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VITERRA ANNOUNCES ITS FIRST QUARTER FINANCIAL RESULTS

Consolidated sales and other operating revenues for the first quarter of fiscal 2009 increased $64.6 million to $1.4 billion (2008 - $1.3 billion), with sales increases reported in the Agri-products, Agri-food Processing, Livestock Feed and Services, and Financial Products segments.

EBITDA (consolidated earnings before interest, taxes, amortization, gain (loss) on disposal of assets, integration expenses – see Non-GAAP Financial Measures in Section 9) was a loss of $6.4 million for the quarter, which included a fertilizer inventory writedown of $28.1 million.

Excluding the writedown, consolidated EBITDA was $21.7 million, which compares to $81.3 million in the same quarter of 2008. A decision by farmers to defer fertilizer purchases to the spring and lower fertilizer margins, together with the impact of a decline in grain margins and volumes in the first quarter were the main reasons for the variance.

Viterra's first quarter net loss was $33.0 million or $0.14 per share, which compares to net earnings of $41.2 million or $0.20 per share in same three-month period of 2008. Excluding the fertilizer inventory writedown, Viterra's net loss for the quarter was $13.6 million or $0.06 per share.

"It is not unusual to record an operating loss in the first quarter, particularly if fall fertilizer applications do not materialize", said President and Chief Executive Officer, Mayo Schmidt. "Even with the slow start this year, we expect a solid financial year in 2009. Farmers are now working closely with us to make sure they are positioned with the right products to plant a profitable crop in the spring. As such, we anticipate good demand for our agri-products and service offerings, particularly in our third quarter, which is the period in which we generate the bulk of our earnings."

First Quarter Operating Highlights

- Viterra's grain shipments for the quarter ended January 31, 2009 were 3.8 million tonnes. This compares to 4.2 million tonnes for the comparable period in 2008. Canadian Wheat Board shipments were on par with last year, while open market products lagged the previous year's quarter, primarily due to timing. Management expects to see movement pick up substantially throughout the

remainder of the year, given the size of the 2008 crop and an increase of approximately 1 million metric tonnes of grain receipts that are expected to be made available to the industry.

- An important measure of the Company's performance in the Grain segment is market share, which is based on primary elevator receipts of the six major grains. Viterra's market share in the first quarter of 2009 was 44.1% compared to 41.5% in 2008.

- Gross margin per tonne was $25.47 for the first quarter of 2009, in line with management's expectations of annual average margin per tonne of $26. This quarter's margin per tonne compares to $27.86 generated in the same quarter a year ago when more opportunities existed to extract premiums from the market due to commodity price volatility.

- In Viterra's Agri-products segment, sales and other operating revenues were $186.2 million compared to $166.0 million for the same three-month period of 2008, reflecting sales improvements in seed, crop protection products and equipment. While fertilizer sales were higher in the quarter, the increase reflects higher prices relative to the same period a year ago. As expected, fertilizer volumes were down quarter-over-quarter reflecting growers' decisions to delay fertilizer applications in the fall in anticipation of lower pricing as they moved toward the spring months.

- As anticipated and noted in its 2008 fourth quarter results, the Company wrote down $28.1 million on its fertilizer inventory position as at January 31, 2009.

- The EBITDA loss in the Agri-products segment for the quarter was $43.2 million including the writedown, compared to EBITDA of $18.2 million in the first quarter of 2008.

Commenting on Viterra's core grain and agri-products operations, Mr. Schmidt said, "Results this quarter primarily reflect timing issues. Prospects for the remainder of the year are good. Viterra is situated in the heart of the Western Canadian growing region, where production reached a record high this past fall. We have a very large, good quality crop and the infrastructure and international presence to get the product to the destination. Market conditions also suggest that we may see more CWB movement this year, which would be positive for farmers, handlers and the industry as a whole.

In our Agri-products business, we recognize that much depends on the spring growing season. However, based on the level of prepayments and the increase in fertilizer volumes that we have experienced since the end of the quarter, we are certainly confident as we head into spring. Prices have begun to stabilize on most product lines and farmers are now taking product home. They understand all too well the logistic and supply challenges that can occur when fall purchases are pushed into the spring selling season. Viterra is working diligently with its suppliers to ensure

products are strategically positioned to meet the significant fertilizer demands that we expect to experience in the next two quarters."

- Sales in the Agri-food Processing segment for the quarter were $48.4 million, up $5.3 million from the comparable period of 2008, reflecting higher average sales prices offset partially by lower sales volumes.

- EBITDA in the Agri-food Processing segment was $2.5 million for the first quarter, up $1.8 million from the same period last year. A number of marked-to-market adjustments for foreign exchange and commodity prices were reflected in both three-month periods.

- The Livestock Feed and Services segment generated sales of $193.7 million for the three months ended January 31, 2009 which compares to $119.2 million in the comparable period of 2008. The increase is primarily due to the contributions from feed manufacturing plants that Viterra acquired during fiscal 2008. Segment EBITDA for the quarter was $9.2 million, compared to EBITDA of $5.3 million for the same period of the prior year.

- For Viterra's Financial Products segment, EBITDA was $2.1 million in the first quarter of 2009 compared to EBITDA of $1.1 million for the same three-month period of 2008.

- Consolidated operating, general and administration expenses ("OG&A"), net of synergies, increased by $26.6 million from the same three-month period last year, a reflection of a number of initiatives undertaken by the Company to position it for the future. The increase reflects:

  - OG&A expenses associated with the addition of three feed manufacturing plants that were acquired part way through fiscal 2008;
  - costs related to several growth initiatives including the enhancement of our information technology systems and start-up expenses related to the International Grain division;
  - an increase in repair and maintenance expenditures that were necessary to bring a number of assets that were acquired from Agricore United up to Viterra's quality standards; and
  - an increase in wages and salaries across Viterra that reflects the Company's new five-year collective bargaining agreement, a new incentive plan for employees and the implementation of a common compensation platform that aligned salaries and eliminated wage inequities that existed between the predecessor companies.

- Viterra's balance sheet remains one of the strongest in the industry with a total debt to capital ratio of 25% at January 31, 2009, which compares to 38% at the same time a year ago.

- During the quarter, the Company renewed its grain volume insurance program for fiscal 2009 securing coverage of up to $60 million to protect against production declines in the western Canadian market.

- The Company achieved a total of $121 million in synergies related to the acquisition and integration of Agricore United, which represents both a full run rate of synergies and the final report to shareholders on these numbers.

Based on current industry projections, fiscal 2009 industry receipts are estimated to be 32 to 33 million tonnes for the six major grains, up approximately 1 million tonnes from last year. Record farm incomes in 2008 and relatively strong grain and oilseed prices are positive indicators for the Agri-products segment for 2009. Soil nutrient levels have been depleted over the last number of years and the record production of the 2008 crop only contributed further to this depletion. Replenishing soil nutrient levels is essential to maximizing yields. An important indicator for the spring selling season is agri-products prepayments, which totaled $242.2 million at the end of the quarter, a positive sign that producers intend to maximize their plantings during the upcoming growing season.

Viterra will be hosting a conference call for interested parties on March 11, 2008 at 1:00 p.m. Toronto time, 11:00 a.m. Regina time to discuss its First Quarter Financial Report. Details are available on Viterra's website, under Newsroom at www.viterra.ca.

Certain statements in this news release are forward-looking statements and reflect Viterra's expectations regarding future results of operations, financial condition and achievements. All statements that address activities, events or developments that Viterra or its management expects or anticipates will or may occur in the future, including such things as growth of its business and operations, competitive strengths, strategic initiatives, planned capital expenditures, plans and references to future operations and results, critical accounting estimates and expectations regarding future capital resources and liquidity of the Company and such matters, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and achievements of Viterra to be materially different from any future results, performance and achievements expressed or implied by those forward-looking statements. A number of factors could cause actual results to differ materially from expectations. These factors and assumptions are further detailed in Viterra's First Quarter Financial Report.

Viterra Inc. is Canada's leading agribusiness, with extensive operations and distribution capabilities across Western Canada, and with operations in the United States, Japan, and Singapore. The Company is diversified into sales and services of crop inputs and equipment, grain handling and marketing, livestock feed and services, agri-food processing and financial products. These operations are complemented by value-added businesses and strategic alliances which allow Viterra to leverage its

pivotal position between Prairie farmers and destination customers. The Company's common shares are listed on the Toronto Stock Exchange under the symbol VT.

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VITERRA

FIRST QUARTER FINANCIAL REPORT – JANUARY 31, 2009
MANAGEMENT'S DISCUSSION AND ANALYSIS

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1. Responsibility for Disclosure

Management's Discussion and Analysis ("MD&A") was prepared based on information available to Viterra Inc. (referred to herein as Viterra or the "Company") as of March 11, 2009. Management prepared this report to help readers interpret Viterra's consolidated financial results for the three months ended January 31, 2009 and January 31, 2008.

To support the discussion, this report includes information with respect to the agri-business industry, the markets in which the Company operates and any trends that may impact operating and financial performance into the future. This report should be read in conjunction with Viterra's 2008 Annual Financial Review and the 2008 Annual Information Form, which are available on Viterra's website at www.viterra.ca, as well as on SEDAR's website at www.sedar.com, under Viterra Inc.

This MD&A, the unaudited Consolidated Balance Sheet, Statement of Earnings (Loss), Statement of Cash Flows, Statement of Comprehensive Income (Loss), Statement of Shareholders' Equity and Notes to the Consolidated Financial Statements have been prepared in accordance with Canadian GAAP and are presented in Canadian dollars unless specifically stated to the contrary.

2. Company Overview

Viterra is a vertically integrated Canadian agri-business engaged in a number of distinct but interrelated businesses. Founded in 1924, the Company serves western Canadian farmers and markets commodities and food products around the world. Viterra is Canada's leading agri-business, with extensive operations and distribution capabilities across Western Canada as well as operations in the United States ("U.S."), Japan and Singapore.

As a major participant in the value-added agri-food supply chain, Viterra's core businesses are diversified among five segments: Agri-products sales and services, Grain Handling and Marketing, Livestock Feed and Services, Agri-food Processing and Financial Products. Geographically, Viterra's operations are diversified across Western Canada, through the south central United States, Japan, and Singapore, with plans to open an office in Geneva in April 2009. Viterra participates in fertilizer manufacturing through its 34% ownership in Canadian Fertilizers Limited ("CFL"), oat milling through Can-Oat Milling ("Can-Oat") and malt processing through its interest in Prairie Malt Limited. Viterra is also involved in other commodity-related businesses through strategic alliances and supply agreements with domestic and international grain traders and food processing companies. The Company markets commodities directly to customers in more than 50 countries.

Viterra's shares trade on the Toronto Stock Exchange ("TSX") under the symbol "VT".

3. SUMMARY AND ANALYSIS OF CONSOLIDATED RESULTS

Selected Consolidated Financial Information (in thousands - except percentages and per share amounts)	Actual Three Months ended January 31, 2009	2008	Better (Worse)
Sales and other operating revenues	$ 1,381,741	$ 1,317,142	$ 64,599
Gross profit and net revenues from services	$ 124,128	$ 185,228	$ (61,100)
Operating, general and administrative expenses	(130,533)	(103,958)	(26,575)
EBITDA	(6,405)	81,270	(87,675)
Amortization	(26,178)	(25,522)	(656)
EBIT	(32,583)	55,748	(88,331)
Integration expenses	(1,676)	(6,619)	4,943
Gain (loss) on disposal of assets	(245)	2,109	(2,354)
Financing expenses	(9,250)	(13,343)	4,093
	(43,754)	37,895	(81,649)
Recovery of (provision for) corporate taxes			
Current	(129)	(5,740)	5,611
Future	10,933	9,062	1,871
Net earnings (loss)	$ (32,950)	$ 41,217	$ (74,167)
Earnings (loss) per share	$ (0.14)	$ 0.20	$ (0.34)

Consolidated sales and other operating revenues for the first quarter of fiscal 2009 increased $64.6 million to $1.4 billion (2008 - $1.3 billion), with sales increases reported in the Agri-products, Agri-food Processing, Livestock Feed and Services, and Financial Products segments.

EBITDA (consolidated earnings before interest, taxes, amortization, gain (loss) on disposal of assets, integration expenses) was a loss of $6.4 million for the quarter, which included a fertilizer inventory writedown of $28.1 million. Excluding the writedown, consolidated EBITDA was $21.7 million, a decrease of $59.6 million compared to the same quarter of 2008. Slow fall fertilizer sales and lower fertilizer margins, together with the impact of an anticipated decline in grain margins and volumes were the main reasons for the quarter over quarter variance. Further information on segment performance is described in Section 4 "Segment Results".

Amortization for the three months ended January 31, 2009 was $26.2 million, in line with the $25.5 million recorded in the same three-month period in 2008.

Financing expenses were $9.3 million for the quarter. This is net of $3.4 million of interest income and a $1.0 million Canadian Wheat Board ("CWB") carrying charge recovery. Financing expenses were $13.3 million in the same period of 2008, net of $1.2 million of interest income and a $1.6 million CWB carrying charge recovery. After adjusting for interest income and recoveries, financing expenses decreased by $2.4 million to $13.7 million in 2009. This decrease is mainly due to decreased levels of short-term borrowings and lower interest rates associated with the Company's debt facilities.

