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VITERRA REPORTS THIRD QUARTER AND NINE MONTH PROFITS

A solid shipping program through Viterra's South Australia grain operations, contributions from its North America pipeline and the addition of pasta manufacturing to its portfolio of assets led to increases in both revenue and gross profit for the third quarter and first nine months of fiscal 2010.

Despite a considerable loss of seeded acreage in Western Canada, Viterra's consolidated sales and other operating revenues were up $273.0 million to $2.5 billion in the third quarter, bringing year-to-date revenues to $6.3 billion, up $1.1 billion relative to the first nine months of fiscal 2009.

President and Chief Executive Officer, Mayo Schmidt said, "Our results this quarter are in line with our July 8th seeded acreage update. While spring conditions in Western Canada were far from ideal, yields on existing crops are encouraging. It is our view that given current yield projections from field staff, western Canadian production could be in the 44 to 45 million tonne range compared to the 10-year average of approximately 49 to 50 million tonnes. In order to achieve these results, the Canadian Prairies will require frost-free days in September and good harvest conditions well into October. For the Australian business, strengthening commodity prices provided the foundation for growers to price and move their grain through the system and we expect to see that continue over the next several quarters. Clearly our diversification strategy has worked to improve our risk profile and reduce our dependency on one geography."

The increase in consolidated sales for both the quarter and nine-month periods was primarily due to revenue contributions of $558.5 million in the third quarter and $1.9 billion in the first nine months from Viterra Australia. The results were partially offset by lower third quarter Agri-products sales in North America.

EBITDA (refer to Management's Discussion and Analysis - Section 10.0 entitled Non-GAAP Measures for the definition) for the quarter was $196.6 million, compared to $204.5 million a year earlier, reflecting higher gross profits for the Corporation, offset by operating general and administrative expenses associated with the Australian business and lower contributions from the North American agri-products operations. For the first nine months of fiscal 2010, Viterra generated EBITDA of $379.6 million compared to $283.5 million, a year earlier. The EBITDA increase of $96.1 million on a year-to-date basis primarily reflects contributions from Viterra Australia, together with new contributions from Viterra's pasta operation during the quarter.

EBITDA from Viterra's North American operations was $158.9 million for the third quarter and $247.0 million for the first nine months of the fiscal year. The Company's Australian operations contributed $37.7 million in the third quarter and $132.6 million in the first nine months of the fiscal year.

Cash flow provided by operations for the quarter was $162.2 million compared to $178.8 million in the prior year's quarter and $273.2 million for the first nine months of 2010, a 14.5% increase from the $238.6 million generated in the first nine months of 2009.

Viterra's third quarter net earnings were $63.5 million, which compares to net earnings of $120.7 million in the same three-month period of 2009. For the first nine months of this fiscal year, earnings were $92.6 million, compared to $114.0 million in the same period a year earlier. Results included one-time after-tax re-financing costs of $17.7 million and approximately $9.1 million of additional after-tax amortization costs that were recorded in the third quarter, the latter of which was associated with the purchase price allocation review of the Australian assets during the quarter.

Earnings per share amounts for the quarter were $0.17 per share (2009 - $0.51 per share) and for the first nine months of 2010 were $0.25 per share (2009 - $0.48 per share). The items noted above reduced earnings per share by approximately $0.07 per share. Readers should note that Viterra's earnings per share information reflect a year-over-year increase in the number of issued and outstanding shares of 134.5 million. The weighted average number of shares outstanding for the quarter and nine months ended July 31, 2010, were 371.6 million, compared to 237.1 million for the three and nine months at July 31, 2009.

President and Chief Executive Officer, Mayo Schmidt added "We look forward to fiscal 2011, as agriculture rebounds and we move beyond the cyclical lows experienced in 2009. Recent weather events around the globe, most notably in Russia and the Black Sea, have led to strengthening prices, placing us in a good position as we prepare for next year," said Schmidt. "Over the past several weeks, we have seen significant transaction activity within the industry as participants look to take advantage of growing consumer demand. Viterra's consolidation and expansion initiatives over the past three years allowed us to secure a foothold in leading countries of origin in advance of some of our competitors. Global agriculture has once again taken centre stage, driven by the solid long-term fundamentals that underpin the growth prospects for agricultural production and demand around the world."

Third Quarter and Year-to-Date Operating Highlights

Viterra's third quarter North American grain shipments were 4.4 million tonnes compared to 4.7 million tonnes for the same period in 2009 bringing the year-to-date total to 12.0 million tonnes, compared to 13.1 million tonnes shipped in the first nine months of 2009 when the industry experienced record grain production.

Grain shipments for Viterra Australia were 1.7 million tonnes in the quarter, bringing the year-to-date total to 3.5 million tonnes. Viterra purchased approximately 30% of that volume for its own account. Margins in that business were strong in the third quarter reflecting strong movement and merchandising performance.

EBITDA from the Company's Grain Handling and Marketing Segment was $100.9 million for the third quarter, up $32.1 million from the $68.8 million generated in the third quarter of fiscal 2009. For the first nine months of the fiscal year, the segment contributed EBITDA of $284.1 million, compared to $193.7 million a year earlier.

In Viterra's Agri-products segment, overall sales for the quarter were $818.9 million compared to $943.3 million for the third quarter last year. The decline primarily reflects the impact of excessive rain on the amount of seeded acreage in Western Canada, offset somewhat by additional revenues from Australia and contributions from new retail operations in Western Canada that were acquired over the last 12 months.

EBITDA from the Company's Agri-product segment was $105.8 million for the quarter, compared to $147.5 million in 2009. On a year-to-date basis, the segment reported EBITDA of $123.8 million, versus $124.6 million generated in 2009. Last year's result included a $28.1 million fertilizer write-down.

Sales in Viterra's Processing segment rose $127.0 million to $330.8 million for the third quarter, a reflection of new contributions from the pasta business, the Australian malt business, Viterra's canola crush plant purchased in June last year and the addition of the New Zealand feed business. Sales for the first nine months of 2010 were $945.5 million compared to $679.8 million in the same period a year ago.

On an EBITDA basis, the Processing segment generated $21.9 million for the quarter and $67.8 million for the first nine months of 2010, up $12.2 million and $36.8 million respectively. The increases primarily reflect new contributions from the pasta business and the Australian malt operations.

Additional detail on segment results is available in Management's Discussion and Analysis in Sections 3.0 and 4.0.

Viterra's balance sheet at July 31, 2010, remained strong with a debt-to-total capital ratio of 22.2%. Subsequent to quarter end, on August 4, 2010, the Company completed a private placement of U.S. Dollars ("USD") $400.0 million of 5.95% Senior Unsecured Notes. The Notes will pay interest semi-annually on February 1st and August 1st of each year beginning February 1, 2011 and will mature on August 1, 2020. Proceeds from the private placement will be used to reduce borrowings under Viterra's unsecured revolving credit facility ("Global Credit Facility") and for general corporate purposes.

For the first nine months of fiscal 2010, free cash flow (refer to Management's Discussion and Analysis - Section 10.0 entitled Non-GAAP Measures for the definition) increased by $10.0 million to $201.4 million from $191.4 million in fiscal 2009.

Viterra will be hosting a conference call for interested parties on September 8, 2010, at 1:00 p.m. Toronto time, 11:00 a.m. Calgary time to discuss its Third Quarter Financial Report. Details are available on Viterra's website, under Newsroom at viterra.com.

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 Third Quarter Financial Report.

About Viterra

Viterra Inc. provides premium quality ingredients to leading global food manufacturers. Headquartered in Canada, the global agribusiness has extensive operations across Western Canada, the United States, Australia, and New Zealand, with Adelaide, Australia as the base for Viterra's Southeast Asian operations. Our growing international presence also extends to offices in Japan, Singapore, China, Switzerland and Italy. Driven by an entrepreneurial spirit we operate in three interrelated business segments: grain handling and marketing, agri-products, and processing. Our expertise, close relationships with producers, and superior logistical assets allow the Company to consistently meet the needs of the most discerning end-use customers, helping to fulfill the nutritional needs of people around the world.

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VITERRA

THIRD QUARTER FINANCIAL REPORT – JULY 31, 2010
MANAGEMENT'S DISCUSSION AND ANALYSIS

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1.0 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 September 7, 2010. Management prepared this report to help readers interpret Viterra's consolidated financial results for the three months and nine months ended July 31, 2010 and July 31, 2009, respectively.

To support the discussion, this report includes information with respect to the agri-business industry, the markets in which the Company operates and trends that may affect operating and financial performance into the future. Please read this report in conjunction with Viterra's 2009 Annual Financial Review, the 2009 Business Review and the 2009 Annual Information Form, which are available on Viterra's website at viterra.com, as well as on SEDAR's website at sedar.com, under Viterra Inc.

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

2.0 Company Overview

Viterra is a vertically integrated global agri-business headquartered in Canada with operations in North America, Australia and New Zealand.

On September 23, 2009, the Company expanded its operations into the southern hemisphere through the acquisition of all of the issued and outstanding common shares of ABB Grain Ltd. (referred to herein as "ABB", "Viterra Australia" or "Viterra"), an Australian-based agri-business.

On May 5, 2010, Viterra completed the acquisition of Dakota Growers Pasta Company, Inc. ("Dakota Growers"), a United States (U.S.)-based durum miller and leading producer and marketer of dry pasta products in North America. Dakota Growers' financial contributions are included in Viterra's results as of May 5.

Subsequent to quarter-end, on August 17, 2010, Viterra completed the acquisition of 21st Century Grain Processing, a premier U.S.-based processor of oats, custom-coated oats and wheat. The company operates two plants in the Central U.S., an oat mill in South Sioux City, Nebraska and a facility that mills wheat near Dawn, Texas. The acquisition will add approximately 98,000 tonnes of annual oat milling capacity to Viterra's oat milling operations. Contributions from this business will be reflected in Viterra's fourth quarter as of the closing date of the transaction.

As a major participant in the value-added agri-food supply chain, Viterra's core businesses are organized among three primary segments: Agri-products sales and services (including financial products), Grain Handling and Marketing, and Processing (which includes both food and feed manufacturing). The consolidation of these segments, beginning in the first quarter of 2010, better aligns Viterra's external reporting with its internal operating structure.

Geographically, Viterra's operations are diversified across Western Canada, Australia, New Zealand and the U.S. The Company also has marketing offices in Canada, Australia, Japan, Singapore, Switzerland and Italy. Viterra participates in fertilizer manufacturing through its 34% ownership in Canadian Fertilizers Limited ("CFL"). It has wholly owned feed processing, oat milling, canola crushing, pasta manufacturing and malt processing operations. It also has a 42% interest in Prairie Malt Limited ("Prairie Malt"), a Saskatchewan-based single-site malting facility operated as part of its partner, Cargill Malt's operations. Viterra is 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" and its CHESS Depository Interests ("CDIs") trade on the Australian Securities Exchange ("ASX") under the symbol, "VTA".

3.0 Summary and Analysis of Consolidated Results

Selected Consolidated Financial Information *(in thousands - except percentages and per share amounts)*	**Actual Three Months ended July 31, 2010***	Actual Three Months ended July 31, 2009	*Better (Worse)*	**Actual Nine Months ended July 31, 2010***	Actual Nine Months ended July 31, 2009	*Better (Worse)*
Sales and other operating revenues	**$ 2,495,451**	$ 2,222,428	*$ 273,023*	**$ 6,329,339**	$ 5,212,217	*$ 1,117,122*
Gross profit and net revenues from services	**$ 392,667**	$ 347,945	*$ 44,722*	**$ 938,656**	$ 679,923	*$ 258,733*
Operating, general and administrative expenses	**(196,053)**	(143,478)	*(52,575)*	**(559,031)**	(396,461)	*(162,570)*
EBITDA**	**196,614**	204,467	*(7,853)*	**379,625**	283,462	*96,163*
Amortization	**(63,706)**	(26,800)	*(36,906)*	**(137,909)**	(77,590)	*(60,319)*
EBIT**	**132,908**	177,667	*(44,759)*	**241,716**	205,872	*35,844*
Integration expenses	**(1,059)**	(1,352)	*293*	**(4,233)**	(5,048)	*815*
Acquisition derivative	**2,208**	7,404	*(5,196)*	**(866)**	7,404	*(8,270)*
Gain (Loss) on disposal of assets	**241**	(870)	*1,111*	**616**	(9,122)	*9,738*
Financing expenses	**(44,851)**	(15,564)	*(29,287)*	**(112,437)**	(37,020)	*(75,417)*
	89,447	167,285	*(77,838)*	**124,796**	162,086	*(37,290)*
Provision for corporate taxes						
Current	**(577)**	(11,447)	*10,870*	**(11,974)**	(11,565)	*(409)*
Future	**(25,332)**	(35,150)	*9,818*	**(20,221)**	(36,474)	*16,253*
Net earnings	**$ 63,538**	$ 120,688	*$ (57,150)*	**$ 92,601**	$ 114,047	*$ (21,446)*
Earnings per share	**$ 0.17**	$ 0.51	*$ (0.34)*	**$ 0.25**	$ 0.48	*$ (0.23)*

** Includes results for Viterra Australia's operations*

*** See Non-GAAP Measures in Section 10.0*

Third quarter sales and other operating revenues increased by $273.0 million to $2.5 billion from $2.2 billion in the third quarter of fiscal 2009. Total sales and other operating revenues for the nine months ended July 31, 2010, were $6.3 billion, an increase of $1.1 billion from $5.2 billion in the first nine months of 2009. The increase in sales for both the quarter and nine-month periods was primarily due to revenue contributions of $558.5 million in the third quarter and $1.9 billion in the first nine months from Viterra Australia. The results were partially offset by lower third quarter Agri-products sales in North America resulting from significant rainfall during May and June that left up to 10 million acres either unseeded or drowned out.

Gross profit and net revenues from services ("gross profit") from Viterra Australia offset a decline in Agri-products contributions and led to a $44.7 million overall improvement in the third quarter. Gross profit for the quarter rose to $392.7 million, compared to $347.9 million for the three months ended July 31, 2009. For the nine-month period, gross profit was $938.7 million, compared to $679.9 million in the same period last year. The increase in gross profit reflects Australia's contributions of $80.6 million and $276.2 million for the three and nine-month periods, respectively.

Operating, general and administrative ("OG&A") expenses increased by $52.6 million in the third quarter and $162.6 million in the first nine months of fiscal 2010. These increases were primarily due to the addition of Viterra Australia's operations.

Viterra generated consolidated EBITDA (see Section 10.0 - Non-GAAP Measures) of $196.6 million during the third quarter, compared to $204.5 million for the same quarter of 2009. The decrease in EBITDA for the quarter reflects the impact of poor seeding conditions in North America and to a lesser extent, lower North American grain shipments relative to last year, when the Company benefited from near record crop production in Western Canada. These decreases more than offset new contributions from the Viterra Australia and pasta operations for the quarter.

For the nine months ended July 31, 2010, EBITDA was $379.6 million, an increase of $96.1 million from $283.5 million in the first half of 2009. Viterra Australia contributed $132.6 million in the first nine months of the fiscal year.

EBITDA* Breakdown by Geography *(in thousands)*	**Three Months ended July 31, 2010**			**Nine Months ended July 31, 2010**		
	North America	**Australia**	**Consolidated**	**North America**	**Australia**	**Consolidated**
Grain Handling and Marketing	$ 57,996	$ 42,857	$ 100,853	$ 155,104	$ 129,017	$ 284,121
Agri-products	106,659	(909)	105,750	123,217	589	123,806
Processing	20,062	1,881	21,943	42,558	25,278	67,836
Less: Corporate Expenses	(25,836)	(6,096)	(31,932)	(73,837)	(22,301)	(96,138)
Total EBITDA	$ 158,881	$ 37,733	$ 196,614	$ 247,042	$ 132,583	$ 379,625

** See Non-GAAP Measures in Section 10.0*

Amortization for the quarter ended July 31, 2010, was $63.7 million, compared to $26.8 million last year and on a year-to-date basis, was $137.9 million, compared to $77.6 million last year. The primary reason for the increase was the addition of the amortization of Viterra Australia's assets, which was $30.9 million for the third quarter and $46.1 million year-to-date.

During the quarter, as part of the Purchase Price Allocation process, a review of the estimated useful lives of Viterra Australia's property plant and equipment and intangibles was prepared. As a result of the assessments, annual depreciation and amortization is expected to increase by about $18 million, with approximately three quarters of this increase reflected in this quarter and current year results.

EBIT (see Section 10.0 – Non-GAAP Measures) for the third quarter of fiscal 2010 was $132.9 million, compared to $177.7 million in fiscal 2009. For the first nine months of fiscal 2010, EBIT was $241.7 million, compared to $205.9 million in fiscal 2009.

During the quarter, the Company made significant changes to its capital structure. On May 17, it closed a $1.6 billion CAD unsecured revolving facility ("Global Credit Facility"). The three-year operating line replaces the Company's existing $800 million line of credit in Canada and the Australian Dollar ("AUD") $1.2 billion operating line in Australia and will be used to support the Company's global working capital requirements. Upon closing, the Company repaid a $377 million Term Credit Facility and on June 4, redeemed $100 million of 8% Senior Unsecured Notes due April 8, 2013. Subsequent to the end of the quarter, on August 4, 2010, the Company also issued USD $400.0 million of 5.95% Senior Unsecured Notes and used part of the proceeds to reduce borrowings on the Global Credit Facility.

Viterra estimates that, if the current outstanding debt facilities (including the USD $400.0 million of Senior Unsecured Notes) had been in place since November 1, 2009, Interest on its Debt Facilities would have been approximately $81.0 million. This would compare to the actual year-to-date interest of $87.3 million (based on actual drawings from November 1, 2009 to July 31, 2010 and assuming the Australia $300 million long-term debt was repaid at the beginning of the fiscal year).

Financing Expenses *(in thousands)*	**Actual Three months ended July 31, 2010***	2009	*Change*	**Actual Nine Months ended July 31, 2010***	2009	*Change*
Interest on Debt Facilities	**$ 21,400**	$ 15,266	$ (6,134)	**$ 87,337**	$ 40,829	$ (46,508)
Interest Accretion	**373**	541	168	**2,217**	1,483	(734)
Amortization of deferred financing costs	**1,039**	769	(270)	**5,545**	2,305	(3,240)
Financing Costs	**22,812**	16,576	(6,236)	**95,099**	44,617	(50,482)
Interest Income	**(2,470)**	(739)	1,731	**(6,270)**	(5,318)	952
CWB carrying charge recovery	**(371)**	(273)	98	**(1,272)**	(2,279)	(1,007)
Net Financing Costs for Debt Facilities	**19,971**	15,564	(4,407)	**87,557**	37,020	(50,537)
One-time Refinancing costs	**24,880**	-	(24,880)	**24,880**	-	(24,880)
Total Financing and Associated expenses	**$ 44,851**	$ 15,564	$ (29,287)	**$112,437**	$ 37,020	$ (75,417)

** Includes results for Viterra Australia's operations.*

Financing expenses associated with the Company's debt facilities increased by $4.4 million for the quarter to $20.0 million and $50.5 million to $87.6 million for the first nine months of the fiscal year. The increase in financing expenses in both periods reflects increased debt levels due to the inclusion of Viterra Australia and additional interest expense associated with the $300.0 million note issuance in July 2009. These increases were partly offset by the impact of lower commodity prices on global working capital requirements.

