profits above forecast levels, despite the recession and falling whey prices. External market conditions affected results in the U.K., where the market has been strongly affected by the economic crisis.

Finally, sustained by the Active Health segment, sales of yogurt and fresh cheeses were up. An improved combination of sales and innovations also helped to solidify market shares.

INVESTMENTS

The U.S. acquisitions represent the major portion of Agropur's investments in 2009.

In order to maintain its growth and meet consumer needs, the organization needs to continuously inject funds into its plants in order to increase production capacity and replace certain obsolete equipment. Among other things, these investments aim to serve and diversify our current customer base. Accordingly, the Cooperative invested heavily in all of its facilities across Canada, the U.S. and Argentina in 2009.

In fact, major investments were approved for a total of over $93 million. This money will be used, among other things, to double capacity at the Alberta plant, and add a new shredding line at our Ontario cheese plant to diversify products manufactured for the retail market. The organization also opened a new warehouse in London, Ontario, among other projects that were developed.

REVIEW OF ACTIVITIES

MARKETING

Agropur innovates by offering new products that meet consumers' needs.

MARKETING

Given that the market is constantly evolving, Agropur continues to align its marketing strategies with consumer demand by offering products that meet their specific needs. The Cooperative is also revamping several of its packages.

Division Natrel was very busy this year, launching a number of new products: Natrel organic milk, Québon milk in a 500 ml plastic carton, Natrel Omega-3 DHA milk, Québon Ultra'cream 5% blend of cream and milk for cooking, Island Farms 1% cottage cheese, and Purdy's premium ice cream. Three new Island Farms yogurts are now available: Simply 2%, YoFit, and Pro Plus probiotic yogurt. In order to meet the demands of lactose-intolerant consumers, Natrel is pleased to announce the addition of two new members to its family: Natrel Lactose-Free 2% milk in a 4L format and 1% milk in a 2L format. The line is capitalizing on these new products to give its packaging a new, bolder image. Sealtest cream, cottage cheese and sour cream are also getting a new, more contemporary image that reflects market trends.

In terms of fine cheeses, the Allégro umbrella brand introduced its two latest innovations: Allégro low sodium 4% ricotta cheese and Allégro Probio 7% soft-ripened cheese. The 15 light products in this line are also getting a makeover thanks to a more modern design. A far-reaching media campaign to promote this product line was also launched. Among other things, it included TV ads in Canada, a first for the Fine Cheese Division.

Two other cheeses were also given a fresher look: Saint-Paulin and Providence, both part of the Agropur Signature brand.

The division is increasing its efforts to market OKA family products outside of Quebec, including through TV ads in Canada.

Ultima Foods is no exception, maintaining its status as an innovative organization with several new products, packages and line extensions. Yoplait Asana, Yoplait Source Selection Muesli, Yoptimal Crunchy and Yoptimal 0% all hit shelves in 2009.

The new 650 g container made its appearance: attractive, practical and easy to handle, this new format is more appealing to consumers. Yop, Yoplait Tubes, Yoptimal, Yoplait Source, Yoplait Creamy, Yoplait Minigo and Yoplait Basket Fat Free products are now available in brand new packages.

Yoplait Minigo and Yoplait Tubes now contain 25% less sugar.

Fat free with no added sugar or aspartame, Yoplait Source Superfruit Selection is now available in four new flavours: acai berry-strawberry-banana, papaya-mango, goji berry-strawberry and pomegranate-blueberry. Yoplait Creamy Tropical is the only yogurt in the conventional yogurt segment that comes in tropical flavours. The four new flavours are pineapple-coconut-banana, pomegranate-blueberry, tropical mango and lychee-raspberry. Two new flavours have been added to the Yop Tropixs line: peach and vanilla.

New products were also launched under the Olympic brand, including cream cheese and sour cream, both of which are organic and fortified with probiotics. New fruit-flavoured organic yogurt and Krema Greek-style plain yogurt (10%) and vanilla yogurt (11%) helped enrich the Olympic product line. Finally, vanilla and plain yogurt are now available in a 1.75 kg container.

The Cheese and Functional Products Division management committee also got a new Vice-President of Marketing. The CFPD's Marketing department previously reported to the Vice-President of Sales. This new position will help the division to meet its current and future challenges, including focusing more on the retail market and packaging.

BIG WINNER
OKA L'Artisan wins top honours at prestigious competitions in Canada and the U.S.

RESEARCH AND DEVELOPMENT
Researchers at Agropur are constantly developing new, healthy products.

Pierre Morin, Research and Development Agent, Saint-Hubert, Quebec.

Prizes won

Agropur enters a number of competitions, events that provide a unique opportunity to showcase its products. Once again, its cheeses performed very well, taking honours at several competitions in Canada, the U.S. and abroad.

As evidence of this, Trega cheeses picked up 13 awards, including six first places, at the prestigious 15th Championship Cheese Contest held in the U.S. every other year. Canadian Reserve also won first prize at the distinguished The Grocer Own Label Excellence Awards 2009, in England, awarded by The Grocer magazine. OKA L'Artisan and Brie Normandie took first place at the American Cheese Society competition in Austin, Texas.

In Canada, Agropur products won honours at the British Empire Cheese Show in Ontario, with four first places going to Rondoux Triple Cream, Délicrème Plain, Feta Anco and Fontina Prestigio.

OKA L'Artisan emerged the big winner at the annual Royal Agricultural Winter Fair, the world's largest indoor agricultural, equestrian, canine and horticultural fair. Other cheeses also took top honours, including Chevalier Double Cream Brie with Basil and Tomato, Fontina Prestigio, Rondoux Double Cream and Allégro Probio 7% soft-ripened cheese.

Finally, Délicrème Plain, Canadian Reserve Aged 3 Years and Aged 5 Years also took home prizes in their respective categories at Sélection Caseus, Quebec's fine cheese contest.

RESEARCH AND DEVELOPMENT

Dairy products have evolved considerably over the years. Innovation is one of the growth avenues promoted by the organization. Spending in R&D continues to grow, spurred on by a climate of competition and globalization.

Significant research was conducted to develop new healthy products containing less fat and sodium and more fibre, calcium and omega-3 fatty acids. Agropur researchers are working on developing new products with the same great texture and flavour that consumers enjoy.

FINANCIAL REVIEW

Fiscal year 2009 continued on the same trend as fiscal 2008, as business expanded, mainly through the acquisition of companies. Following the 2008 acquisitions of the La Lacteo joint venture in Argentina, Trega Foods, a U.S. cheese processor, and Laiterie Lamothe in Quebec, fiscal 2009 was highlighted by the December 2008 acquisition of the Schroeder Milk dairy in Maplewood, Minnesota and another dairy in Grand Rapids, Michigan in September 2009. The cheese divisions also made another acquisition when they purchased the assets of the Green Meadows cheese facility in Hull, Iowa. This latter acquisition, which was completed on December 1, 2009, will be recorded in the 2010 fiscal year.

The acquisitions of Schroeder Milk and the Grand Rapids dairy represent the first incursion by Division Natrel into the American market. Their product lines include several value-added products such as extended shelf life and aseptic products, and will give Agropur an opportunity to take advantage of the broad U.S. market. Green Meadows complements the Trega subsidiary, and will enable the Cheese and Functional Products Division to boost its cheese production capacity and continue to increase its sales in the U.S. market and in the further processing segment. These three new acquisitions add about US$400 million annually, in sales.