Viterra recorded a net corporate income tax recovery of $10.8 million in the three-month period ended January 31, 2009, compared to a net corporate income tax recovery of $3.3 million in the same period of 2008.

The effective tax rate for the first quarter was 24.7%, compared to -8.8% for the same period last year. The current quarter effective tax rate differs from the Canadian statutory rate of 31% due to a variety of factors including the change in future tax rates applied to different tax assets and tax liabilities as well as the effect of foreign income tax rates differing from Canadian income tax rates. Due to Viterra's loss carry-forwards, current taxes largely reflect the current taxes of the Company's subsidiary operations and in the three-month period ended January 31, 2009 these decreased by $5.6 million to $0.1 million.

Viterra's first quarter net loss was $33.0 million or $0.14 per share, which compares to net earnings of $41.2 million or $0.20 per share in same three-month period of 2008.

3.1 SELECT QUARTERLY INFORMATION

Select Quarterly Financial Information *For the quarters ended* *($millions - except per share amounts)* *(Unaudited)*	January 31 2009 Q1	October 31 2008 Q4[1]	July 31, 2008 Q3[1]	April 30 2008 Q2[1]	January 31 2008 Q1[1]	October 31 2007 Q5[1,2]	July 31, 2007 Q4[1,3]	April 30 2007 Q3
Sales and other operating revenues	$ 1,581.7	$ 1,718.0	$ 2,219.2	$ 1,520.4	$ 1,317.1	$ 1,205.5	$ 1,400.2	$ 421.6
Net earnings (loss)	$ (33.0)	$ 40.8	$ 159.7	$ 33.8	$ 41.2	$ 0.6	$ 60.5	$ 8.2
Basic and Diluted earnings (loss) per share	$ (0.14)	$ 0.20	$ 0.71	$ 0.15	$ 0.20	$ -	$ 0.56	$ 0.10

[1] *Includes consolidation of results of AU from May 29, 2007, the date of acquisition*
[2] *Includes consolidation of results of AU for the entire quarter*
[3] *As restated*

The Company's earnings follow the seasonal pattern of prairie grain production. Activity peaks in the spring as new crops are sown and in the fall as mature crops are harvested. The volume of grain shipments are relatively stable through the quarters, but can be influenced by destination customer demand, the CWB's export program, and producers' marketing decisions which in turn are driven by commodity price expectations, harvest pressures and cash flow requirements. The level of grain receipts each quarter also depends on these factors.

Sales of Viterra's Agri-products peak in May through July, corresponding with the growing season, supplemented by additional crop nutrient sales in the late fall, should weather permit. Although relatively steady throughout the year, sales in the Livestock Feed and Services segment tends to peak during the winter months as feed consumption increases. In the Agri-food Processing segment, earnings are more fluid with continuous demand for products throughout each quarter. Financial Products agency fees follow the related pattern of sales in the underlying activity in Agri-products and Livestock Feed and Services segments.

4. SEGMENT RESULTS

4.1 GRAIN HANDLING AND MARKETING

In the Grain Handling and Marketing segment, Viterra actively buys grain and oilseeds from farm customers throughout the year. Viterra tests the commodities for quality and cleans, dries and blends them in preparation for shipping. Viterra earns a margin for these services. Volumes, quality and export demand are key drivers in this business. Viterra markets open market grains and oilseeds directly to destination customers and buys and sells CWB grains as an Agent and Accredited Exporter of the CWB.

Grain Handling and Marketing *(in thousands - except percentages & margins)*		**Actual Three Months ended January 31, 2009**	Actual Three Months ended January 31, 2008	*Better (Worse)*
Gross profit and net revenues from services		$ **96,064**	$ 115,694	$ *(19,630)*
Operating, general and administrative expenses		**(48,139)**	(42,639)	*(5,500)*
EBITDA		**47,925**	73,055	*(25,130)*
Amortization		**(10,121)**	(10,343)	*222*
EBIT		$ **37,804**	$ 62,712	$ *(24,908)*
Operating Highlights				
Total sales and other operating revenues		$ **964,030**	$ 988,732	$ *(24,702)*
[A] Industry receipts - six major grains *(tonnes)*		**8,181**	8,681	*(500)*
Industry shipments - six major grains *(tonnes)*		**7,981**	8,791	*(810)*
[B] Primary elevator receipts *(tonnes)* *		**3,611**	3,603	*8*
Primary elevator shipments (tonnes)		**3,772**	4,153	*(381)*
Six Major Grains		**3,611**	3,843	*(232)*
Industry terminal handle - six major grains *(tonnes)*		**5,505**	5,348	*157*
Port Terminal receipts *(tonnes)*		**2,087**	2,428	*(341)*
Vancouver		**1,203**	1,284	*(81)*
Thunder Bay		**600**	609	*(9)*
Prince Rupert Grain *(Company share)*		**284**	535	*(251)*
Market share *(%)* - Country Receipts *	[B]/[A]	**44.1%**	41.5%	*2.6 pt*
Margin *($ per grain tonne shipped)*		$ **25.47**	$ 27.86	$ *(2.39)*
Licensed storage capacity *(tonnes)* **				
- Industry		**5,312**	5,270	*0.8%*
- Company		**1,868**	1,881	*(0.7%)*
Inventory turns *(shipments divided by capacity)* †				
- Industry		**6.01 x**	6.67 x	*(0.66) x*
- Company		**8.08 x**	8.83 x	*(0.75) x*

† This ratio is annualized to be a more meaningful measure
** Represents six major grains*
*** CGC's Dec. 28, 2007 edition of Grain Elevators in Canada - updated to include new builds, expansions and closures*

4.1.1 Industry Shipments

Shipments in any given fiscal year are dependant upon production levels and carry-out stocks from the prior year. Grain flows can fluctuate somewhat in the first quarter depending on global demand, crop size, prices of competing commodities, as well as the factors noted in section 4.1. During the first quarter of 2009, these factors affected the volumes available to the industry. In addition, year-over-year exports were down, in part, due to the lack of feed barley exports. Canadian feed barley exports were nearly 1 million tonnes lower than 2008 figures. Competing regions such as the Black

Sea and Australia have been aggressive sellers in the global feed barley market. As a result, industry shipments for the three months ended January 31, 2009 declined by 9.2% compared to the first quarter of 2008.

4.1.2 Viterra Shipments

Viterra's shipments for the quarter ended January 31, 2009 were 3.8 million tonnes. This compares to 4.2 million tonnes for the comparable period in 2008. Viterra shipped 1.8 million tonnes of CWB grains during the quarter, on par with the comparable period last year. Open market grain shipments decreased by 0.5 million tonnes. Based on receipts, the split between CWB and open market grains for the quarter was 53/47 compared to 48/52 for the first quarter of 2008.

For open market grains, last year's volumes included a number of feed barley shipments that were executed based on contracts which were secured during the temporary de-regulation of the CWB barley program. As such, they were included as open-market grains. This year, canola movement has been strong while pea exports have been slower than last year, primarily due to timing. After being generally absent from the export market in the first quarter, India has recently re-emerged as a major importer of peas.

An important measure of the Company's performance in this segment is market share, which is based on primary elevator receipts of the six major grains. Viterra's market share in the first quarter of 2009 was 44.1% compared to 41.5% in 2008.

At port terminal position, industry receipts were up 2.9% quarter-over-quarter, while Viterra's port terminal receipts declined by 14%. Viterra made a conscious decision to temporary hold off on certain sales contracts as it assessed the impact of global economic conditions on certain customers' ability to pay. Viterra has reviewed its counterparty risk and is comfortable no material issues exist at this time.

The higher proportion of CWB grains this year also had an impact on the Company's port volumes as the CWB diverted a portion of Viterra originated grain to Alliance Grain Terminal in Vancouver resulting in lost pipeline efficiencies, lower terminal volumes and revenue.

Gross margin per tonne was $25.47 for the first quarter of 2009, in line with management expectations. This compares to $27.86 per tonne in the same quarter a year ago. This decrease mainly reflects:

- lower terminal handling volumes;
- less merchandising and blending opportunities because of higher quality and lower commodity prices;
- fewer opportunities to extract premiums from the market due to less volatility and lower commodity prices; and
- a higher percentage of CWB grains

Incremental earnings associated with the Company's interest in Prince Rupert Grain were $0.5 million for the first quarter of 2009 (contribution of $0.12 per tonne) compared to $2.3 million (contribution of $0.56 per tonne) for the same period last year. Volumes at the Prince Rupert terminal were down 46.9% from the same three-month period last year, primarily reflecting slower CWB movement through that port.

The following table demonstrates comparable commodity prices year-over-year:

Select Commodity Prices Per Tonne	Opening Oct 31 2007	Closing Jan 31 2008	Increase (Decrease)	Opening Oct 31 2008	Closing Jan 31 2009	Increase (Decrease)	10 Year Average
Wheat (No.1 CWRS 11.5%)	$ 290.00	$ 354.00	$ 64.00	$ 292.00	$ 287.00	$ (5.00)	$ 196.00
Feed Barley (No.1 Feed, Lethbridge)	$ 183.00	$ 208.00	$ 25.00	$ 171.00	$ 146.00	$ (25.00)	$ 134.00
Oats (US No.2, CBoT nearby (US Dollars))	$ 186.00	$ 213.00	$ 27.00	$ 150.00	$ 126.00	$ (24.00)	$ 152.00
Flax (No.1 CW, I/S Thunder Bay)	$ 536.00	$ 673.00	$ 137.00	$ 496.00	$ 505.00	$ 9.00	$ 333.00
Canola (No.1 Canada, I/S Vancouver)	$ 432.70	$ 548.30	$ 115.60	$ 413.00	$ 433.00	$ 20.00	$ 312.00
Peas (Producer Price, FOB plant)	$ 248.00	$ 340.00	$ 92.00	$ 220.00	$ 224.00	$ 4.00	$ 160.00

Source: 10 year Average from Agriculture and Agrifood Canada
Canadian Wheat Board Pool Return Outlook (No.1 CWRS 11.5% PRO) and Company Reports

OG&A expenses for the Grain Handling and Marketing segment increased by $5.5 million for the first quarter of 2009, relative to the comparable period of the prior year. The increase primarily reflects additional wages, salaries and short-term incentive accruals associated with a new five-year collective bargaining agreement with the Grain Services Union ("GSU"), as well as costs related to the Company's employee share purchase plan, which was implemented in June 2008. Increased expenses also reflect the addition of a new International Grain division that was established in the latter part of 2008.

Lower grain handling volumes and margins, together with higher OG&A expenses, resulted in EBITDA of $47.9 million for the first quarter of 2009, compared to $73.1 million in the same period last year.

During the quarter, Viterra finalized its grain volume insurance program for the 2009 crop. The program provides up to $60 million in coverage for reductions in grain production due to drought or other weather related events. Partial insurance payments are receivable if grain production decreases by more than about 25% and a full payout is available if production decreases by more than 40%.

4.2 AGRI-PRODUCTS

Agri-products *(in thousands - except percentages)*		Actual Three Months ended January 31, 2009		2008		*Better (Worse)*
Gross profit and net revenues from services	$	**(8,641)**	$	47,101	$	*(55,742)*
Operating, general and administrative expenses		**(34,605)**		(28,915)		*(5,690)*
EBITDA		**(43,246)**		18,186		*(61,432)*
Amortization		**(11,273)**		(11,308)		*35*
EBIT	$	**(54,519)**	$	6,878	$	*(61,397)*
Operating Highlights						
Sales and other operating revenues	$	**186,172**	$	165,946	$	*20,226*
Fertilizer *	$	**169,718**	$	155,418	$	*14,300*
Crop Protection	$	**2,971**	$	1,842	$	*1,129*
Seed	$	**1,928**	$	784	$	*1,144*
Equipment sales and other revenue	$	**11,555**	$	7,902	$	*3,653*
Margin *(% of Sales)*		**-4.6%**		28.4%		*(33.0 pt)*

* *Consolidated sales from wholesale and retail operations*

Viterra currently operates 253 ag-retail facilities located across Western Canada and holds a 34% investment in CFL, a nitrogen fertilizer manufacturing plant in Medicine Hat, Alberta. The Company is entitled to receive 34% of approximately 1.5 million tonnes of merchantable product, split equally between granular urea and anhydrous ammonia ("NH_3").

Retail sales of agri-products are seasonal and correlate directly to the life cycle of the crop. Historically, the Company averages only 9% of its agri-products sales during the first quarter of the fiscal year and receives pre-purchase payments from customers for the spring agri-products. This year, fall sales were slow due to decisions to hold off on fertilizer purchases in anticipation of falling prices.

During the quarter, producers also evaluate the performance of their seed from the previous harvest and the condition of their soil in order to determine what crops they intend to plant in the spring. Seed bookings, prepayments and discussions with customers across Western Canada indicate that the upcoming seeded acreage will likely be similar to the 2008 crop. Viterra retail customer prepayments totaled $242.2 million at January 31, 2009, which compares to $276.9 million at the same time the previous year.

