MEMBER AND EMPLOYEE LOAN PROGRAM

March 31, 2003

INFORMATION DOCUMENT

The Member and Employee Loan Program (the "Program") provides an opportunity to members and employees of United Grain Growers Limited, carrying on business as Agricore United ("Agricore United" or the "Company") to loan funds to the Company on a demand loan basis. This Information Document is provided to members and employees of the Company in connection with the Program and is not to be used for any other purpose.

THE PROGRAM

The Program provides members and employees of Agricore United with an opportunity to invest in a company of which they are a member and customer or employee. The Program also allows those persons to earn a competitive rate of return.

The Program allows the Company the opportunity to diversify its borrowing arrangements for its operating and capital needs. In particular, the Company can apply the proceeds of the Program to pay down current operating lines of credit thereby reducing the Company's short term bank debt.

No securities regulatory authority has expressed an opinion about the Program and it is an offence to claim otherwise.

INFORMATION RESPECTING PROGRAM LOANS

No Guarantee or Insurance

Loans made to the Company under the Program **are not guaranteed or insured** by the *Canadian Deposit Insurance Corporation* or any other entity. Any loans provided by Participants represent debt obligations of the Company. Payment of interest and repayment of principal on loans made by Participants to the Company is dependent upon the financial position of the Company and its ability to repay such amounts.

No Security

The debt obligations of the Company under the Program are not secured by any of its assets. If the Company defaults on its obligations under its secured indebtedness, the creditors having extended those loans are entitled to be repaid before the Company repays the Member or Employee Loans. There is no guarantee of payment of interest and repayment of principal on a Member or Employee Loan Account if the assets of the Company prove insufficient to repay all of the Company's secured indebtedness.

Interest Rate

Member and Employee Loans earn interest which is credited monthly directly to each Member or Employee Loan Account. Interest for each month is set for that month and is calculated daily at the rate of 1¼ percent below Bank Prime prevailing on the first day of that month ("Bank Prime", for the purposes of the Program, is the per annum floating rate of interest announced from time to time by Agricore United's principal bank (currently, The Bank of Nova Scotia) and referred to by such bank as its "prime rate").

THE COMPANY

United Grain Growers Limited, carrying on business as "Agricore United", is one of Canada's leading agri-businesses. Agricore United is the result of the combination of the businesses of United Grain Growers Limited and Agricore Cooperative Ltd. ("Agricore") on November 1, 2001 (the "Merger").

The Merger was effected on November 1, 2001 pursuant to a court-approved plan of arrangement involving the Company, Agricore and a wholly-owned subsidiary of Agricore.

As a result, Agricore's successor corporation, Agricore Ltd., is now a wholly-owned subsidiary of the Company existing under the *Canada Business Corporations Act* (the "CBCA"). The registered head office of the Company is 28th Floor, 201 Portage Avenue, TD Centre, Winnipeg, Manitoba R3C 3A7.

THE BUSINESS

Agricore United's business consists of linking farmers to end-users of agricultural commodities through the provision of a wide range of goods and commercial services. The Company is Western Canada's largest grain handling and merchandising company by volume, Western Canada's largest crop production services provider and one of Western Canada's largest manufacturers and suppliers of livestock feed products. The following are the Company's principal business activities:

- Grain Handling and Merchandising: contracting, marketing and transporting grain from the farm to end-use markets using the Company's 96 country grain elevators, 147 stand- alone farm service centres and seven port terminals in which it has an interest;

- Crop Production Services: manufacturing, distributing and retailing crop inputs to farmers, including fertilizers, crop protection products and seed, and providing crop management services using the Company's country elevator locations and stand-alone farm service centres;

- Livestock Services: formulating and manufacturing feed using the Company's seven feed mills, two pre-mix manufacturing facilities and one specialized protein meal blending facility, and retailing feed through the Company's facilities; and

- Complementary Businesses: engaging in a number of complementary businesses, including farm business communications and financial services.