One-time refinancing costs for the quarter were $24.9 million ($17.7 million after tax), of which $16.5 million was related to costs associated with the settlement of interest rate swaps related to the Term Credit Facility and the early redemption premium paid on the $100.0 million in Senior Unsecured Notes. Also included in the costs were $8.4 million of non-cash items associated with deferred financing costs expensed as a result of retiring the previous debt facilities.

Viterra recorded a net corporate income tax provision of $25.9 million in the three-month period ended July 31, 2010, compared to a provision of $46.6 million in the same period of 2009. For the nine months ended July 31, 2010, the Company's net tax provision was $32.2 million, compared to $48.0 million a year earlier.

The effective tax rate for the third quarter of fiscal 2010 was 29.0%, compared to 27.9% for the same period last year. The effective tax rate for the nine months ended July 31, 2010 was 25.8%, compared to 29.6% for the same period last year. The current quarter's effective tax rate is comparable to the Canadian statutory rate of 29%.

For fiscal 2010 as a whole, the expected tax rate is estimated to be about 25%, reflecting earnings contributions of Viterra's non-Canadian operations, which are subject to lower statutory tax rates.

Viterra's third quarter net earnings were $63.5 million or $0.17 per share, which compares to net earnings of $120.7 million or $0.51 per share in the same three-month period of 2009. For the nine-month period ended July 31, 2010, Viterra's net earnings were $92.6 million or $0.25 per share, which compares to net earnings of

$114.0 million or $0.48 per share in the same nine-month period of 2009. The results for the first nine months of fiscal 2010 include $15.5 million in net earnings from Viterra Australia.

Consolidated net earnings included one-time after-tax re-financing costs of $17.7 million and approximately $9.1 million of additional after-tax amortization costs that were recorded in the third quarter. These items reduced earnings per share by approximately $0.07 per share.

Earnings per share amounts for the quarter and first nine months of 2010 also reflect a 134.5 million increase in the number of issued and outstanding shares. The weighted average number of shares outstanding for the quarter and nine months ended July 31, 2010 were 371.6 million, compared to 237.1 million for the three and nine months ended July 31, 2009.

3.1 Select Quarterly Information

Select Quarterly Financial Information *For the quarters ended* *(in millions - except per share amounts)* *(Unaudited)*	July 31, 2010 Q3*	April 30, 2010 Q2*	January 31, 2010 Q1*	October 31, 2009 Q4 **	July 31, 2009 Q3	April 30, 2009 Q2	January 31, 2009 Q1	October 31, 2008 Q4
Sales and other operating revenues	$ 2,495.5	$ 2,048.1	$ 1,785.8	$ 1,423.4	$ 2,222.4	$ 1,608.0	$ 1,381.7	$ 1,716.8
Net earnings (loss)	$ 63.5	$ 18.4	$ 10.7	$ (0.9)	$ 120.7	$ 26.3	$ (33.0)	$ 46.8
Basic and Diluted earnings (loss) per share	$ 0.17	$ 0.05	$ 0.03	$ -	$ 0.51	$ 0.11	$ (0.14)	$ 0.20

* *Includes results for Viterra Australia operations.*
** *Includes results for Viterra Australia operations from September 24, 2009 to October 31, 2009.*

In the Company's western Canadian operations, earnings follow the seasonal pattern of prairie grain production. Activity peaks in the spring as crop inputs are purchased and new crops are sown and in the fall as mature crops are harvested. In the Company's agri-products operations in North America, sales peak in May through July, corresponding with the growing season, supplemented by additional crop nutrient sales in the late fall, should weather permit. Viterra Financial's™ agency fees primarily follow the pattern of sales in the underlying activity in agri-products. The volume of North American grain shipments are relatively stable through the quarters, but can be influenced by destination customer demand, the Canadian Wheat Board's ("CWB") 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.

In Australia, seeding begins in April and extends well into the third quarter, as do the corresponding crop input sales. In the Company's grain handling and marketing operations in South Australia, revenues are derived from storage, handling and marketing activities. The majority of grain flows into the system during the harvest period, which begins in October and continues through until the end of January. Viterra stores this grain until the Company and other marketers buy the commodities from grower customers. The purchase and subsequent shipment of grains and oilseeds occurs throughout the year and are dependent upon growers' cash flow requirements, global supply and demand fundamentals and commodity prices.

In the Company's Processing segment, the food processing operations in North America and Australia have earnings that are fluid, with continuous demand for products throughout each quarter. The feed products operations have relatively stable seasonal volume patterns throughout the year, with volumes in North America peaking during the winter months as feed consumption increases. Feed demand in New Zealand is weighed toward the last half of the fiscal year, and typically peaks during the July to October period.

4.0 Segment Results

4.1 Grain Handling and Marketing

In the Grain Handling and Marketing segment, Viterra actively receives, processes, transports and markets coarse grains, oilseeds and special crops through its network of grain handling and storage facilities in Canada, United States and South Australia to destinations around the world. Viterra also originates commodities from other grain growing regions through its international trading offices strategically located in Vancouver, Singapore, Tokyo, Geneva and Naples.

Seasonality

Receipts and subsequent shipments in any given fiscal year are dependent upon production levels and carryout stocks from the prior year. Grain flows can fluctuate depending on global demand, crop size, prices of competing commodities, as well as other factors noted in the following discussion on volumes and shipments. In North America, grain shipments are fairly consistent from quarter to quarter, as are port terminal activities off the west coast. At Thunder Bay, shipments through the Company's port terminals end in late December, when the St. Lawrence Seaway is closed for the winter months and typically resume near the end of April.

In South Australia, the majority of the production in that state flows in the first quarter into Viterra's system, the primary storage used by farmers. During the third and fourth quarters, the operations typically receive the last of the grower grain deliveries, with the exception of a small amount that remains on-farm. Viterra owns and operates approximately 95% of South Australia's storage and all of its port terminal capacity. Viterra receives and warehouses grains and oilseeds until the farmer sells the commodities to a buyer. Commodities are purchased by Viterra or by a variety of other grain buyers throughout the year. The timing of these purchases and sales and the corresponding shipments through to export position are dependent on world demand and commodity price levels, as well as farmer cash flow requirements. Buyers use Viterra's infrastructure to move commodities to export position, and Viterra earns fees for these services.

Industry Receivals and Shipments

For the third quarter, total industry shipments for the six major grains in Western Canada were 8.7 million tonnes, a decrease from the 9.1 million tonnes shipped in the comparable period in 2009. For the nine months ended July 31, 2010, industry volumes were 25.6 million tonnes, compared to 27.1 million tonnes from the comparable period in 2009. The variance from the previous periods reflects two factors. The most prominent factor was simply crop size. Last year's production was approximately 10% larger than this year's crop. The second factor relates to the timing of producer deliveries. Industry receipts into the western Canadian elevator system decreased this year, as lower commodity prices up until the end of June influenced the timing of grain sales and poor seeding conditions, along with corresponding concerns over 2010 production, reduced producers' willingness to deliver into the system.

Total wheat export shipments out of Australia through the third quarter were up 4.7% to 4.2 million tonnes from the same period in 2009. South Australian shipments represented approximately 24% of the total for the three-month period and 17% on a year-to-date basis.

Grain Handling and Marketing *(in thousands - except percentages and margins)*	**Actual Three Months ended July 31, 2010***	2009	*Better (Worse)*	**Actual Nine Months ended July 31, 2010***	2009	*Better (Worse)*
Gross profit and net revenues from services	**$ 181,748**	$ 117,793	*$ 63,955*	**$ 537,211**	$ 339,991	*$ 197,220*
Operating, general and administrative expenses	**(80,895)**	(49,040)	*(31,855)*	**(253,090)**	(146,305)	*(106,785)*
EBITDA**	**100,853**	68,753	*32,100*	**284,121**	193,686	*90,435*
Amortization	**(37,259)**	(11,354)	*(25,905)*	**(72,884)**	(31,562)	*(41,322)*
EBIT**	**$ 63,594**	$ 57,399	*$ 6,195*	**$ 211,237**	$ 162,124	*$ 49,113*
Total sales and other operating revenues	**$ 1,470,011**	$ 1,103,853	*$ 366,158*	**$ 4,235,227**	$ 3,194,273	*$ 1,040,954*
North American Industry Statistics *(tonnes)*						
Canadian Industry Receipts - six major grains	**8,899**	9,507	*(608)*	**25,887**	27,516	*(1,629)*
Canadian Industry Shipments - six major grains	**8,738**	9,084	*(346)*	**25,615**	27,130	*(1,515)*
Canadian Industry Terminal Handle	**6,676**	7,217	*(541)*	**18,267**	19,385	*(1,118)*
Viterra - North American Operations *(tonnes)*						
Elevator receipts	**4,254**	4,456	*(202)*	**11,656**	12,429	*(773)*
Elevator shipments	**4,382**	4,659	*(277)*	**11,993**	13,065	*(1,072)*
Port terminal receipts	**2,959**	3,074	*(115)*	**7,648**	7,720	*(72)*
Viterra - Australian Operations *(tonnes)*						
Shipments	**1,689**	-	*N/A*	**3,549**	-	*N/A*
Receivals	**6**	-	*N/A*	**6,206**	-	*N/A*
Consolidated Global Pipeline *(tonnes)*						
North American shipments	**4,382**	4,659	*(277)*	**11,993**	13,065	*(1,072)*
Australian receivals	**6**	-	*N/A*	**6,206**	-	*N/A*
Total pipeline	**4,388**	4,659	*(271)*	**18,199**	13,065	*5,134*
Consolidated Pipeline Margin *(per tonne)*	**$ 41.42**	$ 25.28	*$ 16.14*	**$ 29.52**	$ 26.02	*$ 3.50*

** Includes results for Viterra Australia's operations unless otherwise stated.*
*** See Non-GAAP Measures in Section 10.0*

Viterra's North American Volumes

Viterra's shipments for the quarter ended July 31, 2010, were 4.4 million tonnes compared to 4.7 million tonnes for the same period in 2009. For the nine months ended July 31, 2010, the Company shipped 12.0 million tonnes compared to 13.1 million tonnes for the same period of 2009. Viterra's shipments of the six major grains in the third quarter were in line with management's expectation given the crop size this year and the decline in industry receipts noted above.

The split between CWB and open market grains for the three and nine-month periods was 52/48 and 50/50 respectively. This compares to splits of 51/49 and 49/51 for the same three- and nine-month periods in 2009.

For the third quarter, Viterra's port terminal receipts were 3.0 million tonnes compared to 3.1 million tonnes in the third quarter of 2009. For the first nine months, port terminal receipts were 7.6 million tonnes, similar to the 7.7 million tonnes received in fiscal 2009.

Viterra's South Australia Volumes

Total receipts for Viterra Australia for the first nine months of the fiscal year remain at 6.2 million tonnes.

From a shipments perspective, 1.7 million tonnes moved through Viterra's South Australia assets in the quarter bringing the total for the first nine months to 3.5 million tonnes. There were three factors that led to the significant increase in shipments out of South Australia during the third quarter:

- The value of the Australian dollar moderated, increasing the competitiveness of Australian wheat on the world market and leading to a better pricing environment for Australian growers;
- Commodity prices in general firmed, due to concerns about the Russian drought and the less than ideal growing conditions in the Black Sea region, which encouraged farmers to market their grain; and
- Toward the end of the third quarter, storage fees in the South Australia system began to increase providing incentive to growers to sell their grain.

Of the total shipments out of South Australia, Viterra shipped approximately 30% for its own account. Viterra purchased an additional 1.2 million tonnes from other regions of Australia, bringing its total to date to 4.5 million tonnes.

Viterra Australia Volume Breakdown for fiscal 2010

(in thousands)	First Quarter ended January 31	Second Quarter ended April 30,	Third Quarter ended July 31,	Year-to-date July 31
Total Shipments	635	1,225	1,689	3,549
Merchandised Volumes:				
South Australia	290	370	390	1,050
Rest of Australia	1,110	1,130	1,210	3,450
Total	1,400	1,500	1,600	4,500

The following table demonstrates the competitiveness of Australian wheat prices at quarter end relative to other export points:

Weekly Wheat Export Prices

USD/tonne	July 31, 2010	July 31, 2009	April 30, 2010
Australia			
APW, Western Australia	$ 247	N/A	$ 219
APW, South Australia	$ 231	$ 230	$ 214
ASW, Eastern States	$ 229	$ 238	$ 188
European Union			
France Grade 1, Rouen	$ 250	$ 185	$ 176
Germany B Quality, Hamburg	$ 259	$ 200	$ 183
Black Sea			
Wheat, Milling Grade 4	$ 235	$ 170	$ 173

Source: International Grains Council, prices are basis FOB.

Operating Results

For the third quarter, gross profit for the segment totaled $181.7 million, compared to $117.8 million in the third quarter last year and was $537.2 million for the first nine months of fiscal 2010 compared to $340.0 million in the same period last year.

North America margins per tonne were similar to last year. However, lower volumes due to crop size caused margins to decline slightly for both the quarter and nine month periods. In Australia, gross profit contributions for the third quarter were $70.7 million, bringing year-to-date gross margins for the operations to $224.2 million. Contributions in the third quarter reflect strong shipments as well as stronger merchandising margins per tonne.

On a consolidated per tonne basis, positive margin trends in Australia for the third quarter brought the global pipeline margin for the first nine months of fiscal 2010 to $29.52 per tonne.

OG&A expenses for the Grain Handling and Marketing segment were $80.9 million in the third quarter of fiscal 2010, an increase from the $49.0 million spent in the third quarter of 2009. For the first nine months of fiscal 2010, OG&A expenses were $253.1 million, compared to $146.3 million in the first nine months of 2009. The increases in both periods primarily reflect the addition of the Australian operations this year.

The Grain Handling and Marketing segment generated $100.9 million and $284.1 million in EBITDA for the third quarter and first nine months ended July 31, 2010 respectively. Viterra's Australian operations generated EBITDA of $42.9 million in the third quarter, bringing the total to $129.0 million for the first nine months of the fiscal year.

EBIT was $63.6 million in the third quarter of 2010, compared to $57.4 million in the third quarter of fiscal 2009. For the first nine months of the fiscal year, EBIT was $211.2 million, compared to $162.1 million in the first nine months of 2009.

Outlook

On August 20, 2010, in its preliminary assessment of Western Canadian production and seeded acreage, Statistics Canada estimated total acreage of the six majors at 50.1 million acres, a 6.1 million acre decrease from the five-year average of 56.2 million acres.

Crop Seeded Acreage
Western Canada

(In Millions of Acres)	All Wheat	Coarse Grains	Oilseeds	Special Crops	Total - Six Majors
5-yr average for 2005-2009	22.8	13.5	16.4	3.6	56.2
2010 Estimate	19.9	9.2	17.7	3.4	50.1
2009	23.2	11.5	17.8	3.8	56.4
2008	23.4	12.8	17.6	4.0	57.8
2007	20.7	15.3	16.0	3.6	55.6
2006	22.8	13.1	15.0	3.1	54.0
2005	23.8	14.6	15.3	3.4	57.2

6 Majors - Wheat, Barley, Oats, Canola, Flax, Peas
Source: Statistics Canada, Principal Field Crops, August 20, 2010

In the same report, Statistics Canada forecast production of the six major grains in Western Canada at 44.8 million tonnes, a decrease of approximately 5.0 million tonnes from the 50.0 million tonnes typically produced in Western Canada. Despite the variance between Viterra's internal estimates for seeded acreage and Statistics Canada's estimates, it is management's view that, given yield projections for crops that were planted prior to the excessive rains, production will be in the 44 to 45 million tonne range. In order to achieve these results, the Canadian Prairies will require frost-free days in September and good harvest conditions well into October. Statistics Canada will release an update to their initial production estimates on October 4.

Assuming production estimates hold, management anticipates Canadian Grain Commission ("CGC") receipts for the six major grains in Western Canada to be in the 30.0 million tonne range for fiscal 2011, slightly lower than the approximately 32.0 million tonnes that is typically available. The 2011 estimate includes some drawdown of on-farm carry-over stocks. Viterra estimates that fiscal 2010 receipts will reach 33.0 to 34.0 million tonnes.

Viterra management remains optimistic that the industry will see relatively strong volumes through the remaining portion of the fiscal year and into fiscal 2011, particularly if weather conditions are favourable into the fall. The recent rise in commodity prices will also provide incentive to farmers to actively market their grain through the next crop year.

The following table demonstrates changes in comparable commodity prices during the third quarter as well as year-over-year at July 31, 2010.

	Three Months			*Twelve Months*			
	Closing	**Opening**		**Closing**	**Opening**		
Select Commodity Prices	**31-Jul**	**30-Apr**	**Increase**	**31-Jul**	**31-Jul**	**Increase**	**10 Year**
Per Tonne	**2010**	**2010**	**(Decrease)**	**2010**	**2009**	**(Decrease)**	**Average**
Wheat (No.1 CWRS 11.5%)	$206.00	$206.00	$ -	$206.00	$ 252.00	$ (46.00)	$ 230.00
Feed Barley (No.1 Feed, ICE Futures, Lethbridge)	$159.00	$151.00	8.00	$159.00	$ 154.00	5.00	$ 152.00
Oats (US No.2, CBoT nearby (US Dollars))	$184.00	$133.09	50.91	$184.00	$ 137.00	47.00	$ 170.00
Flax (No.1 CW, I/S Thunder Bay)	$534.79	$367.00	167.79	$534.79	$ 456.00	78.79	$ 379.00
Canola (No.1 Canada, ICE Futures, I/S Vancouver)	$494.00	$418.00	76.00	$494.00	$ 460.00	34.00	$ 385.00
Peas (Producer Price, FOB plant)	$193.00	$158.00	35.00	$193.00	$ 243.00	(50.00)	$ 190.00

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

The CWB has set its preliminary export target for wheat and barley out of Canada at 15.1 million tonnes for the upcoming crop year. Management believes this estimate is light given recent western Canadian production estimates and crop production problems in others parts of the world, notably Russia and the Ukraine.

