

Sask. Wheat Pool takes over at Agricore

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[CBC News](#)

The Saskatchewan Wheat Pool has officially taken the reins of the Winnipeg-based grain company Agricore United.

On Wednesday, Agricore's board of directors resigned and was replaced by the Regina-based Wheat Pool's board.

The same day, the Wheat Pool announced that Agricore CEO Brian Hayward had retired and had been replaced by Wheat Pool president Mayo Schmidt.

The last hurdle before the takeover is complete is a hearing before the Manitoba Court of Queen's Bench on Friday. Once the court give its approval, Agricore will become a wholly owned subsidiary the Wheat Pool and will be delisted from the Toronto Stock Exchange.

Wednesday's developments followed months of struggle for Agricore. The Wheat Pool launched a takeover bid in the fall, largely based on a stock swap that Agricore had initially resisted.

Then another Winnipeg-based grain company, James Richardson International, entered the fray as Agricore's white knight, offering to pay more for the shares.

However, the Wheat Pool upped its bid and in May and Agricore accepted the takeover.

Wheat Pool is paying \$20.50 cash per Agricore common share. It's also paying \$24 in cash for each preferred share.

The value of the takeover, including assumed debt, is about \$1.8 billion.

The Wheat Pool, once half the size of Agricore, will become Canada's largest grain dealing company. Schmidt said the new company would have sales of about \$4 billion a year and a market capitalization of about \$2 billion.

There is no word yet where the headquarters of the new company will be located.

However, Schmidt said last month the name of the new company will not be Saskatchewan Wheat Pool.



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