agropur

INNOVATION

PASSION

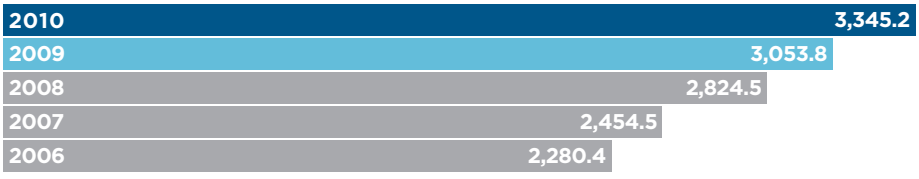
X KNOW-HOW

AGROPUR

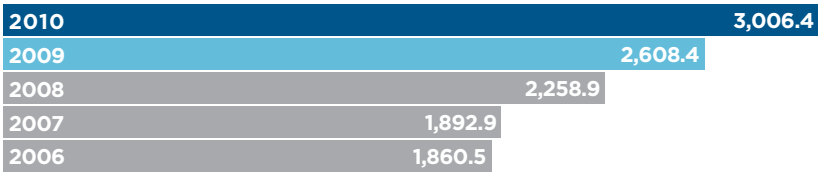
HIGHLIGHTS

	2010	2009
Sales (in millions of dollars)	**3,345.2**	3,053.8
Milk processed (in millions of litres)	**3,006.4**	2,608.4
Earnings before patronage dividends (in millions of dollars)	**151.3**	138.3
Investments (in millions of dollars)	**160.8**	247.8
Total assets (in millions of dollars)	**1,240.9**	1,165.4
Number of members	**3,459**	3,533
Number of employees	**5,441**	5,225

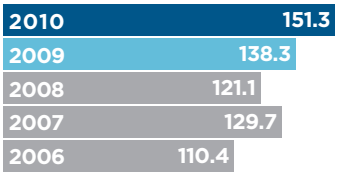
SALES (in millions of dollars)



MILK PROCESSED (in millions of litres)

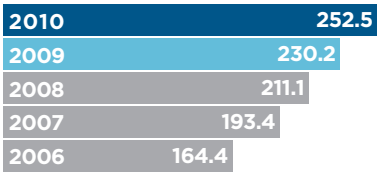


EARNINGS BEFORE PATRONAGE DIVIDENDS (in millions of dollars)

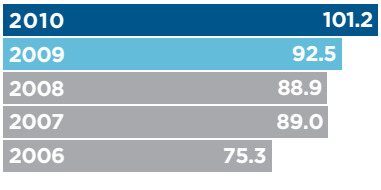


EBITDA (in millions of dollars)

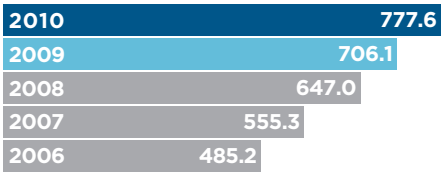
Earnings before patronage dividends, interests, taxes, depreciation and amortization and gain on disposal of assets



PATRONAGE DIVIDENDS (in millions of dollars)



EQUITY (in millions of dollars)



+$101.2

MILLION IN PATRONAGE DIVIDENDS TO 3,459 MEMBERS

Through their status as owners, Cooperative members are the masters of their own destinies; to date, they have successfully managed to balance autonomy with cooperation, thus ensuring the sustainability and development of their collective wealth. Agropur is currently the largest dairy cooperative in Canada, and an increasingly important player in the United States. The product of solid expertise and know-how, this leadership position provides members with a clear voice on regulations, agreements and bargaining sessions, and holds great promise for the future.

HERITAGE

X 3,459 MEMBERS

+ EXPERTISE

KNOW-HOW

5,441

EMPLOYEES

+26

X ENGAGEMENT

PASSION

+5,441

EMPLOYEES TO OFFER YOU MORE

At Agropur, the employees are one of the Cooperative's priorities, because a reliable workforce is the main ingredient in an excellent product. Enviable work conditions, personalized training sessions, attractive career opportunities, succession programs—all of these benefits help Agropur to recruit, maintain and develop a qualified, dynamic and dedicated workforce. As such, the Cooperative relies on a solid team of passionate and committed men and women to support its growth and development.

+1,001

PRODUCTS TO MEET CUSTOMERS' AND CONSUMERS' EXPECTATIONS

Customers and consumers, who are always on the lookout for new and healthy products, expect that we will offer them—in addition to the classics that Agropur is known for—nutritious products that will expand their taste horizons. Hence the benefit of doing business with a major organization such as Agropur, where consistent quality, creativity and an emphasis on research and development enable us to offer an increasingly diversified line of excellent products.

1,001
PRODUCTS

WELL-BEING
X CREATIVITY

INNOVATION

KNOW-HOW
OF OUR MEMBERS

Agropur is an economic organization founded on the major principles of cooperation, democracy, independence, education and community involvement. The members benefit from the status of owner, which gives them the possibility of controlling their destiny and increasing their autonomy.

Growth and expansion have always been the Cooperative's central pillars in ensuring the longevity and long-term development of this collective wealth. As the founders of Agropur once said: "The Cooperative has no borders." Over the decades, the organization has grown from a local to a regional entity, and eventually to a province-wide enterprise. From a provincial organization, Agropur then expanded across Canada to become the North American and even international presence that it is today.

Also, the fact that members belong to the largest dairy cooperative in Canada assures them a certain degree of experience that allows them to defend their interests. They have a voice on certain topics pertaining to the Canadian dairy industry, such as regulations, agreements and discussions during bargaining sessions.

Finally, becoming a player on the international scene allows Agropur to import knowledge about the world dairy industry, thus improving its members' expertise over time. Agropur's inspiring story resonates with each one of its members.

PASSION
FROM OUR EMPLOYEES

More than ever, employees are one of the Cooperative's main priorities; thanks to their experience, expertise, energy and dedication, they allow the organization to stay ahead of the competition.

Today, Agropur is one of the 25 largest companies in its sector worldwide, and it is still growing. As such, it is well positioned to offer its employees not only job stability, but also competitive work conditions and attractive career prospects. Moreover, its succession programs encourage career opportunities as well as internal staff mobility, thus helping employees to grow and evolve within the organization.

Another major advantage of working for an organization in full expansion is the professional development opportunities. Agropur is able to offer training sessions tailored to the needs of its employees. In fact, to ensure that the organization continues to thrive, it has developed a program to support the transfer of knowledge and expertise, at all levels and in all sectors of the Cooperative.

Agropur employees also have the added benefit of working in a safe and healthy environment. For several years now, the Cooperative has been focusing on occupational health and safety (OHS), specifically by setting a "Zero accident" objective. The OHS culture is beginning to be firmly implanted at Agropur.

Finally, working for Agropur means working in an environment steeped in authentic values; the Cooperative fosters a work environment in which respect, honesty, integrity, teamwork and cooperation are encouraged.

INNOVATION
FOR OUR CUSTOMERS AND CONSUMERS

The name Agropur is synonymous with quality; thanks to the know-how of the Cooperative's members and employees, customers and consumers benefit from fresh, pure, top-quality products.

Its 72 years of expertise and ongoing development enable Agropur to offer an increasingly diversified range of products, supported by renowned brands that all bear the Cooperative's seal of quality and freshness. Natrel, Sealtest, Schroeder, Island Farms, Québon, OKA, Canadian Reserve, Allégro, Yoplait and La Lácteo are just some of the brands that Agropur members and employees can proudly boast about, and that consumers can enjoy. The numerous prizes won in Canada and abroad attest to the excellence and consistent quality of Agropur products. Furthermore, Agropur is reliable in terms of the availability of its products, which can always be found on the shelves at the many points-of-sale.

As an expanding organization, Agropur strives to always exceed consumers' expectations by investing in research and development, urging the Cooperative to embrace performance, excellence and creativity—values ever-present at Agropur. Through innovation, the organization is able to expand its product portfolio in order to meet specific consumer demands. Agropur's development also enables it to increase its R&D and knowledge pool, thus ensuring that its consumers and customers benefit from innovative, value-added products.

Finally, sustained growth allows Agropur to follow its customers and to respond to its consumers' needs, in all of the markets where they are located.

A GROWING FAMILY

CHAIRMAN'S MESSAGE

Agropur's 72nd fiscal year is coming to an end, with very good results to report again this year. We are proud to reaffirm that our cooperative remains on course, posting record patronage dividends representing $101.2 million.

If the past is any indication of the future, we can be very optimistic about the next few years. In an industry in which market conditions are constantly changing in terms of regulations, pricing, supply and distribution, Agropur has always been able to adapt to new business realities. While we cannot take anything for granted, the fact remains that Agropur is currently experiencing the best years of its history; clearly, its strategy based on expansion and growth is bearing fruit.