FEATURES OF THE PROGRAM

Complete details of the Program, including eligibility for participation, application procedures and repayment are set out in the attached Schedule entitled "Program Particulars".

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with the various securities commissions or similar authorities in certain provinces of Canada are specifically incorporated by reference and form an integral part of this Information Document:

(a) the Company's Annual Information Form dated January 22, 2003 for the fiscal year ended October 31, 2002 (the "2002 AIF");

(b) the audited comparative annual consolidated financial statements of the Company, including the notes thereto, for the fifteen month period ended October 31, 2002, together with the auditors' report thereon;

(c) the management's discussion and analysis of financial condition and results of operations of the Company for the fifteen months ended October 31, 2002;

(d) the management proxy circular of the Company dated January 7, 2003, issued in connection with the annual and special meeting of shareholders of the Company held on February 5, 2003; and

(e) the short form prospectus of the Company dated November 30, 2002 relating to the qualification for sale by the Company of $105,000,000 in aggregate principal amount (the "Convertible Debentures") of 9.00% convertible unsecured subordinated debentures due 2007 (the "November 2002 Prospectus").

Any annual information form, material change reports (excluding confidential material change reports), interim unaudited financial statements (and the management's discussion and analysis of financial condition and results of operations of the Company included in the interim reports for such periods) and management proxy circular filed by the Company with any securities commission or similar regulatory authority after the date of this Information Document and prior to the termination of any offering under this Information Document shall be deemed to be incorporated by reference into this Information Document.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Information Document to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Document.

Information has been incorporated by reference in this Information Document from documents filed with securities commissions or similar authorities in certain provinces of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Shareholder Services Department of the Company, 28th Floor, 201 Portage Avenue, TD Centre, Winnipeg, Manitoba R3C 3A7, telephone number (204) 944-3664 or 1-800-661-4844. Those documents are also available for viewing and download from the website, www.sedar.com. A copy of the permanent information record may be obtained from the Shareholder Services Department of the Company at the above-mentioned address and telephone number.

AGRICORE UNITED'S DEBT

On December 13, 2002, the Company syndicated its bank credit facilities (the "Syndicated Credit Facilities") with four banks (the "Bank Lenders"). The Syndicated Credit Facilities replaced existing UGG and Agricore credit facilities and consist of the following:

- a $350 million revolving credit facility provided by the Bank Lenders (the "Revolving Credit Facility"); and

- a $150 million non-revolving term credit facility with the Bank Lenders (the "Term Credit Facility").

The Revolving Credit Facility has an initial maturity of February 29, 2004 and is to be used for the purpose of financing accounts receivable and inventory, refinancing of existing revolving credit facilities of the Company and for general corporate purposes. The Term Credit Facility provides for 7 quarterly principal repayments of $3.0 million each, commencing on February 28, 2003, followed by twelve quarterly installments of $5.75 million each commencing on November 30, 2004, with the balance due on November 30, 2007.

As at January 31, 2003, the outstanding indebtedness of the Company was approximately $237 million under the Revolving Credit Facility and $150 million under the Term Credit Facility.

On December 13, 2002, the Company also obtained a $109 million 13-year secured term facility from John Hancock Life Insurance Company (the "John Hancock Loan"). The John Hancock Loan is repayable in 60 monthly installments of $454,167 commencing on February 1, 2004 and a further 84 monthly installments of $973,215 from February 1, 2009 to January 1, 2016.

In addition to the Syndicated Credit Facilities and the John Hancock Loan, as at January 31, 2003, Agricore had outstanding $56.9 million principal amount of notes designated "Series A" (the "Series A Notes"), repayable in equal annual installments in December in each of the years 2001 through 2010 inclusive, and $21.2 million principal amount of notes designated "Series B" (the "Series B Notes"), repayable in equal annual installments in December of each of the years 2011 through 2020 inclusive.

