



AGRIAL PLANS REBUILDING THE DAIRY OF LUÇON, AFFECTED BY A MAJOR FIRE LAST FEBRUARY

Mostly destroyed by a fire on February 14th, the dairy of Luçon (in the Loire-Atlantique region) will be rebuilt by 2022. A decision by the Board of Directors of the Agrial Co-operative with a promising future for dairy farming, local employment and economic development.

The accidental fire occurred within the dairy on February 14th caused important material damages (50% of the processing site destroyed) yet without causing wounded.

This reconstruction project will make it possible to develop and specialise the processing site to produce mozzarella (pizza cheese), in conjunction with the Herbignac dairy (in the Loire-Atlantique region) also belonging to the Agrial Co-operative. This reconstruction is in line with the aim of preserving jobs in the Luçon area, without redundancies (130 permanent contracts).

The production capacity of the Luçon processing site will be increased to 24,000 tonnes of mozzarella (compared with 16,000 tonnes previously), representing a collection of 200 million litres of milk, equivalent to the milk production of 350 farmer members of the Co-operative.

The investment planned for the reconstruction, about 40 million euros, will be partly covered by the insurance companies in the context of the disaster. The remainder will be assumed by the company and will also require public aid to be sought.

By then and as from September, a partial resumption of activity (mainly grating mozzarella cheese to support the Herbignac processing site) is planned in a dedicated area of the plant. Around thirty employees will thus be able to return to work after several months of inactivity.

Benoît Drouin, farmer member in Les Essarts (in the Loire-Atlantique region) and Chairman of the Supervisory Board of Agrial's Dairy division, emphasizes the importance of this reconstruction project for dairy farming in the Vendée department and, more generally, in the south of the Pays de Loire and Charentes-Poitou regions: *"From an agricultural point of view, this project aims to ensure the sustainability of an outlet for local dairy farms and strengthen Agrial's integration in our region. In the complex situation that all businesses are currently experiencing, this reconstruction is a strong signal and fully illustrates our co-operative values: long-termism, proximity, solidarity, boldness".*

Gilles Rabouille, EVP of the Dairy division of Agrial (Eurial), specifies: *"Far from being obvious given the breadth of the damage caused by last February's fire, this reconstruction is fully in line with our strategy of developing value-added cheese-ingredients. It reflects our ambition to add value to the milk of the Co-operative's farmer members, particularly through the production of mozzarella (pizza cheese), one of our specialties, for the French and world markets."*

About Agrial

Agrial is a French agricultural and agri-food co-operative which supports its farmer members every day to promote and sell their products. Relying on strong brands, the Group has 150 production sites in 12 countries and develops its agri-food activities in the dairy, fresh produce, beverage and meat sectors. As a committed company, Agrial develops high-performing and responsible farming, offering consumers healthy, safe and tasty food. Together, Agrial's 13,000 farmer members and 22,900 employees embody the company's values: long-termism, proximity, solidarity and boldness. In 2018, the Group generated 5.8 billion euros in turnover. More information: www.agrial.com

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