Sales and other operating revenues for the Agri-products segment during the first quarter were up from the prior year, increasing by $20.2 million to $186.2 million compared to $166.0 million for the same three-month period of 2008.

Average pricing across all major fertilizer nutrients were up approximately 31% from the same three-month period of 2008 and was the primary reason for the $14.3 million fertilizer sales increase during the quarter. Fertilizer volumes were down approximately 15.7% quarter-over-quarter. Given volatile and declining fertilizer prices, Viterra believes many producers chose to defer their fall fertilizer purchases into spring.

Seed sales during the first quarter were $1.9 million, an increase of $1.1 million over the $0.8 million reported in the three months ended January 31, 2008. Sales increases reflect higher forage sales as well as increased demand for canola and wheat seed varieties.

Sales of the Company's crop protection products increased $1.1 million in the first quarter to $3.0 million. The increase is due mainly to timing. Producers purchased glyphosates and dicots (weed control products) earlier than in previous years because of uncertainty of world supplies of these products.

Equipment sales and other revenue increased by $3.7 million to $11.6 million. The increase for the first quarter of 2009 reflects stronger storage bin sales, an indication of the record 2008 harvest as well as grower decisions to store more grain on-farm in the first quarter. Higher equipment sales were partially offset by lower custom applications and NH_3-related services revenue due to reduced fertilizer demand.

The segment had a gross margin loss of $8.6 million for the first quarter of 2009, compared to gross margin of $47.1 million for the comparable period of the prior year, which includes an inventory writedown of $28.1 million on the Company's fertilizer inventory as at January 31, 2009. In accordance with GAAP, management estimates the value of its inventory each period at the lower of cost and net realizable value. Gross margin in 2009 also included a $3.2 million realized loss and a $3.5 million marked-to-market unrealized loss on the Company's natural gas hedging program (as part of the Company's risk management process, it manages its exposure to natural gas costs incurred in the manufacture of nitrogen fertilizer through its ownership of CFL), a reflection of lower natural gas prices during the period. Excluding the inventory writedown and hedging loss, the net decrease in gross margin compared to the same quarter of 2008 was $20.9 million. The decrease in fertilizer volumes and lower fertilizer margins were the primary reasons for the variance. In addition, last year's first quarter results included price appreciation that was realized on lower cost fertilizer.

OG&A expenses increased by $5.7 million for the first quarter of 2009 to $34.6 million. Incremental expenses for wages and salaries related to the Company's new five-year collective bargaining agreement as well as costs associated with the new employee share purchase plan, which was implemented in June 2008, were the primary reasons for the increase.

The EBITDA loss for the quarter was $43.2 million compared to EBITDA of $18.2 million in the first quarter of 2008. It is important to note that it is not unusual for this segment to record a loss in the first quarter, particularly when fall applications do not materialize.

4.3 AGRI-FOOD PROCESSING

Agri-food Processing *(in thousands - except percentages and margins)*	Actual Three Months ended January 31, 2009	2008	Better (Worse)
Gross profit and net revenues from services	$ 4,515	$ 2,317	$ 2,198
Operating, general and administrative expenses	(1,997)	(1,586)	$ (411)
EBITDA	2,518	731	$ 1,787
Amortization	(1,468)	(1,445)	$ (23)
EBIT	$ 1,050	$ (714)	$ 1,764
Operating Highlights			
Sales and other operating revenues	$ 48,441	$ 43,175	$ 5,266
Tonnes sold	70	85	(15)
Margin per tonne	$ 64.50	$ 27.26	$ 37.24

Viterra's significant interests in Agri-food Processing include its Can-Oat division, one of the world's largest industrial oat millers, with plants in Portage la Prairie, Manitoba, Martensville, Saskatchewan, and Barrhead, Alberta, and a 42.4% interest in Prairie Malt Limited, a single-site malting plant located at Biggar, Saskatchewan.

Can-Oat is an established market leader in industrial oat supply and the supplier of choice for many North American food manufacturers. For the oat milling business, yield is a significant factor in profitability. In an average year, it takes 1.6 tonnes of raw oats to produce one tonne of oat ingredients. The quality of raw oats has the largest impact on yield. Oats are priced in U.S. dollars and the world feed grain market predominantly drives prices. As a result, foreign exchange rates can impact margins and Can-Oat employs currency hedging practices to protect margins. The price of finished goods moves up and down with the price of oats.

In Viterra's malt business, reliable quality is a key factor in maintaining sales relationships with international customers. Only high-quality malt barley is selected for the malting process so crop quality can affect supply and increase production costs. For Prairie Malt, energy consumption, labour and yield maximization (the amount of malt produced from a tonne of barley) are key production drivers. Natural gas is also a key factor in production; thus gas prices can affect margins. Since sales are priced in U.S. dollars, Prairie Malt reduces the impact of foreign currency fluctuations by engaging in currency hedging activities.

Sales in the Agri-food Processing segment for the quarter were $48.4 million, up $5.3 million from the comparable period of 2008. The increase reflects higher average sales prices during the quarter for both oats and malt, offset partially by lower sales volumes. The decline in volumes reflects slower export sales to South America and the U.S., partly due to timing issues. As well Australia harvested a large good quality oat crop in 2008 which has increased the world's oat supply and increased competitiveness.

Gross margin in the first quarter of 2009 increased by $2.2 million to $4.5 million compared to the same three-month period of 2008. Marked-to-market adjustments for foreign exchange and commodity prices resulted in the recognition of a $2.0 million gain in Can-Oat's gross margin during the quarter, which compares to a negative adjustment of $5.3 million recorded in the same three-month period of 2008. The $2.0 million gain in Can-Oat's gross margin was offset by a $2.5 million foreign exchange loss that Prairie Malt recorded during the quarter.

Excluding the above adjustments, operating margins otherwise decreased by $2.6 million compared to the same three-month period of 2008. The lower operating margins reflect reduced volumes and a lower proportion of higher valued finished products such as oat bran in the sales mix, offset partially by improved yields at Can-Oat. Can-Oat's yield factor for the first quarter of 2009 was 1.597, compared to 1.606 in the same quarter of 2008. This reflects a 0.6% reduction in the amount of raw oats used in its production.

OG&A expenses were up $0.4 million in the first quarter of 2009, compared to the same three-month period of 2008 due to higher expenses at Can-Oat.

Segment EBITDA was $2.5 million for the first quarter, up $1.8 million from the same period last year. Excluding the above-noted adjustments, EBITDA decreased by $3.0 million.

4.4 LIVESTOCK FEED AND SERVICES

Livestock Feed and Services *(in thousands - except percentages and margins)*	Actual Three Months ended January 31, 2009	2008	*Better (Worse)*
Gross profit and net revenues from services	$ **28,451**	$ 18,001	$ *10,450*
Operating, general and administrative expenses	**(19,209)**	(12,695)	*(6,514)*
EBITDA	**9,242**	5,306	*3,936*
Amortization	**(3,000)**	(2,321)	*(679)*
EBIT	$ **6,242**	$ 2,985	$ *3,257*
Operating Highlights			
Feed sales *(tonnes)*	**560**	444	*116*
Feed sales and other operating revenues	$ **193,698**	$ 119,197	$ *74,501*
Non-feed sales and other operating revenues	$ **3,615**	$ 8,149	$ *(4,534)*
Feed margin *($ per feed tonne sold)*	$ **50.62**	$ 42.89	$ *7.73*
Non-feed gross profit and net revenue from services	$ **103**	$ (1,042)	$ *1,145*

This segment formulates and manufactures feed and feed ingredients for swine, dairy and beef cattle, poultry and other specialty feeds from six feed mills and three pre-mix facilities across Western Canada and at six feed mill locations in Texas, New Mexico and Oklahoma in the U.S. The key driver in the profitability of feed manufacturing is volume, since feed sales prices typically fluctuate in response to the underlying cost of ingredients. Margins remain relatively consistent year-over-year, with average annualized margins of about $41 to $43 per tonne. However, there can be some seasonal variability in the U.S. market, with lower margins generated in the

spring when the sales product mix shifts to lower margin products aimed at commercial feedlots.

Feed sales of $193.7 million for the three months ended January 31, 2009 compared with feed sales of $119.2 million in the comparable period of 2008. The increase is primarily due to the Company's acquisition of Sunrise Feeds LLC, a U.S. manufacturer and retailer of beef, horse and other animal feed and pasture supplements, V-S Feed and Agri-Supplies Ltd. in Alberta, and Gore Bros., Inc. and Gore's Trucking, Inc. These transactions were completed during the second quarter of 2008, therefore last year's first quarter results did not include these acquisitions.

Gross profit on feed for the quarter was $28.4 million ($50.62 per tonne) compared to $19.0 million ($42.89 per tonne) in the prior comparable period of 2008. Higher gross profit in the most recent three-month period is primarily a result of more U.S. sales (a result of the acquisitions mentioned above) and a weaker Canadian dollar.

OG&A expenses for the quarter were $19.2 million, $6.5 million higher than the first quarter of 2008 reflecting the addition of costs associated with the acquisitions described above.

EBITDA for the quarter was $9.2 million, compared to EBITDA of $5.3 million for the same comparable period of the prior year.

4.5 FINANCIAL PRODUCTS

Financial Products *(in thousands except percentages)*		**Actual Three Months ended January 31, 2009**		2008		*Better (Worse)*
Gross profit and net revenues from services	$	3,739	$	2,115	$	1,624
Operating, general and administrative expenses		(1,592)		(995)		(597)
EBITDA		2,147		1,120		1,027
Amortization		(105)		(105)		-
EBIT	$	2,042	$	1,015	$	1,027
Sales and other operating revenues	$	3,739	$	2,031	$	1,708

Through both Viterra Financial™ and Unifeed Financial®, the Company acts as an agent of a Canadian Schedule I chartered bank. Viterra Financial extends unsecured trade credit at competitive rates to the Company's Agri-products customers. Unifeed Financial offers secured loans to customers to primarily purchase feeder cattle and a small number of feeder hogs, as well as related feed inputs, with terms that do not require payment until the livestock is sold. The Company directly manages the customer relationship and receives a fee for performing front-end credit reviews and management services. In addition to these credit programs, this segment also offers other ancillary financial and risk management products to producers as well as a new carbon credit program in Alberta in which Viterra purchases and aggregates carbon offset credits from producers that use reduced or no-till farming practices (that reduce

greenhouse gas emissions). Viterra has a long-term agreement to supply these carbon offset credits to ENMAX Energy Corporation.

The profitability of this segment relates to the level, duration and quality of credit in a given period, which, in turn, is influenced by crop input and feed prices, farm income levels and interest rates.

Gross profit of $3.7 million in Financial Products relates to fees generated by Viterra Financial and Unifeed Financial during the quarter. This compares to gross profit of $2.1 million for the same period last year. The increase reflects a larger loan portfolio value in 2009.

OG&A expenses of $1.6 million increased by $0.6 million in the first quarter of 2009 compared to the same period of 2008 and is due to additional wages and benefits incurred to support the new carbon credit program and business development initiatives.

EBITDA was $2.1 million in the first quarter of 2009 compared to EBITDA of $1.1 million for the same three-month period of 2008.

4.6 CORPORATE EXPENSES

Corporate Expenses *(in thousands)*	Actual Three Months ended January 31, **2009**	2008	*Better (Worse)*
Operating, general and administrative expenses	$ **(24,991)**	$ (17,128)	$ *(7,863)*
Amortization	**(211)**	-	*(211)*
EBIT	$ **(25,202)**	$ (17,128)	$ *(8,074)*

Corporate expenses of $25.0 million in 2009 (2008 - $17.1 million) primarily reflect an increase to the directors' compensation program, the impact of a higher share price on the costs related to the Company's long-term incentive plan, additional external consulting expenses and increased program funding for the Western Farm Leadership Council. In addition, wages, salaries, and short-term incentive accruals have increased to reflect the Company's new five-year collective bargaining agreement, together with costs associated with its employee share purchase plan, which was implemented in June 2008. Corporate synergies of approximately $4.0 million were reflected in both three-month periods.

5. OUTLOOK

In addition to other sections of the Company's report, this section contains forward-looking information and actual outcomes may differ materially from those expressed or implied therein. For more information, please see "Forward-Looking Information" on page 29 of this report.

The December 4, 2008 Statistics Canada final production estimate revealed that western Canadian producers harvested a record 12.5 million tonnes of canola and a record 3.6 million tonnes of dry peas. Production of the six major crops is up over 25% from last year to a record 57.7 million tonnes. Based on yield reports, there is the potential for the crop to be even larger than estimated by Statistics Canada. The record crop, coupled with a lackluster export program in the first quarter of 2009 has resulted in increased on-farm stocks. Statistics Canada estimates on-farm stocks as at December 31, 2008 are 10 million tonnes higher than last year. According to the Canadian Grain Commission, Canadian grain exports for the first five months of the crop year (August to December) were down almost 870,000 tonnes.