Demand for open market grains is expected to remain strong, particularly out of the Asian Pacific region.

For Viterra's South Australia grain handling operations, the Company expects shipments to continue with momentum into the fourth quarter and into fiscal 2011, given production issues in other grain growing regions of the world and improved commodity pricing.

The Australian Bureau of Agricultural and Resource Economics ("ABARE") is forecasting total Australian production at 35.1 million tonnes, similar to last year's level.

For South Australia, according to Primary Industries and Resources South Australia ("PIRSA"), production is estimated to be about 7.3 million tonnes for fiscal 2011, well above the five-year average of 5.6 million tonnes. Complementing these tonnes, will be carry-out stocks, which Viterra currently estimates to be in the 1.6 million tonne range, down from the 2.0 million tonnes previously estimated.

Globally, production setbacks in the European Union (“EU”), the Black Sea Region and somewhat in Canada have significantly altered the global wheat production outlook. In fact, 2011 global wheat production is estimated to be in the 644 million tonne range, down nearly 35 million tonnes from last year. Russian wheat production forecasts have been downgraded substantially over recent weeks as extreme drought has decimated their wheat crop. Some estimates suggest a decline of at least 25% from last year’s production. According to the U.S. Department of Agriculture (“USDA”) and the Food and Agriculture Policy Research Institute (“FAPRI”) global wheat stocks-to-use ratios will decline from about 30% at the end of the 2010 crop year to 26% by the end of 2011. Viterra will continue to watch these trends and look for opportunities to capitalize on its position in the global marketplace.

4.2 Agri-products

Viterra operates 261 agri-product retail facilities located across Western Canada and holds a 34% investment in CFL, a nitrogen fertilizer manufacturing plant located in Medicine Hat, Alberta. Through this investment, Viterra is entitled to receive 34% of the approximately 1.5 million tonnes of merchantable product produced at the plant, split equally between granular urea and anhydrous ammonia (“NH_3”).

The segment includes contributions from the Company’s financial products. Through Viterra Financial™, the Company acts as an agent for a Canadian chartered bank, extending unsecured and secured credit to support farmers’ on-farm cash flow requirements, the majority of which is for agri-products purchases. The profitability of this program relates to the level, duration and quality of credit in a given period, which is influenced by crop inputs, farm income levels, interest rates and, to a lesser extent, feed product demand.

Viterra has a small retail presence in South Australia, retailing crop inputs to growers. Viterra is currently assessing appropriate business structures and existing customer service models in an effort to put in place a program that attracts and retains key grower customers and increases the value proposition for growers in Australia. As part of ongoing operations, Viterra operates a domestic wool network extending across the agricultural areas of Western Australia, South Australia and Victoria. Internationally, Viterra is the largest buyer of Australian wool and an exporter to key markets such as China, India and Italy.

Retail sales of agri-products are seasonal and correlate directly to the life cycle of the crop. In Western Canada, agri-product sales for the industry average approximately $4.6 billion annually. About 60% of Viterra’s annual agri-products sales are typically generated during the third quarter as producers purchase crop inputs, seed, fertilizer and crop protection products. In South Australia, crop inputs are purchased during the seeding period, which begins in April and extends into June, with additional sales occurring throughout the growing season to support crop development.

Operating Results

Agri-products *(in thousands - except percentages)*	Actual Three Months ended July 31, 2010*	2009	*Better (Worse)*	Actual Nine Months ended July 31, 2010*	2009	*Better (Worse)*
Gross profit and net revenues from services	**$ 167,754**	$ 202,650	*$ (34,896)*	**$ 277,329**	$ 253,456	*$ 23,873*
Operating, general and administrative expenses	**(62,004)**	(55,159)	*(6,845)*	**(153,523)**	(128,896)	*(24,627)*
EBITDA**	**105,750**	147,491	*(41,741)*	**123,806**	124,560	*(754)*
Amortization	**(11,832)**	(10,662)	*(1,170)*	**(34,388)**	(31,787)	*(2,601)*
EBIT**	**$ 93,918**	$ 136,829	*$ (42,911)*	**$ 89,418**	$ 92,773	*$ (3,355)*
Operating Highlights						
Sales and other operating revenues	**$ 818,900**	$ 943,257	*$ (124,357)*	**$ 1,474,435**	$ 1,403,468	*$ 70,967*
Fertilizer	**$ 343,355**	$ 479,051	*$ (135,696)*	**$ 627,842**	$ 793,538	*$ (165,696)*
Crop Protection	**$ 296,978**	$ 331,186	*$ (34,208)*	**$ 338,787**	$ 359,740	*$ (20,953)*
Seed	**$ 82,306**	$ 101,545	*$ (19,239)*	**$ 205,934**	$ 183,258	*$ 22,676*
Wool	**$ 58,360**	$ -	*N/A*	**$ 218,231**	$ -	*N/A*
Financial Products	**$ 6,313**	$ 4,538	*$ 1,775*	**$ 18,261**	$ 12,627	*$ 5,634*
Equipment sales and other revenue	**$ 31,588**	$ 26,937	*$ 4,651*	**$ 65,380**	$ 54,305	*$ 11,075*
Margin *(% of Sales)*	**20.5%**	21.5%	*(1.0 pt)*	**18.8%**	18.1%	*0.7 pt*
Fertilizer volume *(tonnes)*	**699**	757	*(58)*	**1,380**	1,273	*107*

** Includes results for Viterra Australia's operations*
*** See Non-GAAP Measures in Section 10.0*

Sales and other operating revenues ("revenues" or "sales") for the quarter were $818.9 million, compared to $943.3 million in the corresponding period in fiscal 2009. Western Canadian sales were down approximately 22% or $209.6 million during the quarter, a result of lower fertilizer and crop protection product pricing and excessive rains during May and June, which caused up to eight million acres to remain unseeded and up to two million acres that were subsequently drowned out. This decline in sales was partially offset by revenues associated with Viterra Australia, the majority of which were from the wool business.

On a year-to-date basis, revenues were $1.5 billion for the segment, compared to $1.4 billion in the first nine months of 2009. Volumes remained strong despite reduced acres. Revenues were buoyed by strong results in the first half of fiscal 2010, contributions from new retail operations in Western Canada and contributions primarily from Viterra's wool operations in Australia.

Seed sales for the third quarter were $82.3 million, down from $101.5 million in the same quarter last year. This primarily reflects a timing difference from the previous year. Good weather conditions in April resulted in farmers purchasing a higher proportion of their seed requirements in the second quarter. On a year-to-date basis, seed sales were $205.9 million, an increase from $183.3 million in the same period a year earlier. The increase reflects good demand in the first two quarters of fiscal 2010, together with the impact of a revaluation by third party suppliers for bundled crop protection products that now favour seed.

For the third quarter, crop protection product sales were $297.0 million, down $34.2 million from a year earlier, a result of increased fungicide sales more than offset by the loss in seeded acreage, a de-valuation in herbicide products, and the value shift mentioned above. For the first nine months of 2010, crop protection products sales were $338.8 million, down slightly from last year's sales of $359.7 million for the period. Despite the value shift mentioned previously, the decrease in seeded acreage and devaluation of herbicide pricing, year-to-date sales were similar to last year due to the expansion and diversification of Viterra's retail network across western Canada. Viterra has acquired seven agri-product retail locations since the third quarter of 2009. Sales of Viterra's private label crop protection products (which generate higher margins) continued to grow, representing approximately 17% of that category's total sales on a year-to-date basis.

Fertilizer sales totaled $343.4 million for the third quarter and $627.8 million for the first nine months of fiscal 2010 with North America generating sales of $319.8 million and $582.1 million for the two respective periods. This represents a decrease of $159.2 million for the three months and $211.4 million for the nine months when compared to 2009.

Fertilizer sales volumes of 699,000 tonnes in the quarter were comprised of 653,000 tonnes from North America and 46,000 tonnes from Australia. Sales volumes in North America were down 104,000 tonnes from the third quarter of 2009, due primarily to the decline in seeded acreage in Western Canada and some early sales in the second quarter.

On a year-to-date basis, the Company sold 1,380,000 tonnes of fertilizer, of which 1,291,000 tonnes were sold in North America and 89,000 were sold in Australia. Total Canadian fertilizer sales volumes increased from the corresponding period in 2009, because of strong sales in the first half of the fiscal year. Positive weather conditions last fall allowed farmers to apply additional fertilizer after harvest was complete, boosting sales for the period. As well, late in the second quarter the Company experienced strong movement of fertilizer products due to warm weather across the Prairies in that period.

Consolidated Fertilizer Volumes by Quarter *(in thousands of tonnes)*
For the quarter ended

Fiscal year	31-Jan	30-Apr	31-Jul	31-Oct	Total
2010 *	310	371	699		
2009	269	247	757	261	1,534

* Includes results for Viterra Australia operations.

From a pricing perspective, average selling prices through the first three quarters of 2010 were lower than the comparable nine-month period in fiscal 2009.

Revenues from Viterra's financial products in the third quarter were $6.3 million, an increase from $4.5 million in the same period in 2009. For the first nine months, revenues were $18.3 million, compared to $12.6 million a year earlier. The increase in revenues is primarily due to higher revenues from the Carbon Credit program, partially offset by reductions in the overall portfolio balance, due to lower agri-product sales in North America.

Gross profit for the Agri-products segment was $167.8 million for the quarter, compared to $202.7 million a year earlier. The lower gross profit from North American operations reflected the decline in sales and a slight reduction in overall margin. On a year-to-date basis, gross profit was $277.3 million, compared to $253.5 million in 2009.

Excluding fertilizer margins, North American margins for other product lines for both the three- and nine-month periods were approximately 20% and 22% respectively.

Western Canadian fertilizer margins per tonne in the third quarter declined approximately 6% due to a generally less favourable pricing environment. For the first nine months of fiscal 2010, gross margin contributions from fertilizer in Western Canada increased marginally, reflecting improved margins on phosphate products, which more than offset the impact of lower selling prices on nitrogen-based products.

OG&A expenses increased by $6.8 million to $62.0 million and $24.6 million to $153.5 million in the three- and nine-month periods respectively, primarily reflecting the addition of costs associated with the Australian operation as well as new costs associated with the addition of seven western Canadian retail outlets. The latter accounted for $8.2 million of the increase on a year-to-date basis. Viterra also experienced higher wages and benefits in North America due to the new collective agreement that was signed two year's ago.

Agri-products EBITDA for the quarter was $105.8 million, compared to $147.5 million in the third quarter of 2009. Included in the EBITDA results for the third quarter were $2.6 million from financial products and a loss of $0.9 million from the Australian operations. EBITDA for the first nine months was $123.8 million compared to $124.6 million a year earlier. Included in the nine-month results for 2010 were $7.0 million in contributions from financial products and $0.6 million from the Australian operations.

Agri-products EBIT for the third quarter was $93.9 million compared to $136.8 million in the third quarter of fiscal 2009. For the first nine months of 2010, EBIT was $89.4 million, compared to $92.8 million in fiscal 2009.

Outlook

Looking to the remainder of the fiscal year, should the Prairies experience good fall weather conditions, producers will undertake post harvest application work. Typically, fourth quarter sales can range from about 13% to 18% of total annual sales, and can include equipment, crop protection products and fertilizer sales.

Weather permitting, it is management's expectation that many of the farmers with unseeded acreage will apply crop protection products to eliminate unwanted plant growth on fallow land. This typically takes one to three applications of a glyphosate herbicide at a total cost of $5 to $10 per acre.

Producers will also assess soil nutrient levels to determine how much erosion has occurred due to the excess moisture. Weather permitting, farmers will typically apply anhydrous ammonia to replenish nutrient levels and prepare the land for next year's crop.

Should these sales occur, they have the potential to partially offset some of the decrease in agri-product sales experienced in this year's third quarter.

4.3 Processing

Viterra's Processing segment is an important component of the Company's value chain. This segment extends the Company's pipeline by producing semi-finished and finished food ingredients to consumer products and food processors around the world. Viterra also processes livestock feed, ingredients and nutritional supplements to support the healthy development of animal species raised by livestock producers in Canada, the United States, Australia, New Zealand and other protein producing nations.

The Company consolidated its food processing and feed products operating results into the Processing segment beginning in fiscal 2010 to more appropriately reflect its operating model and reporting structures. Also included in this year's results are contributions from its Australian malt operations and New Zealand feed operations, which were acquired in September 2009, and results from Dakota Grower's Pasta effective May 5, 2010.

Viterra operates eight malt processing plants strategically positioned across Australia, with production capacity of up to 500,000 tonnes annually. The split of domestic versus export sales for Viterra's malt operation in Australia is relatively constant throughout the year at 20/80 respectively.

Viterra's North American food processing operations include three oat milling facilities, with processing capacity of 235,000 tonnes of oats and specialty grains, a canola processing facility with 345,000 tonnes of crush capacity, and two pasta manufacturing facilities, with a combined production capacity of 254,000 tonnes annually. The Company holds a 42% interest in Prairie Malt, a single-site malt operation located in Saskatchewan.

Viterra is a major player in the North American and New Zealand feed markets. The Company has six feed mills and one pre-mix manufacturing facility located across Western Canada. In the U.S., the operations include seven feed mills located in Montana, New Mexico, Texas and Oklahoma. The Company distributes over 2.0 million tonnes of feed from its North American operations annually.

In New Zealand, the Company has a presence across the feed supply chain, from marketing and accumulation to storage, freight, milling and the sale of end-use products. It is a key importer and distributor of grains and meals to the New Zealand market. The New Zealand operation has the capacity to process about 335,000 tonnes of feed annually with the commissioning of a new 180,000 tonne feed mill in South Auckland, New Zealand in June of this year.

On August 17, 2010, the Company completed its acquisition of 21st Century Grain Processing. Results from those operations will be included in Viterra's fourth quarter. Please refer to section 2.0 for more information.

Operating Results

Processing *(in thousands - except percentages and margins)*	Actual Three Months ended July 31, 2010*	2009	*Better (Worse)*	Actual Nine Months ended July 31, 2010*	2009	*Better (Worse)*
Gross profit and net revenues from services	**$ 43,165**	$ 27,502	*$ 15,663*	**$ 124,116**	$ 86,476	*$ 37,640*
Operating, general and administrative expenses	**(21,222)**	(17,791)	*(3,431)*	**(56,280)**	(55,433)	*(847)*
EBITDA**	**21,943**	9,711	*12,232*	**67,836**	31,043	*36,793*
Amortization	**(10,866)**	(4,581)	*(6,285)*	**(26,070)**	(13,618)	*(12,452)*
EBIT**	**$ 11,077**	$ 5,130	*$ 5,947*	**$ 41,766**	$ 17,425	*$ 24,341*
Sales and other operating revenues	**$ 330,833**	$ 203,803	*$ 127,030*	**$ 945,465**	$ 679,828	*$ 265,637*
Operating Highlights - Food						
Food sales volumes *(tonnes)*			*-*			*-*
Malt	**140**	24	*116*	**403**	68	*335*
Oats	**55**	52	*3*	**163**	155	*8*
Canola	**61**	13	*48*	**180**	13	*167*
Pasta	**55**	N/A	*N/A*	**55**	N/A	*N/A*
Consolidated food margin *($ per tonne sold)*	**$ 83.45**	$ 143.47	*$ (60.02)*	**$ 88.79**	$ 100.86	*$ (12.07)*
Operating Highlights - Feed						
Feed sales volumes *(tonnes)*	**476**	466	*10*	**1,594**	1,540	*54*
Consolidated feed margin *($ per tonne sold)*	**$ 36.16**	$ 31.62	*$ 4.54*	**$ 33.24**	$ 40.70	*$ (7.46)*

** Includes results for Viterra Australia's operations*
*** See Non-GAAP Measures in Section 10.0*

Revenues in the Processing segment for the third quarter were $330.8 million, up $127.0 million from $203.8 million during the comparable period of 2009. For the first nine months of fiscal 2010, sales reached $945.5 million, compared to $679.8 million in the same period in fiscal 2009. The year-over-year increase primarily reflects:

- The addition of the Australian malt business, which generated sales of $59.5 million for the quarter and $220.1 million in the first nine months;
- The addition of the pasta manufacturing business on May 5, 2010, which generated $58.9 million in sales for the quarter;
- The acquisition of a canola crush plant in June of 2009, which generated $32.7 million in sales for the quarter and $93.1 million in the first nine months; and,
- The addition of the New Zealand feed business, which generated sales of $16.4 million for the quarter and $48.5 million in the first nine months.

The above amounts were offset somewhat by the impact of lower underlying commodity prices through to June 2010.

Gross profit for the Processing segment in the third quarter totaled $43.2 million, which compared to $27.5 million in the third quarter last year. For the first nine months of the fiscal year, the Processing segment generated gross profits of $124.1 million, compared with $86.5 million a year earlier. The strongest contribution for the quarter was from the newly acquired pasta operations.

On a year-to-date basis, oat volumes remain strong but margins have declined somewhat due to increased input costs and more primary products being sold relative to a year ago. For the malt business, volumes too remained relatively strong however, malt margins have been somewhat constrained, particularly as a result of brewers using lower cost substitutes and significant competition from the European region into Asia. Large malt barley supplies in Europe, coupled with relatively lower pricing compared to Australian malt barley prices, have resulted in increased competition into the high demand Asian market. Australian malt margins for the third quarter were also affected by the loss of hedge effectiveness associated with foreign exchange and the timing of customer contracts, which resulted in a foreign exchange loss in the quarter. As well, canola crush margins have been under pressure due to rising seed and procurement costs and the onset of new crush capacity in Western Canada during this past year.

On a per tonne basis, in addition to the items noted above, gross margins for the food operations were lower than last year's third quarter and on a year-to-date basis, due to a change in the proportionate contribution of tonnes from each of the product lines since 2009.

- Last year in the third quarter, the majority of the processed tonnes were oats, followed by Viterra's share of Prairie Malt tonnes. Canola tonnes made up only a small portion of the tonnage given the canola crush operation was purchased part way through the quarter.

- This year's third quarter included new tonnes from the newly-acquired pasta business, along with the Australian malt business, together with oat volumes, Prairie Malt volumes and a full quarter of canola volumes.

For the feed business, gross margins were $36.16 per tonne, compared to $31.62 per tonne in last year's third quarter. For the first nine months of the fiscal year, gross margins for feed were $33.24 per tonne, compared with $40.70 per tonne a year earlier.

Third quarter gross margins for Viterra's feed operations in North America reflect improved sales volumes, offset by lower margins, primarily due to slower demand in the U.S. dairy market, which has yet to see dairy producers increase their purchase of complex feeds. The Company expects that as milk prices improve so too will feed demand from this region. In Canada, a recovery in the livestock industry has increased feed demand and contributions on a year-to-date basis, reflecting the benefit of the Company's geographic diversification strategy within this segment.