The business acquisitions and the progress made by each of the divisions raised sales to a new level, reaching $3 billion for the first time. The $2 billion mark in sales was reached only 4 years ago, during the 2005 fiscal year. EBITDA now stands at $230.2 million, up from $155.2 million in 2005.

Governance

The Audit Committee, consisting of five members of the Board of Directors and a new Guest Member, reviewed the financial statements in this annual report. Certain Agropur senior executives and representatives of our external auditors attend Committee meetings. They, along with the Internal Audit Department, periodically present their findings at these meetings.

Moreover, a cascading certification process inspired by Bill 198 is in place, whereby senior managers have to vouch for the financial information appearing in the financial statements.

REVIEW OF THE 2009 FINANCIAL STATEMENTS

The following commentaries serve as a review of the financial statements appearing on page 23 of this annual report.

Accounting policies

As is the case each year, the Cooperative adopts the updated accounting standards issued by the Canadian Institute of Chartered Accountants. The new standards adopted in 2009 had a non-material impact on earnings. However, the reserve balance was reduced by $1.2 million, and some other balance sheet items were adjusted, which is why the word "restated" appears on the 2008 comparative figures. This restatement is due to the new accounting treatment for advertising and listing expenses.

The adoption of International Financial Reporting Standards (IFRS) is the accounting topic of the day, and will remain so for the next few years. Contrary to publicly traded companies, which are required to adopt these standards, the Cooperative can choose to adopt either IFRS or Canadian standards for private firms that will come into effect at the same time. If the Cooperative chooses to adopt IFRS, it will do so in fiscal 2012. The results of a preliminary evaluation were presented to the Audit Committee in September 2009. The most important item affecting earnings is the non-amortization of the goodwill recorded when companies are acquired. This change, along with some other adjustments dictated by these standards, will also apply in the future with the Canadian standards. The accounting standards used do not affect cash inflows or outflows, which means they do not make us any richer or poorer. The accounting standards define a framework for the measurement and performance of financial results. In 2010, the Board of Directors will have to decide the issue.

Earnings

Sales for the 2009 fiscal year totalled close to $3.1 billion, 17% of which came from outside of Canada. On an annualized basis for the new acquisitions, i.e., the new dairy in Michigan and the new cheese factory in Iowa, this percentage is believed to be approximately 25%, and should continue to grow in the future. Compared to last year, sales for 2009 were up $229.4 million. All of the divisions once again had a hand in this increase. In addition, the two companies acquired during the fiscal year contributed $111.4 million overall, while Trega, a 2008 acquisition, contributed $42.8 million in 2009.

A closer look at Canadian cheese operations reveals that the volume of cheese sales to further processors and food service clients rose by 3.9 million kilos. To address this growth, and as a result of a 6.9 million litre drop in the volumes of available milk, sales of butter and powder were scaled back. Sales of fine cheeses rose 5%. In the first half, the recession affected sales of imported products, but the lag was made up subsequently.

In the cheese segment of U.S. operations, Trega suffered the effect of reduced prices for blocks of cheese and whey products. By way of comparison, the average 2009 price on the CME (Chicago Mercantile Exchange) for a 40-pound block of cheddar was US$1.30 per pound, compared to US$1.93 in 2008, with a low of US$1.08 in January 2009. Strong price fluctuations drive the value of inventory up or down, depending on whether prices are rising or falling.

The prices of whey products reached record levels in 2007, then decreased in 2008 and remained low for most of 2009, but recovered by year-end. Specifically, the average monthly price

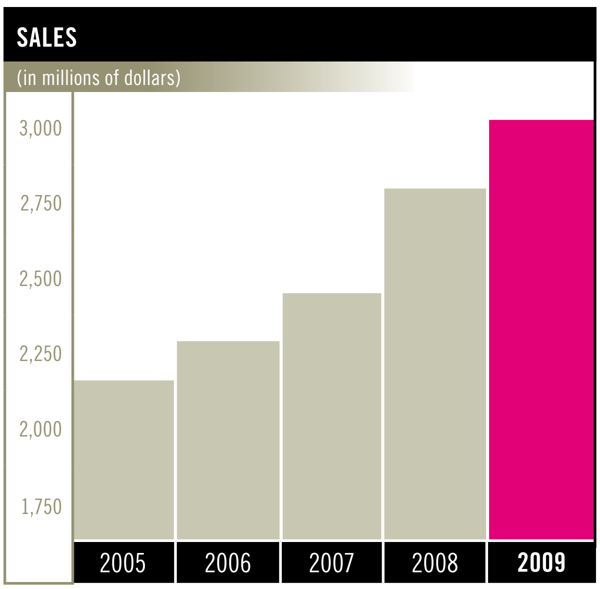
1 litre = 2.275 pounds
1 kg = 2.2046 pounds

for a ton of whey powder peaked at US$1,758 in April 2007, bottomed out at US$403 in February 2009 and recovered to US$677 in October 2009, which is comparable to 2006. These price fluctuations impacted our earnings on both sides of the border.

Business development is still a challenge for Division Natrel, but progress was made in Western Canada, where volume was up 14%. In Ontario, sales dropped off due to major pressure on prices. In Quebec, we posted a slight gain. The Schroeder subsidiary felt the effects of the U.S. recession, as sales were down across the board. The new facilities in Michigan will undoubtedly increase Schroeder's sales in 2010.

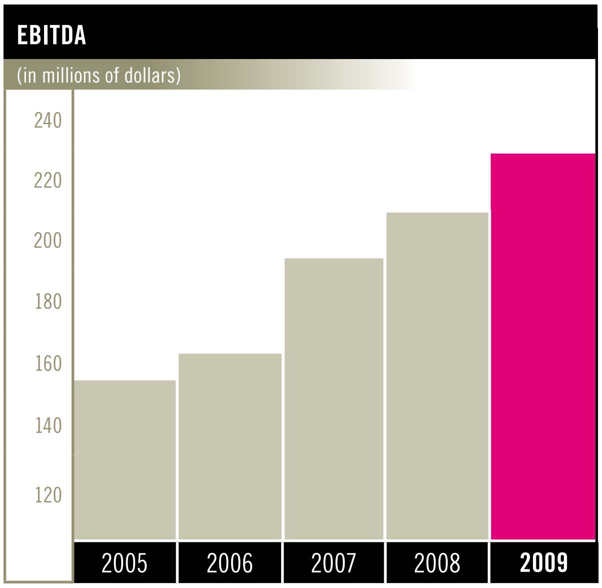
As for our joint ventures, yogurt sales by Ultima Foods were up nicely again this year. The Yoplait brand especially stood out in the diet segment with the Source product, and in the kids segment with the Tubes yogurt, drinkable yogurt Yop and Minigo, a fresh cheese product. The Active Health segment is developing, but we will have to increase our efforts to carve out our position in this very promising market. Many of the products launched in 2009 should fare well in 2010. Sales at La Lacteo, our Argentinean joint venture, shot up 30%, due mainly to progress in its domestic market, where the adverse effect of low whey prices was also felt.

As the following chart demonstrates, sales rose, over the past 5 years, from $2.2 billion in 2005 to $3.1 billion in 2009, an aggregate increase of 41.7%, or 9.1% annually.



Earnings before interest, taxes, depreciation and amortization (EBITDA) reached a new high of $230.2 million, an increase of 9.0% over the preceding fiscal year. Though somewhat impacted by economic conditions, the U.S. acquisitions in 2008 and 2009 contributed $9.5 million to EBITDA.