While the overall CWB export program for all wheat, durum and malt barley is on par with the levels experienced last year, Canadian feed barley exports have lagged last year as previously noted. Pea exports were slow in the first quarter but have since picked up and, as a result, are expected to be only slightly lower than 2008 levels. Canola exports are on a record pace, up approximately 25% from last year.

Going forward, fiscal 2009 industry receipts are projected to be 32 to 33 million tonnes for the six major grains, up approximately 1 million tonnes from last year. This would not include any additional CWB movement that may occur if market conditions remain favourable. Depending on final shipments, the record production of 2008 may not necessarily translate into proportionately higher grain handling volumes in fiscal 2009. Management expects an increase of carry-out stocks into the following crop year, which should supplement future grain handling volumes in years where production may be below or on average.

Record farm incomes in 2008 and relatively strong grain and oilseed prices are positive indicators for the Agri-product segment for 2009. Even though there is some uncertainty among growers about which crops to grow, given the volatility of world commodity prices, producers appear to be cautiously optimistic. The expectation is that canola acreage will remain at least consistent with 2008 record levels. Industry participants project canola acreage for 2009 to range from 14.2 million to 14.7 million. This would be positive for the Agri-products segment given a large portion of its proprietary seed varieties are canola.

Soil nutrient levels have been depleted over the last number of years and the record production of the 2008 crop only contributed further to this depletion. Demand for fertilizer is expected to be very strong in the spring. Replenishing soil nutrient levels is important to maximizing yields. This, along with the fact that nitrogen prices have

started to recover, has resulted in fertilizer volumes picking up in the latter part of the quarter.

Contributions from Viterra's oat processing operations are expected to remain similar to last year's performance as demand for whole grain, nutritional food ingredients remains strong. With the economic challenges facing North America, management is anticipating an increase in demand for private label/store brand ready-to-eat cereals and economical whole grain convenience foods like granola and meal replacement bars. Oat supplies from the 2008 harvest are adequate and the quality for milling purposes is generally average to very good, which should support efficient production yields. Growth of premium products has slowed and is expected to be stagnant due to current global economic conditions.

In the Canadian livestock sector, the decline in feed ingredient costs and the softening of the Canadian dollar are expected to be positive for feed manufacturers in fiscal 2009. Demand from the dairy and poultry sectors is anticipated to remain steady. The Canadian hog industry is recovering and as such, demand is still soft.

In the United States, the poor economic situation is expected to reduce demand for meat and dairy products in the near term. Livestock producers are focused on managing input costs, putting pressure on feed manufacturers to produce lower cost feed rations. Given these supply/demand fundamentals, management anticipates some margin pressures within its U.S. operations in 2009. To date, the weak Canadian dollar has somewhat offset the impact on results.

6. LIQUIDITY AND CAPITAL RESOURCES

6.1 Cash Flow Information

Cash Flow Provided by (Used in) Operations *(in thousands - except per share amounts)*	Actual Three Months ended January 31, 2009	2008	*Better (Worse)*
EBITDA	**$ (6,405)**	$ 81,270	$ (87,675)
Add (Deduct):			
Employee future benefits	**1,326**	158	1,168
Equity loss (earnings) of significantly influenced companies	**(55)**	1,442	(1,497)
Other items	**60**	(161)	221
Adjusted EBITDA	**(5,074)**	82,709	(87,783)
Integration expenses	**(1,676)**	(6,619)	4,943
Cash interest expense	**(8,018)**	(12,365)	4,347
Pre-tax cash flow	**(14,768)**	63,725	(78,493)
Current income taxes	**(129)**	(5,740)	5,611
Cash flow provided by (used in) operations	**$ (14,897)**	$ 57,985	$ (72,882)
Per share	**$ (0.06)**	$ 0.28	$ (0.34)

For the three months ended January 31, 2009, cash flow used in operations decreased by $72.9 million (or $0.34 per share). Lower cash flow in 2009 reflects lower EBITDA, partly offset by lower integration and cash financing costs incurred by the

Company during the most current period. Lower current income taxes reflect the lower income levels for the current three-month period.

Cash Flow Provided by (Used in) Operating Activities *(in thousands)*		Actual Three Months ended January 31, 2009		2008		*Better (Worse)*
Net earnings (loss)	$	**(32,950)**	$	41,217	$	*(74,167)*
Adjustments for items not involving cash		**18,053**		16,768		*1,285*
Cash flow provided by operations *	$	**(14,897)**	$	57,985	$	*(72,882)*
Changes in non-cash working capital items		**(43,244)**		(328,735)		*285,491*
Cash flow provided by (used in) operating activities	$	**(58,141)**	$	(270,750)	$	*212,609*
Free Cash Flow *						
Cash flow provided by operations *	$	**(14,897)**	$	57,985	$	*(72,882)*
Property, plant and equipment expenditures		**(14,694)**		(6,612)		*(8,082)*
Free Cash Flow	$	**(29,591)**	$	51,373	$	*(80,964)*

* *See Non-GAAP Measures in Section 9*

Free cash flow is measured by cash flow provided by operations less capital expenditures and does not reflect changes in non-cash working capital (see Non-GAAP Financial Measures in Section 9). For the three months ended January 31, 2009, free cash flow decreased by $81.0 million from the comparable period of the prior year. The decrease reflects lower cash flow provided by operations and higher capital expenditures during the most recent quarter.

6.2 Investing Activities

Capital expenditures for the three months ended January 31, 2009 were $14.7 million. This compares to $6.6 million for the comparable period of the prior year. Capital expenditures in 2009 reflect a number of capital improvements and upgrades undertaken in the ordinary course of business.

On an annualized basis, Viterra expects consolidated capital expenditures of approximately $80 million, which will be funded by cash flow provided by operations.

6.3 Non-cash Working Capital

Non-cash Working Capital *(in thousands)*		As at January 31 2009		2008		*Better (Worse)*
Inventories	$	**874,267**	$	922,120	$	(47,853)
Accounts receivable		**645,490**		693,570		(48,080)
Prepaid expenses and deposits		**119,167**		87,238		31,929
Accounts payable and accrued liabilities		**(820,415)**		(799,504)		(20,911)
	$	**818,509**	$	903,424	$	*(84,915)*

Inventories at the end of January 31, 2009 were $47.9 million lower than at January 31, 2008. Grain inventories decreased by $203.3 million, partially offset by higher Agri-products inventories, which increased by $132.9 million due to increased fertilizer inventories, equipment, seed, and crop protection products. The remaining variance is due mainly to higher Livestock Feed and Services and Agri-food Processing inventories.

Accounts receivable at the end of January 31, 2009 were $48.1 million lower than at January 31, 2008, reflecting lower commodity prices.

Prepaid expenses and deposits increased by $31.9 million, mainly due to higher pre-payments to suppliers.

6.4 Financing Activities

Key Financial Information * *(in thousands - except percentages, pts and ratios)*	As at January 31 2009	2008	Better (Worse)
Funded Debt, Net of Cash and Cash Equivalents	$ **36,872**	$ 898,793	$ 861,921
EBITDA *(three months ended January 31)*	$ **(6,405)**	$ 81,270	$ (87,675)
Ratios			
Current Ratio	**2.77 x**	1.28 x	1.49 x
Total Debt-to-Capital	**25.2%**	38.1%	12.9 pt
Long-Term Debt-to-Capital	**24.5%**	12.4%	(12.1 pt)

* *See Non-GAAP Measures in Section 9*

The Company's total funded debt, net of cash and short-term investments, of $36.9 million at January 31, 2009, improved by $861.9 million from the same quarter of the prior year due to a decrease in short-term borrowings of $611.7 million and an increase of $665.6 million in cash and short-term investments, offset by an increase in long-term debt, including the current portion, of $403.8 million.

Long-term debt, including the current portion, was $707.8 million at January 31, 2009, up $403.8 million from the $304.0 million reported at the same time last year. The increase is attributable to a $400 million, five-year term credit facility ("Term Credit Facility") that was issued on May 15, 2008. The Company borrowed $300 million of the facility in May 2008 and used $232 million of the proceeds to fully repay outstanding amounts on a bridge facility. The remaining $100 million was drawn by the Company in the most recent quarter. The net proceeds, after repayments of the bridge facility, are expected to be used for general corporate purposes, including the funding of future acquisitions, with minimum mandatory principal repayments of 4% per annum.

The Company has entered into a series of interest rate swaps to convert the Company's floating rate exposure on the $400 million drawn on the Term Credit Facility described above to a fixed interest rate obligation. As a result of the swap, the hedged fixed rate, based upon Viterra's current credit ratings, is at approximately

5.3% on Canadian dollar borrowings and approximately 6.1% on U.S. dollar borrowings.

Short-term borrowings decreased $611.7 million to $19.3 million as at January 31, 2009, compared to $631.0 million reported in the prior year. The lower short-term borrowings over last year reflect the refinancing of the bridge facility with long-term debt, free cash flow provided by operations as well as lower non-cash working capital requirements. At January 31, 2009, the Company had $642.9 million available under the revolving credit facility.

The increase in cash and short-term investments is primarily attributable to a common share offering that was completed by the Company in May 2008 and the net proceeds of the Term Credit Facility (after repayment of the bridge loan).

The following table summarizes all material credit facilities of the Company, not including member loans and joint ventures, as at January 31, 2009:

Credit Facility		Principal Outstanding (000's)	Interest Rate	Due Date (Expire)	Scheduled Payments
Senior Unsecured Notes [1]	$	100,000	8.00% Fixed	April 08, 2013	None
Senior Unsecured Notes [1]	$	200,000	8.50% Fixed	August 01, 2017	None
Term Credit Facility - $ CAN [2]	$	321,750	BA + 200 BP [3]	May 15, 2013	4% per annum
Term Credit Facility- $ U.S. [2]	$	74,250	LIBOR + 200 BP [3]	May 15, 2013	4% per annum
Revolving Credit Facility [4]	$	-	Prime or BA + 90 BP	August 10, 2010	N/A

[1] *Rank pari passu with Term Credit Facility*

[2] *1st charge on property, plant and equipment; 2nd charge on all other assets of the Company (including certain subsidiaries property, plant and equipment and the subsidiaries capital stock)*

[3] *The effective rate has been fixed at 5.3% on Canadian funds and 6.1% on U.S. funds.*

[4] *1st charge on all assets of the Company and certain subsidiaries other than property, plant and equipment; 2nd charge on property, plant and equipment. Term extendable at option of borrower up to August 10, 2012. Maximum credit limit is the lower of $800 million or the calculated borrowing base of the facility.*

Short-term debt is used at various times during the year to finance operating requirements, which primarily consist of grain and agri-products inventory purchases and financing of accounts receivable from the CWB and other trade accounts.

Typically, the revolving credit lines are used to purchase inventories in the months prior to the agri-product spring selling season and reflect the significant seasonal variations in that business segment. The Company's leverage ratio will typically decline to its lowest quarterly level at July 31 (third fiscal quarter), representing the Company's core non-seasonal level of working capital. The level of short-term debt can also fluctuate as a result of changes in underlying commodity prices and the timing of grain purchases.

Management believes that cash flow from operations and its access to undrawn credit facilities will provide Viterra with sufficient financial resources to fund its working capital requirements, planned capital expenditure programs, and debt servicing requirements. This belief is predicated upon the Company's expectations of future commodity and crop input prices, and the expected turnover of inventory and accounts receivable components of working capital. (See Forward-Looking Information on page 29 of this report).

6.5 Debt Ratings

The following table summarizes the Company's current credit ratings:

	Corporate Rating	Senior Unsecured Notes	Term Credit Facility	Revolving Credit Facility	Trend
Standard & Poor's	BB+	BB+	n/a	BBB	Positive
DBRS Limited	n/a	BBB (Low)	BBB (Low)	n/a	Stable
Moody's Investors Service	Ba1	Ba1	n/a	n/a	Stable

No changes were made to these credit ratings during the quarter.

6.6 Contractual Obligations

The following table summarizes the Company's outstanding contractual obligations as at January 31, 2009:

Contractual Obligations *(in thousands)*

		Principal Payments Due by Period			
	Total	Less than 1 Year	1 to 3 Years	4 to 5 Years	After 5 Years
Balance Sheet Obligations					
Short-term debt	$ 19,285	$ 19,285	$ -	$ -	$ -
Long-term debt	718,822	18,615	35,832	464,169	200,206
Other long-term obligations	60,532	19,315	22,763	7,534	10,920
	798,639	57,215	58,595	471,703	211,126
Other Contractual Obligations					
Operating leases	$ 39,701	11,835	15,354	7,918	4,594
Purchase obligations [1]	733,288	707,165	26,123	-	-
	772,989	719,000	41,477	7,918	4,594
Total Contractual Obligations	$ 1,571,628	$ 776,215	$ 100,072	$ 479,621	$ 215,720

[1] *Substantially all of the purchase obligations represent contractual commitments to purchase commodities and products for resale.*

6.7 Off-Balance Sheet Arrangements

6.7.1 Pension Plans

The Company, excluding its subsidiaries and affiliates, contributes to several defined contribution plans, including four multi-employer plans. The Company's total contribution expense, including the subsidiaries' and proportionate share of joint ventures' defined contribution plans for the three-month period ended January 31, 2009 was $2.7 million (2008 - $2.0 million).

