

PRODUCER KEY POINTS

Maple Leaf Foods is reorganizing its protein operations to focus growth in the value-added fresh and further processed meats and meals business.

- Our vision is to add value to fresh and further processed meats and meal products within a vertically integrated value chain.
- We will align our feed, hog production, primary pork processing and rendering operations to meet the needs of this business.
- Ultimately, we expect to meet our future requirements for fresh pork by expanding our Brandon plant to a second shift.
- We do not expect that our other primary pork processing operations outside this scope will fit long-term and over time, we will determine the best path to realize their full value.
- We will continue to invest in and grow our poultry business, which largely reflects the value-added focus of our new business model.

We have already begun to transition our hog production investments to an integrated model where we will own 100% ownership of fewer hogs.

- Working with our producer partners, we are increasing our investment in some operations and selling our interests in others. Through implementing this new ownership model we will significantly reduce the number of hogs we grow.
- Over time, we expect to concentrate the majority of our hog production operations in Manitoba as it provides proximity to our Brandon primary processing plant.
- Maple Leaf will continue to be a significant buyer of hogs to fulfill our primary processing requirements.

There is much to be done to move from strategy to implementation, and we expect it will take three years to significantly implement our new strategy.

- We are committed to supporting our producer relationships and will honour all our producer contracts through this reorganization.
- We will keep producers updated and informed of our progress throughout the process and communicate with you well in advance of any changes that may relate to our ongoing relationship.