The current economic situation presents many business opportunities, which we plan to capitalize on as we pursue the organization's growth. In the coming years we will continue to deploy our expansion strategy, which stemmed from the directions proposed during the consultations held in 2002 and 2007 with Agropur members. These directions continue to apply today.

Since the last consultation held in 2007, the Cooperative's sales have grown by almost one billion dollars, representing an increase of nearly 40%, and the volume of milk processed has grown by over one billion litres, or about 60%. Several acquisitions were made beyond Canada's borders: a joint venture was set up in Argentina, while five companies, all located in the United States, have joined the extended Agropur family.

Agropur's mission is to provide a wide range of quality dairy products reflecting current and future consumer demands. The Cooperative's vision is to consolidate our position as a leading Canadian provider of dairy products, to become an influential player across North America, and to grow our global markets. Our mission and vision stem from years of strategic planning, and this is what guides our actions. This mission and vision underline our determination to focus on our field of expertise in dairy processing, on innovations in dairy products, and on geographic expansion. The Cooperative's annual strategic plans are also perfectly aligned with our mission and vision.

The business environment in which we are working constantly produces challenges that we must face. To this end, our organization's success depends in part on the presence of strong brands in our product portfolio to facilitate the penetration of markets. These same strong brands also allow our organization to maintain a relationship of trust with consumers. Agropur will react to any form of interventionism aimed at changing the special relationship that exists between our organization and consumers.

A possible agreement at the World Trade Organization (WTO) is still part of our business reality. We are monitoring this issue, just as we are following the negotiations between Canada and Europe, whether or not there is an eventual agreement and regardless of the outcome. We are pursuing our development in order to diversify our clientele and strengthen ties with our current customers.

The majority of acquisitions made in recent years have been in the United States, a country that represents significant potential for growth. As a result, an issue we are monitoring is the possibility of U.S. dairy producers setting up a system allowing them to limit major fluctuations in the price of milk at the farm. Moreover, the U.S. National Milk Producers Federation wants to develop an insurance program to further stabilize their revenues.

Despite all these challenges, our cooperative continues to perform well. The success of our organization is based on a combination of factors that have enabled us to rank proudly among the top dairy organizations in the world. Our historical expertise and perseverance, our rigorous execution of the organization's strategic plans, and the rallying of members and employees behind a common business objective have helped Agropur to achieve the success it enjoys today and to ensure its sustainability.

In addition, to keep these values alive, the organization continues to rely on a healthy democracy and a rich associative life. Agropur's associative life is often held up as an example by other Canadian cooperatives. The individuals sitting on the Board of Directors always have their members' interests in mind; they make decisions from the perspective of both dairy producers and owners.

Furthermore, the Board of Directors made changes to the policy regarding share transfers, which in particular governs the nature of authorized transfers of farms when the owner or status changes. This policy takes into account some concerns expressed by members and respects the spirit of the 2007 Strategic Reflection. This change to the transfer policy rounds out the changes to, and implementation of, the new general administrative by-law and statutes announced in December 2009.

In an effort to maintain its special relationship and strong ties with its members, the organization consults with them periodically through communication tools, events and strategic consultations, to establish the Cooperative's major orientations.

Committed and motivated employees, the very high quality of our products, rigorous and prudent management, clear directions, an understanding of consumers' needs, and a healthy dose of innovative ideas are all key factors that have made Agropur into becoming one of the largest dairy organizations in the world.

To conclude, the results of 2010, as well as those of previous years, allow us to view the Cooperative's future with great optimism. The Board of Directors and I would like to thank Mr. Pierre Claprood, Chief Executive Officer, the Management Committee, and all employees and members for their invaluable work and commitment to our organization.

Serge Riendeau
Chairman

CHIEF EXECUTIVE OFFICER'S MESSAGE

Once again this year Agropur has posted good results: the Cooperative's sales increased to more than $3.3 billion and earnings before patronage dividends and income taxes were $151.3 million.

The 2010 fiscal year was marked by significant investments in our various workplaces. We also made two acquisitions in the United States: the Green Meadows cheese plant in Iowa in December 2009, and Main Street Ingredients in December 2010, a Wisconsin-based company specializing in functional products, to be posted in the next fiscal year.

We can still rely on a solid capitalization. The Cooperative's profitability continues to increase and its financial situation remains healthy.

Earnings in our cheese divisions are growing, largely due to the increase in whey product prices during the year, as well as good results at U.S. facilities, and increased sales of imported fine cheeses and Bel products.

Division Natrel also shows growing sales and earnings, despite a more difficult economic environment in the U.S., a rather static market in Canada and a fierce struggle to maintain our market shares. These results can be explained by rising sales in Ontario and ongoing streamlining efforts at our facilities.

Our joint venture, Ultima Foods, also posted good results, distinguished by faster development outside of Quebec's borders and growth in the active health segment. However, the possible non-renewal of our Yoplait license, set to expire in September 2013, could affect sales and earnings in this business unit in the coming years. We expect to remain active in the yogurt and fresh products area, whether or not the license is renewed.

Although the results from our Argentinean joint venture, La Lácteo, are somewhat lower than expected, we believe in South America's business potential. On the one hand, it constitutes an important domestic regional market, and, on the other, a milk production area that is among the most competitive in the world. In 2011, we will continue our efforts to profit from the expected market growth.

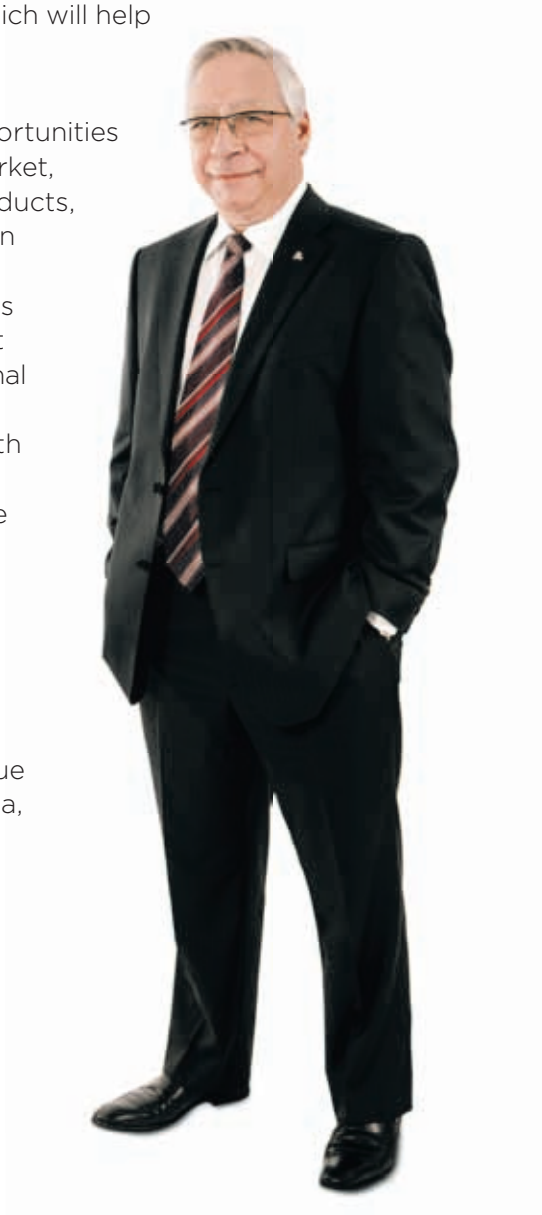
Agropur's encouraging numbers are due to the work of our employees, who are one of our organization's strengths.

Occupational health and safety is one of Agropur's core values—it is essential, unequivocal and non-negotiable. The number of accidents is declining on an annual basis, despite our growing workforce. While we have not yet reached our goal of zero lost-time accidents for the entire organization, I am proud to report that several work sites have reached this target, solidly demonstrating that this goal is realistic and achievable.

Still with regard to our employees, we signed two 5-year collective agreements at our plant in Toronto, Ontario, and at our distribution centre in Montreal (Pierre-de-Coubertin), Quebec, which will help ensure stability for all parties.

Regarding the Canadian dairy industry, business opportunities remain very limited in a mature and concentrated market, except for certain specific niches, such as organic products, and value-added or "ready to eat" products. Innovation is therefore very important to our ongoing growth. The concentrated nature of the Canadian market forces us to follow the customer beyond our borders. Apart from research and development and gains in operational efficiency, growth over the next few years will come in the form of new corporate acquisitions, along with investments in our current facilities to increase capacity, especially in the cheese plants. In Alberta, the first phase is underway to double the plant's capacity, and the second phase will add an additional 50% capacity.

In the United States in 2010, we completed phase one of the Hull project, added capacity at our feta plant in Weyauwega and improved warehousing conditions in Little Chute. In the coming years, we plan to continue increasing capacity at most of our U.S. sites. In Canada, we will focus on our packaging, wrapping and heat treatment tools in all sectors.