EBITDA rose from $155.2 million in 2005 to $230.2 million in 2009, an increase of 48.3%, or 10.4% annually.



In 2010, we will integrate our new American acquisitions in order to achieve the operational synergies that were identified. Currently, the economy is showing positive signs at times and negative signs at others. A recovery is widely believed to be on its way, but its scope and timing are shrouded by uncertainty. We are predicting greater revenue for fiscal 2010, both in Canada and in the United States. Given our increased activity outside of Canada in 2009, the volatility of the Canadian dollar with respect to foreign currency, especially the U.S. dollar, will have an increasingly significant effect on our sales and earnings. Although we use foreign exchange contracts to limit the impact of the fluctuating dollar on our Canadian operations, our foreign operations are still exposed to those fluctuations.

From our EBITDA of $230.2 million, we subtracted $84.4 million in amortization, an increase of $13.5 million over 2008, due to amortization of the new business acquisitions. Finance charges accounted for $0.2 million in revenue, including an exchange gain of $1.2 million. Last year, finance charges included a $15 million provision for asset-backed commercial paper (ABCP) devaluation. On the balance sheet date of October 31, 2009, our provision was similar to last year's level, at $25 million. Even though there is no market for these securities, accounting standards still require us to estimate fair value on the balance sheet date, based on a discounted cash flow economic model. In view of the results and the uncertainty surrounding the performance assumptions, we concluded that maintaining the provision at last year's level was justified.

There was some development to report on the ABCP front. During the fiscal year, we received $10.9 million in principal and $3.9 million in interest. Moreover, on January 21, 2009, the securities were converted to a long-term note. However, receipt of the balance owed could take some time, and remains uncertain.

This year, Agropur's earnings before patronage dividends and the Cooperative's taxes was $138.3 million, compared to $121.1 million in 2008. Excluding the ABCP provision, 2008 surplus earnings would total $136.1 million. Note that our U.S. subsidiaries contributed positively to the results after taxes, interest and amortization.

The Board of Directors approved patronage dividends of $92.5 million, or 7.25% of the value of members' milk deliveries ($5.50/hl). These dividends are payable in a proportion of 25% cash and 75% investment shares.

Finally, in view of earnings and the level of approved patronage dividends, an expenditure of $12.4 million was recorded for the purposes of the Cooperative's income taxes. An after-tax net earnings for 2009 of $33.4 million was added to the reserve.

Cash flows

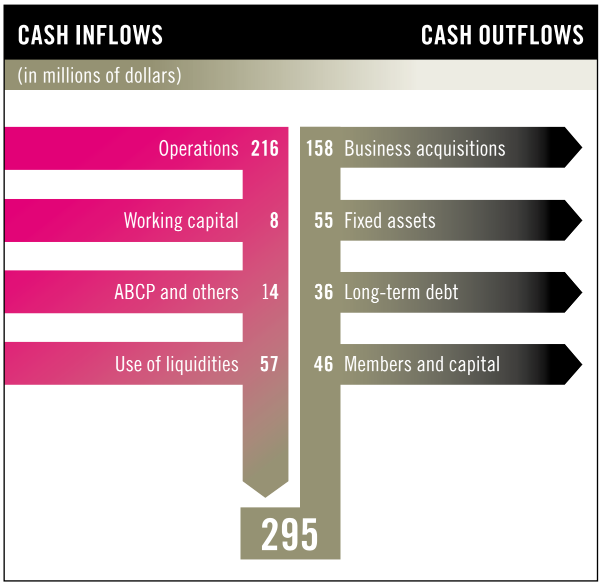
Cash flows from operating activities, before changes in non-cash operating items totalled $216.3 million, up $18.0 million over 2008. Non-cash operating items brought inflows of $8.1 million, as explained in note 7 to the financial statements. Inventory declined $11.2 million, mainly due to the decreased inventories of aged cheddar. An additional $3.9 million for future benefits relating to the employees' pension plan was needed, largely because of negative returns on the plan's assets, which was also the case in 2008.

Use of $56.9 million in cash and borrowing facilities, in addition to the preceding sources of funds and the receipt of $10.9 million related to ABCP, allowed cash outflows of $294.6 million.

Most of these funds, in the amount of $161.3 million, were used to acquire Schroeder and the Grand Rapids dairy, as explained in note 3 to the financial statements. The January 2009 sale of the Deutsch Käse Haus plant in Indiana is also explained in note 3. Agropur sold the latter facility, which represented its first foray into the United States. This sale, however, did not have a significant effect on earnings. Another $55.1 million was added for new fixed assets, which is comparable with 2008. Plans to increase the processing capacities of existing facilities are ongoing, and substantial funds will be needed for current and planned projects, including yogurt processing in Granby, Quebec; packaging and cutting in Woodstock, Ontario; and cheese-making in Weyauwega, Wisconsin, in Lethbridge, Alberta and in Hull, Iowa.

In addition, $35.6 million went toward reducing our long-term debt, mainly to repay the assumed debt of $31.4 million related to the acquisition of the Schroeder Milk subsidiary. Payments to members came to $46.1 million, or 15.6% of cash outflows for the year, with $23.1 million going toward a December payment of the cash portion of the patronage dividends and $23.0 million being used for capital redemptions in 2009.

The level of profitability generates funds that firmly support the Cooperative's development plan. To be ready to respond to business opportunities that spur our growth through the acquisition of companies or by other means, we renegotiated our credit facilities by increasing the available amount to $311.0 million, and we may increase them further should the need arise.



Cash inflows over the past five years total $926.4 million, with $212.9 million or 23% being turned over to members as patronage dividends and capital redemptions. A total of $377.4 million was paid to acquire seven businesses. A further $270.4 million went to fixed asset investments, which included several projects to boost processing capacity for each of the divisions and the new facility in St. Hubert, Quebec, which brought together the cheese division warehouses, the corporate research and development centre and the administrative offices of the Fine Cheese Division.

Balance sheet

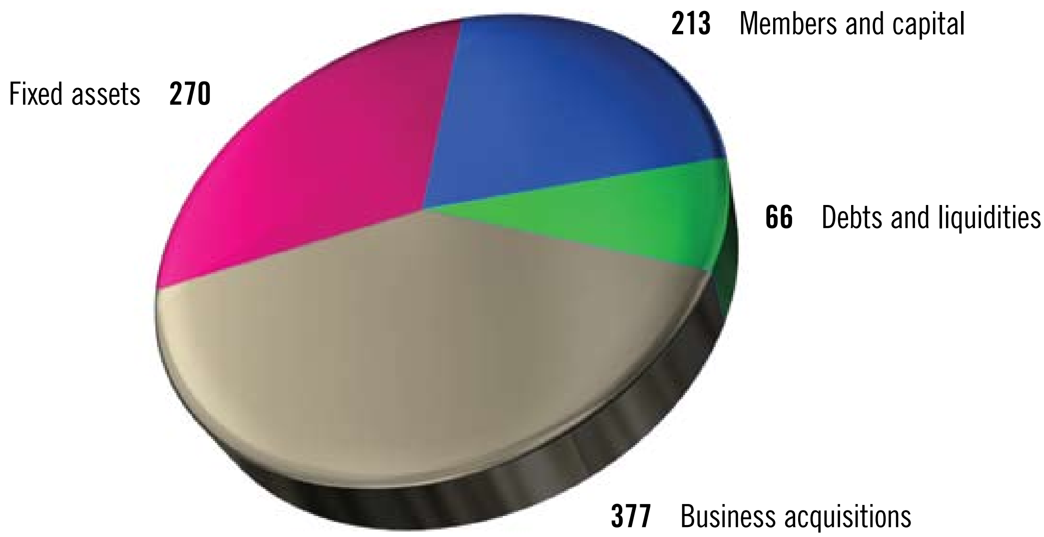
As at October 31, 2009, the Cooperative's assets totalled close to $1.2 billion, up $127.8 million from fiscal 2008, excluding cash. The addition of new subsidiaries was offset by a decline in the exchange rate and aged cheddar inventories.