In New Zealand, margins for bulk supplementary feeds have been strong due to dry conditions in the North Island, along with solid demand from the dairy market as farmers recognize the benefits of supplementary feed. Margins in the compound feed market have however, been under pressure due to increased competition.

Overall, segment OG&A for the quarter was $21.2 million, compared to $17.8 million the prior year. Year-to-date OG&A expenses were $56.3 million compared to $55.4 million for same period in fiscal 2009. The primary components in OG&A include:

- North American OG&A of $17.3 million for the quarter, compared to $17.8 million a year earlier. For the first nine months, OG&A expenses for these operations were $46.3 million, compared with $55.4 million a year earlier. The lower costs reflect management's efforts to integrate business processes between Canada and the U.S. and leverage shared expertise.

- OG&A expenses for the New Zealand feed products operations were $1.7 million for the quarter and $4.5 million for the first nine months.

- OG&A expenses for the food processing operations in North America and Australia were $6.0 million and $2.3 million respectively in the quarter, and $15.7 million and $5.5 million respectively in the first nine months. The increased OG&A reflects the addition of the Australian malt operations, the Canadian canola processing facility and the U.S. pasta manufacturing company.

EBITDA for the Processing segment for the quarter was $21.9 million, an increase of $12.2 million from the third quarter of fiscal 2009. For the first nine months of fiscal 2010, EBITDA was $67.8 million, compared to $31.0 million in 2009. This reflects:

- EBITDA from food processing assets was $17.7 million and $50.0 million for the third quarter and first nine months of the fiscal year respectively. This represents a significant improvement from the $9.5 million generated in the third quarter last year and the $17.0 million generated in the first nine months of 2009:

    - The pasta manufacturing operation contributed $13.9 million in the quarter, reflecting stable margins and strong sales volumes, which totaled 55,000 tonnes for the period May 5, 2010 to July 31, 2010,

    - The Australia malt operation contributed $0.6 million in the quarter, and $22.9 million in the first nine months, and

    - The oats and canola businesses in North America generated the remainder for the periods.

- Feed processing generated EBITDA of $4.2 million and $17.9 million in the quarter and first nine months of the fiscal year, which compares positively to the $0.2 million and $14.0 million generated in the comparative periods of fiscal 2009. Approximately two-thirds of the contribution is associated with the North American operations for the quarter and approximately 86% on a year-to-date basis.

Segment EBIT for the quarter was $11.1 million, compared to $5.1 million in the third quarter of fiscal 2009. For the first nine months of fiscal 2010, EBIT for the segment was $41.8 million, compared to $17.4 million in 2009.

Outlook

For the remainder of fiscal 2010, management expects solid contributions from this segment, which has begun to reflect the benefits of the Company's diversification efforts to grow its portfolio of food ingredients businesses.

For Viterra's malt operations in Australia, management expects a better fourth quarter, as 2009 contracts draw to a close and lower barley prices begin to deliver improved margins. However, for the first half of fiscal 2011, Viterra's malt export market will be challenged by higher than normal European sales competition due to low European malt barley prices and depressed European malt demand. This will result in lower margins in the first half of fiscal 2011. While we do not believe we will experience immediate returns to the peak consumption levels experienced two years ago, we do believe that the pace of additional capacity coming on-stream will be less aggressive than in previous years. Should the market continue to recover, management expects margins will start to improve in the second half of fiscal 2011.

Management expects that Viterra will benefit from continuing positive demand fundamentals for pasta in the U.S. market, as that country undergoes a tepid economic recovery and consumption of pasta as a healthy and economical food source remains strong.

For Viterra's existing oat processing operations, performance is expected to be similar to last year with key business drivers such as volume, product mix and yield remaining on par with 2009.

Viterra believes that the impact of increased competition in the crushing sector in western Canada will continue to pressure canola margins to the end of the year. In addition, given that canola oil and meal are priced off soy products, the large soybean crop that was planted in the United States may increase the likelihood of pricing pressures for canola next year due to ample North American soy supplies. For the long term, the profitability drivers for canola are expected to be positive. According to the FAPRI, global crush margins are expected to increase by 4% annually on a compounded annual growth basis over the next decade.

From a feed manufacturing perspective, improving market fundamentals for the Canadian swine industry are now evident. After the significant downturn, which began in late 2007 and continued into 2009, producers had been challenged to reduce herd sizes and preserve cash. Since December 2009, and through to the end of the third quarter, hog prices were recovering with each month exceeding the five-year average. This is a positive signal for feed manufacturers and for hog producers both from a cash flow perspective and in terms of the near-term outlook for this segment of the industry. As well, the Canadian feed operations will continue to benefit from ongoing stability arising from sales to supply-managed dairy and poultry operations.

Looking forward with respect to our U.S. feed operations, management expects volumes to continue to improve with a return to a more positive sales mix. Typically, U.S. livestock producers utilize feed comprised of about 70% manufactured feed and 30% commodity feed products in order to maximize milk production. Currently, due to the economics within the dairy industry, the mix is weighted more heavily to commodity feed products. This trend is expected to return to a more standard mix as dairy prices improve.

4.4 Corporate Expenses

Corporate expenses *(in thousands)*	Actual Three Months ended July 31, **2010***	2009	*Better (Worse)*	Actual Nine Months ended July 31, **2010***	2009	*Better (Worse)*
Operating, general and administrative expenses	**$ (31,932)**	$ (21,488)	*$ (10,444)*	**$ (96,138)**	$ (65,827)	*$ (30,311)*
Amortization	**(3,749)**	(203)	*(3,546)*	**(4,567)**	(623)	*(3,944)*
EBIT**	**$ (35,681)**	$ (21,691)	*$ (13,990)*	**$ (100,705)**	$ (66,450)	*$ (34,255)*

** Includes results for Viterra Australia's operations.*
*** See Non-GAAP Measures in Section 10.0*

Corporate expenses were $31.9 million in the third quarter of fiscal 2010 compared to $21.5 million in fiscal 2009. For the first nine months of fiscal 2010, corporate expenses were $96.1 million, compared to $65.8 million in fiscal 2009. Corporate expenses are up mainly due to the inclusion of Viterra Australia's expenses, which were $6.1 million for the quarter and $22.3 million for the first nine months. The remaining variance was the result of a short-term increase in expenses incurred related to the enhancement of information technology delivery across the Company.

Viterra continues to pursue best practices for all areas of its operations as part of its ongoing commitment to operational excellence to ensure that the Company is maximizing the returns it is generating from its existing portfolio of assets.

5.0 Liquidity and Capital Resources

5.1 Cash Flow Information

Cash Flow Provided by (Used in) Operations *(in thousands - except per share amounts)*	**Actual Three Months ended July 31, 2010***	**2009**	*Better (Worse)*	**Actual Nine Months ended July 31, 2010***	**2009**	*Better (Worse)*
EBITDA**	**$ 196,614**	$ 204,467	*$ (7,853)*	**$ 379,625**	$ 283,462	*$ 96,163*
Add (Deduct):						
Employee future benefits	**1,255**	634	*621*	**4,236**	3,049	*1,187*
Other items	**984**	759	*225*	**1,807**	1,922	*(115)*
Adjusted EBITDA	**198,853**	205,860	*(7,007)*	**385,668**	288,433	*97,235*
Integration expenses	**(1,059)**	(1,352)	*293*	**(4,233)**	(5,048)	*815*
Cash interest expense	**(34,996)**	(14,254)	*(20,742)*	**(96,232)**	(33,232)	*(63,000)*
Pre-tax cash flow	**162,798**	190,254	*(27,456)*	**285,203**	250,153	*35,050*
Current income tax recovery (expense)	**(577)**	(11,447)	*10,870*	**(11,974)**	(11,565)	*(409)*
Cash flow provided by (used in) operations	**$ 162,221**	$ 178,807	*$ (16,586)*	**$ 273,229**	$ 238,588	*$ 34,641*
Per share	**$ 0.44**	$ 0.75	*$ (0.31)*	**$ 0.74**	$ 1.01	*$ (0.27)*

** Includes results for Viterra Australia's operations.*
*** See Non-GAAP Measures in Section 10.0*

For the three months ended July 31, 2010, cash flow provided by operations (see Section 10.0 - Non-GAAP Measures) was $162.2 million (or $0.44 per share) compared to $178.8 million (or $0.75 per share) in the third quarter of 2009. The decrease for the third quarter primarily reflects lower EBITDA along with higher cash interest, offset by lower income taxes relative to the same quarter a year ago.

On a year-to-date basis, cash flow provided by operations was $273.2 million (or $0.74 per share) compared to $238.6 million (or $1.01 per share) in fiscal 2009. This improvement is primarily due to stronger EBITDA contributions, partially offset by higher cash interest. Cash flow per share amounts for the quarter and first nine months of 2010 reflect the results noted above and an increase of 134.5 million in the number of shares issued and outstanding from the same period in fiscal 2009.

Free Cash Flow ** *(in thousands)*	**Actual Three Months ended July 31, 2010***	**2009**	*Better (Worse)*	**Actual Nine Months ended July 31, 2010***	**2009**	*Better (Worse)*
Free Cash Flow **						
Cash flow provided by (used in) operations	**$ 162,221**	$ 178,807	*$ (16,586)*	**$ 273,229**	$ 238,588	*$ 34,641*
Property, plant and equipment expenditures	**(27,711)**	(17,831)	*(9,880)*	**(71,809)**	(47,173)	*(24,636)*
Free Cash Flow	**$ 134,510**	$ 160,976	*$ (26,466)*	**$ 201,420**	$ 191,415	*$ 10,005*

** Includes results for Viterra Australia's operations.*
*** See Non-GAAP Measures in Section 10.0.*

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 Section 10.0 - Non-GAAP Measures). For the three months ended July 31, 2010, free cash flow was $134.5 million, a decrease of $26.5 million from the comparable period of the prior year. The decrease for the third quarter primarily reflects lower EBITDA along with higher cash interest, offset by lower income taxes and additional capital expenditures on property plant and equipment.

Year-to-date, free cash flow was $201.4 million, an improvement of $10.0 million reflecting stronger EBITDA resulting from the addition of the Australian operations, partly offset by increased cash interest expense, and additional expenditures on property plant and equipment.

5.2 Investing Activities

Viterra's capital expenditures for the three months ended July 31, 2010, were $27.7 million, which compares to $17.8 million for the comparable period of the prior year. For the nine months ending July 31, 2010, capital expenditures were $71.8 million compared to $47.2 million last year. Capital expenditures reflect a number of capital improvements and upgrades undertaken in the ordinary course of business.

On an annualized basis, Viterra expects sustaining capital expenditures of approximately $130.0 million, which are expected to be funded by cash flow provided by operations.

On May 5, 2010, the Company acquired Dakota Growers, a leading producer and marketer of dry pasta products in North America. It has an integrated durum mill and pasta production plant in Carrington, North Dakota and a pasta production plant in New Hope, Minnesota. The all cash transaction, with an enterprise value of approximately USD $240 million, resulted in a CAD equivalent purchase price of $224.7 million plus $26.2 million paid to redeem Dakota's outstanding long-term debt.

Subsequent to quarter end, on August 17, 2010, the Company acquired 21st Century Grain Processing, a U.S.-based processor of oats, wheat and custom coated grains for an all cash purchase price of USD $90.5 million, subject to adjustments for debt, cash and working capital levels at the time of closing. 21st Century Grain Processing operates two plants in the Central U.S., an oat mill in South Sioux City, Nebraska and a facility that mills wheat near Dawn, Texas.

5.3 Non-cash Working Capital

Non-Cash Working Capital *(in thousands)*	**As at July 31, 2010***	2009	*Change*	**Change Attributable to Viterra Australia**	**Change Excluding Viterra Australia**
Inventories	**$ 1,083,753**	$ 675,160	$ 408,593	$ 332,565	$ 76,028
Accounts receivable	**1,061,879**	799,195	262,684	307,462	(44,778)
Prepaid expenses and deposits	**79,494**	66,241	13,253	41,669	(28,416)
Accounts payable and accrued liabilities	**(968,451)**	(659,868)	(308,583)	(278,986)	(29,597)
	$ 1,256,675	$ 880,728	$ 375,947	$ 402,710	$ (26,763)

** Includes results for Viterra Australia's operations.*

Inventory levels at July 31, 2010, were $1,083.8 million (including Viterra Australia - $332.6 million) compared with $675.2 million at July 31, 2009. Exclusive of Viterra Australia, inventory levels increased by $76.0 million, which primarily reflects a higher level of grain inventory on hand due to the timing of export shipments, and the addition of inventory from Dakota Growers, partially offset by lower agri-product inventories due to lower average prices and a decreased level of inventory on hand.

Accounts receivable at July 31, 2010 were $262.7 million higher than at July 31, 2009. Viterra Australia accounted for an increase of $307.5 million. Exclusive of Viterra Australia, accounts receivable fell by $44.8 million, which primarily reflects lower grain trade receivables including CWB receivables offset by additional receivables from Dakota Growers.

Prepaid expenses and deposits at July 31, 2010, were $79.5 million compared with $66.2 million at July 31, 2009. Exclusive of Viterra Australia, prepaid expenses and deposits decreased by $28.4 million, which is primarily due to lower prepaid North American agri-product inventory deposits.

Accounts payable and accrued liabilities at July 31, 2010, were $968.5 million compared to $659.9 million last year. Viterra Australia accounted for $279.0 million of this increase.

5.4 Financing Activities

Key Financial Information * *(in thousands - except percentages, pts and ratios)*	**As at July 31,** **2010**	2009	*Change*
Cash and short-term investments	**$ 115,733**	$ 1,071,757	*$ (956,024)*
Total Debt	**1,007,767**	1,006,457	*1,310*
Total debt, net of cash and short-term investments	**892,034**	(65,300)	*957,334*
EBITDA *(nine months ended July 31,)*	**379,625**	283,462	*96,163*
Ratios			
Current Ratio	**1.58 x**	3.73 x	*(2.15 x)*
Debt-to-Total Capital	**22.2%**	30.2%	*(8.0 pt)*
Long-Term Debt-to-Capital	**11.0%**	29.5%	*(18.5 pt)*

* *See Non-GAAP Measures in Section 10.0.*

Viterra's balance sheet at July 31, 2010, remained strong with debt-to-total capital of 22.2% compared to 30.2% at July 31, 2009. Viterra had $115.7 million in cash and short-term investments and cash drawings of $450.2 million on its $1.6 billion Global Credit Facility.

The Company's total debt, net of cash and short-term investments, increased $957.3 million from the same period last year. This resulted from a decrease in cash and short-term investments of $956.0 million since July 31, 2009. This decrease in cash and short-term investments is mainly due to the use of cash in the acquisition of ABB as well as to reduce outstanding debt.

On May 17, 2010, the Company announced that it had closed a $1.6 billion unsecured revolving credit facility ("Global Credit Facility") through a syndicate of financial institutions. The Global Credit Facility, which includes sub-tranches of Canadian $800.0 million and Australian $850.0 million, was effective May 18, 2010. The Company has the right to increase the facility by up to $400.0 million. The facility is available in Canadian, Australian, U.S. and New Zealand dollars at LIBOR plus a margin of 3.00%. The margin is based on the Company's current credit rating.

The three-year unsecured operating line replaces the Company's existing $800.0 million line of credit in Canada and the AUD $1.2 billion operating line in Australia and will be used to support the Company's global working capital requirements.

On June 4, 2010, the Company redeemed the outstanding $100.0 million of 8% Senior Unsecured Series 2006-1 Notes due April 8, 2013, at a redemption price equal to 102% of the principal amount of such notes, plus accrued and unpaid interest to the date of redemption.

The following table illustrates the long-term debt repayments that were made upon closing of the Global Credit Facility and subsequently:

CAD *(in thousands)*	
Term Credit Facility	$ 377,114
Viterra Australia	283,196
8% Senior Secured Notes Series 2006-1	100,000
Total long term-debt repaid subsequent to April 30, 2010	$ 760,310

With the closing the Global Credit Facility and repayment of the Term Credit Facility, all security was released on the Company's debt including the $500.0 million of Senior Unsecured Notes that remain outstanding.

Total debt at July 31, 2010, stood at $1,007.8 million compared to $1,006.5 million at July 31, 2009, an increase of $1.3 million. For comparative purposes, the following table presents the debt and borrowings at July 31, 2010 and 2009 respectively.

As at July 31, *(in thousands)*	**2010**	2009	*Change*
Long Term Debt:			
8.0% Senior Secured Notes Series 2006-1	**$ -**	$ 100,000	*$ (100,000)*
8.5% Senior Secured Notes Series 2007-1	**200,000**	200,000	*-*
8.5% Senior Secured Notes Series 2009-1	**300,000**	300,000	*-*
Term Loan Credit Facility	**-**	393,638	*(393,638)*
Financing costs to be amortized and other	**(2,326)**	(11,446)	*9,120*
	497,674	982,192	*(484,518)*
Short Term Debt:			
Global Credit Facility*	**450,153**	-	*450,153*
Bank indebtedness	**59,940**	6,847	*53,093*
Other	**-**	17,418	*(17,418)*
	510,093	24,265	*485,828*
Total Debt	**$ 1,007,767**	$ 1,006,457	*$ 1,310*

**Reduced with proceeds from USD $400 million unsecured notes issued August 4, 2010*

On May 4, 2010, the Company filed a preliminary short form prospectus for the offering of up to $500.0 million in Senior Unsecured Notes ("Series 2010-1 Notes"). This was withdrawn when a preliminary short form based shelf prospectus was filed on July 23, 2010, which allows Viterra to offer, from time to time, over a 25-month period, up to $500.0 million of Senior Unsecured Notes.

Subsequent to quarter end, on August 4, 2010, the Company closed a private placement of USD $400.0 million of 5.95% Senior Unsecured Notes at an issue price of 99.481% with a maturity of August 1, 2020. The proceeds were used to reduce borrowings under Viterra's Global Credit Facility and for general corporate purposes.

The Company maintains an active role in all decisions affecting cash distributions from principal subsidiaries (those in which the Company has at least a 50% interest).

The Company does not rely on distributions from subsidiaries or joint ventures to fund its capital spending programs or to meet its financial obligations.

The Global Credit Facility is used during the year to finance operating requirements, which primarily consist of inventory purchases, financing of accounts receivable and capital expenditures. Levels of short-term debt fluctuate based on changes in underlying commodity prices and the timing of grain purchases in the Grain Handling and Marketing segment, while, in the Agri-products segment, changes in fertilizer prices can impact inventory values and customer and inventory prepayments.

Management believes that cash flow from operations and its access to unused credit 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 Section 12.0 - Forward-Looking Information).