Moreover, we also continually strive to maintain and improve the quality of our products and facilities. In the past few years, Agropur has invested heavily in quality control and food safety, investments that will continue in order to meet the increasingly high standards of our customers and consumers, and the strict requirements of the regulatory bodies.

We will continue to invest substantially in the research and development, and marketing of new products, which is one of the fundamental principles behind the sustainability of our business. This is why we encourage creativity and forward-thinking by our employees, who are the key to these innovations and the ongoing improvement of our processes.

In this way, Agropur is maintaining its status as an innovative organization, offering consumers new products, including Allégro 9% light spreadable cream cheese, as well as fine cheeses such as Nouvelle-France, Rivière Rouge and washed-rind Rondoux, and WPC80, the latter having been added to the organization's line of functional products.

In addition, Agropur emerged the big winner at several competitions held in Canada, the United States and the U.K., collecting numerous awards at, among others, the Warwick Festival, the Royal Agricultural Winter Fair, the World Championship Cheese Contest and the Nantwich International Cheese Show.

Our organization is evolving in a mature industry and the challenges are numerous; it must also satisfy many requirements and comply with established standards. In addition to increasingly demanding consumers and growing competition from substitutes[1], as well as consolidation among processors and distributors, the Cooperative is also faced with the challenge of growth and of dealing with new cultures as a result of geographic expansion.

[1] For example, soy milk and/or products derived from soy or other grains, calcium-fortified orange juice, vitamin water or even "analogue cheese".

Despite these constraints, Agropur has positioned itself over the years as a true leader in the Canadian dairy industry. The organization also aims to become an increasingly significant player in the United States, and recent acquisitions south of the border reflect this goal. In its seven U.S. plants, Agropur employs just over 1,000 people and processed 1.1 billion litres of milk in 2010, equivalent to approximately half of all milk processed in Canada. During the past year, 85 million kilograms of cheese were produced in Canada and 110 million kilograms in the U.S., a market that is ten times bigger.

We believe that we have good business plans and the employees to achieve our goals. We are continuing our strategy of positioning and expansion to take advantage of the growth of international markets.

In conclusion, I would like to thank Agropur's Board of Directors for its unwavering support, as well as its Chairman, Mr. Serge Riendeau. I also want to sincerely thank the members of the Management Committee for their contribution, commitment and professionalism, as well as all of Agropur's employees for their work, motivation and dedication. The Cooperative would not be the success it is today without all of these people.

Pierre Claprood
Chief Executive Officer

BOARD OF DIRECTORS

Pictures from left to right (names from left to right)

GAÉTAN JODOIN
Granby
1996

ROBERT COALLIER
Guest Member of the Board of Directors and of the Audit Committee
2009

JEAN FILIATRAULT (E.C.)[1]
Acton
1993

RENÉ GRIMARD (E.C.)
Vice-Chairman
Des Appalaches
1995

LORNA JEAN NEVEU[1]
Laurentides/Lanaudière
1996

MICHEL COUTURE (E.C.)
De L'Érable
2001

DANIEL GAGNON[1]
Est du Québec
2008

VITAL VOULIGNY
Lac Saint-Pierre
2007

RENÉ MOREAU (E.C.)
Bois-Francs
1998

DANIEL LAMY
Berthier/Maskinongé
2004

ROGER DAOUST[1]
Salaberry
1993

JEAN-PIERRE LACOMBE
Yamaska
2007

ROGER MASSICOTTE
Mauricie/Portneuf
2003

SERGE RIENDEAU (E.C.)
Chairman
Estrie
1991

DARIE GAGNÉ[1]
Chaudière
1997

LUC CHASSÉ
Des Seigneuries
2006

Legend: Director/Administrative region/Year elected to the Board
(E.C.) Executive Committee members

[1] Directors whose term expires in 2011, but who can be re-elected.

MANAGEMENT COMMITTEE

Pictures from left to right (names from left to right)

JEAN BRODEUR
Vice-President
Communications and
Public Relations

ROBERT GOUR
President
Fine Cheese Division

MICHEL ST-LOUIS
Vice-President
Legal Affairs

BENOIT GAGNON
Executive Vice-President
Global Development

LORRAINE BÉDARD
Corporate Secretary
and Vice-President
Member Relations

PIERRE CLAPROOD
Chief Executive Officer

JOCELYN LAUZIÈRE
Chief Financial Officer

SERGE PAQUETTE
President
Division Natrel

LOUIS LEFEBVRE
President
Cheese and Functional
Products Division

SCOTT MCDONALD
Corporate Vice-President
Human Resources

1.0

REVIEW OF ACTIVITIES

2010 was a good year. Sales climbed. Major investments led to the expansion of our production capacity. Ongoing research and development added to our product line and further solidified our competitive position. This year was no exception, with a number of Agropur products taking top honours at prestigious competitions.

REVIEW OF ACTIVITIES

SALES

The year 2010 was a record one for sales, with results of $3.3 billion.

Division Natrel saw its Canadian sales increase in a somewhat static market, due partially to the signing of an agreement with a major retailer in Ontario. The Division's U.S. sales are on the rise, as it intensifies efforts to capitalize on business opportunities in that vast market.

Despite a certain decline in Canadian sales due specifically to a drop in certain orders, the Cheese and Functional Products Division posted an increase in its total sales. In the Fine Cheese Division, the OKA line performed well, and distribution of the soft-rind Boursin cheese since August 2010 also contributed to boosting sales in this division.

Finally, sustained by the active health segment, sales of yogurt and fresh cheeses increased. These good results, in an ever-expanding market, can be partially explained by better market penetration, as well as products and packages that meet consumers' expectations.

INVESTMENTS

As part of its expansion strategy, Agropur specifically supports investments in capital projects—one of the Cooperative's development priorities. Acquisitions aside, Agropur understands the importance of investing in each of its work sites.

In 2010, the Cooperative invested over $150 million in various projects, including the acquisition and completion of work at the Green Meadows plant in the United States, the project to increase capacity at our Lethbridge plant in Alberta, the new grating line in Woodstock, Ontario, and expansion of the Saint-Hyacinthe, Quebec plant to accommodate production of Boursin cheese.

Minor projects are ongoing at most of the other work sites, to modernize current infrastructures, increase equipment efficiency, improve employee safety, comply with environmental regulations, install a new product line or renew the truck fleet.

RESEARCH AND DEVELOPMENT

Faced with increasingly fierce competition, the Cooperative needs to adapt in order to stay competitive. Consumers are demanding healthy and nutritious products that meet their dietary needs. It is essential for Agropur to continue investing year after year in R&D, the engine that powers innovation.

However, certain market segments tend to be more profitable, for example, high value-added dairy products, such as aged or specialty cheeses; aseptic milk and dairy ingredients also offer strong growth potential.

MARKETING

Innovation plays a key role in Agropur's growth, prompting the organization to consistently come up with new products that meet consumer demands.

The Fine Cheese Division was especially busy this year, launching new cheeses and updating its existing packages.

The Division added to its line of light cheeses with a new product, the vegetable-flavoured Allégro 9% light spreadable cream cheese with antioxidants. Launched in November 2010, three new cheeses joined the ranks of the Agropur Signature umbrella brand: the Nouvelle-France firm cheese, the Rivière Rouge semi-firm cheese and the Rondoux washed-rind soft cheese. Since June 2010, across Canada, several Agropur Signature soft cheeses have been given makeovers with packages featuring new logos and graphics, as well as eye-catching colours.

In terms of ingredients, WPC80 joins the ranks of whey protein concentrates. This new addition to the product line enables the Cheese and Functional Products Division to offer a wider range of whey-based dairy ingredients.

The structure of the Marketing department at Division Natrel was completely reviewed in order to better meet the requirements of the Division's customers. Also, in 2010, the Marketing department modified the packaging of Island Farms chocolate milk, which now makes a direct link to sports. In addition, Island Farms launched a number of limited-edition flavoured chocolate milk throughout the year, in flavours such as cappuccino, chocolate-orange and chocolate-caramel.

Our joint venture Ultima Foods launched Yoplait Creamy in an innovative 2-kg pouch, intended for food service customers, in vanilla and plain flavours. For its part, Yoptimal introduced two new flavours: banana-strawberry and strawberry. Yoplait Source added four new flavours to its Dessert Selection line, which, like all Yoplait Source products, contain only 35 calories per 100-gram serving. Finally, Minigo has a new logo, new colours and an entirely new design.

Several marketing initiatives were proposed, including a new Canada-wide television and magazine advertising campaign for Yoplait Minigo and Yoplait Asana.

AWARDS

Since its foundation, Agropur has won a considerable number of prizes, and 2010 was no exception. Its high-quality products have consistently earned top honours. Once again, the Cooperative was recognized for its creativity and the diversity of its product portfolio.