The interest-bearing debt, net of cash, stands at $28.3 million, an enviable figure given net assets of $734.4 million.

Note 15 to the financial statements sets out the Cooperative's capital in detail. The information given in this note takes into

USE OF FUNDS ($926 millions) **2005 TO 2009**

(in millions of dollars)



account the restructuring approved by your Board of Directors on October 28, 2009. Remember that the main purpose of this restructuring was to simplify the capital by significantly scaling down the number of categories. Moreover, we introduced a minimum capital amount required to be maintained according to volume and the possibility of declaring a dividend on Class A shares.

Over the past 12 months, capital rose by $46.3 million, to $457.4 million, a hike of 11.3%.

Comprehensive income
Comprehensive income came to $12.8 million for fiscal 2009. Net earnings of $33.4 million were decreased by $20.6 million, mainly to take into account the effect of exchange rate fluctuations on the consolidation of our American subsidiaries and our Argentinean joint venture. For instance, on October 31, 2009, one Canadian dollar was worth US$0.92, compared to $0.83 on November 1, 2008. These accounting results will continue to fluctuate with the prevailing exchange rates.

Comprehensive income also takes into account the effect of exchange rate fluctuations on currency contracts entered into prior to October 31, 2009 to cover the risks of exchange fluctuations over the next few months. These transactions outside of Canada involve sales of finished products and purchases of imported fine cheeses and various inputs.

Looking ahead
The Cooperative had another good year. It continued its expansion, increased its EBITDA to $230.2 million in 2009 and maintained a solid and enviable balance sheet with few debts, in spite of its recent acquisitions.

Even though the economic indicators in North America and around the world are currently not as favourable as we would like, we are predicting that earnings for fiscal 2010 will outpace those posted in 2009. This should enable us to pursue our expansion plans outside of Canada, particularly in the U.S. The acquisition of the Green Meadows cheese factory early in fiscal 2010 is in direct line with this vision. Integrating the new acquisitions represents both a challenge and an opportunity to improve our profitability.

In closing, I would like to offer my sincere thanks to the Board of Directors and the CEO for their support.

Jocelyn Lauzière
Chief Financial Officer

AUDITOR'S REPORT

December 18, 2009

To the Members of Agropur cooperative

We have audited the consolidated balance sheet and the accumulated other comprehensive income of **Agropur cooperative** ("the Cooperative") as at October 31, 2009 and the consolidated statements of earnings and reserve, cash flows and comprehensive income for the year then ended. These financial statements are the responsibility of the Cooperative's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Cooperative as at October 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP [1]

[1] Chartered accountant auditor permit No. 19042

"PricewaterhouseCoopers" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership, or, as the context requires, the PricewaterhouseCoopers global network or other member firms of the network, each of which is a separate and independent legal entity.

CONSOLIDATED STATEMENT OF EARNINGS AND RESERVE

(in thousands of dollars)	2009	2008 (restated)
Sales	**3,053,820**	2,824,463
Operating expenses	**2,823,593**	2,613,326
Earnings from operations before the following items	**230,227**	211,137
Depreciation and amortization (note 4)	**84,434**	70,943
Net financial expenses (revenues) (notes 4 and 6)	**(221)**	11,903
Gain on disposal of assets	**(105)**	(1,274)
Income taxes of subsidiaries and joint ventures	**7,854**	8,501
Earnings before patronage dividends and the Cooperative's income taxes	**138,265**	121,064
Patronage dividends (note 5)	**92,450**	88,897
Cooperative's income taxes	**12,422**	9,140
Net earnings	**33,393**	23,027
Reserve – Beginning of year	**220,118**	198,259
Adjustment related to the adoption of a new accounting policy (note 2)	**-**	(1,168)
Reserve – End of year	**253,511**	220,118

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of dollars)	2009	2008 (restated)
CASH FLOWS FROM		
Operating activities		
Earnings before patronage dividends and the Cooperative's income taxes	**138,265**	121,064
Cooperative's income taxes payable	**(6,996)**	(7,622)
Items not involving use of funds		
Depreciation and amortization	**84,434**	70,943
Future income taxes of subsidiaries and joint ventures	**1,662**	181
Devaluation of commercial paper (note 6)	**-**	15,000
Others	**(1,083)**	(1,274)
	216,282	198,292
Change in non-cash items (note 7)	**8,083**	19,353
	224,365	217,645
Financing activities		
Repayment of long-term debt	**(35,648)**	(5,157)
Investing activities		
Business acquisitions and disposal (note 3)	**(157,739)**	(124,587)
Purchase of fixed assets	**(55,081)**	(58,037)
Commercial paper principal repayments	**10,922**	-
Proceeds on disposal of assets	**702**	4,245
Variance on cross-currency swap agreement to hedging	**-**	139
	(201,196)	(178,240)
Activities with members and on share capital		
Patronage dividends payable in cash (note 5)	**(23,101)**	(22,224)
Issuance of shares (note 15)	**11**	20
Redemption of shares (note 15)	**(23,014)**	(13,185)
	(46,104)	(35,389)
Effect of exchange rate fluctuations on cash position	**1,646**	(9,442)
Net change in cash position during the year	**(56,937)**	(10,583)
Cash position – Beginning of year	**36,655**	47,238
Cash position – End of year	**(20,282)**	36,655

Cash position consists of cash and temporary investment, which are cashable at all times, and of bank overdrafts and bank loans.

CONSOLIDATED BALANCE SHEET

(in thousands of dollars)	October 31 2009	November 1 2008 (restated)
ASSETS		
Current assets		
Cash and temporary investment	**20,129**	79,905
Accounts receivable	**190,625**	175,134
Inventories (note 8)	**225,422**	226,338
Income taxes	**1,632**	2,150
Prepaid expenses	**7,486**	6,249
Future income taxes (note 9)	**4,661**	5,261
	449,955	495,037
Investments in commercial paper (note 6)	**47,218**	61,829
Fixed assets (note 10)	**434,566**	397,614
Other assets (note 11)	**232,578**	141,845
	1,164,317	1,096,325
LIABILITIES		
Current liabilities		
Bank overdrafts and bank loans (note 12)	**40,411**	43,250
Accounts payable and accrued liabilities (note 13)	**373,977**	364,513
Income taxes	**4,393**	2,608
Current portion of long-term debt (note 14)	**2,673**	4,880
	421,454	415,251
Long-term debt (note 14)	**5,359**	7,792
Future income taxes (note 9)	**31,396**	26,272
	458,209	449,315
EQUITY		
Share capital (note 15)	**457,366**	411,020
Reserve	**253,511**	220,118
Accumulated other comprehensive income (loss)	**(4,769)**	15,872
	706,108	647,010
	1,164,317	1,096,325