With regard to the Company's defined benefit plans, management currently estimates quarterly payments of $5.6 million in 2009, (2008 - $1.5 million) to fund solvency deficiencies in accordance with actuarially determined amounts based on federal pension regulations. The estimated increase in payments is primarily the result of a reduction in the fair value of plan assets, reflecting the current downturn in financial markets. Funding requirements may increase or decrease depending upon future actuarial valuations. The Company's projection is based on funding the increase in plan deficits over a five-year period and these payments may change in the future to reflect formal valuations as at December 31, 2008, which are required to be filed with the regulatory authority by June 30, 2009.

6.7.2 Viterra Financial and Unifeed Financial

Viterra Financial provides grain and oilseeds producers with unsecured working capital financing, through a Canadian Schedule I chartered bank, to purchase the Company's fertilizer, crop protection products, seed and equipment. Outstanding credit was $293.1 million at January 31, 2009, compared to $224.7 million at January 31, 2008. Approximately 96% of the current outstanding credit relates to Viterra Financial's highest credit rating categories. The Company indemnifies the bank for 50% of future losses under Viterra Financial to a maximum limit of 5% of the aggregate qualified portfolio balance. The Company's aggregate indemnity will vary at any given time with the size of the underlying portfolio. As at January 31, 2009, Viterra has provided $3.6 million for actual and future expected losses.

Unifeed Financial provides livestock producers with secured working capital financing through a Canadian Schedule I chartered bank to purchase feeder cattle, feeder hogs and related feed inputs under terms that do not require payment until the livestock are sold. The customer base for Unifeed Financial tends to be smaller with individually larger average credit balances than Viterra Financial. Unifeed Financial approved $97.0 million (January 31, 2008 – $102.3 million) in credit applications of which customers had drawn $39.7 million at January 31, 2009 (January 31, 2008 - $36.4 million). The Company has indemnified the bank for aggregate credit losses of up to $6.5 million based on the first 20% to 33% of new credit issued on an individual account as well as for credit losses, shared on an equal basis, of up to 5% of the aggregate qualified portfolio balance. The Company's aggregate indemnity will vary at any given time with the credit rating of underlying accounts and the aggregate credit outstanding. As at January 31, 2009, the Company had provided about $0.6 million for actual and expected future losses.

6.8 Outstanding Share Data

The market capitalization of the Company's 237 million issued and outstanding shares at March 10, 2009 was $2.2 billion or $9.30. The issued and outstanding shares at March 10, 2009, together with securities convertible into common shares are summarized in the following table:

As at March 10, 2009 *(Unaudited)*	
Issued and outstanding Common Shares	237,049,213
Securities convertible into Common Shares:	
Stock Options	71,100
	237,120,313

7. OTHER MATTERS

7.1 Accounting Policy Changes

7.1.1 Inventories

As described in Note 2 of the Consolidated Financial Statements, effective November 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031, Inventories. Grain inventories include both hedgeable and non-hedgeable commodities. Hedgeable and non-hedgeable grain inventories are valued on the basis of closing market quotations less freight and handling costs. Agri-products, feed, and other inventories consist of raw materials, work in progress and finished goods, and are valued at the lower of cost and net realizable value, the former is determined on a first-in, first-out basis.

7.1.2 Goodwill and Intangible Assets

Effective November 1, 2008, the Company adopted the CICA Handbook Section 3064, Goodwill and Intangibles. This adoption had no material impact to the Company.

7.1.3 International Financial Reporting Standards

In February 2008, the Accounting Standards Board ("AcSB") announced that 2011 is the changeover date for publicly accountable enterprises to replace Canadian GAAP with International Financial Reporting Standards ("IFRS"). The date relates to interim and annual financial statements for fiscal years beginning on or after January 1, 2011 which will be applicable for Viterra's first quarter of fiscal 2012. The Company will also be required to provide IFRS comparative information for the previous fiscal period.

The Company has undertaken a project to assess the potential impacts of its transition to IFRS. A detailed project plan has been developed and working teams formed to ensure compliance with the new standards. A Steering Committee of senior individuals from Finance, Treasury, Legal, Investor Relations and Information Technology has been established to monitor progress and review and approve recommendations from the working teams. Quarterly IFRS updates are provided to the Audit Committee.

The Company has recently completed the Initial Assessment phase of its project plan and has moved to the Detailed Assessment phase. Key segments of this phase that are currently in progress include training of individuals throughout the Company and the detailed determination of accounting policy and disclosure changes that will be required upon transition to IFRS.

7.2 Critical Accounting Estimates

At January 31, 2009, the Company had consolidated loss carry-forwards of $184.7 million (January 31, 2008 - $243.3 million) including $25.0 million of losses from inactive subsidiaries of which the company has less than 100% interest. These loss carry-forwards are available to reduce taxes otherwise payable in future years and expire between October 2009 and 2027. The Company has recorded a corresponding future tax asset of $49.4 million, net of a $6.8 million valuation allowance related to the loss carry-forwards of the inactive subsidiaries.

Included in the Company's loss carry-forwards is a loss for tax purposes related to the first quarter of 2009 of $77.1 million. The Company expects this first quarter tax loss to be fully utilized against income generated during the remainder of fiscal 2009.

8. INTEGRATION

On May 29, 2007, the Company acquired effective control of Agricore United. As of January 31, 2009, the integration of the two companies was complete. The Company achieved a total of $121 million in synergies related to the acquisition. This represents both a full run rate of synergies achieved through the acquisition and the final report to shareholders on these numbers.

These results are further described in the table below:

Segment	January 31, 2009 Actual Synergies
Grain Handling and Marketing	$67.4 Million
Agri-products	$27.3 Million
Corporate Services	$26.3 Million
	$121.0 Million

9. NON-GAAP FINANCIAL MEASURES

EBITDA (earnings before interest, taxes, amortization, gain (loss) on disposal of assets, integration expenses) and EBIT (earnings before interest, taxes, gain (loss) on disposal of assets, integration expenses) are non-GAAP measures. Those items excluded in the determination of EBITDA and EBIT represent items that are non-cash in nature, income taxes, financing charges or are otherwise not considered to be in the ordinary course of business. These measures are intended to provide further insight with respect to Viterra's financial results and to supplement its information on earnings (losses) as determined in accordance with GAAP.

EBITDA is used by management to assess the cash generated by operations and EBIT is a measure of earnings from operations prior to financing costs and taxes. Both measures also provide important management information concerning business segment performance since the Company does not allocate financing charges, income taxes or other excluded items to these individual segments.

Funded debt, net of cash and cash equivalents, is provided to assist investors and is used by management in assessing the Company's liquidity position and to monitor how much debt the Company has after taking into account its liquid assets, such as cash and cash equivalents. Such measures should not be used in isolation of, or as a substitute for, current liabilities, short-term debt, or long-term debt as a measure of the Company's indebtedness.

Cash flow provided by operations is the cash from (or used in) operating activities, excluding non-cash working capital changes. Viterra uses cash flow provided by operations and cash flow provided by operations per share as a financial measure for the evaluation of liquidity. Management believes that excluding the seasonal swings of non-cash working capital assists management's evaluation of long-term liquidity.

Free cash flow is cash flow provided by operations (prior to any changes in non-cash working capital) net of capital expenditures, excluding business acquisitions. Free cash flow is used by management to assess liquidity and financial strength. This measurement is also useful as an indicator of the Company's ability to service its debt, meet other payment obligations and make strategic investments. Readers should be aware that free cash flow does not represent residual cash flow available for discretionary expenditures.

These non-GAAP measures should not be considered in isolation from, or as a substitute for, GAAP measures such as (i) net earnings (loss), as an indicator of the Company's profitability and operating performance or (ii) cash flow from or used in operations, as a measure of the Company's ability to generate cash. Such measures do not have any standardized meanings prescribed by Canadian GAAP and are, therefore, unlikely to be comparable to similar measures presented by other corporations.

Reconciliations of each of these terms are provided in the table below.

Non-GAAP Terms, Reconciliations and Calculations

(in thousands - except percentages and ratios)

		2009	2008	Better (Worse)
	For the three months ended January 31			
	Gross profit and net revenues from services	$ 124,128	$ 185,228	$ (61,100)
	Operating, general and administrative expenses	$ (130,533)	$ (103,958)	$ (26,575)
	EBITDA	$ (6,405)	$ 81,270	$ (87,675)
	Amortization	(26,178)	(25,522)	$ (656)
	EBIT	$ (32,583)	$ 55,748	$ (88,331)
	Net earnings (loss)	$ (32,950)	$ 41,217	$ (74,167)
	Amortization	26,178	25,522	$ 656
	Non-cash financing expenses	1,232	978	$ 254
	Employee future benefits	1,326	158	$ 1,168
	Equity loss (earnings) of significantly influenced companies	(55)	1,442	$ (1,497)
	Future income taxes (recovery)	(10,933)	(9,862)	$ (1,071)
	Loss (gain) on disposal of assets	246	(2,109)	$ 2,355
	Other items	60	(161)	$ 221
	Cash flow prior to working capital changes	$ (14,897)	$ 57,985	$ (72,882)
	Property, plant and equipment expenditures	(14,694)	(6,612)	$ (8,082)
	Free Cash Flow	$ (29,591)	$ 51,373	$ (80,964)
	As at January 31			
	Current assets	$ 2,410,487	$ 1,828,860	$ 581,627
	Current liabilities	870,097	1,433,275	$ 563,178
	Current Ratio (Current Assets/Current Liabilities)	2.77	1.28	1.49 pt
	Short-term borrowings (Note 12)	$ 19,288	$ 630,961	$ 611,673
[A]	Long-term debt due within one year (Note 12)	18,582	2,448	$ (16,134)
[A]	Long-term debt (Note 12)	689,259	301,539	$ (387,720)
[B]	Total debt	$ 727,129	$ 934,948	207,819
	Cash and short-term investments	$ 702,069	$ 38,517	$ 663,552
	Bank indebtedness	(11,815)	(362)	$ (11,453)
[C]	Cash and cash equivalents	$ 690,254	$ 38,155	$ 652,099
	Funded Debt, Net of Cash and Cash Equivalents	$ 36,875	$ 896,793	$ 859,918
[D]	Total equity	$ 2,159,557	$ 1,520,831	$ 638,726
[E]	Total capital [B + D]	$ 2,886,686	$ 2,455,779	
	Total Debt-to-Capital [B]/[E]	25.2%	38.1%	12.9 pt
	Long-Term Debt-to-Capital [A]/[E]	24.5%	12.4%	(12.1 pt)

10. Forward-Looking Information

Certain statements in this Management's Discussion and Analysis are forward-looking statements and reflect Viterra's expectations regarding future results of operations, financial condition and achievements. All statements that address activities, events or developments that Viterra or its management expects or anticipates will or may occur in the future, including such things as growth of its business and operations, competitive strengths, strategic initiatives, planned capital expenditures, plans and references to future operations and results, critical accounting estimates and expectations regarding future capital resources and liquidity of the Company and such matters, are forward-looking statements. In addition, the words "believes", "intends", "anticipates", "expects", "estimates", "plans", "likely", "will", "may", "could", "should", "would", "outlook", "forecast", "objective", "continue" (or the negative thereof) and words of similar import may indicate forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and achievements of Viterra to be materially different from any future results, performance and achievements expressed or implied by those forward-looking statements. A number of factors could cause actual results to differ materially from expectations including, but not limited to, those factors discussed under the heading "Risk Factors" in Viterra's 2008 Annual Information Form and in the Company's 2008 Management's Discussion and Analysis under the heading "Risks and Risk Management"; adverse weather conditions; political and economic risks; changes in domestic regulation; commodity price and market risks; employee relations and collective bargaining; foreign exchange risk; availability of credit and credit costs; dependence on key personnel; environmental, health and safety risks; property and

liability risks; food and agricultural products risks; diseases and other livestock industry risks; credit risk; and reliance on computerized business systems. The uncertainties and other factors include, but are not limited to, crop production and crop quality in Western Canada; world agricultural commodity prices and markets; producers' decisions regarding total seeded acreage, crop selection and utilization levels of farm inputs such as fertilizer and pesticides, changes in the grain handling and agri-products competitive environments, including pricing pressures; Canadian grain export levels; changes in government policy and transportation deregulation; international trade matters; global political and economic conditions, including grain subsidy actions and tariffs of the United States and the European Union; current global financial crises and changes in credit markets and competitive developments in connection with Viterra's grain handling, agri-products, agri-food processing, financial products and livestock, feed and services businesses. Many of these risks, uncertainties and other factors are beyond the control of the Company. All of the forward-looking statements made in this Management's Discussion and Analysis and the documents incorporated herein by reference are qualified by these cautionary statements and the other cautionary statements and factors contained herein or in documents incorporated by reference herein, and there can be no assurance that the actual developments or results anticipated by the Company and its management will be realized or, even if substantially realized, that they will have the expected consequences for, or effects on, the Company.