Our Masters Reserve provolone and Canadian Reserve took first prize at the prestigious World Championship Cheese Contest, held every two years in the United States. The Canadian Reserve also earned accolades at the Nantwich International Cheese Show and the Royal Bath & West Show in the U.K., not to mention winning the *Grand Prix du Public* at *Sélection Caseus* at the Warwick Festival, in Quebec. At this same festival, Chevrita and OKA with mushrooms cheeses also took top honours in their respective categories.

For its part, L'Extra Camembert made a name for itself on the international scene by winning the gold medal at the World Cheese Awards held in the U.K.

At the Royal Agricultural Winter Fair, a competition held annually in Ontario, Agropur once again shone by taking home a number of awards, including blue ribbons for Champfleury, Doucerel, Délicrème Garlic & Herbs, Chevrita, and the grand champion, OKA L'Artisan.

The British Empire Cheese Show, also held in Ontario, handed out prizes to several Agropur cheeses, including Rondoux Triple Cream, Feta Anco and Fontina Prestigio, which took top honours.

Finally, Yoplait Asana was named the best product in Canada, all categories combined, at the Canadian Grand Prix of New Products, in addition to winning first prize in the dairy products and innovative packaging categories.

2.0

FINANCIAL REVIEW

The growth that occurred over the last few years has continued in 2010. The Cooperative's sales figures have seen an increase of nearly 10%, of which 35% is due to internal growth and 65% to new acquisitions, thus confirming the vigor of all our facilities. The earnings from operations have also increased to such an extent that the Cooperative is in a good financial situation to pursue its development.

FINANCIAL REVIEW

In 2010, the Cooperative continued to pursue its expansion objective, with sales of over $3.3 billion, up nearly 10%. The Cooperative's earnings from operations and earnings before patronage dividends and Cooperative's income taxes followed the same trend, reaching $252 million and $151 million respectively. In fiscal 2010, earnings before patronage dividends benefited from the full participation of the Grand Rapids dairy in Michigan, acquired at the end of fiscal 2009. In addition, in December 2009, the acquisition of Green Meadows Foods in Hull, Iowa, added another cheese plant to the three acquired in 2008, all three of which are located in Wisconsin. For a fourth consecutive year, there was a new acquisition in December, with the addition, after fiscal year-end, of Main Street Ingredients, a Wisconsin company that will enlarge our range of dairy ingredients, as well as allow us to offer value-added ingredients with specific functionalities.

In the next few years, growth will certainly continue not only through new business acquisitions, but also through major investment in existing facilities to increase their processing capacity, especially with regard to cheese operations. In Alberta, a first phase is underway to double the plant's capacity. The Alberta government is encouraging the investment with a subsidy that could reach $2.4 million. A second phase has already been planned to boost capacity by another 50% in order to take advantage of a favourable supply of milk in the province. In the U.S., we completed the Hull plant in 2010, acquired as a start-up. New investment will be justified when full capacity is reached in 2011. The Wisconsin plants, as well as fine cheese plants, are also heavily utilized. The Cooperative's favourable financial position means that funding needs for continuing growth can be met.

In this growth context and in order to enhance the Cooperative's notoriety, standardize its business model, simplify its administrative structure and optimize its U.S. fiscal structure, the Trega Foods and Schroeder Milk operating subsidiaries were merged into a single legal entity, Agropur inc. Thus, Trega Foods has become Agropur inc. Cheese and Functional Products Division USA, while Schroeder Milk is now Agropur inc. Natrel Division USA.

GOVERNANCE

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

In addition, senior executives have to vouch for the quality of the information disclosed in the financial statements, in compliance with a process inspired by Bill 198.

REVIEW OF THE 2010 FINANCIAL STATEMENTS

The following comments serve as a review of the financial statements appearing on page 31 of this annual report.

ACCOUNTING POLICIES

No new accounting policies affected the Cooperative's financial statements in 2010. However, it is only a matter of time since, in September 2010, the Board of Directors approved the adoption of International Financial Reporting Standards (IFRS) for implementation in fiscal 2012. The Cooperative is faced with two options: adopt either the new Canadian accounting standards for private enterprises or IFRS. Given our visibility outside of Canada and the Cooperative's growth objective, IFRS is a logical choice which will facilitate exchanges with foreign partners, whether bankers, clients, suppliers or other business partners. Furthermore, Canadian public corporations have to migrate to IFRS.

These new accounting standards will affect the measurement of earnings, and the most important impact for the Cooperative is the non-amortization of goodwill, representing the difference between the price paid for the acquisition of a company and the value of all identifiable assets acquired. In 2010, this amortization totalled nearly $16.0 million. Therefore, given the same economic performance, this new accounting standard will result in higher earnings before patronage dividends, without raising cash inflows, meaning that the Cooperative will be no richer. There will be a greater volume of information, as well as various changes to the presentation of financial statements and revised terminology. However, while complying with both accounting standards and the objective of comparability with other companies, management will bear in mind the needs of the primary users of Agropur's financial statements—its members.

Transitioning financial statements to IFRS is a long-term work, with its fair share of technical complexity. In 2008 the financial corporate services team and divisions began familiarizing themselves with IFRS. In 2009, a preliminary evaluation of the new standards was presented to the Audit Committee. The Committee also attended a training session in March 2010. In September 2010, a new evaluation was presented to the Committee, together with a draft of Agropur's financial statements according to IFRS. Certain technical options were adopted, largely in keeping with present Canadian standards. Other options will be adopted later in light of certain standards that could be modified by 2012 by the International Accounting Standards Board. A schedule has been drawn up to facilitate successful completion of this project. The same internal team has been working on transition since the very beginning, and the results of each phase are communicated to the external auditors and the Audit Committee as soon as they are obtained.

EARNINGS

As noted above, sales for fiscal 2010 were over $3.3 billion, 21.9% of which came from outside Canada. On the basis of processed milk, which eliminates the effect of differences in the cost of milk between Canada and other countries in which the Cooperative has operations, this percentage is 38.1%, and will continue to grow. Compared to last year, sales for 2010 were up $291.4 million, with new acquisitions contributing $189.7 million and the rest coming from organic growth.

A closer look at Canadian cheese operations reveals that the volume of cheese sales to further processors and food service clients was fairly stable, whereas an additional volume of 24 million litres of milk was processed and sold in the form of butter and skim milk powder. Sales of fine cheeses rose 9.2%, driven by sales of imported products and the popularity of certain Bel products, now manufactured in Canada. It should also be mentioned that, as of January 2011, instead of being imported, Boursin cheese will be manufactured in our Saint-Hyacinthe plant in Quebec, which will open up opportunities for the management of import quotas.

At the U.S. cheese operations, volumes of products sold by the Wisconsin facilities rose by 2% in 2010 compared to 2009. Growth would have been greater but for a shortage of milk. Given the shortage, premiums paid to producers and suppliers were hiked, which in itself had an impact on profit margins. The new Iowa facility is now running at almost full capacity. The installation of whey processing equipment was completed during the first six months.

Since the end of 2009, prices of whey products firmed and improved 2010 results, particularly for Canadian facilities. In the U.S., the calculation formula for the cost of milk used in cheese manufacturing takes into account the price of whey products, which offsets their higher price.

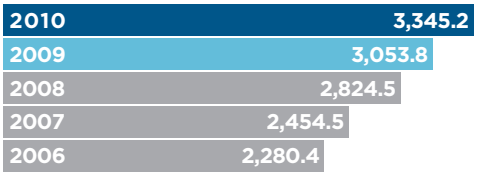
Division Natrel's Canadian operations experienced a volume increase of 4.9%, boosted by the agreement signed in September 2009 with a retailer for the whole of Ontario. Business growth is still a challenge, as market growth is limited. A slight gain was posted in Quebec. Profitability can only be maintained through constant and vigilant monitoring of operational costs and optimal use of assets, and fiscal 2010 benefited from the closure of the Drummondville plant in 2009.

Division Natrel's U.S. operations benefited from a full 12-month period of activity at the Grand Rapids facility in Michigan, acquired in September 2009. When added to the Minnesota plant, this resulted in an $81.1 million sales increase. Unfortunately, the loss of contracts, combined with economic difficulties in the U.S. and their effect on the consumption of value-added dairy products, meant that overall sales did not reach the level expected. Local managers are counting on new contracts and a U.S. economic recovery to reach the initial objectives.

Yogurt sales by Ultima Foods continue to climb. In 2010, the good performance of active health products, including Yoptimal and Asana, and yogurt drink Yop was outstanding. Sales volumes grew across the whole of Canada, including sales of products from Olympic, our subsidiary in Western Canada. With La Lácteo, the other joint venture, the rise in the world prices of dairy products has negatively impacted earnings. More specifically, the level of world prices has increased milk demand, and therefore milk costs, in Argentina. On the other hand, it has not been possible to adjust selling prices at the same pace.