5.5 Debt Ratings

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

	Corporate Rating	Senior Unsecured Notes	Trend
Standard & Poor's	BBB-	BBB-	Stable
DBRS Limited	BBB (Low)	BBB (Low)	Stable
Moody's Investors Service	Ba1	Ba1	Stable

On August 4, 2010, Dominion Bond Rating Services ("DBRS") assigned a provisional rating of BBB (low) with a Stable trend regarding the USD $400.0 million Senior Unsecured Notes issued by Viterra. Viterra's BBB (low) Corporate Rating and stable outlook announced on March 17, 2010 are unchanged.

On July 30, 2010, Standard & Poor's ("S&P") assigned a 'BBB-' issue-level rating to Viterra's proposed USD $400.0 million Senior Unsecured Notes. Viterra's 'BBB-' long-term corporate credit rating and stable outlook announced on March 5, 2010 are unchanged.

On July 29, 2010, Moody's Investors Service ("Moody's") assigned a Ba1 rating to Viterra's proposed USD $400.0 million Senior Unsecured Notes. Viterra's Ba1 Corporate Rating and other ratings announced January 25, 2010 are unchanged.

5.6 Contractual Obligations

The following table summarizes the Company's outstanding contractual obligations as at July 31, 2010:

Contractual Obligations *(in thousands)*

	Total	Less than 1 Year	1 to 3 Years	4 to 5 Years	After 5 Years
	Principal Payments Due by Period				
Balance Sheet Obligations					
Short term borrowings	$ 450,153	$ 450,153	$ -	$ -	$ -
Long-term debt	506,639	1,850	2,173	300,897	201,719
Other long-term obligations	131,096	26,059	31,453	16,979	56,605
	1,087,888	478,062	33,626	317,876	258,324
Other Contractual Obligations					
Operating leases	$ 126,334	$ 34,801	$ 51,223	$ 17,766	$ 22,544
Purchase obligations [1]	777,127	769,212	6,516	1,399	-
	903,461	804,013	57,739	19,165	22,544
Total Contractual Obligations	$ 1,991,349	$ 1,282,075	$ 91,365	$ 337,041	$ 280,868

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

The preceding table approximates the Company's remaining contractual maturity for its financial liabilities and matching financial assets as at July 31, 2010. These obligations do not include USD $400.0 million of Senior Unsecured Notes, which closed on August 4, 2010 subsequent to quarter end.

5.7 Off-Balance Sheet Arrangements

5.7.1 Viterra Financial

Viterra Financial™ provides grain and oilseed producers with secured and unsecured working capital financing through a Canadian chartered bank, to purchase the Company's fertilizer, crop protection products, seed and equipment. Outstanding credit was $546.3 million at July 31, 2010, compared to $568.2 million at July 31, 2009. Overall, almost 90% 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 July 31, 2010, Viterra has provided $7.4 million for actual and future expected losses.

Viterra Financial™ also provides livestock producers with secured and unsecured financing through a Canadian chartered bank to purchase feeder cattle, and related feed inputs under terms that do not require payment until the livestock are sold. Viterra Financial™ approved $98.8 million in the third quarter of fiscal 2010, compared to $94.4 million in the third quarter of fiscal 2009, in credit applications for Viterra's Feed Products customers, of which these customers had drawn $39.9 million at July 31, 2010 (July 31, 2009 - $36.6 million). The Company has indemnified the bank for aggregate credit losses of up to $9.7 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 July 31, 2010, the Company had provided about $0.4 million for actual and expected future losses.

6.0 Outstanding Share Data

The market capitalization of the Company's 371.6 million issued and outstanding shares at September 7, 2010 was $3.2 billion or $8.50 per share.

The issued and outstanding shares at September 7, 2010, together with securities convertible into common shares are summarized in the following table:

As at September 7 , 2010 *(Unaudited)*	
Issued and outstanding Common Shares	371,596,933
Securities convertible into Common Shares:	
Stock Options	2,700,000 *
	374,296,933

**Company Estimate*

Included in the total as of July 31, 2010, are 25.5 million CDIs, which trade on the ASX.

7.0 Other Matters

7.1 Accounting Policy Changes

7.1.1 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. Viterra will also be required to provide IFRS comparative information for the previous fiscal period.

Viterra has undertaken a project to assess the potential impacts of its transition to IFRS. A detailed project plan was 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 of the Board of Directors.

Viterra has committed the appropriate resources and training to ensure the Company is compliant by the transition date. Part of the work that will be completed will include an assessment of the impact to accounting, financial reporting, information technology systems as well as certain contractual arrangements. The project has been broken down into four key phases, including Project Initiation and Initial Assessment, Detailed Assessment, Design and Execution.

Viterra has completed both the Initial and Detailed Assessment phases of its project plan. Key segments of these phases included determining accounting policy and disclosure changes that will be required upon transition to IFRS as well as the exemptions relating to IFRS 1, First-time Adoption of International Financial Reporting Standards.

Set out below is the significant difference between GAAP and IFRS that the Company has currently identified. Viterra continues to monitor standards development as issued by the International Accounting Standards Board and, as standards change or are issued, there may be additional impacts on Viterra's assessment. In addition, Viterra may identify additional differences or experience changes in its business that may have an impact on the assessment.

A material item was identified for employee benefits based on differences between GAAP and IFRS relating to the accounting for defined benefit pension plans. IFRS has several technical differences from current GAAP accounting for defined benefit pension plans. As well, there are several accounting policy choices that are available under IFRS for pension accounting, including a choice that is similar to what the Company currently employs under GAAP. Compared to GAAP, IFRS introduces differences in the calculation of the expected future benefit, the liability for minimum funding requirements, the valuation allowance, and the interaction thereof.

All other identified differences are considered unlikely to have a significant impact on Viterra's Consolidated Financial Statements. These differences include:

• Presentation and Disclosure
• Business Combinations
• Impairment
• Provisions
• Share-based Payments
• Leases
• Foreign Currency Translation
• Income Taxes

In addition to the above noted differences, the Company has performed an assessment regarding IFRS 1 - First-time Adoption of International Financial Reporting Standards. IFRS 1 requires that first time adopters of IFRS retrospectively apply all effective IFRS standards and interpretations to determine the opening balance sheet as at the transition date. IFRS 1 provides for certain optional exemptions and mandatory exceptions to this general rule. At this stage, the Company is expecting to elect the following material optional exemptions under IFRS 1 that will apply as at the transition date of November 1, 2010:

- Business combinations – The Company expects to elect not to apply IFRS 3, Business Combinations, retrospectively to business combinations that occur prior to the transition date;

- Fair value or revaluation as deemed cost – An entity may elect to measure an item of property, plant and equipment at the transition date at its fair value and use that fair value as its deemed cost at that date. Viterra expects to elect to use a previous revaluation and an event driven fair value measurement that occurred prior to the transition date as deemed cost at the date of the revaluations;

- Employee benefits – Retrospective application of the corridor approach for recognition of actuarial gains and losses in accordance with IAS 19, Employee Benefits, would require a company to split the actuarial gains and losses from the date benefit plans were established to the transition date between a recognized and an unrecognized portion. Viterra expects to elect to recognize all cumulative actuarial gains and losses for all plans that exist at the transition date in opening retained earnings; and

- Currency translation differences – Retrospective application of IFRS would require Viterra to determine the translation differences in accordance with IFRS from the date a subsidiary or associate was formed or acquired. Viterra expects to elect to reset all cumulative translation gains and losses to zero at the transition date.

As Viterra continues to monitor IFRS standards changed or issued there may be changes to the Company's expectations regarding these IFRS 1 optional exemptions. In addition, Viterra may identify circumstances or experience changes in its business that may have an impact on these expectations.

Viterra is currently finalizing the Design phase of its conversion project and will be starting the Execution phase in the next quarter. Work has focused on areas identified in the Detailed Assessment phase to have the greatest impact on results, disclosures and systems. Key segments of the Design phase included the design of implementation plans for all work streams affected by IFRS and drafting detailed accounting policies, financial statements and notes to comply with IFRS. Based on work completed to date no significant changes required to the Company's information technology and data systems have been identified. The Design phase also included assessing the impact of changes on the design and effectiveness of internal controls and the development of controls over the transition. The Execution phase will be focused on implementing plans, preparing the IFRS opening balance sheet as at November 1, 2010 and implementing dual reporting to ensure the comparative information is available for IFRS financial reporting in 2012. The Company will continue to assess the impact of the transition on information technology and data systems as well as on internal controls. The Company will also continue to provide training on IFRS throughout the organization on both current IFRS and potential changes in the standards to ensure the impacts are understood across the organization and any new differences are identified. Throughout the project there continues to be ongoing communication of identified differences, the implementation decisions made and the impact of those decisions on each area of the business.

7.1.2 Cost of Conversion of Inventories

During the first quarter, the Company changed its classification of costs related to feed processing to more closely align internal and external reporting. The result of the change was a reclassification between Cost of Sales and OG&A expenses. This change is considered to be a change in accounting policy and, therefore, was treated retrospectively with restatement of the prior year. The impact of the change in policy on the current period and the prior fiscal year is disclosed in Note 2 a) of the Consolidated Financial Statements.

7.2 Critical Accounting Estimates

In preparing the Company's Consolidated Financial Statements, management is required to make estimates, assumptions and judgments as to the outcome of future events that might affect reported assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Such assessments are made using the best information available to management at the time. Although management reviews its estimates on an ongoing basis, actual results may differ from these estimates as confirming events occur. The following is an analysis of the critical accounting estimates that depend most heavily on such management estimates, assumptions and judgments, any changes of which may have a material impact on the Company's financial condition or results of operations. For more information about certain assumptions and risks that might affect these estimates, assumptions and judgments, refer to Section 12.0 - Forward-Looking Information.

7.2.1 Future Income Taxes

At July 31, 2010, the Company had consolidated loss carry-forwards of $75.0 million, compared to $25.0 million at July 31, 2009, including $32.2 million of losses for which a full valuation allowance has been taken. Of the $32.2 million of losses, $25.0 million relate to inactive subsidiaries of which the Company has less than a 100% interest. The Company has recorded a corresponding future tax asset of $12.9 million, net of a valuation allowance of $7.3 million, related to the Company's loss carry forwards.

7.2.2 Depreciation and Amortization

With regards to the purchase price allocation of Viterra Australia, in addition to the assessment of the fair value increment of the acquired assets during the quarter, a review of the estimated useful lives of the property, plant and equipment and intangibles, was prepared. As a result of these assessments, annual depreciation and amortization was increased. The purchase price allocation will be finalized in the fourth quarter along with finalization of the useful lives estimate and resulting depreciation and amortization amounts.

8.0 Integration

ABB

As described in the Company's 2009 Annual report, on September 23, 2009, the Company acquired all of the issued and outstanding common shares of ABB, an Australian agri-business.

Integration of the two companies is continuing to progress well. Shareholders should benefit from annual estimated gross synergies of approximately $30.0 million, with about $20.0 million to be achieved in the Grain Handling and Marketing segment, $9.0 million through reduced corporate expenses and the remaining $1.0 million in various other segments. These synergies will be generated primarily through revenue and cost efficiency, with the full annualized benefit to be delivered in fiscal 2012. Detailed implementation plans have been completed to achieve these targeted synergies. As at July 31, 2010, the Company had achieved a total of $18.7 million in synergies, primarily in the Grain Handling and Marketing segment, and is on track to achieve our full annualized run rate synergy targets by 2012.

Integration costs related to severance and closures incurred by or related to ABB have been accrued on the balance sheet as part of the acquisition price of the ABB shares in accordance with the purchase method of accounting, with a corresponding increase in goodwill. On a pre-tax basis, estimated total net integration costs for both entities, which include share issuance costs and refinancing costs, are about $113.2 million. The following table summarizes the actual costs to July 31, 2010:

Estimated Integration Costs for ABB	
As at July 31, 2010	*(in millions)*
Pre-tax estimated total integration costs	113.2
Integration costs already paid	(88.0)
Remaining integration costs to be paid	25.2
Costs accrued and outstanding	(7.6)
Estimated costs to be expensed or capitalized	17.6

These costs have been financed by free cash flow.

Dakota Growers

Integration is well underway at Dakota Growers, following the successful acquisition in May. The new operating model has been implemented and new procurement processes are in place. Planning for system integration is complete and implementation will occur in the coming months. Viterra is developing its synergy estimates with respect to its processing portfolio, primarily focused on revenue and expense opportunities in its Canadian oats operation, 21st Century Grain Processing and Dakota Growers and expects to be in a position to provide an estimate in its next quarterly report.

9.0 Risks and Risk Management

Viterra faces certain risks which can impact its financial performance. For additional information on other risks and general business information, readers should review the 2009 Management's Discussion and Analysis and the 2009 Annual Information Form.

9.1 Foreign Exchange Risk

The Company undertakes certain transactions denominated in foreign currencies and as a result foreign currency exposures arise. The Company is exposed to foreign exchange risk on financial commodity contracts, which are denominated in foreign currencies, and on its investment in foreign subsidiaries. The Company uses derivative financial instruments, such as foreign currency forward contracts and futures contracts, and options to limit exposures to changes in foreign currency denominated assets and liabilities as well as anticipated transactions.

The acquisition of ABB has exposed the Company to the impact of changes in the AUD to CAD exchange rate on its net investment in Viterra Australia. For accounting purposes, ABB is considered a self-sustaining entity and therefore the impact of changes in the exchange rate will be recognized in the Accumulated Other Comprehensive Income section of the Company's Consolidated Statements of Shareholders' Equity.

To the extent that the Company has not fully hedged its foreign exchange risks, a fluctuation of the CAD against the USD, AUD or other relevant currencies could have a material effect on Viterra's financial results.

During the year, the Company entered into a series of derivative contracts in connection with its offer to acquire Dakota Growers. These derivatives were used to mitigate the risk of economic loss arising from changes in the value of the USD compared to the CAD. The financial impact of the derivatives are recorded as Acquisition Derivative in the Consolidated Statements of Earnings.

9.2 Interest Rate Risk

The Company's exposure to interest rate risk relates primarily to the Company's debt obligations. The Company manages interest rate risk and currency risk on borrowings by using a combination of cash instruments, forward contracts and a mixture of fixed and floating rates. The Company had entered into interest rate swaps to manage variable interest rates associated with a portion of the Company's debt portfolio. The Company used hedge accounting for interest rate swaps used to mitigate the impact of variable rates on long-term debt.

On May 17, 2010, the Company announced that it had closed a $1.6 billion unsecured revolving credit facility through a syndicate of financial institutions. As a result, of this transaction, the Company's exposure to interest rate risk has changed and outstanding interest rate swaps were settled at fair market value. See Section 5.4 as well as note 13 b) iii of the Consolidated Financial Statements for further information regarding the new facility.

During the year, the Company entered into derivative contracts in connection with its plans to replace current borrowing facilities (see Section 5.4 as well as note 13 b) iii of the Consolidated Financial Statements). The Company has entered into bond forward contracts in order to protect against the impact of rising interest rates and uses hedge accounting to record the financial impact.

10.0 Non-GAAP Measures

EBITDA (earnings before interest, taxes, amortization, gain (loss) on disposal of assets, integration expenses, and acquisition derivative) and EBIT (earnings before interest, taxes, gain (loss) on disposal of assets, integration expenses, and acquisition derivative) 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.

Total debt, net of cash and short-term investments, 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 short-term investments. Such measures should not be used in isolation of, or as a substitute for, current liabilities, short-term borrowings, 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 their 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 of, 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)	**2010***	2009	*Better (Worse)*
	For the nine months ended July 31,			
	Gross profit and net revenues from services	$ 938,656	$ 679,923	$ 258,733
	Operating, general and administrative expenses	(559,031)	(396,461)	(162,570)
	EBITDA	$ 379,625	$ 283,462	$ 96,163
	Amortization	(137,909)	(77,590)	(60,319)
	EBIT	$ 241,716	$ 205,872	$ 35,844
	Net earnings	$ 92,601	$ 114,047	$ (21,446)
	Amortization	137,909	77,590	60,319
	Non-cash financing expenses	16,205	3,788	12,417
	Employee future benefits	4,236	3,049	1,187
	Non-cash acquistion derivative	866	(7,404)	8,270
	Future income tax provision	20,221	36,474	(16,253)
	(Gain) Loss on disposal of assets	(616)	9,122	(9,738)
	Other items	1,807	1,922	(115)
	Cash flow prior to working capital changes	$ 273,229	$ 238,588	$ 34,641
	Property, plant and equipment expenditures	(71,809)	(47,173)	(24,636)
	Free Cash Flow	$ 201,420	$ 191,415	$ 10,005
	As at July 31,			
	Current assets	$ 2,343,957	$ 2,623,889	$ (279,932)
	Current liabilities	1,483,884	702,576	(781,308)
	Current Ratio (Current Assets/Current Liabilities)	1.58 x	3.73 x	*(2.15 x)*
	Bank indebtedness	$ 59,940	$ 6,847	(53,093)
	Short-term borrowings	450,153	17,418	(432,735)
	Total short-term debt	$ 510,093	$ 24,265	$ (485,828)
[A]	Long-term debt due within one year	1,850	18,016	16,166
[A]	Long-term debt	495,824	964,176	468,352
[B]	Total debt	$ 1,007,767	$ 1,006,457	$ (1,310)
[C]	Cash and short-term investments	$ 115,733	$ 1,071,757	$ (956,024)
	Total debt, net of cash and short-term investments	$ 892,034	$ (65,300)	(957,334)
[D]	Total equity	$ 3,532,593	$ 2,325,093	$ 1,207,500
[E]	Total capital [B + D]	$ 4,540,360	$ 3,331,550	$ 1,208,810
	Debt-to-Total Capital [B]/[E]	22.2%	30.2%	*8.0 pt*
	Long-Term Debt-to-Capital [A]/[E]	11.0%	29.5%	*18.5 pt*

** Includes results for Viterra Australia's operations.*

11.0 Evaluation of Disclosure and Procedures

Management, including the President and Chief Executive Officer and Chief Financial Officer has evaluated the design of Viterra's disclosure controls and procedures and internal controls over financial reporting (as defined in National Instrument 52-109 of the Canadian Securities Administrators) as of July 31, 2010. Management has concluded that, as of July 31, 2010, Viterra's disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") are designed effectively to provide reasonable assurance that material information relating to Viterra and its consolidated subsidiaries and joint ventures would be made known to them by others within those entities, particularly during the period in which this report was being prepared, except as noted below in the scope limitation that exists as a result of the purchase of ABB.

