



I.D.E.A. Industry Update - August 30, 2001

Saskatchewan Wheat Pool sells Heartland Livestock Services to Nilsson Bros. Inc.

Saskatchewan Wheat Pool and Agricore Cooperative Ltd. have entered into an agreement to sell substantially all of the assets of Heartland Livestock Services to Nilsson Bros. Inc. for an aggregate purchase price of approximately \$32.9 million, subject to certain adjustments and holdbacks. The sale includes Heartland's livestock marketing centres in the three prairie provinces, in which the Pool holds an 89.8% interest and Agricore holds 10.2%. The Pool expects to record a pre-tax gain of \$6.4 million in the first quarter of fiscal 2002, \$4.1 million or \$0.11 per share after-tax. Net proceeds from the sale will be used to pay down debt.

"The sale allows for the Pool to generate premium value from our long-term investment in the cattle industry," says the Pool's Chief Executive Officer, Mayo Schmidt. "The sale is consistent with our objective to reduce debt through divestitures and return our company to profitability as quickly as possible."

Lee Nilsson of Nilsson Bros. Inc. says, "We're excited about this acquisition and look forward to serving Heartland Livestock Services' customers. The value of Heartland Livestock's brand is well recognized. The best way for Nilsson's to build upon that strength is to maintain business as usual. We will retain the Heartland Livestock name and continue to deliver the services that have made Heartland Livestock the success it is today."

The remaining businesses under the Heartland Group of Companies, including CanGro Aquaculture, Heartland Pork Management, and Heartland Feeds are not included in the sale. The purchase and sales agreement is subject to usual closing conditions. The transaction is expected to close on September 14, 2001 with an effective date of August 1, 2001. Once concluded, John LaClare, President of the Heartland Group, will become Chief Operating Officer, Heartland Livestock Services with Nilsson Bros. Inc.

Schmidt says, "We see opportunity for the Pool to grow into a stronger, more prosperous grain-handling and agri-products marketing business, which means competitive services for producers. By continuing to provide good value to our customer base, and improving the way we do business, the Pool is working with prairie farmers to help them remain competitive in the global grain industry."

Saskatchewan Wheat Pool is a publicly traded agri-business co-operative headquartered in Regina, Saskatchewan. Anchored by a prairie-wide grain handling and agri-products marketing network, the Pool channels prairie production to end-use markets in North America and around the world. These operations are complemented by value-added businesses and strategic alliances, which allow the Pool to leverage its pivotal position between prairie farmers and destination customers. Nilsson Bros. Inc. is a group of livestock based agricultural businesses located in Alberta and Saskatchewan. Nilsson Bros. owns and operates a diverse group of agri-business ventures, including meat packing plants, auction marts, livestock feeder buying services, satellite auction sales, livestock commodity trading, livestock financing, farm and ranch insurance.