As the following chart demonstrates, sales in the last five years rose from $2.3 billion in 2006 to $3.3 billion in 2010, an aggregate increase of $1 billion or 10.1% annually. Of this $1 billion, sales of $0.7 billion, or 70%, came from facilities outside of Canada.

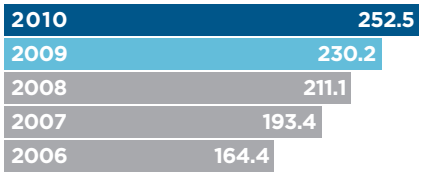
SALES (millions of dollars)



Earnings from operations, defined as earnings before interest, income taxes, depreciation and amortization (EBITDA), reached $252.5 million in 2010, an increase of 9.7%. Our U.S. operations contributed $11.6 million to the $22.3 million increase, over last year.

Since 2006, EBITDA rose by $88.1 million, from $164.4 to $252.5 million, an annual average increase of 11.3%.

EBITDA (millions of dollars)



New business acquisitions boost depreciation and amortization expense to $95.6 million, up by $11.1 million over 2009, which was deducted from our EBITDA of $252.5 million in 2010. Financial charges stood at $2.5 million, compared to a revenue of $0.2 million in 2009, due to an exceptional exchange gain of $1.2 million following the repayment of an advance by a foreign subsidiary. Income taxes of subsidiaries and joint ventures decreased to $3.9 million, a consequence of the amortization expense following new acquisitions.

Agropur posted earnings before patronage dividends and Cooperative's income taxes of $151.3 million (up 9.4%), compared to $138.3 million in 2009.

The Board of Directors approved patronage dividends of $101.2 million, or 7.75% of the value of members' milk deliveries, equivalent to $5.94/hl, an increase of 9.5% over last year. These patronage dividends are payable in a proportion of 25% cash and 75% investment shares. Following the adoption of the new by-law, members who have not reached the minimum capital investment will be issued shares in exchange for the cash component of their patronage dividend, until the minimum investment is reached.

Finally, after deductions of patronage dividends, an expenditure of $10.3 million was recorded for the purposes of the Cooperative's income taxes. After-tax net earnings of $39.7 million for 2010 were added to the reserve.

Fiscal 2011 should resemble 2010, which was characterized by increased sales and earnings, as well as by major investments. However, signs of an economic recovery continue to be ambiguous. Moreover, the volatility of dairy product prices, both internationally and in the United States, as well as exchange rate fluctuations, persisted in 2010, and it is difficult to forecast the effect on our foreign results.

CASH FLOWS

Cash flows from operating activities, before change in non-cash operating items, totalled $234.8 million, up $18.6 million over 2009. Non-cash operating items, which are presented in note 7 to the financial statements, required outflows of $19.4 million. Acquired in December 2009, the Hull plant's new activities, combined with an increase in milk prices in the U.S., largely explain the rise in accounts receivable of $28.4 million, inventories of $11.7 million thus accounts payable of $24.2 million. A $4.4 million top-up of future benefits relating to the employees' pension plans was needed, largely because of negative yields in 2008 and 2009; in 2010, yields on pension plan assets exceeded long-term objectives because of a market turnaround.

The preceding sources of funds, added to the $5.5 million from the sale of facilities and unused equipment and from the principal repayments related to commercial paper, resulted in cash outflows of $240.3 million.

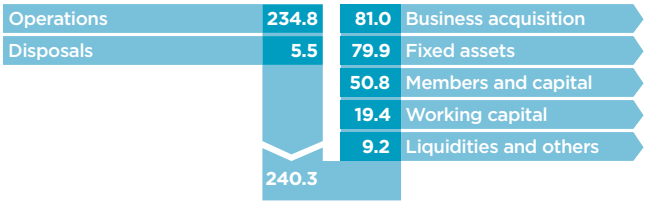
An amount of $81.2 million was used to acquire Green Meadows Foods, as explained in note 3 to the financial statements. Also shown is the final accounting adjustment for the Grand Rapids dairy plant, acquired one month before the end of fiscal 2009. Equally large investments were added to fixed assets, totaling $79.9 million. There are many more projects in the pipeline, several to boost processing capacities, including the $24 million project to double the capacity of the cheese plant in Alberta, as well as the cheese shredding line in Ontario, the manufacture of Boursin cheese and the increase in the yogurt manufacturing capacity in Quebec and, lastly, whey processing in Iowa. Even more substantial funds will be needed for projects, in the U.S. as well as in Canada in the next years.

Payments to members came to $50.8 million, or 21.1% of cash outflows for the year, with $25.3 million going toward a December payment of the cash portion of the patronage dividends and $25.5 million being used for capital redemptions carried out during fiscal year 2010.

Combined with our credit facilities of $320 million, our level of profitability is bringing in funds that support our current growth rate. However, major projects for investment in equipment and other business acquisitions could require some adjustments to our financing agreements.

INFLOWS **OUTFLOWS**

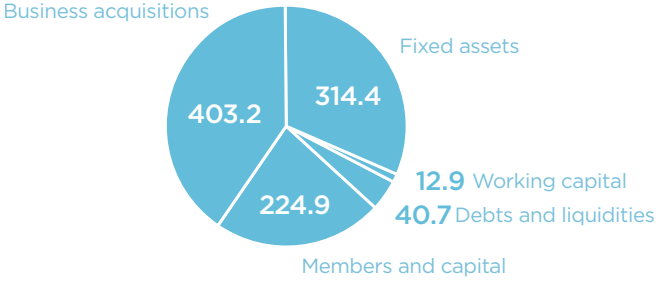
(millions of dollars)



Cash inflows over the past five years total $996.1 million, with $224.9 million or 22.6% being turned over to members as patronage dividends and capital redemptions. Outflows related to seven business acquisitions total $403.2 million. Another $314.4 million was added for investment in fixed assets.

USE OF FUNDS ($996.1 million) **2006 TO 2010**

(millions of dollars)



BALANCE SHEET

As at October 30, 2010, the Cooperative's assets totalled more than $1.2 billion, up $75.5 million from the end of fiscal 2009, mainly because of the acquisition of Green Meadows. Noteworthy is the increase of $80.3 million in fixed assets, reaching $514.9 million, the 2010 additions greatly exceeding depreciation of $69.7 million. The interest-bearing debt, net of cash, stands at $19.2 million, which represents a low volume given major investments in recent years, which have put us in a favourable position for funding future projects.

Unfortunately, an investment of $71.4 million in commercial paper must still be cashed in. In fiscal 2010, $0.9 million was cashed in. Keeping an estimated write-down of $25 million for accounting purposes, the book value on October 30, 2010 stands at $46.4 million.

Note 15 to the financial statements details the Cooperative's share capital. On October 30, 2010, members' share capital reached $507.8 million, strengthened by the $50.5 million rise in Class A share capital coming from the issue of patronage dividends, net of redemptions made during the fiscal year.

COMPREHENSIVE INCOME

Comprehensive income came to nearly $21.0 million for fiscal 2010. $18.7 million were deducted from net earnings of $39.7 million, mainly to take into account the effect of exchange rate fluctuations on the consolidation of our U.S. subsidiaries and our Argentinean joint venture. On October 30, 2010, one Canadian dollar was worth US$0.98, compared to US$0.92 on October 31, 2009 and US$0.83 on November 1, 2008. The strengthening of the Canadian dollar in recent years has resulted in a cumulative translation loss of $23.6 million from foreign subsidiaries. However, these results will continue to fluctuate with the evolution of the exchange rates.

LOOKING AHEAD

The Cooperative is continuing to pursue its expansion objective, as demonstrated by its investments and the level of earnings reached in 2010, with operating earnings of $252 million. Our equity level, in conjunction with a low level of debt, will place us in a good position to take advantage of new business opportunities.

In 2011, earnings should reach new heights, boosted, among other things, by the increased profitability of the Hull cheese plant, acquired at the end of 2009 and completed in 2010. However, the volatility of milk and whey product prices, and exchange rates, as well as pressure on Canadian market prices, are all variables that are hard to predict. Other business acquisitions will be considered, and some may be carried through.

This fiscal year-end provides me with an opportunity to thank the Board of Directors and the CEO for their support.

Jocelyn Lauzière
Chief Financial Officer

3.0

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S REPORT

December 21, 2010

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 30, 2010 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 30, 2010 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 legal entity.