Approved by the Board of Directors

Serge Riendeau
Director

René Grimard
Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of dollars)	2009	2008 (restated)
Net earnings for the year	**33,393**	23,027
Other items		
Financial instruments designated as cash flow hedges (note 16)		
Unrealized gains, net of income taxes of 75 (2008 – 222)	**168**	474
Reversal in the statement of earnings, net of income taxes of 222 (2008 – 257)	**(474)**	529
Variance on currency translation adjustments in self-sustaining foreign operations, net of hedging activities and income taxes of 1,909 (2008 – 825)	**(20,335)**	15,372
	(20,641)	16,375
Comprehensive income for the year	**12,752**	39,402

STATEMENT OF ACCUMULATED OTHER COMPREHENSIVE INCOME, NET OF INCOME TAXES

(in thousands of dollars)	October 31 2009	November 1 2008
Financial instrument gains designated as cash flow hedges	**168**	474
Currency translation adjustments in self-sustaining foreign operations, net of hedging activities	**(4,937)**	15,398
Accumulated other comprehensive income (loss)	**(4,769)**	15,872

NOTE 1 STATUTES OF INCORPORATION

Agropur cooperative ("the Cooperative") was established on August 29, 1938 under the Act Respecting Cooperative Agricultural Associations and, since October 26, 2000, has been governed by the Canadian Cooperatives Act.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements include the accounts of the Cooperative and its subsidiaries as well as its share of the assets, liabilities, revenues and expenses of joint ventures.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts in the financial statements.

ACCOUNTING CHANGES

On November 2, 2008, the Cooperative adopted the following new recommendations issued by the Canadian Institute of Chartered Accountants:

Inventories

The Cooperative adopted CICA Handbook Section 3031 "Inventories" replacing Section 3030 of the same title. This Section provides guidance on inventory measurement and costing policies. Furthermore, the Section also provides guidance on disclosures for adopted accounting policies, carrying amounts, amounts recognized in expense, and the amount of writedowns or reversals of writedowns.

The adoption of the new recommendations had no impact on the Cooperative's financial results.

Goodwill and intangible assets

The Cooperative adopted Handbook Section 3064 "Goodwill and intangible assets" replacing the Section 3062 "Goodwill and other intangible assets" and Section 3450 "Research and Development costs". This Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets.

This standard is applied retroactively, with restatement of prior periods, which accounts for the application of the term "restated" to the financial statements.

Restatement of the 2008 financial statements resulted in a decrease in prepaid expenses of $1,724,000, an increase in current future income tax assets of $555,000, a decrease in reserve of $1,168,000 and a decrease in net earnings of $1,000.

The decrease in prepaid expenses is related to expenses relating to the marketing of new products which were capitalized and amortized over 12 months and which are now accounted for directly on the statement of earnings.

INVENTORIES

Finished goods and goods in process are valued at the lower of average cost and net realizable value. Raw materials are valued at the lower of cost and net realizable value, cost being determined under the first-in, first-out method.

FIXED ASSETS

Fixed assets are recorded at cost, net of applicable government grants.

Depreciation is calculated over the estimated useful lives of the assets based on the following methods and rates:

• Buildings	Diminishing balance	5%
• Equipment	Diminishing balance	15% and 20%
• Office furniture	Diminishing balance	20%
• Computer equipment	Straight-line	20% and 25%
• Rolling stock	Diminishing balance	30%

OTHER ASSETS

Other assets consist mainly of goodwill which is amortized on a straight-line basis over periods not exceeding 20 years. The Cooperative determines if a permanent impairment in the value of goodwill has occurred. To support this valuation, the Cooperative determines mainly whether estimated future cash flows on an undiscounted basis exceed the net book value of assets purchased.

Furthermore, deferred charges for procurement contracts are accounted for and amortized on a straight-line basis according to their useful life.

EMPLOYEE FUTURE BENEFITS

The Cooperative accounts for its obligations under the employee benefit plans and related costs net of the plan assets. The cost of pension and other retirement benefits earned by employees is determined from actuarial calculations according to the projected benefit method prorated on years of service based on management's best estimate assumptions about the investment returns on the plans, salary projections and the retirement ages of employees. Assets and accrued benefit obligations are evaluated three months before the date of the financial statements. The fair value of assets is determined using the fair market value. The estimated rate of return on the plan assets is based on the long-term estimated rate of return and the value of the plan assets assessed at fair value. The excess of the net actuarial gain (loss) over 10% of accrued benefit obligations, or over 10% of the fair value of the plan assets where such amount is higher, is amortized over the average remaining service life of employees. The cost of past services resulting from changes to the plans is amortized over the average remaining service life of employees.

INCOME TAXES

Income taxes are accounted for using the liability method of tax allocation. Under this method, future income taxes are calculated on the difference between the tax basis and the carrying amount of the various assets and liabilities. Future income tax assets and liabilities are measured using the tax rates that are expected to be in effect in the years when the timing differences are expected to reverse. Income tax assets are recognized when it is more likely than not that the asset will be realized.

TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the balance sheet date, whereas transactions denominated in foreign currencies are translated at the average monthly exchange rates for the period. The resulting foreign currency translation gains and losses, net of hedging operations, are included in the statement of earnings.

Foreign operations

All assets and liabilities of the self-sustaining foreign operations are translated into Canadian dollars at the exchange rate prevailing at the balance sheet date. Foreign currency unrealized gains and losses resulting from this translation are included as an element of the accumulated other comprehensive income in the equity. Foreign currency gains and losses are reduced from hedging operations using a bank loan in US dollars. Revenues and expenses are translated at the average exchange rates for the period.

Hedging

The Cooperative documents the risk management strategy for establishing the relationship to apply hedge accounting. At the signing of the hedging contract, management documents the hedged item (an asset, a liability or an anticipated transaction), details of the hedging instrument used and the valuation method of effectiveness. Realized gains or losses on hedges are deferred until realization of the hedged item for best matching in the statement of earnings.

FINANCIAL INSTRUMENTS

The following financial assets and liabilities are accounted for at their initial transaction value, which approximates their fair value as at the balance sheet date considering their nature and short-term maturity: cash and temporary investment, accounts receivable composed mainly of trade accounts receivable, accounts payable composed mainly of trade accounts payable, and bank overdrafts and bank loans.

Investments in commercial paper (see note 6) are accounted for at their fair value estimated as at the balance sheet date.

In the event of a significant loss in value of these financial assets or liabilities, this depreciation is accounted for in the statement of earnings.

FUTURE ACCOUNTING POLICIES

Business combinations

In January 2009, the Canadian Institute of Chartered Accountants issued new Section 1582 "Business combinations" replacing Section 1581 of the same title. This Section establishes accounting standards on business combinations.

Consolidated financial statements and non-controlling interests

In January 2009, the Canadian Institute of Chartered Accountants issued Section 1601 "Consolidated financial statements" and Section 1602 " Non-controlling interests" replacing Section 1600 "Consolidated financial statements". Section 1601 defines standards for establishing consolidated financial statements. Section 1602 defines standards for accounting for non-controlling interests in consolidated financial statements subsequent to a business combination.

The Cooperative will adopt the new recommendations for the year beginning October 30, 2011. The Cooperative is currently evaluating the impact of this transition on the consolidated financial statements.

International financial reporting standards

In 2008, the Canadian Accounting Standards Board announced its decision requiring all publicly accountable entities to report under International Financial Reporting Standards, effective in 2011.

The Cooperative is currently evaluating the impact of this transition on the consolidated financial statements.