Although Viterra believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this Management's Discussion and Analysis. In addition to other assumptions identified in this Management's Discussion and Analysis, assumptions have been made regarding, among other things:

- western Canadian crop production and quality in 2008 and subsequent crop years;
- the volume and quality of grain held on farm by producer customers;
- movement and sales of Board grains by the Canadian Wheat Board;
- demand for and supply of open market grains;
- the ability to maintain existing customer contracts and relationships;
- agricultural commodity prices;
- general financial conditions for western Canadian agricultural producers;
- demand for seed grain, fertilizer, chemicals and other agri-products;
- market share of grain deliveries and agri-product sales that will be achieved by Viterra;
- extent of customer defaults in connection with credit provided by Viterra, its subsidiaries or a Canadian chartered bank in connection with agri-product purchases;
- ability of the railways to ship grain to port facilities for export without labour or other service disruptions;
- demand for oat and malt barley products and the market share of sales of these products that will be achieved by Viterra's subsidiaries;
- the availability of feed ingredients for livestock and poultry;

- the impact of competition;
- environmental and reclamation costs;
- the ability to obtain and maintain existing financing on acceptable terms; and
- currency, exchange and interest rates.

The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to Viterra and undue reliance should not be placed on Viterra's forward-looking information.

Viterra disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as otherwise required by applicable law.

11. Annual Management's Discussion and Analysis

This Management's Discussion and Analysis relating to the first quarter ended January 31, 2009, should be read in conjunction with Viterra's Management's Discussion and Analysis for its year ended October 31, 2008. Additional information relating to Viterra, including the most recent Annual Information Form filed by the Company, is available on SEDAR at www.sedar.com and Viterra's website, www.viterra.ca.

Mayo Schmidt
President and Chief Executive Officer
March 11, 2009

Rex McLennan
Chief Financial Officer

Viterra Inc.
2625 Victoria Avenue
Regina, Saskatchewan S4T 7T9
http://www.viterra.ca

CONSOLIDATED BALANCE SHEETS

(in thousands)

AS AT		January 31, 2009		January 31, 2008		October 31, 2008
		(unaudited)		(unaudited)		(audited)
ASSETS						
Current Assets						
Cash	$	31,907	$	10,180	$	183,536
Cash in trust		-		40,116		-
Short-term investments		670,162		26,337		486,129
Accounts receivable		645,490		693,570		773,830
Inventories (Note 5)		874,267		922,120		837,943
Prepaid expenses and deposits		119,167		87,238		91,183
Future income taxes		69,694		49,299		59,202
		2,410,687		1,828,860		2,431,823
Investments		7,926		18,250		7,645
Property, Plant and Equipment		1,152,195		1,176,456		1,154,859
Other Long-Term Assets		61,572		56,786		69,238
Intangible Assets		21,242		19,659		22,133
Goodwill		300,380		296,743		300,121
Future Income Taxes		4,439		-		2,673
	$	3,958,441	$	3,396,754	$	3,988,492
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current Liabilities						
Bank indebtedness	$	11,815	$	362	$	655
Short-term borrowings		19,285		630,961		17,769
Accounts payable and accrued liabilities		820,415		799,504		928,596
Long-term debt due within one year		18,582		2,448		14,703
		870,097		1,433,275		961,723
Long-Term Debt		689,259		301,539		595,385
Other Long-Term Liabilities		76,283		53,719		64,183
Future Income Taxes		163,245		87,390		166,476
		1,798,884		1,875,923		1,787,767
Shareholders' Equity						
Retained earnings		292,961		91,743		325,911
Accumulated other comprehensive income (loss)		(18,297)		5,905		(9,766)
		274,664		97,648		316,145
Share capital (Note 6)		1,883,336		1,422,860		1,883,336
Contributed surplus		1,557		323		1,244
		2,159,557		1,520,831		2,200,725
	$	3,958,441	$	3,396,754	$	3,988,492

Commitments, contingencies and guarantees (Note 10)

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(in thousands)

FOR THE PERIOD ENDED		Three Months Ended January 31, 2009 (unaudited)		Three Months Ended January 31, 2008 (unaudited)
Sales and other operating revenues	$	1,381,741	$	1,317,142
Cost of sales		(1,257,613)		(1,131,914)
Gross profit and net revenues from services		124,128		185,228
Operating, general and administrative expenses		(130,533)		(103,958)
		(6,405)		81,270
Amortization		(26,178)		(25,522)
		(32,583)		55,748
Gain (loss) on disposal of assets		(245)		2,109
Integration expenses		(1,676)		(6,619)
Financing expenses (Note 8)		(9,250)		(13,343)
		(43,754)		37,895
Recovery of (provision for) corporate taxes				
Current		(129)		(5,740)
Future		10,933		9,062
Net earnings (loss)	$	(32,950)	$	41,217
Basic and diluted earnings (loss) per share (Note 3)	$	(0.14)	$	0.20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(in thousands)

FOR THE PERIOD ENDED	Three Months Ended January 31, 2009	Three Months Ended January 31, 2008
	(unaudited)	(unaudited)
Net earnings (loss)	$ (32,950)	$ 41,217
Other comprehensive income (loss)		
Realized gain on dedesignated hedged contracts included in net earnings, net of tax of $237 (2008 - $ 382)	(608)	(812)
Unrealized loss on cash flow hedges, net of tax of $ 5,344 (2008 - $ nil)	(10,487)	-
Realized loss on cash flow hedges, net of tax of $ (1,093) (2008 - $ nil)	2,630	-
Unrealized gain (loss) on available for sale assets, net of tax of $ (2) (2008 - $ 7)	8	(32)
Unrealized effect of foreign currency translation of foreign operations	(74)	(439)
Other comprehensive income (loss)	(8,531)	(1,283)
Comprehensive income (loss)	$ (41,481)	$ 39,934

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands)

(unaudited)	Share Capital (Note 6)	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholders' Equity
As at October 31, 2007 as restated	$ 1,422,843	$ 323	$ 1,029	$ 50,426	$ 1,474,621
Accounting policy change					
Unrealized gain on dedesignated hedged contracts, net of tax of $ (2,798)	-	-	5,946	-	5,946
Unrealized gain on available for sale assets, net of tax of $ (41)	-	-	213	-	213
Livestock receivables, net of tax of $ 36	-	-	-	(76)	(76)
Debt acquisition costs using effective interest method, net of tax of $ (60)	-	-	-	126	126
Share capital issued	17	-	-	-	17
Other comprehensive loss					
Realized gain on dedesignated hedged contracts, net of tax of $ 382	-	-	(812)	-	(812)
Unrealized loss on available for sale assets, net of tax of $ 7	-	-	(32)	-	(32)
Unrealized effect of foreign currency translation of foreign operations	-	-	(439)	-	(439)
Future income taxes adjustment	-	-	-	50	50
Net earnings for the period	-	-	-	41,217	41,217
As at January 31, 2008	$ 1,422,860	$ 323	$ 5,905	$ 91,743	$ 1,520,831
Share capital issued	460,476	-	-	-	460,476
Stock-based compensation	-	921	-	-	921
Other comprehensive income (loss)	-	-	-	-	-
Realized gain on dedesignated hedged contracts, net of tax of $ 1,293	-	-	(2,245)	-	(2,245)
Unrealized loss on cash flow hedges net of tax of $ 5,110	-	-	(12,397)	-	(12,397)
Realized loss on cash flow hedges, net of tax of $ (202)	-	-	391	-	391
Unrealized loss on available for sale assets, net of tax of $ 18	-	-	(139)	-	(139)
Unrealized effect of foreign currency translation of foreign operations	-	-	(1,281)	-	(1,281)
Future income taxes adjustment	-	-	-	1	1
Future income taxes share issuance costs	-	-	-	6,070	6,070
Share issuance costs	-	-	-	(18,968)	(18,968)
Net earnings for the period	-	-	-	247,065	247,065
As at October 31, 2008	$ 1,883,336	$ 1,244	$ (9,766)	$ 325,911	$ 2,200,725
Stock-based compensation	-	313	-	-	313
Other comprehensive income (loss)					
Realized gain on dedesignated hedged contracts, net of tax of $ 237	-	-	(608)	-	(608)
Unrealized loss on cash flow hedges, net of tax of $ 5,344	-	-	(10,487)	-	(10,487)
Realized loss on cash flow hedges, net of tax of $ (1,093)	-	-	2,630	-	2,630
Unrealized gain on available for sale assets, net of tax of $ (2)	-	-	8	-	8
Unrealized effect of foreign currency translation of foreign operations	-	-	(74)	-	(74)
Net loss for the period	-	-	-	(32,950)	(32,950)
As at January 31, 2009	$ 1,883,336	$ 1,557	$ (18,297)	$ 292,961	$ 2,159,557

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

FOR THE PERIOD ENDED		Three Months Ended January 31, 2009 (unaudited)		Three Months Ended January 31, 2008 (unaudited)
Cash From (Used in) Operating Activities				
Net earnings (loss)	$	(32,950)	$	41,217
Adjustments for items not involving cash				
Amortization		26,178		25,522
Future income tax recovery		(10,933)		(9,062)
Equity loss (gain) of significantly influenced companies		(55)		1,442
Employee future benefits (Note 7)		1,326		158
Non-cash financing expenses (Note 8)		1,232		978
Loss (gain) on disposal of assets		245		(2,109)
Other items		60		(161)
Adjustments for items not involving cash		18,053		16,768
		(14,897)		57,985
Changes in non-cash working capital items				
Accounts receivable		128,941		(227,842)
Inventories		(34,171)		(135,503)
Accounts payable and accrued liabilities		(110,036)		70,145
Prepaid expenses and deposits		(27,978)		(35,535)
Changes in non-cash working capital		(43,244)		(328,735)
Cash used in operating activities		(58,141)		(270,750)
Cash From (Used in) Financing Activities				
Proceeds from long-term debt		100,000		-
Repayment of long-term debt		(4,337)		(489)
Proceeds from short-term borrowings		1,516		275,488
Repayment of other long-term liabilities, net		(224)		(1,957)
Increase in share capital (Note 6)		-		17
Debt refinancing cost		-		(1,618)
Cash from financing activities		96,955		271,441
Cash From (Used in) Investing Activities				
Property, plant and equipment expenditures		(14,694)		(6,612)
Proceeds on sale of property, plant and equipment		782		2,223
Business acquisitions (Note 4)		(3,430)		-
Increase in cash in trust		-		(23,406)
Decrease (increase) in investments		(238)		12
Increase in other long-term assets		-		(834)
Cash used in investing activities		(17,580)		(28,617)
Increase (Decrease) in Cash and Cash Equivalents		21,234		(27,926)
Cash and Cash Equivalents, Beginning of Period		669,010		64,150
Impact on cash of unrealized effect of foreign currency translation of foreign operations		10		(69)
Cash and Cash Equivalents, End of Period	$	690,254	$	36,155
Cash and cash equivalents consist of:				
Cash	$	31,907	$	10,180
Short-term investments		670,162		26,337
Bank indebtedness		(11,815)		(362)
	$	690,254	$	36,155
Supplemental disclosure of cash paid during the period from operations:				
Interest paid	$	6,076	$	8,141
Income taxes paid	$	4,873	$	4,314

1. NATURE OF BUSINESS

Viterra Inc. (the "Company") is a publicly traded, vertically integrated Canadian agri-business. Business operations include five reporting segments: Grain Handling and Marketing, Agri-products, Agri-food Processing, Livestock Feed and Services, and Financial Products.

The Grain Handling and Marketing segment includes approximately 100 grain elevator locations, including two producer owned joint venture grain facilities and 10 processing plants strategically located in the prime agricultural growing regions of Western Canada, and two processing plants in the United States of America ("U.S."). This segment also includes five wholly owned port terminal facilities located in Vancouver, British Columbia and Thunder Bay, Ontario, and an ownership interest in an export facility in Prince Rupert, British Columbia. Activity in this segment consists of the collection of grain through the Company's primary elevator system, shipping to inland or port terminals, cleaning of grain to meet regulatory specifications, and sales to domestic or export markets. Earnings in the Grain Handling and Marketing segment are volume driven and are derived primarily from tariffs charged to producers for elevation and cleaning of Canadian Wheat Board ("CWB") grains and from the sales of open market grains. Revenue is also derived through grain handling, blending, drying, storage and other ancillary services, as well as the sale of byproducts.

The Agri-products segment includes an ownership interest in a fertilizer manufacturer, a fertilizer distributor and a retail network of approximately 250 locations throughout Western Canada. Agri-products sales lines include fertilizer, crop protection products, seed and seed treatments, and equipment.

The Agri-food Processing segment includes the manufacture and marketing of value-added products associated with oats and malt barley for domestic and export markets.

The Livestock Feed and Services segment formulates and manufactures feed products at six feed mills and three pre-mix facilities across Western Canada and at six feed mill locations in Texas, New Mexico and Oklahoma in the U.S.

The Financial Products segment acts as an agent for a Canadian Schedule I chartered bank and provides unsecured trade credit to agricultural customers and secured loans to livestock producers.