CONSOLIDATED STATEMENT OF EARNINGS AND RESERVE

(IN THOUSANDS OF DOLLARS)	**2010**	2009
Sales	**3,345,177**	3,053,820
Operating expenses	**3,092,713**	2,823,593
Earnings from operations before the following items	**252,464**	230,227
Depreciation and amortization (note 4)	**95,581**	84,434
Net financial expenses (revenues) (notes 4 and 6)	**2,488**	(221)
Gain on disposal of assets	**(818)**	(105)
Income taxes of subsidiaries and joint ventures	**3,929**	7,854
Earnings before patronage dividends and the Cooperative's income taxes	**151,284**	138,265
Patronage dividends (note 5)	**101,245**	92,450
Cooperative's income taxes	**10,339**	12,422
Net earnings	**39,700**	33,393
Reserve – Beginning of year	**253,511**	220,118
Reserve – End of year	**293,211**	253,511

CONSOLIDATED STATEMENT OF CASH FLOWS

(IN THOUSANDS OF DOLLARS)	**2010**	2009
CASH FLOWS FROM		
Operating activities		
Earnings before patronage dividends and the Cooperative's income taxes	**151,284**	138,265
Cooperative's current income taxes	**(8,348)**	(6,996)
Items not involving use of funds		
Depreciation and amortization	**95,581**	84,434
Future income taxes of subsidiaries and joint ventures	**(3,666)**	1,662
Others	**(11)**	(1,083)
	234,840	216,282
Change in non-cash items (note 7)	**(19,362)**	8,083
	215,478	224,365
Financing activities		
Repayment of long-term debt	**(2,434)**	(35,648)
Investing activities		
Business acquisitions and disposal (note 3)	**(80,953)**	(157,739)
Purchase of fixed assets	**(79,875)**	(55,081)
Commercial paper principal repayments (note 6)	**850**	10,922
Proceeds on disposal of assets	**4,626**	702
	(155,352)	(201,196)
Activities with members and on share capital		
Patronage dividends payable in cash (note 5)	**(25,297)**	(23,101)
Issuance of shares (note 15)	**28**	11
Redemption of shares (note 15)	**(25,503)**	(23,014)
	(50,772)	(46,104)
Effect of exchange rate fluctuations on cash position	**(689)**	1,646
Net change in cash position during the year	**6,231**	(56,937)
Cash position – Beginning of year	**(20,282)**	36,655
Cash position – End of year	**(14,051)**	(20,282)

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

CONSOLIDATED BALANCE SHEET

(IN THOUSANDS OF DOLLARS)	**October 30 2010**	October 31 2009
ASSETS		
Current assets		
Cash and temporary investment	**8,338**	20,129
Accounts receivable	**216,803**	190,625
Inventories (note 8)	**236,237**	225,422
Income taxes	**477**	1,632
Prepaid expenses	**8,789**	7,486
Future income taxes (note 9)	**4,356**	4,661
	475,000	449,955
Investments in commercial paper (note 6)	**46,368**	47,218
Fixed assets (note 10)	**514,890**	434,566
Other assets (note 11)	**195,767**	232,578
Future income taxes (note 9)	**8,832**	1,045
	1,240,857	1,165,362
LIABILITIES		
Current liabilities		
Bank overdrafts and bank loans (note 12)	**22,389**	40,411
Accounts payable and accrued liabilities (note 13)	**399,338**	373,977
Income taxes	**3,715**	4,393
Current portion of long-term debt (note 14)	**1,550**	2,673
	426,992	421,454
Long-term debt (note 14)	**3,602**	5,359
Future income taxes (note 9)	**32,710**	32,441
	463,304	459,254
EQUITY		
Share capital (note 15)	**507,839**	457,366
Reserve	**293,211**	253,511
Accumulated other comprehensive loss	**(23,497)**	(4,769)
	777,553	706,108
	1,240,857	1,165,362

Approved by the Board of Directors,

Serge Riendeau, Director

René Grimard, Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(IN THOUSANDS OF DOLLARS)	**2010**	2009
Net earnings for the year	**39,700**	33,393
Other items		
Financial instruments designated as cash flow hedges (note 16)		
Unrealized gains, net of income taxes of 40 (2009 – 75)	**91**	168
Reversal in the statement of earnings, net of income taxes of 75 (2009 – 222)	**(168)**	(474)
Variance on currency translation adjustments in self-sustaining foreign operations, net of hedging activities and income taxes of 1,603 (2009 – 1,909)	**(18,651)**	(20,335)
	(18,728)	(20,641)
Comprehensive income for the year	**20,972**	12,752

STATEMENT OF ACCUMULATED OTHER COMPREHENSIVE LOSS, NET OF INCOME TAXES

(IN THOUSANDS OF DOLLARS)	**October 30 2010**	October 31 2009
Gains on financial instruments designated as cash flow hedges	**91**	168
Currency translation adjustments in self-sustaining foreign operations, net of hedging activities	**(23,588)**	(4,937)
Accumulated other comprehensive loss	**(23,497)**	(4,769)

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.

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 active employees. The cost of past services resulting from changes to the plans is amortized over the average remaining service life of active 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 loss in 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 year.

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 do not intend to adopt these new recommendations before the adoption of the International Financial Reporting Standards.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

In September 2010, the Board of Directors of the Cooperative approved the adoption of International Financial Reporting Standards for the year beginning October 30, 2011.

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

NOTE 3
BUSINESS ACQUISITION

On December 1, 2009, the Cooperative acquired all the assets and liabilities of Green Meadows Foods, a cheese company located in Hull, Iowa, in the United States, for a cash consideration of $81,161,000 (US$76,962,000).

During the year, the Cooperative accounted for adjustments related to the September 2009 acquisition of the Farmland Dairies operations in Grand Rapids, Michigan.

The acquisition cost allocation is detailed as follows:

(IN THOUSANDS OF DOLLARS)	Green Meadows	Adjustments Grand Rapids	**2010 Total**	Adjusted cost Grand Rapids
Current assets	1,871	(147)	**1,724**	15,200
Fixed assets	82,119	916	**83,035**	21,413
Other assets	1,088	34,042	**35,130**	34,230
Goodwill	–	(35,197)	**(35,197)**	37,074
Liability assumed	(3,917)	178	**(3,739)**	(6,283)
Cash flows from acquisition	81,161	(208)	**80,953**	101,634

The goodwill accounted for is deductible for income tax purposes for an amount of $30,526,000.

NOTE 4
EARNINGS

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

(IN THOUSANDS OF DOLLARS)	**2010**	2009
Depreciation of fixed assets	**69,699**	58,059
Amortization of other assets	**25,882**	26,375
Interest on long-term debt	**757**	970
Foreign currency loss (gain) on net investment reduction in self-sustaining foreign operations	**144**	(1,215)

NOTE 5
PATRONAGE DIVIDENDS

The patronage dividends to members are paid $25,297,000 (2009 – $23,101,000) in cash and $75,948,000 (2009 – $69,349,000) 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 $46,368,000. This fair value takes into account a writedown of $25,000,000.

These long-term investments result 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 is mainly composed of Classes A-1 and A-2 notes.

During the year, the Cooperative cashed $850,000 in principal repayment, which was applied against investments in commercial paper. The Cooperative also cashed $463,000 in interest earned, which was applied against financial expenses.

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)	**2010**	2009
Accounts receivable	**(28,372)**	78
Inventories	**(11,749)**	11,235
Income taxes	**380**	2,477
Prepaid expenses	**(1,354)**	(284)
Accounts payable and accrued liabilities	**24,196**	(6,869)
Other assets – Employee future benefits	**(4,412)**	(3,856)
Other assets – Procurement agreements and others	**1,949**	5,302
	(19,362)	8,083

Net interest paid amounts to $3,141,000 (2009 – $1,916,000). Income taxes paid amount to $14,070,000 (2009 – $10,394,000).

NOTE 8
INVENTORIES

(IN THOUSANDS OF DOLLARS)	**2010**	2009
Finished goods	**190,009**	178,656
Raw materials, goods in process and supplies	**46,228**	46,766
	236,237	225,422

The cost of goods sold of $2,765,336,000 (2009 – $2,513,002,000) 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)	**2010**	2009
Current future income tax assets		
Accrued expenses, provisions and other reserves that are tax deductible only at the time of disbursement	**4,356**	4,661
Long-term future income tax assets		
Goodwill and loss carryforwards	**8,832**	1,045
Long-term future income tax liabilities		
Fixed and other assets	**32,710**	32,441

NOTE 10
FIXED ASSETS

(IN THOUSANDS OF DOLLARS)	Cost	Accumulated depreciation	**2010 Net**	2009 Net
Land	28,356	–	**28,356**	26,918
Buildings	247,679	84,086	**163,593**	147,589
Equipment	701,794	406,319	**295,475**	233,729
Office furniture	8,303	6,256	**2,047**	1,719
Computer equipment	54,000	42,948	**11,052**	8,968
Rolling stock	48,636	34,269	**14,367**	15,643
	1,088,768	573,878	**514,890**	434,566

Fixed assets include a major work in progress project of which an amount of $8,811,000 is unamortized.

As at October 30, 2010, the net value of fixed assets includes an amount of $4,271,000 for equipment under capital leases.