NOTE 3 BUSINESS ACQUISITIONS AND DISPOSAL

On December 23, 2008, the Cooperative acquired all the shares of Schroeder Milk Co., Inc., a milk company located in the United States, for a cash consideration of $61,776,000 (US$50,861,000).

On January 16, 2009, the Cooperative disposed of the cheese plant manufacturer Deutsch Käse Haus (DKH), for a cash consideration of $3,581,000 (US$2,847,000).

On September 25, 2009, the Cooperative acquired the operations of Farmland Dairies in Grand Rapids, a milk company located in the United States, for a cash consideration of $101,843,000 (US$94,404,000).

The acquisition cost allocation (proceed from disposal) is detailed as follows:

(in thousands of dollars)	Schroeder	Grand Rapids	DKH	**Total**
Current assets	20,974	15,347	(2,743)	**33,578**
Fixed and other assets	42,246	20,685	(1,863)	**61,068**
Liabilities	(14,344)	(6,461)	1,025	**(19,780)**
Goodwill	42,032	72,271	-	**114,303**
Net assets acquired (disposed)	90,908	101,842	(3,581)	**189,169**
Long-term debt and cash position	(29,132)	1	-	**(29,131)**
Acquisition cost (proceed)	61,776	101,843	(3,581)	**160,038**
Cash position	(2,298)	(1)	-	**(2,299)**
Cash flows from acquisition (disposal)	59,478	101,842	(3,581)	**157,739**

The adjustments related to the acquisition cost of Farmland's operations in Grand Rapids and to its allocation are not completed. The transaction accounting could be adjusted.

The goodwill accounted for is deductible for tax purposes for an amount of $109,969,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2009

NOTE 4 EARNINGS

The following items are included in the consolidated statement of earnings:

(in thousands of dollars)	2009	2008
Depreciation of fixed assets	**58,059**	49,681
Amortization of other assets	**26,375**	21,262
Interest on long-term debt	**970**	711
Foreign currency gain on net investment reduction in self-sustaining foreign operations	**(1,215)**	-

NOTE 5 PATRONAGE DIVIDENDS

The patronage dividends to members are paid $23,101,000 (2008 – $22,224,000) in cash and $69,349,000 (2008 – $66,673,000) through the issuance of investment shares.

NOTE 6 INVESTMENTS IN COMMERCIAL PAPER

As at the balance sheet date, the Cooperative held investments in asset-backed commercial paper ("ABCP") whose fair value for accounting purposes was estimated at $47,218,000. This fair value takes into account a writedown of $25,000,000.

These long-term investments come from the conversion of $83,329,000 of short-term ABCP as at January 21, 2009, which were locked-in due to the liquidity crisis that has affected the market since August 2007. The ABCP held are mainly composed of Classes A-1 and A-2 notes.

During the year, the Cooperative cashed $3,901,000 in interest and $10,922,000 in principal repayment. These amounts were applied against investment in commercial paper. No principal repayment was received during previous years.

In the absence of a market for these investments, the fair value was established using an economic model for discounted future cash flows, requiring assumptions about the returns, maturity dates and discount rates, among other things. Using these assumptions could result in the fair value being significantly different upon settlement. A 1% change in discount rates would have an impact of $2,200,000 on the estimated fair value.

NOTE 7 CASH FLOWS

Cash flows related to non-cash items have increased (decreased) as follows:

(in thousands of dollars)	2009	2008 (restated)
Accounts receivable	**78**	(4,225)
Inventories	**11,235**	16,984
Income taxes	**2,477**	1,328
Prepaid expenses	**(284)**	91
Accounts payable and accrued liabilities	**(6,869)**	14,016
Other assets – Employee future benefits	**(3,856)**	(7,977)
Other assets – Procurement agreements and others	**5,302**	(864)
	8,083	19,353

Net interest paid amounts to $701,000 (2008 – $1,151,000). Income taxes paid amount to $9,267,000 (2008 – $16,476,000).

NOTE 8 INVENTORIES

(in thousands of dollars)	2009	2008
Finished goods	**178,656**	194,398
Raw materials, goods in process and supplies	**46,766**	31,940
	225,422	226,338

The cost of goods sold of $2,513,002,000 (2008 – $2,320,170,000) is mainly composed of the amount of inventories accounted for in expense.

NOTE 9 FUTURE INCOME TAXES

The main components of the Cooperative's future income tax assets and liabilities are as follows:

(in thousands of dollars)	2009	2008 (restated)
Future income tax assets		
Accrued expenses, provisions and other reserves that are tax deductible only at the time of disbursement	**4,661**	5,261
Future income tax liabilities		
Fixed and other assets	**31,396**	26,272

NOTE 10 FIXED ASSETS

(in thousands of dollars)	Cost	Accumulated depreciation	2009 Net	2008 Net
Land	26,918	-	**26,918**	23,503
Buildings	226,006	78,417	**147,589**	141,790
Equipment	594,190	360,461	**233,729**	207,006
Office furniture	7,314	5,595	**1,719**	966
Computer equipment	49,306	40,338	**8,968**	8,497
Rolling stock	46,813	31,170	**15,643**	15,852
	950,547	515,981	**434,566**	397,614

As at October 31, 2009, the net value of fixed assets includes an amount of $6,753,000 for equipment under capital leases.

NOTE 11 OTHER ASSETS

(in thousands of dollars)	2009	2008
Goodwill	**170,581**	76,597
Employee future benefits (note 19)	**17,732**	13,876
Procurement agreements and others	**44,265**	51,372
	232,578	141,845

NOTE 12 BANK LOANS

The Cooperative and its joint ventures have lines of credit to a maximum of $311,047,000 which bear interest at variable rates and whose average rate approximates the prime rate. Bank loans are not secured by any of the Cooperative's assets. The Cooperative's lines of credit are generally renewable annually.

NOTE 13 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands of dollars)	2009	2008
Members	**117,859**	116,186
Third parties	**256,118**	248,327
	373,977	364,513

NOTE 14 LONG-TERM DEBT

(in thousands of dollars)	2009	2008
Obligations under capital leases [1]	**7,123**	11,575
Other loans	**909**	1,097
	8,032	12,672
Current portion	**2,673**	4,880
	5,359	7,792

[1] Obligations under capital leases bear interest at rates ranging from 6.08% to 8.76% and mature at various dates until May 2015.

Estimated principal repayments of the long-term debt required over the next years are as follows:

(in thousands of dollars)

2010	2,673
2011	1,463
2012	1,593
2013	1,107
2014	298
2015 and thereafter	898

NOTE 15 SHARE CAPITAL

The following constitutes a summary of certain privileges, rights and conditions related to the Cooperative's shares. Reference can be made to the statutes of the Cooperative for the full text.

On October 28, 2009, the Board of Directors approved the Cooperative's capital restructuration for investment shares. The shares converted were as follows: Classes B, C and M investment shares, Series 2 were converted into Class A investment shares. Class M investment shares, Series 3 were split, wherein $200 of shares were converted into Class A investment shares and $200 of shares were converted into Class M investment shares, Series 1.

Voting rights are restricted to one vote per member. Each member subscribes to one member share, for a nominal value of $100. Furthermore, each member subscribes to 10 Class M investment shares, whether Series 1 for a nominal value of $20 each or Series 2 for a nominal value of $1,000, according to the membership application date. Other Class M investment shares series could be issued later, upon resolution of the Board of Directors.