Significant Changes

On May 5, 2010, the Company acquired Dakota Growers, a pasta company based in North Dakota. During the current quarter, the company fully integrated Dakota Growers and its subsidiaries into our existing control structure. There have been no other changes in the Company's internal control over financial reporting that occurred during the period, except as noted in the scope limitation below, that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

Limitation on scope of design:

Management has limited the scope of design of our disclosure controls and procedures and internal controls over financial reporting to exclude controls, policies and procedures of ABB and its subsidiaries. The charts below present the summary financial information of ABB:

Balance Sheet Data ***($ millions)***		**At July 31, 2010**
Current assets	$	693.7
Long-term assets	$	1,553.0
Current liabilities	$	547.3
Long-term liabilities	$	652.7
Income Statement Data ***($ millions)***		**Three Months Ending July 31, 2010**
Total revenue	$	558.5
Net income/(loss) for the period	$	(7.5)
		Nine Months Ending July 31, 2010
Total revenue	$	1,857.9
Net income/(loss) for the period	$	15.5

The scope limitation is in accordance with National Instrument 52-109 3.3(1)(b), which allows an issuer to limit its design of DC&P or ICFR to exclude controls, policies and procedures of an acquired company not more than 365 days before the end of the financial period to which the certificate relates.

12.0 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 2009 Annual Information Form and in the Company's 2009 Management's Discussion and Analysis under the heading "Risks and Risk Management"; adverse weather conditions; political and economic risks; changes in regulation; crop production and crop quality in Western Canada and South Australia; 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; dependence on key personnel; any labour disruptions;

employee relations, collective bargaining and third-party relationships; Viterra's financial leverage and funding requirements; credit risk in respect of customers of Viterra; foreign exchange risk and counterparty risks in connection with foreign exchange and commodity hedging programs; changes in the grain handling and agri-products, food processing and feed products competitive environments, including pricing pressures; Canadian and Australian grain export levels; changes in government policy and transportation deregulation; international trade matters and global political and economic conditions, including grain subsidy actions and tariffs of the United States and the European Union; global financial conditions and changes in credit markets; competitive developments in connection with Viterra's grain handling, agri-products, food processing, feed products and financial products businesses; acceptance of genetically modified foods; environmental, health and safety risks and unanticipated expenditures relating to environmental or other matters; integration risk associated with the acquisition by Viterra of Viterra Australia (formerly ABB Grain Ltd.), the acquisition of Dakota Growers Pasta Company, Inc. and other acquisitions; availability and cost of water in Australia; property and liability risks; food and agricultural products risks; diseases and other livestock industry risks and reliance on business information systems.. 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 and southern Australian crop production and quality in 2010 and subsequent crop years;
- the volume and quality of grain held on-farm by producer customers in North America;
- movement and sales of Board grains by the CWB;
- the amount of grains and oilseeds purchased by other marketers in Australia;
- demand for and supply of open market grains;
- movement and sale of grain and grain meal in Australia and New Zealand, particularly in the Australian states of South Australia, Victoria and New South Wales;
- agricultural commodity prices;
- foreign exchange rates;
- general financial conditions for western Canadian and southern Australian agricultural producers;
- demand for seed grain, fertilizer, chemicals and other agri-products;
- market share of grain deliveries and agri-products 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 feed product and agri-products purchases;
- ability of the railways to ship grain to port facilities for export without labour or other service disruptions;
- demand for oat, canola and malt barley products, and the market share of sales of these products that will be achieved by Viterra;
- ability to maintain existing customer contracts and relationships;
- the availability of feed ingredients for livestock;
- cyclicality of livestock prices;
- demand for wool and the market share of sales of wool production that will be achieved by Viterra's subsidiaries in Australia;
- the impact of competition;
- environmental and reclamation costs; and
- 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.

13.0 Annual Management's Discussion and Analysis

This Management's Discussion and Analysis relating to the third quarter ended July 31, 2010, should be read in conjunction with Viterra's Management's Discussion and Analysis for its year ended October 31, 2009. Additional information relating to Viterra, including the most recent Annual Information Form filed by the Company, is available on SEDAR at sedar.com and Viterra's website, viterra.com.

Mayo Schmidt	Rex McLennan
President and Chief Executive Officer	Chief Financial Officer
September 8, 2010	

Viterra Inc.
Regina, Saskatchewan
Calgary, Alberta
Adelaide, South Australia
viterra.com

CONSOLIDATED BALANCE SHEETS

(in thousands)

AS AT	July 31, 2010	July 31, 2009	October 31, 2009
	(unaudited)	(unaudited)	(audited)
ASSETS			
Current Assets			
Cash	$ 83,695	$ 77,502	$ 165,200
Short-term investments	32,038	994,255	868,469
Accounts receivable	1,061,879	799,195	1,004,674
Inventories (Note 3)	1,083,753	675,160	960,896
Prepaid expenses and deposits	79,494	66,241	89,768
Future income taxes	3,098	11,536	44,142
	2,343,957	2,623,889	3,133,149
Investments	9,399	7,741	9,706
Property, Plant and Equipment	2,385,933	1,177,014	2,411,105
Other Long-Term Assets	108,650	65,963	118,025
Intangible Assets	142,815	26,692	42,766
Goodwill	738,313	309,392	699,974
Future Income Taxes	18,242	4,164	8,023
	$ 5,747,309	$ 4,214,855	$ 6,422,748
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Bank indebtedness	$ 59,940	$ 6,847	$ 594
Short-term borrowings (Note 5)	450,153	17,418	291,128
Accounts payable and accrued liabilities	968,451	659,868	1,095,366
Long-term debt due within one year (Note 6)	1,850	18,016	18,151
Future income taxes	3,490	427	573
	1,483,884	702,576	1,405,812
Long-Term Debt (Note 6)	495,824	964,176	1,265,435
Other Long-Term Liabilities	51,299	62,490	72,471
Future Income Taxes	183,709	160,520	170,111
	2,214,716	1,889,762	2,913,829
Shareholders' Equity			
Retained earnings	518,342	439,958	425,741
Accumulated other comprehensive income (loss)	(17,320)	(1,126)	54,216
	501,022	438,832	479,957
Share capital (Note 7)	3,025,491	1,883,343	3,025,486
Contributed surplus	6,080	2,918	3,476
	3,532,593	2,325,093	3,508,919
	$ 5,747,309	$ 4,214,855	$ 6,422,748

Commitments, contingencies and guarantees (Note 12)

CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands)

FOR THE PERIOD ENDED	Three Months Ended July 31, 2010 (unaudited)	Three Months Ended July 31, 2009 (unaudited) (restated - Note 2a)	Nine Months Ended July 31, 2010 (unaudited)	Nine Months Ended July 31, 2009 (unaudited) (restated - Note 2a)
Sales and other operating revenues	$ 2,495,451	$ 2,222,428	$ 6,329,339	$ 5,212,217
Cost of sales (excluding amortization see Note 3)	(2,102,784)	(1,874,483)	(5,390,683)	(4,532,294)
Gross profit and net revenues from services	392,667	347,945	938,656	679,923
Operating, general and administrative expenses	(196,053)	(143,478)	(559,031)	(396,461)
	196,614	204,467	379,625	283,462
Amortization	(63,706)	(26,800)	(137,909)	(77,590)
	132,908	177,667	241,716	205,872
Gain (loss) on disposal of assets	241	(870)	616	(9,122)
Integration expenses	(1,059)	(1,352)	(4,233)	(5,048)
Acquisition derivative (Note 13)	2,208	7,404	(866)	7,404
Financing expenses (Note 11)	(44,851)	(15,564)	(112,437)	(37,020)
	89,447	167,285	124,796	162,086
Provision for corporate taxes				
Current	(577)	(11,447)	(11,974)	(11,565)
Future	(25,332)	(35,150)	(20,221)	(36,474)
Net earnings	$ 63,538	$ 120,688	$ 92,601	$ 114,047
Basic and diluted earnings per share (Note 8)	$ 0.17	$ 0.51	$ 0.25	$ 0.48

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

FOR THE PERIOD ENDED	Three Months Ended July 31, 2010 (unaudited)	Three Months Ended July 31, 2009 (unaudited)	Nine Months Ended July 31, 2010 (unaudited)	Nine Months Ended July 31, 2009 (unaudited)
Net earnings	$ 63,538	$ 120,688	$ 92,601	$ 114,047
Other comprehensive income (loss)				
Realized gain on dedesignated hedged contracts included in net earnings, net of tax of $ 302 (2009 - $ 666)	-	(489)	(740)	(1,555)
Unrealized gain (loss) on cash flow hedges, net of tax of $ 6,476 (2009 - $ (2,398))	(12,401)	17,583	(15,340)	8,284
Realized loss (gain) on cash flow hedges, net of tax of $ (6,938) (2009 - $ (1,779))	10,567	(1,540)	14,130	3,918
Unrealized gain on net investment hedges, net of tax of $ (2,279) (2009 - nil)	3,394	-	5,581	-
Unrealized gain (loss) on available for sale assets, net of tax of $ 1 (2009 - $ (8))	1	37	(4)	49
Unrealized effect of foreign currency translation of foreign operations	(18,889)	(2,154)	(75,163)	(2,056)
Other comprehensive income (loss)	(17,328)	13,437	(71,536)	8,640
Comprehensive income	$ 46,210	$ 134,125	$ 21,065	$ 122,687

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands)

(unaudited)	Share Capital (Note 7)	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
As at October 31, 2008	$ 1,883,336	$ 1,244	$ (9,766)	$ 325,911	$ 2,200,725
Share capital issued	7	-	-	-	7
Stock-based compensation	-	1,674	-	-	1,674
Other comprehensive income (loss)					
Realized gain on dedesignated hedged contracts, net of tax of $ 666	-	-	(1,555)	-	(1,555)
Unrealized gain on cash flow hedges, net of tax of $ (2,398)	-	-	8,284	-	8,284
Realized loss on cash flow hedges, net of tax of $ (1,779)	-	-	3,918	-	3,918
Unrealized gain on available for sale assets, net of tax of $ (8)	-	-	49	-	49
Unrealized effect of foreign currency translation of foreign operations	-	-	(2,056)	-	(2,056)
Net earnings for the period	-	-	-	114,047	114,047
As at July 31, 2009	$ 1,883,343	$ 2,918	$ (1,126)	$ 439,958	$ 2,325,093
Share capital issued	1,142,143	-	-	-	1,142,143
Options exercised	-	(1)	-	-	(1)
Stock-based compensation	-	559	-	-	559
Other comprehensive income (loss)					
Realized gain on dedesignated hedged contracts, net of tax of $ 225	-	-	(525)	-	(525)
Unrealized loss on cash flow hedges, net of tax of $ 263	-	-	(947)	-	(947)
Realized loss on cash flow hedges, net of tax of $ (156)	-	-	346	-	346
Unrealized loss on available for sale assets, net of tax of $ 16	-	-	(97)	-	(97)
Unrealized effect of foreign currency translation of foreign operations	-	-	56,565	-	56,565
Future income taxes share issuance costs	-	-	-	5,171	5,171
Share issuance costs	-	-	-	(18,468)	(18,468)
Net loss for the period	-	-	-	(920)	(920)
As at October 31, 2009	$ 3,025,486	$ 3,476	$ 54,216	$ 425,741	$ 3,508,919
Share capital issued	5	-	-	-	5
Options exercised	-	(2)	-	-	(2)
Stock-based compensation	-	2,606	-	-	2,606
Other comprehensive income (loss)					
Realized gain on dedesignated hedged contracts, net of tax of $ 302	-	-	(740)	-	(740)
Unrealized loss on cash flow hedges, net of tax of $ 6,476	-	-	(15,340)	-	(15,340)
Realized loss on cash flow hedges, net of tax of $ (6,938)	-	-	14,130	-	14,130
Unrealized gain on net investment hedges, net of tax of $ (2,279)	-	-	5,581	-	5,581
Unrealized loss on available for sale assets, net of tax of $ 1	-	-	(4)	-	(4)
Unrealized effect of foreign currency translation of foreign operations	-	-	(75,163)	-	(75,163)
Net earnings for the period	-	-	-	92,601	92,601
As at July 31, 2010	$ 3,025,491	$ 6,080	$ (17,320)	$ 518,342	$ 3,532,593

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

FOR THE PERIOD ENDED	Three Months Ended July 31, 2010 (unaudited)	Three Months Ended July 31, 2009 (unaudited)	Nine Months Ended July 31, 2010 (unaudited)	Nine Months Ended July 31, 2009 (unaudited)
Cash From (Used In) Operating Activities				
Net earnings	$ 63,538	$ 120,688	$ 92,601	$ 114,047
Adjustments for items not involving cash and/or operations				
Amortization	63,706	26,800	137,909	77,590
Future income tax provision	25,332	35,150	20,221	36,474
Employee future benefits (Note 10)	1,255	634	4,236	3,049
Non-cash financing expenses	9,855	1,310	16,205	3,788
Loss (gain) on disposal of assets	(241)	870	(616)	9,122
Acquisition derivative	(2,208)	(7,404)	866	(7,404)
Other items	984	759	1,807	1,922
Adjustments for items not involving cash	98,683	58,119	180,628	124,541
	162,221	178,807	273,229	238,588
Changes in non-cash working capital items				
Accounts receivable	(103,431)	(69,731)	(85,762)	(2,967)
Inventories	204,926	496,093	(109,296)	163,724
Accounts payable and accrued liabilities	(86,228)	(341,263)	(143,307)	(271,721)
Prepaid expenses and deposits	54,945	15,296	6,579	25,229
Changes in non-cash working capital	70,212	100,395	(331,786)	(85,735)
Cash from (used in) operating activities	232,433	279,202	(58,557)	152,853
Cash From (Used in) Financing Activities				
Proceeds from long-term debt	2,431	300,000	4,085	400,125
Repayment of long-term debt	(779,160)	(4,468)	(793,542)	(13,602)
Proceeds (repayment) of short-term borrowings	377,880	(73,809)	165,016	(351)
Repayment of other long-term liabilities, net	(2)	(406)	(426)	(758)
Increase in share capital	-	6	3	7
Debt financing cost	(14,712)	(6,105)	(14,712)	(6,105)
Cash from (used in) financing activities	(413,563)	215,218	(639,576)	379,316
Cash From (Used in) Investing Activities				
Property, plant and equipment expenditures	(27,711)	(17,831)	(71,809)	(47,173)
Proceeds on sale of property, plant and equipment	1,191	1,183	3,481	1,721
Business acquisitions (Note 4)	(214,282)	(76,213)	(217,502)	(83,038)
Business divestitures (Note 4)	-	-	19,557	-
Decrease (increase) in investments	5	6	106	(232)
Intangible assets expenditures	(4,324)	(1,562)	(12,553)	(6,773)
Cash used in investing activities	(245,121)	(94,417)	(278,720)	(135,495)
Increase (Decrease) in Cash and Cash Equivalents	(426,251)	400,003	(976,853)	396,674
Cash and Cash Equivalents, Beginning of Period	481,445	665,368	1,033,075	669,010
Impact on cash of unrealized effect of foreign currency translation of foreign operations	599	(461)	(429)	(774)
Cash and Cash Equivalents, End of Period	$ 55,793	$ 1,064,910	$ 55,793	$ 1,064,910
Cash and cash equivalents consist of:				
Cash	$ 83,695	$ 77,502	$ 83,695	$ 77,502
Short-term investments	32,038	994,255	32,038	994,255
Bank indebtedness	(59,940)	(6,847)	(59,940)	(6,847)
	$ 55,793	$ 1,064,910	$ 55,793	$ 1,064,910
Supplemental disclosure of cash received (paid) during the period from operations:				
Interest paid	$ (35,416)	$ (15,623)	$ (103,985)	$ (41,945)
Income taxes received (paid)	$ 11,780	$ (5,844)	$ 1,919	$ (13,634)

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1. NATURE OF BUSINESS

Viterra Inc. (the "Company") is a publicly traded, vertically integrated International agri-business. Business operations include four reporting segments: Grain Handling and Marketing, Agri-products, Processing and Corporate. The Company has changed the composition of reportable segments from the prior year. The Processing segment combines Food Processing and Feed Products. Financial Products is now included in the Agri-products segment.

On September 23, 2009, the Company acquired ABB Grain Ltd. ("ABB"), an Australian agri-business. The results of operations of ABB are included in the Company's consolidated financial statements commencing upon acquisition. The subsidiary, including its subsidiaries and its direct parent holding company, is referred to herein as Viterra Australia.

The Grain Handling and Marketing segment includes grain storage facilities, joint venture grain facilities and processing plants strategically located in the prime agricultural growing regions of North America, Australia and New Zealand. This segment also includes port terminal facilities located in Canada and Australia. Activity in this segment consists of the collection of grain through the Company's primary storage system, shipping to inland or port terminals, cleaning of grain to meet regulatory specifications and sales to domestic or export markets. Earnings are volume driven. Revenue is also derived through grain handling, blending, storage and other ancillary services, as well as the sale of byproducts.

The Agri-products segment includes an ownership interest in a fertilizer manufacturer, fertilizer distribution, a network of retail locations and offers financial services such as lending and cash management. Agri-products sales lines include fertilizer, crop protection products, seed and seed treatments, equipment, general merchandise, wool and livestock.

The Processing segment in North America includes the manufacturing and marketing of value-added food products associated with oats, canola and malt barley for domestic and export markets. On May 5, 2010, the Company acquired Dakota Growers Pasta Company, Inc. ("Dakota Growers"), a producer and marketer of dry pasta products in North America. This segment also includes activities relating to formulating and manufacturing of feed products at feed mills and pre-mix facilities across the western regions of Canada and the United States ("U.S."). At Viterra Australia, the Processing segment includes malting plants positioned across Australia and a feed business in New Zealand.

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 grain production in each geographic location. 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, customer export programs and producers' marketing decisions. Sales of the Company's agri-products peak during the growing season, supplemented by additional crop nutrient sales in the late fall.

2. ACCOUNTING POLICIES

These interim unaudited consolidated statements are based on accounting principles consistent with those used and described in the October 31, 2009 annual consolidated financial statements. The Company's accounting policies are in accordance with Canadian generally accepted accounting principles. 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, 2009.

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

a) Changes to Significant Accounting Policies – Cost of Conversion of Inventories

During the nine months ending July 31, 2010, the Company changed its classification of costs related to feed processing to more closely align internal and external reporting. The result of the change was a reclassification between cost of sales and operating, general and administrative expenses. This change is considered to be a change in accounting policy and, therefore, was treated retrospectively with restatement of the prior year.

The impact of the change in policy on the respective three and nine months ended July 31, 2010 was to increase cost of sales and decrease operating, general and administrative expenses by $3.6 million and $10.9 million respectively.