NOTE 11
OTHER ASSETS

(IN THOUSANDS OF DOLLARS)	**2010**	2009
Goodwill	**114,579**	170,581
Employee future benefits (note 19)	**22,144**	17,732
Procurement agreements and others	**59,044**	44,265
	195,767	232,578

NOTE 12
BANK LOANS

The Cooperative and its joint ventures have lines of credit to a maximum of $319,781,000, 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)	**2010**	2009
Members	**128,380**	117,859
Third parties	**270,958**	256,118
	399,338	373,977

NOTE 14
LONG-TERM DEBT

(IN THOUSANDS OF DOLLARS)	**2010**	2009
Obligations under capital leases[1]	**4,544**	7,123
Other loans	**608**	909
	5,152	8,032
Current portion	**1,550**	2,673
	3,602	5,359

[1] Obligations under capital leases bear interest at rates ranging from 8.45% 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)	
2011	1,550
2012	1,502
2013	1,044
2014	281
2015	337
2016 and thereafter	438

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 to the number of shares in each category. 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 1, 2008	**364**	**763**	**409,893**	**411,020**
Issuance as payment for patronage dividends	–	–	69,349	69,349
Issuance in cash	–	2	9	11
Redemption in cash	(8)	(10)	(22,996)	(23,014)
Balance as at October 31, 2009	**356**	**755**	**456,255**	**457,366**
Issuance as payment for patronage dividends	–	–	75,948	75,948
Issuance in cash	–	–	28	28
Redemption in cash	(8)	(20)	(25,475)	(25,503)
Balance as at October 30, 2010	**348**	**735**	**506,756**	**507,839**

As at October 30, 2010, inactive members held shares of the Cooperative for a total amount of $13,457,000 (2009 – $15,208,000).

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.

LIQUIDITY RISK

A centralized treasury and financing management allows the Cooperative to reduce the liquidity risk. If there is a surplus of liquidity, they are invested in short-term quality instruments.

CREDIT RISK

Accounts receivable mainly relate to those generated in the normal course of business. Although some major accounts are coming from a certain volume concentration in the food industry, the diversification of the customer market segment (retailers, wholesalers, manufacturers, food service) and the extent of the Cooperative's geographical activities reduce the credit risk (note 20). Moreover, credit risk is reduced by the terms of payment in connection with the relatively fast cycle of product consumption.

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. The interest rate risk is low considering the indebtness level of the Cooperative.

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 30, 2010, 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 on earnings before income taxes would have been marginal and the impact on comprehensive income would have been an increase of $3,177,000.

The Cooperative also carries certain purchasing and selling activities in foreign currencies. 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 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$12,160,000
Sales	US$5,403,000
Purchases	13,042,000 euros
Sales	2,011,000 GBP

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)	**2010**	2009
Assets	**74,047**	71,249
Liabilities	**30,449**	33,319
Sales	**171,617**	168,579
Cash flows from operating activities	**16,387**	14,303
Cash flows used in investing activities	**(6,981)**	(6,053)

The sales of $171,617,000 generated by the joint ventures come mainly from the production and distribution of yogurt under the Yoplait licence, according to an agreement which ends in September 2013. The nonrenewal at the term of this agreement could affect the sales and profitability of this business unit.

NOTE 18

COMMITMENTS AND CONTINGENCIES

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

(IN THOUSANDS OF DOLLARS)	
Total commitments (including 7,403 for next year)	**25,083**

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 salary in 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 valuations of the plans are performed at least every three years. The most recent valuations were performed mainly in January 2008 and January 2010.

Net expense is as follows:

(IN THOUSANDS OF DOLLARS)	**2010**	2009
Defined contribution plans		
Net expense	**9,862**	9,010
Defined benefit plans		
Current service cost	**2,609**	2,893
Interest cost on accrued benefit obligation	**5,036**	4,685
Actual return on plan assets	**(4,958)**	5,187
Difference between actual return and expected return	**485**	(9,983)
Actuarial losses (gains) on accrued benefit obligation	**11,866**	(7,609)
Difference between actual actuarial losses (gains) and the amount recognized for the year	**(10,706)**	8,546
Amortization of transitional balance	**(912)**	(908)
Net expense	**3,420**	2,811

The information on defined benefit plans is as follows:

(IN THOUSANDS OF DOLLARS)	**2010**	2009
Plan assets		
Fair value – beginning of year	**73,874**	73,069
Actual return on plan assets	**4,958**	(5,187)
Employer contributions	**6,755**	9,194
Employee contributions	**1,025**	968
Benefits paid	**(4,296)**	(4,170)
Fair value – end of year	**82,316**	73,874

The above contributions approximate the total cash payments. Equity securities included 56% (2009 – 55%) of total plan assets, invested mainly in Canada.

(IN THOUSANDS OF DOLLARS)	**2010**	2009
Accrued benefit obligation		
Balance – beginning of year	**75,012**	78,245
Current service cost	**2,609**	2,893
Interest cost	**5,036**	4,685
Employee contributions	**1,025**	968
Benefits paid	**(4,296)**	(4,170)
Actuarial losses (gains)	**11,866**	(7,609)
Balance – end of year	**91,252**	75,012

(IN THOUSANDS OF DOLLARS)	**2010**	2009
Employee future benefit assets		
Funding status – plan assets net of obligation (deficit)	**(8,936)**	(1,138)
Less: Transitional assets at the beginning, unrecorded and to be amortized	**(971)**	(1,883)
Plus: Actuarial losses, unrecorded and to be amortized	**27,324**	17,103
Plus: Employer contributions after valuation date	**4,727**	3,650
Employee future benefit assets	**22,144**	17,732

For pension plans with an accrued benefit obligation that is higher than the assets, the accrued benefit obligation is $73,694,000 (2009 – $39,431,000) and the assets are $62,960,000 (2009 – $35,505,000).

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

	2010	2009
Weighted-average assumptions		
Accrued benefit obligation		
Discount rate	**5.75%**	6.75%
Long-term inflation rate of salary expense	**4.00%**	4.00%
Net benefit expense		
Discount rate	**6.75%**	6.00%
Expected return on plan assets	**6.50%**	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 $705,000.

NOTE 20
SEGMENT DISCLOSURES

The Cooperative carries on the business of processing and selling dairy products. The 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 some industrial customers and major food chains. During the year, $2,611,310,000 (78.1%) of sales were made in Canada and $686,824,000 (20.5%) were made in the United States. As at the balance sheet date, $385,178,000 (55.9%) of fixed assets and goodwill are located in Canada and $297,538,000 (43.2%) are located in the United States.

Three customers represent respectively more than 10% of the sales figure, for a sales volume amounting to $1,269,717,000.

NOTE 21
SUBSEQUENT EVENT

On December 21, 2010, the Cooperative acquired all the operations of a milk ingredients company located in the United States, for a cash consideration of approximately US$71,900,000.

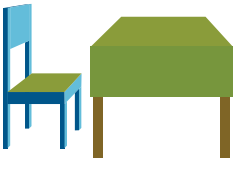
NOTE 22
COMPARATIVE FIGURES

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

4.0

REPORT ON SOCIAL RESPONSIBILITY

Agropur contributes to sustainable development at several levels to help improve the quality of life for everyone. The organization also adopts best practices in managing its activities, since it considers a healthy governance structure to be essential.

Agropur provides  everywhere with dairy  of the highest quality. But production isn't everything. The Cooperative also has a mission to see to the well-being of its  , its  and the communities in which it operates, with the utmost respect for the environment, from the  to the  .

THE EMPLOYEES

The employees are Agropur's main asset; as such, the organization advocates accountability and stands out for the importance it grants to a safe work environment and harmonious relationships conducive to personal development. The Cooperative is also committed to promoting a professional work environment that encourages teamwork, the type of environment in which all of its employees can develop, reach their full potential and contribute to Agropur's success.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

Our employees' health and safety is our main concern, which is why we have promoted this concept for several years now. The ultimate goal at Agropur is to ensure that every employee returns home in the same state as he/she left in the morning—safe and sound.

Each of the Cooperative's divisions incorporates an OHS component into its annual strategic planning process, and makes efforts to constantly improve on its results. Accordingly, each work site has its own OHS committee, which plays an essential role in preventing occupational accidents.

This year, we noted a decrease in the total number of accidents for the third consecutive year, with several sites going more than a full year without any lost-time accidents, attesting to the substantial efforts made by everyone involved to achieve OHS objectives. Of course, these actions must be continued and ramped up in order to maintain and improve on this trend.

ORGANIZATIONAL DEVELOPMENT

More than 5,400 employees belong to the Agropur family, in which future perspectives and challenges are everyday realities. We provide for their training needs by allocating significant amounts of money to professional development. We encourage our employees to be fulfilled; as such, we offer development plans, succession plans and ongoing training. The training provided by Agropur helps its employees to progress according to their needs and those of the organization, and provides them with interesting career opportunities. We also strive to make the organization more flexible and effective, to ensure it fully capitalizes on the ever-changing environment in which we are evolving.