In consideration of patronage dividends, Class A investment shares are issued. Failing to reach a minimum threshold of capital per hectolitre of produced milk, deductions are carried out on the payment in cash of patronage dividends and milk deliveries. The minimum threshold of capital per member varies from $5 to $10 per hectolitre, according to the application date and is subject to revision. Upon resolution of the Board of Directors, the Class A investment shares could give right to a non-cumulative dividend of no more than $1 per share. The Class A investment shares can be transferred to auxiliary members and are also eligible under the Registered Retirement Savings Plan, the Cooperative Investment Plan and the tax deferral.

Share capital is variable and unlimited as for the number of each category of shares. Member shares as well as investment shares are redeemable under certain conditions at their par value upon resolution of the Board of Directors, considering short and long-term needs for treasury.

Shares issued and fully paid were as follows:

(in thousands of dollars)	Members	Class M	Class A	Total
Balance as at November 3, 2007 (reclassified)	**383**	**765**	**356,364**	**357,512**
Issuance as payment for patronage dividends	-	-	66,673	66,673
Issuance in cash	-	3	17	20
Redemption in cash	(19)	(40)	(13,126)	(13,185)
Balance as at November 1, 2008 (reclassified)	**364**	**728**	**409,928**	**411,020**
Issuance as payment for patronage dividends	-	-	69,349	69,349
Issuance in cash	-	2	9	11
Redemption in cash	(8)	(18)	(22,988)	(23,014)
Balance as at October 31, 2009	**356**	**712**	**456,298**	**457,366**

As at October 31, 2009, inactive members held shares of the Cooperative for a total amount of $15,208,000 (2008 – $12,206,000).

NOTE 16 FINANCIAL INSTRUMENTS

FAIR VALUE

The book value of financial instruments is assumed to approximate their fair value due to their short-term maturity. These financial instruments generally include cash and temporary investment, accounts receivable, bank overdrafts and bank loans, and accounts payable and accrued liabilities.

The fair value of the long-term debt estimated according to the current market conditions approximates the book value as at the balance sheet date.

INTEREST RATE RISK

The financial assets and liabilities do not bear interest, except for cash, temporary investment, bank overdrafts and bank loans and long-term debt.

FOREIGN EXCHANGE RISK

The Cooperative carries on activities outside Canada, mainly in the United States via subsidiaries. Consequently, the Cooperative is exposed to risks due to variance on currency translation on net investment in self-sustaining foreign operations.

During the year ended October 31, 2009, if the US dollar had appreciated on average by $0.01 compared to the Canadian dollar and assuming all other variables remained constant, the impact of this increase would have been marginal on earnings before income taxes and the impact on comprehensive income would have been an increase of $2,472,000.

The Cooperative also carries certain purchasing and selling activities in foreign currency. The Cooperative hedges against foreign exchange risks for projected future transactions by means of currency forward contracts, mainly in US dollars, euros and pounds sterling. Foreign currency unrealized gains and losses are recorded initially in the comprehensive income and reversed in earnings at the expiry of the contracts. At the presentation date of the financial information, the foreign exchange contracts, spread over periods not exceeding one year, are as follows:

Purchases	US$10,512,000
Sales	US$2,424,000
Purchases	9,403,000 euros

OTHER RISKS

Management estimates that the Cooperative is not exposed to other significant financial risks except for risks related to the normal course of business.

NOTE 17 INVESTMENTS IN JOINT VENTURES

The Cooperative's share in the statements of earnings, cash flows and balance sheets of the joint ventures is summarized as follows:

(in thousands of dollars)	2009	2008 (restated)
Assets	**71,249**	83,098
Liabilities	**33,319**	34,155
Sales	**168,579**	145,322
Cash flows from operating activities	**14,303**	17,418
Cash flows from investing activities	**(6,053)**	(11,344)

NOTE 18 COMMITMENTS AND CONTINGENCIES

a) Commitments relating mainly to operating leases are as follows:

(in thousands of dollars)	
Total commitments (including 8,033 for next year)	**31,070**

b) The Cooperative is party to litigations in the normal course of business. Even if the outcome of these litigations cannot be expressed with certainty, the related liability is recorded when it is likely that it will result in a loss and that the amount can be estimated. Furthermore, management estimates that the losses that could result from these litigations will be negligible.

NOTE 19 EMPLOYEE FUTURE BENEFITS

Employee future benefits relate mainly to pension plans. The obligations of the defined benefit plans are based on the employee's length of service and the pay of the last years of service. The pension benefits can be adjusted according to a formula based on the return on plan assets and the consumer price index. The actuarial valuation of the plans are performed at least every three years, the last valuations were performed mainly in January 2008 and January 2009.

Net expense is as follows:

(in thousands of dollars)	2009	2008
Defined contribution plans		
Net expense	**8,995**	6,869
Defined benefit plans		
Current service cost	**2,893**	2,930
Interest cost on accrued benefit obligation	**4,685**	4,158
Actual return on plan assets	**5,187**	1,620
Difference between actual return and expected return	**(9,983)**	(6,349)
Actuarial gain on accrued benefit obligation	**(7,609)**	(1,687)
Difference between actual actuarial gain and the amount recognized for the year	**8,546**	2,371
Amortization of transitional balance	**(908)**	(962)
Net expense	**2,811**	2,081

The information on defined benefit plans is as follows:

(in thousands of dollars)	2009	2008
Plan assets		
Fair value – beginning of year	**73,069**	74,371
Actual return on plan assets	**(5,187)**	(1,620)
Employer contributions	**9,194**	2,954
Employee contributions	**968**	933
Benefits paid	**(4,170)**	(3,569)
Fair value – end of year	**73,874**	73,069

The above contributions approximate the total cash payments. Equity securities included 55% (2008 – 58%) of total plan assets, invested mainly in Canada.

(in thousands of dollars)	2009	2008
Accrued benefit obligation		
Balance – beginning of year	**78,245**	78,119
Current service cost	**2,893**	2,930
Interest cost	**4,685**	4,158
Employee contributions	**968**	933
Benefits paid	**(4,170)**	(3,569)
Actuarial gain	**(7,609)**	(1,687)
Plan modification	**-**	(2,639)
Balance – end of year	**75,012**	78,245

(in thousands of dollars)	2009	2008
Employee future benefit assets		
Funding status – plan assets net of obligations (deficit)	**(1,138)**	(5,176)
Less: Transitional assets at the beginning, unrecorded and to be amortized	**(1,883)**	(2,791)
Plus: Actuarial loss, unrecorded and to be amortized	**17,103**	15,666
Plus: Employer contributions after valuation date	**3,650**	6,177
Employee future benefit assets	**17,732**	13,876

For pension plans with an accrued benefit obligation that was higher than the assets, the accrued benefit obligation is $39,431,000 (2008 – $47,100,000) and the assets are $35,505,000 (2008 – $38,635,000).

Employee future benefit assets are presented with other assets in the balance sheet.

	2009	2008
Weighted-average assumptions		
Accrued benefit obligation		
Discount rate	**6.75%**	6.00%
Long-term inflation rate of salary expense	**4.00%**	4.00%
Net benefit expense		
Discount rate	**6.00%**	5.50%
Expected return on plan assets	**6.75%**	6.75%
Long-term inflation rate of salary expense	**4.00%**	4.00%

The Cooperative participates in multi-employer defined benefit plans for certain unionized employee groups. These plans are accounted for as defined contribution plans. Contributions for the year amount to $648,000.