The impact of the restatement on the Consolidated Statement of Earnings for fiscal 2009 over the four quarters is to increase cost of sales and reduce operating, general and administrative expenses as follows:

Three Months Ended	Impact
January 31, 2009	$ 1,557
April 30, 2009	2,045
July 31, 2009	3,365
October 31, 2009	3,965
Total	$ 10,932

Inventories and net earnings have not been restated as the impact was insignificant.

b) Future Accounting Changes – International Financial Reporting Standards

In January 2006, the Canadian Institute of Chartered Accountants 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 continues to be assessed.

3. INVENTORIES

As at	July 31, 2010	July 31, 2009	October 31, 2009
Grain	$ 588,709	$ 275,133	$ 469,196
Agri-products	382,600	338,334	381,485
Processing:			
Raw materials and supplies	48,598	37,319	20,999
Work in progress	14,576	2,211	24,955
Finished goods	49,270	22,163	64,261
	$ 1,083,753	$ 675,160	$ 960,896

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 $12.0 million and $33.3 million for the respective three and nine month periods ended July 31, 2010 (2009 - $7.5 million and $23.0 million) related to the manufacture of inventory that has now been sold is included in amortization expense.

Write-downs related to Agri-products inventory of nil and $1.5 million for the respective three and nine month periods ended July 31, 2010 (2009 – nil and $26.8 million) have been included in cost of sales.

4. BUSINESS ACQUISITIONS AND DIVESTITURE

	Dakota Growers	Other	Total
Net assets acquired at fair value:			
Current assets	$ 63,142	$ (13,820)	$ 49,322
Property, plant and equipment	92,570	(2,739)	89,831
Intangible assets	2,982	103,399	106,381
Goodwill	132,988	(77,147)	55,841
Other long-term assets	1,644	(9,478)	(7,834)
Future income tax liabilities, net	(23,409)	476	(22,933)
Current liabilities	(18,928)	4,484	(14,444)
Current portion of long-term debt	(4,510)	-	(4,510)
Long-term debt	(21,739)	-	(21,739)
Total purchase price	224,740	5,175	229,915
Less: Cash acquired	(12,413)	-	(12,413)
	$ 212,327	$ 5,175	$ 217,502
Consideration provided:			
Cash (net of cash acquired)	$ 210,422	$ 5,175	$ 215,597
Transaction costs	1,905	-	1,905
Cash used in business acquisitions	$ 212,327	$ 5,175	$ 217,502

a) Acquisition of Dakota Growers

On May 5, 2010, the Company acquired all of the issued and outstanding common shares of Dakota Growers, a leading producer and marketer of dry pasta products in North America. The results of the operations are included in the Company's consolidated financial statements commencing upon acquisition.

For purposes of calculating the value of the cash component of the purchase consideration the Company used the closing United States dollar ("USD") to Canadian dollar exchange rate on the acquisition date.

The acquisition has been accounted for using the purchase method, whereby the purchase consideration is allocated to the estimated fair values of the assets acquired and the liabilities assumed at the effective date of the purchase. The table above summarizes the preliminary fair value of assets acquired and liabilities assumed.

Acquisition costs incurred or accrued in the above purchase allocation are comprised mainly of professional fees of $1.9 million.

As the acquisition has recently been completed, the preliminary purchase price allocation between the assets and liabilities acquired, including goodwill and intangibles, as well as the determination of goodwill deductible for tax purposes, will be finalized in a subsequent period. The net assets, including goodwill of $133.0 million are included in the Processing segment.

b) Other Acquisitions and Divestures

i. Acquisition of ABB

The acquisition of ABB occurred September 23, 2009. The purchase price allocation between the assets and liabilities acquired, including goodwill and intangibles, will be finalized in the fourth quarter.

During the nine month period ending July 31, 2010, adjustments to the preliminary purchase price allocation reported in the Company's annual consolidated financial statements for the year ended October 31, 2009 have resulted in an $82.4 million decrease in goodwill. The change is a result of updated fair values including an increase in intangible assets of $103.4 million as well as an increase in property, plant and equipment and other long-term assets of $11.5 million relating to the Australian Bulk Alliance ("ABA") joint venture, partly offset by a reduction of property, plant and equipment amounts and the write-off of certain capital projects in progress by approximately $9.7 million, a reduction in deferred financing charges by approximately $8.4 million net of tax and other miscellaneous adjustments. In addition to the assessment of the fair value increment of the acquired assets, during the quarter, a review of the estimated useful lives of the property plant and equipment and intangibles was prepared. As a result of these assessments depreciation and amortization was increased by $13.0 million in the quarter.

ii. Divestiture of ABA

During the nine month period ending July 31, 2010, the Company sold its 50 percent interest in ABA for $19.6 million, which includes a $12.1 million shareholder loan repayment. There was no gain or loss recorded on the disposal. ABA was proportionately consolidated within the Grain Handling and Marketing segment prior to disposal.

iii. Other

During the nine month period ending July 31, 2010, the Company purchased certain agri-products retail assets for a total consideration of $5.2 million.

On June 25, 2009, the Company purchased certain businesses of Associated Proteins Limited Partnership of Ste. Agathe, Manitoba, Canada for a total consideration of $76.1 million. During the nine month period ending July 31, 2010, an adjustment to the fair market value of current assets acquired resulted in a $3.3 million increase in goodwill recorded in the Processing segment.

5. SHORT-TERM BORROWINGS

As at		July 31, 2010		July 31, 2009		October 31, 2009
Global Credit Facility	$	450,153	$	-	$	-
Viterra Australia		-		-		291,128
Members' demand loans		-		17,418		-
	$	450,153	$	17,418	$	291,128

Global Credit Facility

The Company has a $1.6 billion unsecured revolving credit facility ("Global Credit Facility") through a syndicate of financial institutions. The Global Credit Facility, which includes sub-tranches of Canadian $800 million and Australian $850 million, was effective May 18, 2010 and expires May 18, 2013. The facility is available in Canadian, Australian dollars ("AUD"), USD and New Zealand dollars ("NZD") at LIBOR plus a margin of 3.0%. The margin is based on the Company's current credit rating. The Company has the right to increase the facility by up to $400 million. As a result of closing this facility and repayment of the Credit facility, all security has been released on the Company's debt including the long-term notes that remain outstanding.

At July 31, 2010, drawings were $185 million on the Canadian tranche and $165 million AUD, $18 million USD and $124 million NZD on the Australian tranche. The carrying value approximates fair value as of July 31, 2010.

The Global Credit Facility replaced the Company's $800 million line of credit in Canada and the $1.2 billion AUD operating line in Australia (referred to in the table above and in Note 6 as Viterra Australia). In the three months ending July 31, 2010, the Company used the facility to repay amounts outstanding under the term loan Credit facility (referred to in Note 6 as the Credit facility) and to redeem $100 million of senior unsecured notes (referred to in Note 6 as the Series 2006-1 Notes).

6. LONG-TERM DEBT

As at		July 31, 2010		July 31, 2009		October 31, 2009
Viterra						
Credit facility (a)	$	-	$	315,250	$	312,000
Series 2009-1 Notes (b)		300,000		300,000		300,000
Series 2007-1 Notes (b)		200,000		200,000		200,000
Series 2006-1 Notes (a)		-		100,000		100,000
Members' term loans (c)		1,294		2,681		2,449
	$	501,294	$	917,931	$	914,449
Subsidiaries' and proportionate share of joint ventures' debt						
Credit facility (a)	$	-	$	78,388	$	77,897
Viterra Australia (a) and other (d)		5,346		2,448		309,389
	$	5,346	$	80,836	$	387,286
Sub-total		506,640		998,767		1,301,735
Less: unamortized debt costs		8,966		16,575		18,149
Total long-term debt	$	497,674	$	982,192	$	1,283,586
Less: portion due within one year						
Credit facility (a)	$	-	$	13,000	$	13,000
Members' term loans (c)		619		1,261		1,210
Viterra Australia (a) and other (d)		1,231		3,755		3,941
Long-term debt due within one year		1,850		18,016		18,151
Long-term debt due in excess of one year	$	495,824	$	964,176	$	1,265,435

a) Global Credit Facility

Refer to Note 5 for information regarding the Global Credit Facility and its impact on the Credit facility, the Series 2006-1 Notes and Viterra Australia.

b) **Senior Unsecured Notes**

Terms[1]		Series 2009-1	Series 2007-1
Issue Date		July 7, 2009	August 1, 2007
Principal Amount		$300,000	$200,000
Interest Rate		8.5%	8.5%
Maturity Date		July 7, 2014	August 1, 2017
Fair Value – July 31, 2010		$327,000	$218,500
Fair Value – July 31, 2009		$306,500	$196,760
Fair Value – October 31, 2009		$318,780	$213,240
Redemption Price[2]			
Optional Redemption, Prior to		**July 7, 2012**	**August 1, 2012**
With Net Proceeds of Public Equity Offering[3]		108.5%	108.5%
Without Proceeds of Public Equity Offering		100.0%+ARP[4]	100.0%+ARP[4]
Optional Redemption, On or After		**July 7, 2012**	**August 1, 2012**
	2012	102.125%	104.25%
	2013	100.0%	103.1875%
	2014	-	102.125%
	2015	-	101.0625%
	2016	-	100.0%

(1) Each Series 2007-1 and 2009-1 Notes and the Global Credit Facility and the Member Term Loans are unsecured and rank *pari passu* with each other.
(2) Expressed as percentage of principal amount at maturity.
(3) Redemption limited to no more than 35% of aggregate principal amount of each series.
(4) When redeeming notes without proceeds received from one or more public equity offerings, the redemption price is 100% of principal amount thereof plus Applicable Redemption Premium (ARP) as defined in the corresponding Supplemental Trust Indenture Agreement between the Company and BNY Trust Company for each note series.

On July 23, 2010, the Company withdrew an existing preliminary short form prospectus and filed a preliminary short form base shelf prospectus allowing the Company to offer, from time to time, over a 25-month period up to $500 million in senior unsecured notes. The timing of any offering will depend on financial market conditions.

Refer to Note 15 for information on the subsequent events and the resulting impact on the Company's borrowing facilities.

c) **Members' Term Loans**

Members' term loans are unsecured and consist of one-year to seven-year loans with non-institutional investors and employees. Interest is payable semi-annually at interest rates that vary from 2.0% to 8.0% (2009 – 1.7% to 8.0%) and a weighted average interest rate of 4.5% (2009 – 4.8%) based on the face value of the debt instrument.

As of July 6, 2009, the Company ceased accepting new term loans or renewals. Loans will be paid out at maturity including principal and accrued interest or may be withdrawn prior to maturity without penalty. Interest will continue to be paid semi-annually until the loan is redeemed or matures.

The fair value of the members' term loans at July 31, 2010 was approximately $1.3 million (July 31, 2009 - $3.4 million, October 31, 2010 - $2.6 million).

d) Subsidiaries' and Proportionate Share of Joint Ventures' Borrowings

Subsidiaries' and the proportionate share of joint ventures' borrowings bear interest at fixed and variable rates. The weighted average interest rate of subsidiaries' and the proportionate share of joint ventures' borrowings is 6.2% (July 31, 2009 and October 31, 2009 – 6.5%) based on the face value of the debt instrument. The debt matures in 2010 to 2014.

The fair value at July 31, 2010 of subsidiaries' and the proportionate share of joint ventures' total borrowings was approximately $5.3 million (July 31, 2009 – $2.4 million, October 31, 2009 - $3.1 million CAD, $18.3 million USD, $463.2 million AUD and $130.1 million NZD).

e) Scheduled Repayments of Long-Term Debt

The following summarizes the aggregate amount of scheduled repayments of long-term debt (excluding unamortized borrowing costs) in each of the next five years and thereafter:

For the Periods Ending July 31	Viterra	Subsidiaries and Proportionate Share of Joint Ventures	Total
2011	$ 619	$ 1,231	$ 1,850
2012	484	883	1,367
2013	166	641	807
2014	300,025	561	300,586
2015	-	311	311
Subsequent years	200,000	1,719	201,719
	$ 501,294	$ 5,346	$ 506,640

7. SHARE CAPITAL AND STOCK-BASED COMPENSATION PLANS

a) Common Voting Shares

Authorized

Unlimited Common Voting Shares

	Common Voting Shares	
	Number[1]	Amount
Balance, October 31, 2008	237,049,213	$ 1,883,336
Share issuance for cash	525	7
Balance July 31, 2009	237,049,738	$ 1,883,343
Share issuance for cash	56,250,125	450,000
Adjustment to share capital from contributed surplus for options exercised	-	1
Issued upon acquisition of ABB	78,296,645	692,142
Balance, October 31, 2009	371,596,508	$ 3,025,486
Share issuance for cash	425	3
Adjustment to share capital from contributed surplus for options exercised	-	2
Balance, July 31, 2010	371,596,933	$ 3,025,491

[1]Number of shares are not shown in thousands

b) Management Stock Option Plan

The maximum number of common shares that may be issued under options issued pursuant to the Management Stock Option Plan is approximately 10.2 million common shares. Once the 2.7 million common shares that can potentially be issued under currently granted and contingently granted options are deducted, approximately 7.5 million common shares have been reserved for subsequent option grants.

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 weighted average assumptions: risk-free rate 2.5%, dividend yield 0%, a volatility factor of the expected market price of the Company's shares of 38% and an expected option life of 4.7 years. The Company's stock-based compensation expense for the respective three and nine month periods ended July 31, 2010 was $0.9 million and $2.6 million (2009 - $0.6 million and $1.7 million).

	Number of Options[1]	Weighted Average Grant-Date Fair Value	Weighted Average Exercise Price	Number of Options Exercisable[1]	Weighted Average Exercise Price
Outstanding October 31, 2008	706,246		$ 18.55	71,834	$ 74.99
Options granted	957,594	$ 3.09	$ 9.02		
Forfeited	(827)		$ 49.72		
Exercised	(525)		$ 5.90		
Outstanding July 31, 2009	1,662,488		$ 13.03	70,482	$ 75.80
Forfeited	(1,543)		$ 52.07		
Expired	(3,630)		$ 168.00		
Exercised	(125)		$ 5.90		
Outstanding October 31, 2009	1,657,190		$ 12.67	384,391	$ 19.59
Options granted	1,066,914	$ 3.50	$ 9.97		
Forfeited	(1,088)		$ 59.07		
Expired	(18,050)		$ 134.82		
Exercised	(425)		$ 5.90		
Outstanding July 31, 2010	2,704,541		$ 10.76	999,239	$ 12.73

[1]Number of options are not shown in thousands

The following table summarizes the options outstanding and exercisable as at July 31, 2010:

Range of Exercise Price	Number of Options Outstanding[1]	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Options Exercisable[1]	Weighted Average Exercise Price
$<6.00	5,888	2.97	$ 5.90	5,888	$ 5.90
$6.01 - $10.00	2,024,508	5.90	9.52	319,206	9.02
$10.01-$51.00	662,265	5.27	13.58	662,265	13.58
$51.01-$70.00	11,880	0.06	68.40	11,880	68.40
	2,704,541	5.72	$ 10.76	999,239	$ 12.73

[1]Number of options are not shown in thousands

8. EARNINGS PER SHARE

	Three Months Ended July 31		Nine Months Ended July 31	
	2010	2009	2010	2009
Net earnings	$ 63,538	$ 120,688	$ 92,601	$ 114,047
Denominator for basic earnings per share amounts:				
Weighted average number of shares outstanding[1]	371,597	237,050	371,597	237,049
Basic earnings per share	$ 0.17	$ 0.51	$ 0.25	$ 0.48
Denominator for diluted earnings per share amounts:				
Weighted average number of shares outstanding[1]	371,598	237,085	371,607	237,057
Diluted earnings per share	$ 0.17	$ 0.51	$ 0.25	$ 0.48

[1]Number of shares in thousands

9. SEGMENTED INFORMATION

A description of the types of products and services from which the segments derive their revenue is included in the Nature of Business (Note 1). 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 July 31		Nine Months Ended July 31	
	2010	2009	2010	2009
Sales and other operating revenues				
Grain Handling and Marketing	$ 1,470,011	$ 1,103,853	$ 4,235,227	$ 3,194,273
Agri-products	818,900	943,257	1,474,435	1,403,468
Processing	330,833	203,803	945,465	679,828
Less: Inter-segment sales	(124,293)	(28,485)	(325,788)	(65,352)
	$ 2,495,451	$ 2,222,428	$ 6,329,339	$ 5,212,217
Inter-segment sales				
Grain Handling and Marketing	$ (123,157)	$ (27,638)	$ (324,688)	$ (61,275)
Agri-Products	(661)	(277)	(661)	(277)
Processing	(475)	(570)	(439)	(3,800)
	$ (124,293)	$ (28,485)	$ (325,788)	$ (65,352)
Gross profit and net revenues from services				
Grain Handling and Marketing	$ 181,748	$ 117,793	$ 537,211	$ 339,991
Agri-products	167,754	202,650	277,329	253,456
Processing	43,165	27,502	124,116	86,476
	$ 392,667	$ 347,945	$ 938,656	$ 679,923
Operating, general and administrative expenses				
Grain Handling and Marketing	$ (80,895)	$ (49,040)	$ (253,090)	$ (146,305)
Agri-products	(62,004)	(55,159)	(153,523)	(128,896)
Processing	(21,222)	(17,791)	(56,280)	(55,433)
Corporate	(31,932)	(21,488)	(96,138)	(65,827)
	$ (196,053)	$ (143,478)	$ (559,031)	$ (396,461)

	Three Months Ended July 31		Nine Months Ended July 31	
	2010	2009	2010	2009
EBITDA[1]				
Grain Handling and Marketing	$ 100,853	$ 68,753	$ 284,121	$ 193,686
Agri-products	105,750	147,491	123,806	124,560
Processing	21,943	9,711	67,836	31,043
Corporate	(31,932)	(21,488)	(96,138)	(65,827)
	$ 196,614	$ 204,467	$ 379,625	$ 283,462

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

	Three Months Ended July 31		Nine Months Ended July 31	
	2010	2009	2010	2009
Amortization				
Grain Handling and Marketing	$ (37,259)	$ (11,354)	$ (72,884)	$ (31,562)
Agri-products	(11,832)	(10,662)	(34,388)	(31,787)
Processing	(10,866)	(4,581)	(26,070)	(13,618)
Corporate	(3,749)	(203)	(4,567)	(623)
	$ (63,706)	$ (26,800)	$ (137,909)	$ (77,590)
EBIT[2]				
Grain Handling and Marketing	$ 63,594	$ 57,399	$ 211,237	$ 162,124
Agri-products	93,918	136,829	89,418	92,773
Processing	11,077	5,130	41,766	17,425
Corporate	(35,681)	(21,691)	(100,705)	(66,450)
	$ 132,908	$ 177,667	$ 241,716	$ 205,872

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

10. 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 respective three and nine month periods ended July 31, 2010 were $1.3 million and $4.2 million (2009 - $0.6 million and $3.0 million).

b) Defined Contribution Plans

The Company, including subsidiaries and affiliates, contributes to several defined contribution plans including multi-employer plans. The Company's total consolidated defined contribution plan expense for the respective three and nine month periods ended July 31, 2010 was $3.8 million and $11.6 million (2009 - $3.2 million and $8.8 million).

