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Viterra to invest in falling number machines

Viterra today announced a major new investment in grain equipment with the purchase of 78 new falling number machines. The falling number machines will further improve services to growers and provide the option of having rain affected wheat assessed by a machine.

The latest investment, valued at more than \$4 million, adds to the \$35 million Viterra has invested in storage, transport, logistics and port infrastructure since establishing in Australia only 18 months ago. This includes increasing the storage and handling network capacity to more than 10 million tonnes.

Viterra President South East Asia Rob Gordon said that while last harvest was a record crop and a good result for the industry the sheer volume of grain receivals pushed the storage and handling network to its limit.

"I am really proud of our regional staff for the way in which they managed these volumes under challenging circumstances," he said. "However, last season's huge crop has uncovered areas for improvement, which have been confirmed by feedback received from growers through our post harvest review. We're committed to acting on this feedback.

"We experienced almost a 'perfect storm' last season with a record crop; widespread rain across the state in early December, with more rain forecast; and only a limited number of falling number machines," he said.

"Through the post-harvest review we have listened to growers' calls to have access to falling number machines and have responded through this new investment. The number of machines we had at the start of harvest had historically been sufficient but that wasn't the case last harvest. As a result, we are significantly increasing the number of machines we own to ensure we are prepared for future seasons.

"Although the post-harvest review report is not due for release until the end of June, we are acting now to ensure the machines are installed at sites across the State in time for the next harvest."

The machines will be supplied by world-leading Perten, a global manufacturer of grain quality control equipment based in Sweden. The order will mean Viterra has 120 falling number machines, almost tripling the number of machines owned by the company.

"Falling number tests are the internationally recognised assessment method for sprouted grain classification. The machines are laboratory equipment, therefore as part of the installation process we have reviewed our sites, and where necessary, will make modifications to ensure the new machines perform optimally to deliver accurate results.

"Most importantly, employees will be appropriately trained to use the equipment. This will be further enhanced by our recent initiative to recruit 200 permanent regional employees to ensure we retain experienced employees from season to season.

"Access to falling number machines is part of a broader debate around grain classification, which includes training classifiers and encouraging uniform classification standards across the industry. Viterra will continue to play an active role in seeking greater industry collaboration and consistency on these issues."

Post-harvest review working group chairman Rob Kerin said Viterra's investment in falling number machines was a welcome initiative and would give growers confidence in future harvests.

"The strongest feedback we received during the post-harvest review was the uncertainty of the visual classification process for sprouted grain. Growers are asking for the right to a falling numbers test and this move will ensure that request is not just acknowledged but satisfied in the future," he said.

Last year's record crop saw numerous grower receival records set. The peak of deliveries occurred between mid-December and mid-January. During this four week period Viterra received approximately 5.5 million tonnes, which is more than the average annual receival total. PIRSA's final estimate for the 2010 season crop production was 10.34 million tonnes.



About Falling Number assessment

The falling number test is an indication of rain damage at harvest time. When it rains just before harvest, grain may start to germinate (sprout) in the head. Germination causes an increase in *alpha*-amylase, an enzyme that breaks down starch. Grain with high levels of *alpha*-amylase produces lower quality flour. The Falling Number test was designed to mimic the way the flour made from grain would behave in a bakery. It does not directly measure *alpha*-amylase activity but measures changes in the properties of the starch component of the grain caused by *alpha*-amylase activity.

Grain Trade Australia does not mandate the use of Falling Number tests for load by load testing. In the case of falling number machines, the decision to place machines is based on the commercial determination of storage operators

About Viterra

Viterra provides premium quality ingredients to leading global food manufacturers. Headquartered in Canada, the global agribusiness has extensive operations in Western Canada, North America, Australia and New Zealand. Our growing international presence also extends to offices in Japan, Singapore, China, Switzerland, Italy, Ukraine, Germany and India. Driven by an entrepreneurial spirit, we operate in three distinct businesses: grain handling and marketing, agri-products, and processing. Our expertise, close relationships with producers, and superior logistical assets allow the company to consistently meet the needs of the most discerning end-use customers, helping to fulfill the nutritional needs of people around the world. TSX: VT ASX: VTA

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