NOTE 20 SEGMENT DISCLOSURES

The Cooperative carries on the business of processing and selling dairy products. The Cooperative's management has determined that the Cooperative carries on business in only one operating sector, dairy products. Products are distributed to a large number of customers, including major food chains and industrial customers. During the year, 83% of sales were made in Canada. As at the balance sheet date, 60% of fixed assets and goodwill are located in Canada and 39% in the United States.

Four customers represent respectively more than 10% of the sales figure, for a sales volume amounting to $1,507,387,000.

NOTE 21 SUBSEQUENT EVENT

On December 1, 2009, the Cooperative acquired all the assets of a cheese company located in the United States, for a cash consideration of approximately US$80,000,000.

NOTE 22 COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with the current year's presentation.

Social responsibility

Our innovative products are inspired by our desire to help build a sustainable future. An organization needs to support its growth by considering the economic, environmental and social needs of all of its stakeholders.

The Cooperative finds new and improved ways to continue its expansion. Agropur knows that it needs to effectively manage its financial, material and human resources, for whom it actively promotes occupational health and safety, training and succession plans.

assistance
awareness
expertise
friendship economic
growth community
NEEDS knowledge
challenges consumers
future generations
health cooperation innovation
support RESOURCES
development know-how
inspiration SOCIAL values

Agropur constantly strives to provide a work environment conducive to employee development.

HAPPY, HEALTHY AND MOTIVATED EMPLOYEES

Agropur recognizes the valuable contribution of its employees in achieving its objectives. It is the employees who are largely responsible for its success as a world-class organization. As it expands geographically, the organization plans to double its efforts to ensure that all employees embrace and support Agropur's business objectives.

Agropur offers these talented individuals challenges, future growth perspectives and a forum for their skills. The Cooperative constantly strives to provide a work environment conducive to employee development. Its objective is to attract, train and retain the best resources; to do so, it has created programs and measures to meet its employees' expectations. Various methods have been implemented to stimulate the development of the succession in order to ensure the organization's durability and growth. As such, every year, Agropur awards a number of scholarships to college and university students studying in the agri-food sector. In addition to its constant presence at a number of job fairs, the Cooperative is continuing to seek out talented individuals by creating a new website for job seekers: www.careeragropur.com.

In the same vein, Agropur carried out a survey last June among its employees, who expressed their opinions on their jobs, their workplace and senior management. The detailed results illustrate the factors that boost employee motivation and will help us to determine how we can increase engagement across the board. Following this survey, the Cooperative is taking measures and initiatives to improve the work environment. Agropur consults its employees in order to take more effective action. The Cooperative's strength will continue to depend on its ability to attract and retain motivated and competent employees.

Employees are one of the organization's main assets. Therefore, it makes every effort to create a safe work environment conducive to personal development. The organization continues to educate employees about the importance of occupational health and safety and the benefits of reducing work-related risks. The Cooperative is focusing on its objective of zero accidents. In fact, several facilities have already achieved this goal. Safety starts with each one of us, which is the message that Agropur delivers every day to its employees. If each employee can change his or her way of thinking, and if each person constantly remembers that the goal of zero accidents is reachable, then everyone can change the way they do things.

Finally, recognition at work is one of the values promoted by the organization, and is an integral part of the practices promoted by senior management. The Recognition of Years of Service Program, which has existed for several years, is appreciated by everyone.

Every year, Agropur celebrates employees who have completed a five-year period of service at the Cooperative. Every September, official recognition month at Agropur, these employees are given a gift as a token of appreciation. Those celebrating 20 years or more of service are then invited to attend a gala in their honour.

J.J. Kicherer, Production employee
Weyauwega, Wisconsin.

Patricia Wettlaufer, Human Resources Manager
Woodstock, Ontario.
Toronto Recognition Gala, 2009.

Céléna Lussier, Technician
Saint-Hubert, Quebec.

SOCODEVI
The Ukraine project is designed to support dairy farmers in the provinces of Lviv and Dnipropetrovsk.

SHARING EXPERTISE IN EUROPE

Internationally, Agropur has worked with SOCODEVI[1] for many years on various projects. The five-year Ukrainian project will support dairy producers in the provinces of Lviv and Dnipropetrovsk. Once again, this initiative is inspired by the desire to share our expertise. The project objectives are to improve the efficiency of dairy production on the farm, develop individual and associative entrepreneurship skills in the dairy sector and improve marketing conditions for dairy products. This is an ideal opportunity for Agropur to learn more about the dairy industry in this part of the world.

MISSION, VISION AND CODE OF CONDUCT

Agropur's mission and vision were updated in 2008. A plaque expressing these values was hung in the reception area at each workplace in order to integrate them into the organization's strategic orientations. The new mission and vision describe exactly what Agropur stands for. They are clear and are meant to guide employees in their daily work.

Agropur is also taking initiatives in other sectors, including ethics. As such, the Cooperative has drafted a brand new Code of Conduct, which is more detailed than the previous one.

In April 2009, all Cooperative employees were mailed a copy of the new, updated Code of Conduct. This document promotes the values conveyed by the Cooperative, which all employees are encouraged to embrace in their daily work. This Code of Conduct outlines Agropur's new mission and vision.

1 Société de coopération pour le développement international
[a network of cooperatives for international development]

The Cooperative supports a number of causes, notably through its Annual Employee Fundraising Campaign.

ENVIRONMENT
Agropur is continuing its efforts to improve its environmental track record.

ACTIVE IN ITS SECTOR

Agropur and its employees play an active role in each community where they are located, supporting several causes across Canada, such as the *Club des petits déjeuners du Québec*[2], the *Children's Hospital of Eastern Ontario*, the *B.C. Children's Hospital Foundation* and the *Breakfast Clubs of Canada*. The Cooperative also provides financial support in Wisconsin through *Autism Matters*, and in Argentina, jointly with the *Asociación Deportiva Atenas*[3], to name just a few. Agropur contributes to the social and economic development of these societies through its Annual Employee Fundraising Campaign and its Donation and Sponsorship Program.

Every year, Agropur receives thousands of requests for donations and sponsorships. In 2009, it donated 1% of its earnings before patronage dividends and taxes to hundreds of organizations.

ENVIRONMENT

Environmental protection is an integral part of the 21st century landscape. Agropur created an environmental coordination committee several years ago. Its main mandate is to implement an environmental management system.

Agropur is continuing its efforts to ensure compliance with current laws and regulations, improve its environmental track record and act as a good corporate citizen. Agropur has adopted several measures to limit the amount of waste generated by its plants, reduce losses at source in all its divisions, and decrease the amount of water it uses.

For its part, Division Natrel has installed GPS devices, speed limiters and heaters in its fleet of tractors. The divisions also decided to proceed with testing a hybrid truck in order to decrease greenhouse gas emissions. These are just a few of the actions taken by Agropur to protect the environment.

Jointly with the Quebec government and other firms, the Cooperative has also decided to contribute financially to a gable-top packaging recycling project, to be unveiled in 2010, with the aim of recycling more containers. Instead of sending residual recycled materials overseas, they will now be collected and processed in Quebec, thanks to a process that generates no waste or residue.

The Luxemburg group, in Wisconsin, chose to support organizations that help children with special needs. Presentation of a cheque to the Syble Hopp School at the plant with a group of seven students from the school and their teacher.

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[2] Quebec Breakfast Club
[3] Atenas Sports Association

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