Weather conditions are the primary risk in the agri-business industry. Grain volumes, grain quality, the volume and mix of crop inputs sold and ultimately, the financial performance of the Company, are highly dependent upon weather conditions throughout the crop production cycle.

The Company's earnings follow the seasonal pattern of Prairie grain production. Activity peaks in the spring as new crops are sown and in the fall as mature crops are harvested. The volume of grain shipments are relatively stable through the quarters, but can be influenced by

destination customer demand, the CWB export program, and producers' marketing decisions. Sales of the Company's agri-products peak in May through July, corresponding with the growing season, supplemented by additional crop nutrient sales in the late fall. Although relatively steady throughout the year, sales in the Livestock Feed and Services segment tend to peak during the winter months as feed consumption increases. In the Agri-food Processing business, earnings are more fluid with continuous demand for products throughout each quarter. Financial Products' agency fees follow the related pattern of sales of the underlying activity in the Agri-products and Livestock Feed and Services segments.

2. ACCOUNTING POLICIES

These interim unaudited consolidated financial statements are based on accounting principles consistent with those used and described in the October 31, 2008 annual consolidated financial statements, except as described below. The Company's accounting policies are in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts are reported in Canadian dollars unless specifically stated to the contrary. However, these financial statements do not include all of the information and disclosures required for annual financial statement presentation. The interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended October 31, 2008.

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

a) Inventories

Effective November 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031, Inventories. This adoption resulted in additional disclosures as provided in Note 5.

Grain inventories include both hedgable and non-hedgable commodities. Hedgable and non-hedgable grain inventories are valued on the basis of closing market quotations less freight and handling costs. Agri-products, livestock feed, and other inventories consist of raw materials, work in progress and finished goods, and are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

b) Goodwill and Intangible Assets

Effective November 1, 2008, the Company adopted the CICA Handbook Section 3064, Goodwill and Intangibles. This adoption had no material impact to the Company.

3. EARNINGS (LOSS) PER SHARE

	Three Months Ended January 31,			
		2009		2008
Net earnings (loss)	$	(32,950)	$	41,217
Denominator for basic earnings per share amounts: Weighted average number of shares outstanding[1]		237,049		204,158
Basic earnings (loss) per share	$	(0.14)	$	0.20
Denominator for diluted earnings per share amounts: Weighted average number of shares outstanding[1]		237,051		204,162
Diluted earnings (loss) per share	$	(0.14)	$	0.20

[1]Number of shares in thousands

Share options in the amount of 698,793 (2008 – 69,408) have not been included in the computation of diluted earnings per share because to do so would have been anti-dilutive for the period.

4. BUSINESS ACQUISITIONS

In the first quarter, the Company purchased two Agri-products retail locations.

Net assets acquired at fair value:		
Current assets	$	1,868
Property, plant and equipment		1,657
Goodwill		555
Current liabilities		(650)
Cash consideration	$	3,430

These acquisitions have been funded through current operating cash flows.

Earnings derived from the businesses purchased have been included in the Company's consolidated financial statements commencing from the acquisition dates.

The acquisitions were accounted for using the purchase method, whereby the purchase consideration was allocated to the estimated fair values of the assets acquired and liabilities assumed at the effective date of the purchase.

5. INVENTORIES

As at		January 31, 2009		January 31, 2008		October 31, 2008
Grain	$	330,683	$	534,022	$	352,489
Agri-products		474,105		341,253		423,602
Livestock Feed and Services		42,542		28,446		39,095
Agri-food Processing		26,937		18,399		22,757
Total	$	874,267	$	922,120	$	837,943

Grain cost of sales includes the cost of inventories, net realized and unrealized gains and losses on commodity contracts and exchange-traded derivatives, and freight.

Amortization of $4.7 million (2008 - $3.3 million) related to the manufacture of inventory that has now been sold is included in amortization expense.

Writedowns of Agri-products inventory of $26.8 million (2008 - nil) have been included in cost of sales.

6. SHARE CAPITAL

a) Common Voting Shares

Authorized
Unlimited Common Voting Shares

	Common Voting Shares	
	Number[1]	Amount
Balance, October 31, 2007	204,156,350	$ 1,422,843
Share issuance for cash	2,675	17
Balance, January 31, 2008	204,159,025	1,422,860
Share issuance for cash	32,890,188	460,462
Adjustment to share capital from contributed surplus for options exercised	-	14
Balance, October 31, 2008 and January 31, 2009	237,049,213	$ 1,883,336

[1]Number of shares are not shown in thousands

b) Management Stock Option Plan

During fiscal 2008, the Management Stock Option Plan (the "Stock Option Plan") was reactivated after being inactive since fiscal 2004. The maximum number of Common Shares that may be issued under Options issued pursuant to the Stock Option Plan is approximately 10.2 million Common Shares. Once the 0.7 million Common Shares that can potentially be issued under currently granted and contingently granted Options are deducted, approximately 9.5 million Common Shares have been reserved for subsequent Option Grants.

Options granted prior to October 31, 2007 are fully vested, the last of which expires before August 14, 2013. Options granted subsequent to October 31, 2007 contingently vest after July 31, 2010 and expire on July 31, 2015.

The expense related to stock options is recognized over the vesting period based on the fair value of options determined by the Black-Scholes option pricing model with the following assumptions: risk-free rate 3.75%, dividend yield 0%, a volatility factor of the expected market price of the Company's shares of 37%, and a weighted average expected option life of 5.5 years.

	Number of Options[1]	Weighted Average Exercise Price	Number of Options Exercisable[1]	Weighted Average Exercise Price
Outstanding October 31, 2007	80,327	$ 77.50	80,327	$ 77.50
Forfeited and expired	(100)	$ 18.45		
Exercised	(2,675)	$ 6.46		
Outstanding January 31, 2008	77,552	$ 80.02	77,552	$ 80.02
Options granted	634,412	$ 12.12		
Forfeited and expired	(5,530)	$ 142.93		
Exercised	(188)	$ 8.84		
Outstanding October 31, 2008	706,246	$ 18.55	71,834	$ 74.99
Forfeited and expired	(50)	$ 18.46		
Outstanding January 31, 2009	706,196	$ 18.55	71,784	$ 75.03

[1]Number of options are not shown in thousands

Of the 706,196 options outstanding, 71,784 are exercisable stock options at January 31, 2009, 10.3% have an exercise price of $5.90 or less; the remainder have an exercise price at, or greater than, $31.00. At January 31, 2009, the Company's shares closed at $9.25.

7. EMPLOYEE FUTURE BENEFITS

a) Defined Benefit Plans and Future Benefits

The Company's net benefit costs related to defined benefit pension plans and other future benefits for the three-month period ended January 31, 2009 were $1.3 million (2008 - $0.2 million).

b) Defined Contribution Plans

The Company, including subsidiaries and affiliates, contributes to several defined contribution plans including four multi-employer plans. The Company's total consolidated defined contribution plan expense for the three-month period ended January 31, 2009, was $2.7 million (2008 - $2.0 million).

8. FINANCING EXPENSES

	Three Months Ended January 31, 2009	2008
Interest expense on:		
Long-term debt	$ 11,640	$ 6,648
Short-term debt	859	8,531
Interest income	(3,447)	(1,217)
CWB carrying charge recovery	(1,034)	(1,597)
	8,018	12,365
Interest accretion	464	226
Amortization of deferred financing costs	768	752
	$ 9,250	$ 13,343

9. SEGMENTED INFORMATION

The Company has not provided revenues from external customers by geographic location as it is not practicable to do so. Total sales and revenue from services include export sales of $678.4 million (2008 - $548.9 million).

The segments' accounting policies are consistent with those described in Accounting Policies (Note 2). The Company accounts for inter-segment sales at current market prices under normal trade terms.

	Three Months Ended January 31,	
	2009	**2008**
Sales and other operating revenues		
Grain Handling and Marketing	$ 964,030	$ 988,732
Agri-products	186,172	165,946
Agri-food Processing	48,441	43,175
Livestock Feed and Services	197,313	127,346
Financial Products	3,739	2,031
	1,399,695	1,327,230
Less: Inter-segment sales	17,954	10,088
	$ 1,381,741	$ 1,317,142
Inter-segment sales		
Grain Handling and Marketing	$ 17,515	$ 10,088
Agri-food Processing	439	-
	$ 17,954	$ 10,088
Gross profit and net revenues from services		
Grain Handling and Marketing	$ 96,064	$ 115,694
Agri-products	(8,641)	47,101
Agri-food Processing	4,515	2,317
Livestock Feed and Services	28,451	18,001
Financial Products	3,739	2,115
	$ 124,128	$ 185,228
Operating, general and administrative expenses		
Grain Handling and Marketing	$ (48,139)	$ (42,639)
Agri-products	(34,605)	(28,915)
Agri-food Processing	(1,997)	(1,586)
Livestock Feed and Services	(19,209)	(12,695)
Financial Products	(1,592)	(995)
Corporate	(24,991)	(17,128)
	$ (130,533)	$ (103,958)
EBITDA[1]		
Grain Handling and Marketing	$ 47,925	$ 73,055
Agri-products	(43,246)	18,186
Agri-food Processing	2,518	731
Livestock Feed and Services	9,242	5,306
Financial Products	2,147	1,120
Corporate	(24,991)	(17,128)
	$ (6,405)	$ 81,270

[1] EBITDA – Earnings before interest, taxes, depreciation and amortization, gain (loss) on disposal of assets and integration expenses.

	2009	2008
Amortization		
Grain Handling and Marketing	$ (10,121)	$ (10,343)
Agri-products	(11,273)	(11,308)
Agri-food Processing	(1,468)	(1,445)
Livestock Feed and Services	(3,000)	(2,321)
Financial Products	(105)	(105)
Corporate	(211)	-
	$ (26,178)	$ (25,522)

EBIT[2]	Three Months Ended January 31, 2009		Three Months Ended January 31, 2008
Grain Handling and Marketing	$	37,804	$ 62,712
Agri-products		(54,519)	6,878
Agri-food Processing		1,050	(714)
Livestock Feed and Services		6,242	2,985
Financial Products		2,042	1,015
Corporate		(25,202)	(17,128)
	$	(32,583)	$ 55,748

[2] EBIT – earnings before interest, taxes, gain (loss) on disposal of assets and integration expenses

10. COMMITMENTS, CONTINGENCIES AND GUARANTEES

a) Letters of Credit

At January 31, 2009, the Company had outstanding letters of credit and similar instruments of $68.2 million related to operating an agri-business (October 31, 2008 - $68.2 million, January 31, 2008 - $33.2 million). The terms range in duration and expire at various dates from February 2009 to November 2009. The amounts vary depending on underlying business activity or the specific agreements in place with the third parties. These instruments effectively reduce the amount of cash that can be drawn on the revolving credit facility.

b) Loan Loss Provision

Under the terms of an agreement, a financial institution provided credit for the purchase of crop inputs to certain customers of the Company in the Agri-products segment. The agreement was terminated on January 31, 2008 on payment of a termination fee and the acquired amounts were sold to a Canadian Schedule I chartered bank in February 2008.

c) Indemnification of Accounts Receivable

Viterra Financial™- the Company has a rolling five-year agreement with a Canadian Schedule I chartered bank to provide credit for qualifying agricultural producers to purchase crop inputs. The agreement may be terminated at an earlier date by mutual consent or by either party upon one year's written notice. Viterra indemnifies the bank for 50% of future losses to a maximum of 5% of the aggregate qualified portfolio balance. The Company's aggregate indemnity will vary at any given time with the size of the underlying portfolio. As at January 31, 2009, the Company's obligation for past and future losses is current with the bank in accordance with the Agency Agreement.

Unifeed Financial® - the Company has a rolling five-year agreement with a Canadian Schedule I chartered bank to provide loans to customers to purchase feeder cattle and feeder hogs, as well as related feed inputs, with terms that do not require payment until the livestock is sold. The agreement may be terminated at an earlier date by mutual consent or by either party upon one year's written notice. Viterra indemnifies the bank for credit losses based on the first 20% to 33% of new credit issued on an individual account, dependent on the account's underlying credit rating, with losses in excess of these amounts shared on an equal basis with the bank up to 5% on the aggregate qualified portfolio balance. The Company's aggregate indemnity will vary at any given time with the credit rating of the underlying accounts and the aggregate credit outstanding. As at

January 31, 2009, the Company's obligation for past and future losses is current with the bank in accordance with the Agency Agreement.

d) Loan Guarantees

The Company is contingently liable under several guarantees given to third-party lenders who have provided long-term financing to certain independent hog producers. As at January 31, 2009, the current outstanding balance of these guarantees is $2.7 million (October 31, 2008 - $2.8 million, January 31, 2008 - $3.0 million). These guarantees diminish as the underlying loans are repaid and expire in 2014.