11. FINANCING EXPENSES

	Three Months Ended July 31		Nine Months Ended July 31	
	2010	2009	2010	2009
Interest on:				
Long-term debt	$ 13,143	$ 13,997	$ 62,902	$ 37,504
Short-term borrowings	8,257	1,269	24,435	3,325
Interest income	(2,470)	(739)	(6,270)	(5,318)
Canadian Wheat Board carrying charge recovery	(371)	(273)	(1,272)	(2,279)
	18,559	14,254	79,795	33,232
Interest accretion	373	541	2,217	1,483
Amortization of deferred financing costs	1,039	769	5,545	2,305
Refinancing costs	24,880	-	24,880	-
	$ 44,851	$ 15,564	$ 112,437	$ 37,020

Refinancing costs were incurred on retirement of debt (Note 5) and includes settlement of interest rate swaps, write-off of financing fees previously capitalized and an early redemption premium.

12. COMMITMENTS, CONTINGENCIES AND GUARANTEES

a) Letters of Credit

At July 31, 2010, the Company had outstanding letters of credit and similar instruments of $29.6 million (July 31, 2009 and October 31, 2009 - $5.1 million). The terms range in duration and expire at various dates through to August 31, 2015. The amounts vary depending on underlying business activity or the specific agreements in place with the third parties. These instruments may effectively reduce the amount of cash that can be drawn on the Global Credit Facility.

b) 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. The Company 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 July 31, 2010, outstanding credit was $546.3 million (October 31, 2009 - $528.1 million, July 31, 2009 - $568.2 million) and the Company's obligation for past and future losses is current with the bank in accordance with the Agency Agreement.

The Company also has a rolling five-year agreement with a Canadian Schedule I chartered bank to provide loans to Processing customers to purchase feeder cattle, 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. The Company has indemnified 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 July 31, 2010, outstanding credit was $39.9 million (October 31, 2009 - $35.8 million, July 31, 2009 - $36.6 million) and the Company's obligation for past and future losses is current with the bank in accordance with the Agency Agreement.

c) Guarantees

The Company's subsidiary, Viterra Australia, has entered into a Deed of Cross Guarantee with certain controlled entities. The effect of this Deed is that Viterra Australia and each of these controlled entities has guaranteed to pay any deficiency of any of the companies' party to the Deed in the event of any of those companies being wound up. Viterra Australia has also issued letters of financial support to its joint venture National Growers Registers Pty Ltd. The consolidated net assets of the entities party to the Deed of Cross Guarantee is $1.1 billion at July 31, 2010 (October 31, 2009 - $889.0 million).

Viterra Australia is a self-insurer in South Australia for workers' compensation liability and is subject to a bank guarantee for $1.2 million (October 31, 2009 - $1.6 million).

The Company is contingently liable under three guarantees given to third-party lenders who have provided certain financing facilities to its wholly owned foreign subsidiaries. As at July 31, 2010, the maximum amounts of the guarantees are $80.0 million and Japanese Yen ("JPY") 2.0 billion or approximately $103.8 million in aggregate. As at July 31, 2010 the principal outstanding and included in the Company's consolidated borrowings was nil (July 31, 2009 and October 31, 2009 – nil).

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.

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 July 31, 2010, the current outstanding balance of these guarantees is $2.2 million (July 31, 2009 and October 31, 2009 - $2.5 million). These guarantees diminish as the underlying loans are repaid and expire in 2014 and 2015.

d) Asset Retirement Obligations

The asset retirement obligations represent the best estimate by management of the legal obligations it would incur during the reclamation process relating to closed facilities and current leases. Reclamation involves the demolition of facilities and the reclamation of land. Uncertainty exists regarding the estimation of future decommissioning and reclamation costs.

At July 31, 2010, the Company estimated that the undiscounted cash flow required to settle the asset retirement obligations was approximately $41.0 million (October 31, 2009 - $19.2 million, July 31, 2009 - $20.4 million), which is expected to be settled over the 2010 through 2022 period. The credit adjusted risk-free rates at which the estimated cash flows have been discounted range from 4.0% to 9.0%.

e) Commitment

On April 20, 2010, the Company entered into a joint venture to build a canola crushing facility in the Province of Guangxi, South China. The total expected investment is $20.0 to $25.0 million USD.

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 July 31, 2010, 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.

13. Financial and Other Instruments and Hedging

a) Fair Value

The following table presents the fair value of the Company's financial instruments and non-financial derivatives where fair value is recognized in the balance sheet. The table also identifies the financial instrument category and the level per the fair value hierarchy.

	July 31, 2010			July 31, 2009		October 31, 2009	
	Fair Value	Level	Financial Instruments Category	Fair Value	Level	Fair Value	Level
Financial assets:							
Cash	$ 83,695	1	HFT	$ 77,502	1	$ 165,200	1
Short-term investments	32,038	1	HFT-D	994,255	1	868,469	1
Exchange traded derivatives	22,070	1	HFT	8,440	1	58,331	1
Commodity forward contracts	175,959	2	HFT	84,186	2	89,571	2
Foreign exchange forward contracts (Over the Counter ("OTC"))	37,514	2	HFT	-	2	19,266	2
Interest rate swaps	-	2	HFT	-	2	470	2
Available for sale at fair value	1,762	1	AFS	119	1	25	1
Financial liabilities:							
Exchange traded derivatives	46,285	1	HFT	1,982	1	35,993	1
Commodity forward contracts	179,927	2	HFT	21,120	2	61,708	2
Foreign exchange forward contracts (OTC)	19,142	2	HFT	13,880	2	2,835	2
Interest rate swaps	-	2	HFT	15,877	2	20,102	2
Bond forwards	13,494	2	HFT	-	2	-	2
Natural gas options	424	2	HFT	3,430	2	588	2

Financial instruments category/guide:		
	HFT	Held for trading
	HFT-D	Held for trading – designated
	AFS	Available for sale

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

b) Financial 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. 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 2009 Annual Information Form and Section 17 of Management's Discussion and Analysis included in the 2009 Annual Financial Review.

i. Commodity Price Risk

The Company's diverse range of services are spread across the agri-business supply chain. As a result, the Company is exposed to agricultural and other related commodity price movements within the market as part of its normal operations. The Company uses exchange-traded futures and options contracts as well as over the counter ("OTC") contracts to minimize the effects of changes in the prices of hedgeable agricultural commodities on its agri-business inventories and agricultural commodities forward cash purchase and sales contracts. Derivative contracts are valued at the quoted market prices. The Company manages the risk associated with inventory and open contracts on a combined basis.

In the current quarter management has reviewed their risk assessment of commodity price risk and has implemented a Value at Risk ("VaR") method. All market risk associated with commodity price movement is measured using the VaR method. The VaR calculation quantifies potential changes in the value of commodity positions as a result of potential market price movements from all sources of market risk - whether as a consequence of asset ownership, customer sales, hedging or position taking.

There is currently no uniform industry methodology for estimating VaR. VaR risk measure estimates the potential loss in pre-taxation profit over a given holding period for a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognizing offsetting positions and correlations between products and markets. The use of VaR has limitations because it is based on historical correlations and volatilities in commodity prices and assumes that future price movements will follow a statistical distribution. The five-day VaR number used by the group reflects the 95% probability that the gain or loss in a five-day period will not exceed the reported VaR based on the previous pricing period. Although losses are not expected to exceed the statistically estimated VaR on 95% of occasions, losses on the other 5% of occasions could be substantially greater than the estimated VaR. The VaR at balance sheet date is not representative of the risk throughout the period as the period end exposure does not reflect the exposure during the period. The analysis should therefore be used with care. In practice, as markets move, the Company actively manages its risk and adjusts hedging strategies as appropriate.

The Company's Risk Management Policy provides limits within which management may maintain inventory and certain long or short commodity positions. The Company has established policies that limit the amount of agricultural commodity positions permissible, which are a combination of quantity and VaR limits. VaR levels are reported daily and compared with approved limits. Limits are regularly reviewed to ensure consistency with risk management objectives, market developments and business activities.

As at	**July 31, 2010**
Historical VaR (95%, five day):	
Agricultural commodity price VaR	25,341,431

ii. Foreign Exchange Risk

The Company undertakes certain transactions denominated in foreign currencies and, as a result, foreign currency exposures arise. The Company is exposed to foreign exchange risk on financial commodity contracts which are denominated in foreign currencies and on its investment in foreign subsidiaries. The Company uses derivative financial instruments, such as foreign currency forward contracts, futures contracts and options to limit exposures to changes in foreign currency exchange rates with respect to its recorded foreign currency denominated assets and liabilities as well as anticipated transactions.

The Company uses hedge accounting to match the cash flow of some of its processed products sold in foreign funds with its foreign dollar currency hedging instruments. Maturity dates for the foreign exchange forward contracts on anticipated transactions extend for approximately 24 months. As at July 31, 2010, the portion of the forward contracts considered to be ineffective is insignificant. The estimated amount reported in other comprehensive income that is expected to be reclassified to net earnings as a component of sales and other operating revenues during the next 12 months is an after tax gain of $3.7 million.

Except as noted above, the foreign currency forward contracts, futures contracts and options used by the Company are marked-to-market and unrealized gains and losses are recognized in income in the period in which they occur.

During the nine month period ending July 31, 2010, the Company entered into a $300 million foreign exchange swap arrangement in order to limit exposure to a change in the AUD on a portion of its net investment in Viterra Australia. The derivative was used to mitigate the risk of economic loss arising from changes in the value of the AUD compared to the Canadian dollar. The Company used hedge accounting for the foreign exchange swap used to hedge a portion of the net investment. The effective portion of the translation of the hedged portion of the net investment was recognized in other comprehensive income while any ineffective portion was recognized immediately in net earnings. Gains and losses relating to the effective portion of the hedge will be recognized in net earnings in the same period during which corresponding exchange gains or losses arising from the translation of the financial statements of Viterra Australia are recognized in net earnings. As at July 31, 2010, the Company has terminated the designation of hedge accounting and the derivative has been settled. The estimated amount reported in other comprehensive income that is expected to be reclassified to net earnings during the next 12 months is nil.

During the nine month period ended July 31, 2010, the Company entered into a series of derivative contracts in connection with its offer to acquire Dakota Growers Pasta Company Inc. (Note 4). The Company had entered into option arrangements in order to limit exposure to a change in the USD on $240 million USD. These derivatives were used to mitigate the risk of economic loss arising from changes in the value of the USD compared to the Canadian dollar. The arrangements were ineligible for hedge accounting and have resulted in a net realized loss of $0.9 million as at July 31, 2010 that is reported as Acquisition derivative in the Consolidated Statement of Earnings.

The following table details the Company's sensitivity on financial instruments that are denominated in a foreign currency other then the functional currency in which they are measured as at the balance sheet date, had currencies moved as illustrated, with all other variables held constant.

	Impact On Earnings, After Tax	Impact On Equity, After Tax
10% increase		
CDN/USD	(12)	562
CDN/Euro	24	-
CDN/GBP	(8)	-
AUD/USD	(6,868)	(2,821)
AUD/Euro	(638)	(80)
AUD/Japanese Yen	(86)	(246)
AUD/New Zealand dollars	(1,621)	(5,828)
AUD/Singapore dollars	(53)	-
10% decrease		
CDN/USD	12	(562)
CDN/Euro	(24)	-
CDN/GBP	8	-
AUD/USD	8,201	3,685
AUD/Euro	779	98
AUD/Japanese Yen	105	300
AUD/New Zealand dollars	1,982	(6,927)
AUD/Singapore dollars	65	-

The above sensitivity analysis for foreign currency risk does not take translation risk into account. Translation exposures arise from financial and non-financial items held by foreign entities determined to be a self-sustaining operation. Sensitivity on net investments in self-sustaining foreign operations is therefore not included in the analysis. The sensitivity at the balance sheet date is not representative of the sensitivity throughout the year as the balance sheet date exposure does not reflect the exposure during the year. The sensitivities should therefore be used with care.

iii. Interest Rate Risk

The Company's exposure to interest rate risk relates primarily to the Company's debt obligations. 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 had entered into interest rate swaps to manage variable interest rates associated with a portion of the Company's debt portfolio. The Company used hedge accounting for interest rate swaps used to hedge variable rate long-term debt. As at July 31, 2010, the Company has terminated the designation of hedge accounting and the derivatives have been settled. Due to the change in financing facilities (Note 5), the full balance reported in other comprehensive income was reclassified to net earnings as a component of financing expenses during the quarter. The impact is an after tax expense of approximately $10.2 million.

Based on the July 31, 2010 closing borrowing, the Company is exposed to interest rate risk on short-term variable rate borrowings. A 25 basis point change in short-term variable rates based on the Company's current credit ratings and the current borrowings would impact after tax earnings by $0.8 million per annum.

During the year, the Company entered into derivative contracts in connection with its plans to replace current borrowing facilities (Note 6(b)). The Company has entered into bond forward contracts in order to protect against the impact of rising interest rates. These derivatives are being used to mitigate the risk of economic loss arising from changes in the interest rates. The Company applies hedge accounting for the bond forward contracts. The effective portion of changes in the fair value of the bond forward contract is recognized in other comprehensive income while any ineffective portion is recognized immediately in net earnings. Gains and losses relating to the effective portion of the hedge will be amortized with interest expense over the term of the debt. The impact of a 25 basis point change in interest rates on after tax other comprehensive income is approximately $4.2 million. As at the balance sheet date, there would be no impact on after tax 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 Canadian Wheat Board ("CWB"), limits its exposure to credit risk. Credit risk exposure for the Agri-products and Processing segments are also partially limited through an arrangement with a Canadian Schedule I chartered bank which provides for limited recourse to the Company for credit losses on producer accounts receivable under Viterra 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 year to date changes in the allowance for losses against accounts receivable are as follows:

		July 31, 2010		**July 31, 2009**		**October 31, 2009**
Beginning balance	$	8,081	$	11,942	$	11,942
Provision for losses		1,284		168		(40)
Write-offs, net of recoveries		(3,262)		(2,876)		(3,821)
Ending balance	$	6,103	$	9,234	$	8,081

The distribution of trade accounts receivable by credit quality as at the balance sheet is shown in the following table:

	July 31, 2010	July 31, 2009	October 31, 2009
Not past due	$ 515,332	$ 509,675	$ 515,215
Past due:			
Past due < 60 days	10,254	23,763	62,065
Past due > 61 days and < 90 days	3,816	14,178	4,384
Past due > 91 days	23,962	9,831	15,710
Allowances for losses	(6,103)	(9,234)	(8,081)
	$ 547,261	$ 548,213	$ 589,293

Included in trade accounts receivable is $124.4 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 short-term investments, 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 Canadian commercial bank and have maturities of less than six months.

v. Liquidity Risk

The Company's liquidity risk refers to its ability to settle or meet its obligations as they fall due and is managed as part of the risk strategy. The Company actively maintains credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements. Management believes that future cash flows from operations and availability under existing banking arrangements will be adequate to support these financial liabilities.

The following table approximates the Company's remaining contractual maturity for its financial liabilities and matching financial assets as at the balance sheet date. The table below details the undiscounted cash flows of financial instruments based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Contractual Cash Flows	Within 1 Year	1 to 2 Years	2 to 3 Years	Thereafter
Financial Assets:					
Exchange-traded derivatives	$ 22,070	$ 21,233	$ 837	$ -	$ -
Commodity forward contracts	175,959	153,755	22,204	-	-
Foreign exchange forward contracts (OTC)	43,639	37,954	4,807	878	-
Financial Liabilities:					
Bank indebtedness	$ (59,940)	$ (59,940)	$ -	$ -	$ -
Short-term borrowings	(450,153)	(450,153)	-	-	-
Exchange-traded derivatives	(46,285)	(46,285)	-	-	-
Commodity forward contracts	(179,927)	(177,911)	(2,016)	-	-
Foreign exchange forward contracts (OTC)	(17,684)	(15,377)	(2,173)	(134)	-
Bond forwards	(13,494)	(13,494)	-	-	-
Natural gas options	(424)	(424)	-	-	-
Other current liabilities	(709,179)	(709,179)	-	-	-
Long-term debt, including current portion	(735,062)	(43,397)	(43,700)	(43,205)	(604,760)
Classified as other long-term liabilities	(12,139)	(6,390)	(792)	(2,136)	(2,821)

14. 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	July 31, 2010	July 31, 2009	October 31, 2009
Bank indebtedness	$ 59,940	$ 6,847	$ 594
Short-term borrowings	450,153	17,418	291,128
Total short-term debt	$ 510,093	$ 24,265	$ 291,722
Long-term debt due within one year	$ 1,850	$ 18,016	$ 18,151
Long-term debt	495,824	964,176	1,265,435
Total long-term debt	$ 497,674	$ 982,192	$ 1,283,586
Total interest bearing debt	$ 1,007,767	$ 1,006,457	$ 1,575,308
Shareholders' equity	$ 3,532,593	$ 2,325,093	$ 3,508,919
Total capital	$ 4,540,360	$ 3,331,550	$ 5,084,227
Debt to total capital:			
As at the balance sheet date	22:78	30:70	31:69
Four quarter average	28:72	26:74	29:71

The Company has a covenant to maintain a debt to capitalization rate as prescribed by the financial institutions. During the period, the Company is in compliance with external covenants relating to the management of capital.

15. Subsequent Events

a) Long-Term Debt

On August 4, 2010, the Company announced that it had closed a private placement of $400 million USD of 5.95% Senior Notes due 2020. The notes, which will be guaranteed by certain of the Company's subsidiaries, were issued at a price of 99.481%, will pay interest semi-annually on February 1st and August 1st of each year beginning February 1, 2011 and will mature on August 1, 2020. Proceeds from the private placement will be used to reduce borrowings under the Company's Global Credit Facility and for general corporate purposes.

b) Acquisition of 21st Century Grain Processing

On May 27, 2010, the Company announced it had signed a definitive agreement to acquire 21st Century Grain Processing, a U.S. based processor of oats, wheat and custom-coated grains, for an all cash purchase price of $90.5 million USD, subject to adjustments for debt, cash and working capital levels at the time of closing. On August 17, 2010, the Company announced that it had closed the acquisition.

c) Sale of Assets

Subsequent to the balance sheet date, the Company sold one of its North American grain facilities for proceeds of $18.2 million. A gain on disposal of assets of approximately $7.0 million will be recorded in the fourth quarter.