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For Immediate Release

Major changes announced for ACA Co-operative Limited

January 22, 2009 – Kentville, NS – ACA Co-operative Limited (ACA) today announced major changes at two of its Kings County facilities, including filing for creditor protection of its Eastern Protein Foods subsidiary. The changes will result in the layoff of 75 union employees at ACA and the permanent loss of 40 non-union ACA and Eastern Protein Foods employees and 187 union positions at Eastern Protein Foods.

“This is a very sad day for many of our staff and their families,” said Ian Blenkarn, chief executive officer and chair of the board of directors of ACA Co-operative. “However, the past few years have been very challenging ones for us and we arrived at a point where we either had to make major changes to the way we do business or risk losing our entire operation.”

ACA’s primary processing plant in New Minas lost approximately \$6 million in 2008 and without major changes is expected to incur significant losses in 2009. Eastern Protein Foods, a subsidiary of ACA Co-operative that produces further processed poultry products at a plant in Kentville, has lost millions of dollars over the last several years, with losses of \$1.8 million for 2008. The New Minas facility is changing its sales mix, ending tray pack operations. Eastern Protein Foods will close permanently, due to longstanding losses and a lack of market opportunities.

ACA is currently in negotiations with Ontario-based Maple Lodge Farms Limited – the largest independent chicken processor in Canada – to ensure there is a long-term solution for poultry processing in Nova Scotia. Last fall, the Nova Scotia government announced a \$3.5 million working capital loan for ACA.

“The Government of Nova Scotia’s support of our industry helped us stay in business, maintain jobs in the short term and develop a business plan for the future,” said Mr. Blenkarn. “While we recognize how difficult this decision is, changing our business model will ensure we will be able to provide services to Nova Scotia poultry farmers, allows us to process chicken and turkeys more efficiently and keeps us viable for our customers for years to come.”



Both layoffs and job eliminations are expected to take effect by late February or early March. Union employees at ACA's New Minas plant who are being laid off will have a choice between accepting a layoff to maintain seniority in the event of a call back or accepting severance consistent with the terms of their collective agreement. Non-union ACA employees whose jobs are ending permanently will receive severance payments. Terms for both will be shared directly with employees over the next several days.

Employees at Eastern Protein Foods will receive compensation as determined by creditor protection procedures.

"As an organization, we will do everything we can financially to help our employees," added Mr. Blenkharn.

Today's announcement does not affect ACA's other divisions:

- The hatchery division, located in New Minas;
- The feed division, located in Greenwich;
- The egg division, located in Port Williams;
- The farm equipment division, located in New Minas; and
- The retail outlet store, located in New Minas

About ACA Co-operative Limited

ACA Co-operative Limited has been in operation since 1943, providing a range of services to its farmer owners and other customers. ACA is owned by 63 poultry producers in the Annapolis Valley and Nova Scotia who elect a nine-member board of directors responsible for the governance of the organization. The co-operative generates \$110 million in annual sales and contributes \$450 million to the Nova Scotia economy.

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For more information, including interview requests, please contact:

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