The Company is contingently liable to a finance company for a portion of losses incurred related to potential producer delinquencies associated with equipment leases and credit provided for the purchase of fertilizer bins. Given historically low delinquent rates in conjunction with collateral values of assets, the Company has accrued no obligation.

e) Asset Retirement Obligations

In 1987, a joint venture, which manufactured phosphate and nitrate fertilizers, closed two of its facilities. The asset retirement obligations represent the best estimate by management of the legal obligations it would incur during the reclamation process. Reclamation involves the demolition of the manufacturing facilities and the reclamation of the phosphogypsum stacks. Uncertainty exists regarding the estimation of future decommissioning and reclamation costs.

At January 31, 2009, the Company estimated that the undiscounted cash flow required to settle the asset retirement obligations was approximately $23.5 million (October 31, 2008 - $23.9 million, January 31, 2008 - $20.2 million), which is expected to be settled over the 2009 through 2015 period. The credit adjusted risk-free rates at which the estimated cash flows have been discounted range from 4% to 5.4%.

f) Director and Officer Indemnification

The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company to the extent permitted by law. The Company has acquired and maintains liability insurance for its directors and officers as well as those of certain affiliated companies.

g) Other Indemnification Provisions

From time to time, the Company enters into agreements in the normal course of operations and in connection with business or asset acquisitions or dispositions. By their nature, these agreements may provide for indemnification of counterparties. The varying nature of these indemnification agreements prevents the Company from making a reasonable estimate of the maximum potential amount it could incur. Historically, the Company has not made any significant payments in connection with these indemnification provisions.

h) Other Contingencies

As at January 31, 2009, there are claims against the Company in varying amounts for which a provision in the financial statements is not considered necessary. The occurrence of the confirming future event is not determinable or it is not possible to determine the amounts that may ultimately be assessed against the Company with respect to these

claims. Management believes that any such amounts would not have a material impact on the business or financial position of the Company.

11. FINANCIAL AND OTHER INSTRUMENTS AND HEDGING

a) Fair Value

The following table presents the carrying amount and the fair value of the Company's financial instruments and non-financial derivatives. Amortized cost is calculated using the effective interest rate method. Fair value is based on quoted market prices. These amounts represent point-in-time estimates and may not reflect fair value in the future. These calculations are subjective in nature, involve uncertainties and are a matter of significant judgment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2009 (unaudited) - in thousands of Canadian dollars, except as noted

	January 31, 2009			January 31, 2008		October 31, 2008	
	Carrying Value	Fair Value	Financial Instruments Category	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash	$ 31,907	$ 31,907	HFT	$ 10,180	$ 10,180	$ 183,536	$ 183,536
Cash in trust	-	-	HFT	40,116	40,116	-	-
Short-term investments	670,162	670,162	HFT-D	26,337	26,337	486,129	486,129
Accounts receivable:							
Loans and receivables	567,644	567,644	L&R	568,343	568,343	703,773	703,773
Commodity contracts and exchange-traded derivatives	77,846	77,846	HFT	125,227	125,227	70,057	70,057
	645,490	645,490		693,570	693,570	773,830	773,830
Investments:							
Available for sale at fair value	73	73	AFS	220	220	62	62
Available for sale at cost	7,550	7,550	AFS	8,073	8,073	7,359	7,359
Non-financial instrument	303		N/A	9,957		224	
	7,926			18,250		7,645	
Other long-term assets:							
Long-term receivable	1,963	1,963	L&R	8,899	8,899	2,075	2,075
Non-financial instrument	59,609		N/A	47,887		67,163	
	61,572			56,786		69,238	
Bank indebtedness	11,815	11,815	OFL	362	362	655	655
Short-term borrowings	19,285	19,285	OFL	630,961	630,961	17,769	17,769
Accounts payable and accrued liabilities							
Other liabilities	756,471	756,471	OFL	765,937	765,937	846,765	846,765
Commodity contracts and exchange-traded derivatives	63,944	63,944	HFT	33,567	33,567	81,831	81,831
	820,415	820,415		799,504	799,504	928,596	928,596
Long-term debt, including current portion	707,841	695,837	OFL	303,987	306,487	610,088	595,257
Other long-term liabilities							
Commodity contracts and exchange-traded derivatives	19,630	19,630	HFT	-	-	10,121	10,121
Classified as other liabilities	13,959	13,959	OFL	12,878	12,878	9,638	9,638
Non-financial instrument	42,694		N/A	40,841		44,424	
	76,283			53,719		64,183	

Financial instruments category/guide:

HFT	Held for trading
HFT-D	Held for trading – designated
L&R	Loans and receivables
AFS	Available for sale
OFL	Other financial liabilities
N/A	Not applicable

Changes in fair value of commodity contracts and exchange-traded derivatives are included in cost of sales.

b) Risks and Risk Management

The Company faces certain financial risks such as commodity price, foreign exchange, interest rate, credit and liquidity risk which can impact its financial performance. The Company is exposed to changes in commodity prices, foreign exchange rates and interest rates. The Company utilizes a number of financial instruments to manage these exposures. Financial instruments are not used for trading or speculative purposes. The Company mitigates risk associated with these financial instruments through Board-approved policies, limits on use and amount of exposure, internal monitoring, and compliance reporting to senior management and the Board. For additional information on other general and environmental risks and how they arise and are managed, readers should review the 2008 Annual Information Form and Section 18 of Management's Discussion and Analysis included in the 2008 Annual Financial Review.

i) Commodity Price Risk

The Company is exposed to commodity price movements within the market as part of its normal operations. The Company uses exchange-traded futures and options contracts to minimize the effects of changes in the prices of hedgable agricultural commodities on its agri-business inventories and agricultural commodities forward cash purchase and sales contracts. Exchange-traded futures and options contracts are valued at the quoted market prices. Forward purchase contracts and forward sales contracts are valued at the quoted market prices, which are based on exchange quoted prices adjusted for freight and handling costs. This is consistent with the Company's practice in the prior year. The Company manages the risk associated with inventory and open contracts on a combined basis. The Company's Risk Management Policy provides limits within which management may maintain inventory and certain long or short commodity positions. Based on the Company's January 31, 2009 closing positions, a $10 per tonne change in commodity market prices and a $2 per tonne change in basis levels would result in a $0.9 million change to the Company's after tax net earnings on unhedged positions. In relation to the natural gas contracts outstanding at January 31, 2009, a $1 per gigajoule change in market prices would result in a $1.2 million change to the Company's after tax net earnings.

ii) Foreign Exchange Risk

The Company is exposed to foreign exchange risk on financial commodity contracts which are denominated in U.S. dollars and on its investment in foreign subsidiaries. The Company uses derivative financial instruments, such as foreign currency forward contracts and futures contracts, to limit exposures to changes in foreign currency exchange rates with respect to its recorded foreign currency denominated assets and liabilities. Certain areas of the Company not related to the handling and marketing of grain have discontinued hedge accounting and have thereby increased the potential for volatility in income on these previously hedged contracts. These contracts as well as the foreign currency forward and futures contracts in the remaining areas of the Company are marked-to-market and unrealized gains and losses are recognized in income in the period in which they occur. Due to the Company's risk management strategy, the Company's sensitivity in net earnings and other comprehensive income to changes in the U.S. dollar, is insignificant.

The Company also has immaterial exposures to currencies other than the U.S. dollar such as British pounds and euros.

iii) Interest Rate Risk

The Company manages interest rate risk and currency risk on borrowings by using a combination of cash instruments, forwards and a mixture of fixed and floating rates. The Company has entered into interest rate swaps to manage variable interest rates associated with a portion of the Company's debt portfolio. The Company uses hedge accounting for interest rate swaps used to hedge long-term debt. Hedge accounting treatment results in interest expense on the related debt being reflected at hedged rates rather than at variable interest rates. The effective portion of changes in the fair value of the swap is recognized in other comprehensive income while any ineffective portion of changes in the fair value of the swap is recognized immediately in financing expenses. Gains and losses are recognized in financing expenses in the same period as the hedged item is settled. Based on the Company's current credit ratings and interest rate swaps, the hedged fixed rate of interest on the Credit Facility is approximately 5.3% on Canadian dollar borrowings and approximately 6.1% on U.S. dollar borrowings. The effect of a 25 basis point change on the $223 million Canadian dollar interest rate swap would result in a $1.5 million change to the Company's after tax other comprehensive income, and no change to after tax net earnings. The effect of a 25 basis point change on the $74 million U.S. dollar interest rate swap would result in a $0.6 million change to the Company's after tax other comprehensive income, and no change to after tax net earnings. The effect of a 25 basis point change on the $99 million Canadian dollar interest swap would result in a $0.6 million change to the Company's after tax other comprehensive income, and no change to after tax net earnings. The Company is also exposed to interest rate risk on short-term variable rate borrowings. The Company's short-term borrowings fluctuate with seasonal working capital requirements. A 1% increase in short-term variable rates based on January 31, 2009 borrowings would decrease after tax net earnings by $0.1 million per annum.

The fair value of the secured notes fluctuates as market interest rates change. However, the secured notes have been designated as other financial liabilities and therefore, changes in their fair value have no impact on net earnings.

iv) Credit Risk

The Company is exposed to credit risk in respect of trade receivables which the Company manages through ongoing credit reviews of all significant contracts and analysis of payment and loss history. The absence of significant financial concentration of such receivables, except as noted below for receivables from the CWB, limits its exposure to credit risk. Credit risk exposure for the Agri-products and Livestock Feed and Services segments are also limited through an arrangement with a Canadian Schedule I chartered bank which provides for limited recourse to the Company for credit losses on accounts receivable under Viterra Financial and Unifeed Financial.

The Company is also exposed to credit risk in the event of non-performance of its counterparties on its derivative contracts. However, in the case of over-the-counter

derivative contracts, the Company only contracts with pre-authorized counterparties where agreements are in place and the Company monitors the credit ratings of its counterparties on an ongoing basis. Exchange traded futures contracts used to hedge future revenues in the Company's grain business are not subject to any significant credit risk as the changes in contract positions are settled daily through a recognized exchange.

All bad debt write-offs are charged to operating, general and administrative expenses. The changes in the allowance for losses against accounts receivable are as follows:

Balance, January 31, 2008	$	10,336
Provision for losses		3,835
Write-offs, net of recoveries		(2,229)
Balance, October 31, 2008	$	11,942
Provision for losses		(577)
Write-offs, net of recoveries		(175)
Balance, January 31, 2009	$	11,190

The distribution of trade accounts receivable by credit quality as at January 31, 2009 shown in the following table.

Not past due	$	439,307
Past due:		
Past due less than 60 days		22,895
Past due 60 to 90 days		3,665
Past due 90 days or more		8,465
Impaired		(11,190)
Balance, January 31, 2009	$	463,142

Included in trade accounts receivable not past due is $173.5 million due from the CWB which represents a significant concentration of credit risk.

The Company's maximum credit exposure at the balance sheet date consists primarily of the carrying amounts of non-derivative financial assets such as accounts receivable and long-term receivables as well as the fair value of commodity contracts, exchange-traded derivatives, and other non-trade assets included in accounts receivable.

Short-term investments are held with one Schedule I and one Schedule II Canadian commercial bank and have maturities of less than three months.

v) Liquidity Risk

The Company actively maintains credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements. Please refer to Section 6.6 of the Management Discussion and Analysis for contractual maturities of financial liabilities at January 31, 2009.

c) Collateral

The Company has charged substantially all assets of the Company and certain of its subsidiaries as security for borrowings.

12. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to strive for a long-term manageable level of debt to total capital. Due to the seasonal nature of the Company's short-term borrowing requirements, the Company's objective is to manage the level of debt to total capital between 30% to 40%.

Debt to total capital is defined as total interest bearing debt divided by total interest bearing debt plus the book value of total shareholders' equity. Interest bearing debt is the aggregate of bank indebtedness, short-term borrowings, long-term debt due within one year and long-term debt.

As at	January 31, 2009	January 31, 2008	October 31, 2008
Bank indebtedness	$ 11,815	$ 362	$ 655
Short-term borrowings	19,285	630,961	17,769
Total short-term debt	31,100	631,323	18,424
Long-term debt due within one year	18,582	2,448	14,703
Long-term debt	689,259	301,539	595,385
Total long-term debt	707,841	303,987	610,088
Total interest bearing debt	738,941	935,310	628,512
Shareholders' equity	2,159,557	1,520,831	2,200,725
Total capital	$ 2,898,498	$ 2,456,141	$ 2,829,237
Debt to total capital:			
As at the balance sheet date	25:75	38:62	22:78
Four quarter average	27:73	36:64	30:70

The Company has a covenant to maintain a debt to capitalization ratio as prescribed by the financial institutions for a portion of the long-term financing. At January 31, 2009, the Company is in compliance with external covenants related to the management of capital.

13. FUTURE ACCOUNTING CHANGES

a) International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards for public companies would be required to converge with International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011 with comparative figures presented on the same basis. In February 2008, the Accounting Standards Board confirmed the effective due date of the initial adoption of IFRS. The

impact of the transition to IFRS on the Company's consolidated financial statements has not yet been determined.

b) In January 2009, the CICA issued Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-controlling Interests. The new sections will be applicable to financial statements relating to fiscal years beginning on or after January 1, 2011. The impact on the Company's consolidated financial statements has not yet been determined.