RECOGNITION PROGRAM

At Agropur, the Recognition of Years of Service Program is a way for managers to thank employees for their commitment, dedication and loyalty to the Cooperative. Accordingly, each employee receives a gift for each five-year period of service. Employees celebrating 20 or more years of service, in five-year periods, those marking over 40 years of service and those who retired during the past year are also invited to attend an evening gala.

However, this program is just one part of Agropur's recognition program—a process comprising simple gestures made by everyone, every day. These gestures are very important to the organization as a form of recognition for the contribution and efforts made by the employees, who represent Agropur's strength and the reason for its success.

EMPLOYEE ASSISTANCE PROGRAM

Agropur looks out for the best interests of its employees by providing them with a stimulating work environment and by implementing various programs that enable them to excel professionally. Accordingly, Agropur offers all of its employees an Employee and Family Assistance Program (EFAP) for problems related to their work or personal life.

NAOMI KRASEY
Receptionist and Office Clerk
Victoria, British Columbia

THE COMMUNITY

Agropur also takes an active interest in the residents of the communities in which it operates. The organization is involved in the economic and social development of several dozens of cities in which its work sites are located across North and South America, through its Donation and Sponsorship Program, its Annual Employee Fundraising Campaign, its involvement in the industry, and its international commitments.

DONATION AND SPONSORSHIP PROGRAM

Agropur ranks among the generous organizations in the business community by annually allocating large amounts of money to its Donation and Sponsorship Program.

In addition to numerous one-time sponsorships, Agropur makes many donations to organizations in a variety of different sectors, including the food sector, namely the *Club des petits déjeuners du Québec*[1], the Breakfast Clubs of Canada, the *Fondation OLO*[2], and several food banks across Canada. It also grants scholarships to various teaching establishments, in order to support succession, such as the *Institut de technologie agro-alimentaire* (Food Technology Institute), Laval University and McGill University in Quebec, and the University of South Dakota in the United States, to name just a few.

ANNUAL EMPLOYEE FUNDRAISING CAMPAIGN

Agropur also encourages its employees to get involved in their communities. As part of the Fundraising Campaign, employees can choose a favourite charity and organize fundraising activities across Canada and the United States. The Cooperative then matches each dollar raised by its employees. The following organizations are just a few that have benefited from the generosity of Agropur employees: The Canadian Cancer Society and United Way in Quebec, the Alzheimer Society of Oxford in Ontario, the Canadian Breast Cancer Foundation in British Columbia, the Make-a-Wish Foundation in Wisconsin, and Ducks Unlimited in Iowa.

AN ACTIVE INDUSTRY PLAYER

For several years now, by way of its status as the largest dairy cooperative in Canada, Agropur has been highly involved in the Canadian dairy industry and has carved out a niche in the U.S. dairy industry. In fact, the organization's managers are very active in the dairy community, sitting on several boards of directors, including those of Novalait, the *Conseil de la transformation agroalimentaire et des produits de consommation*[3] (CTAC), the Dairy Processors Association of Canada (DPAC), and the International Dairy Foods Association (IDFA), to name just a few.

The organization also contributes to the development of the dairy industry by participating in various forums and roundtables. It has an impact on the communities in which it works, including through the promotion of fundamental research into dairy products. As such, Agropur financially supports the University of South Dakota, specifically by funding a part of the cost of renovating its pilot dairy plant.

Agropur also funds the IRECUS Research Chair[4] to encourage ongoing research into the management and development of cooperatives, both nationally and internationally.

Finally, Agropur managers are becoming increasingly sought out for conferences, public speaking engagements, interviews, and even to accept awards.

INTERNATIONAL COMMITMENT

SOCODEVI[5] was created in 1985, with the mission to support the cooperative movement in several sectors of the economy, specifically agrifood.

Agropur has been a partner of SOCODEVI since the inception of this organization, and has participated in several missions over the years to Latin America, Asia, Africa and Europe.

Most notably, the Cooperative has been involved for the past two years in a mission in Ukraine, whose objective is to increase productivity on dairy farms and promote the cooperative formula in this part of the world.

[1] Quebec Breakfast Club
[2] Provides future mothers in financial difficulty with nutritious basic food and vitamin supplements
[3] Food processing and consumer product council
[4] University of Sherbrooke (Quebec) research and education institute for cooperatives and mutuals
[5] A network of cooperatives for international development

It was through SOCODEVI that Agropur lent its assistance following the massive earthquake that rocked Haiti on January 12, 2010. An assistance fund was created to financially support the cooperatives affected by this natural disaster, to help them rebuild and get back on track. The Cooperative's members and employees banded together to help this Caribbean country by organizing a fundraiser.

THE ENVIRONMENT

Conscious of the need to protect our natural resources, Agropur has been gradually adopting environmentally sound practices for many years now. A number of projects are underway at all levels of the organization, including initiatives related to recycling, air quality and energy efficiency.

The regulatory requirements of the current environmental standards tend to change quickly, exerting enormous pressure on the entire organization. However, a number of initiatives are proposed in addition to these obligations.

ENVIRONMENTAL COMMITTEES

To minimize the Cooperative's environmental footprint in Canada and the United States, and to enhance initiatives in this regard, three committees were created by Agropur management, including the Environmental Committee (EC), the Environmental Steering Committee (ESC) and the Environmental Coordination Committee (ECC). These committees are responsible for environmental actions at all Agropur work sites.

The Environmental Committee guides and determines the Cooperative's environmental policy and its framework. The Environmental Coordination Committee determines the corporate environmental policy and the divisions' respective environmental procedures, which are pre-approved by the Environmental Steering Committee. More specifically, the goal of the Environmental Coordination Committee is to implement an environmental management system that addresses the issues of energy consumption, transportation, wastewater and greenhouse gas emissions, to name just a few.

INITIATIVES

Every year, Agropur invests heavily in meeting—and surpassing—current environmental requirements. Some of its many actions include implementing a filtration system to treat and neutralize effluent from dairy operations in Victoria, British Columbia, investing in waste treatment facilities in Quebec and Ontario, and implementing procedures to meet quality criteria for treated water discharged into the river in Oka, Quebec.

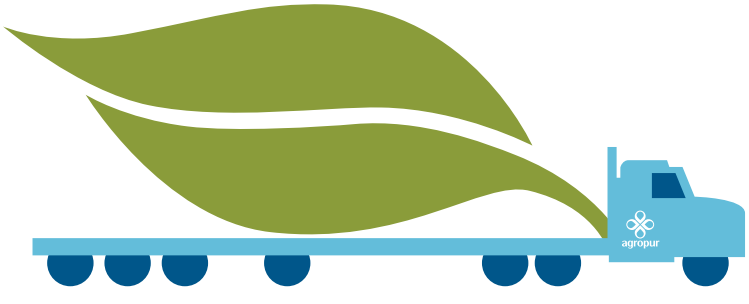
ENVIRONMENTAL COLUMN

In every issue, the *Inter.Com* corporate newsletter publishes an environmental column specifically to inform members and employees of Agropur's latest environmental initiatives.

EMPLOYEES CHANGING THE WORLD ONE GESTURE AT A TIME

When it comes to the environment, every little gesture counts; through their desire to reduce the organization's environmental footprint, Agropur employees have become an engine for change by organizing initiatives at the local level.

For example, some of the actions taken by the Cooperative's employees include replacing cleaning products at some sites with greener alternatives, leading to less phosphorus being discharged into the environment; adopting more energy efficient light bulbs; replacing paper towels with hand dryers; and creating local committees to encourage green initiatives.



THE MEMBERS

Agropur members enjoy a rich associative life. The spirit of cooperation is manifested by sustained communication between the members and their directors at various events, such as the Annual General Meeting, the regional meetings, the summer facilitators' meeting, and various meetings of members and facilitators. The members are also kept informed of the activities and the results of their cooperative through a number of communication channels, including the quarterly report, the annual report, and the internal newsletter, *Inter.Com*. These tools and events promote discussion while enabling the Cooperative's owners to keep tabs on developments within their organization.

Training is one of Agropur's cooperative values, hence why the organization offers various internal training programs. For over 25 years, the Cooperative has been organizing internships or training days for groups of members or future members, during which participants receive basic training about Agropur, i.e. its structure and method of functioning. More specifically, the organization also awards the Omer-Deslauriers scholarship to 15 young members who are invited to participate in the Provincial Internship for Young Farmers.

Members also receive the services and information they need from the Member Relations department, which works to improve the quality of milk at the farm, provide information about the Cooperative and its structure, and assist members with regard to their capital, member file and milk pay.

Finally, the 3,500 Agropur members, who are joint owners of their cooperative, also receive patronage dividends. In the last five years alone, these dividends have amounted to close to $450 million, representing a significant injection of funds in all areas where members are present.

PHILIPPE AND ROSAIRE BOURGEOIS
Ferme Bourjoie senc, Sainte-Brigitte-des-Saults, Quebec

In memory of Rosaire Bourgeois (1950-2010)

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