As at January 31, 2003, Agricore had outstanding $50 million of notes, secured by a fixed and specific mortgage on all leasehold land and interests comprising the Cascadia port terminal (the "Cascadia Series B Notes"). The Cascadia Series B Notes are repayable in equal annual installments in August in each of the years 2004 through 2023 inclusive.

As at January 31, 2003, Agricore also had outstanding approximately $27.3 million of unsecured loans from the former members and employees of Agricore.

REPAYMENT PRIORITIES

In terms of the priority of the various forms of indebtedness referred to above, on the dissolution of Agricore United, the Cascadia Series B Notes, the Series A and the Series B Notes, the Syndicated Credit Facilities and the John Hancock Loan rank first, as the indebtedness evidenced by these Notes and Credit Facilities are secured by tangible assets of Agricore United. The indebtedness evidenced by the Cascadia Series B Notes is secured solely by the Cascadia terminal. The holders of Member Loans and Employee Loans are then entitled, each with the same priority as the other, to repayment in priority to the holders of preferred shares of the Company and holders of the Limited Voting Shares and Convertible Debentures.

RISK FACTORS

As the debt created when a Participant advances a loan to the Company is neither secured nor insured, the investment represented by that loan involves a degree of risk. In addition to the other information contained in this Information Document, Participants should carefully consider the risk factors set out below in making an investment decision with respect to the Company.

The Company's principal risks relate to: poor weather conditions; agricultural commodity prices; the Company's financial leverage; the Company's additional funding requirements; international trade and political uncertainty; competition; domestic regulation; environmental risks; diseases and other livestock industry risks; acceptance of genetically modified products; utilization of farm inputs; labour disruptions; the Company's dependence on key personnel; technological advances; credit risk; foreign exchange risk; integration risks and costs related to the Merger; competition matters related to the Merger; provisions of the *United Grain Growers Act* that may discourage third parties from attempting to take control of the Company; and market price fluctuations.

For further information on the business, affairs and financial position of the Company and the associated risks upon advancing a loan under the Program, Participants are referred to the heading "Documents Incorporated by Reference" in this Information Document and are encouraged to review the documents listed thereunder. In particular, Participants are directed to the disclosure under the heading "Risk Factors" of the 2002 AIF.

PARTICIPANTS' CONTRACTUAL RIGHTS

A Participant (other than a Participant resident in, or otherwise subject to the laws of, the Province of Saskatchewan) has the following contractual rights of action in addition to and without derogation from any other right or remedy which the Participant may have at law:

(a) the Participant is entitled to withdraw a loan made under the Program within two (2) business days after receipt of this Information Document and any amendment thereto; and

(b) the Participant may exercise the remedies of rescission or damages or both where this Information Document and any document incorporated by reference and any amendment thereto contains a misrepresentation or is not delivered to the Participant upon request, provided that such remedies are exercised by the

Participant within the period prescribed for prospectus offerings under the securities legislation of the Participant's province of residence.

A purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

STATUTORY RIGHTS OF ACTION FOR SASKATCHEWAN PARTICIPANTS

If you are a purchaser resident in Saskatchewan, you are given certain statutory rights of action under *The Securities Act, 1988 (Saskatchewan)* (the "Saskatchewan Act"). These rights are:

(a) Subsection 138(1) - a right of action for rescission or for damages where this Amended and Restated Offering Memorandum and any amendment to this Amended and Restated Offering Memorandum contains a misrepresentation;

(b) Subsection 138.1(3) - a right of action for misrepresentation in advertising and sales literature;

(c) Subsection 138.2(1) - a right of action for damages for verbal misrepresentation in the sale of securities;

(d) Subsection 141(1) - a right to void the purchase agreement and recover the purchase price if the securities are sold in contravention of the Saskatchewan Act or the regulations to the Saskatchewan Act; and

(e) Subsection 141(2) - a right of action for rescission or for damages if this Amended and Restated Offering Memorandum is not delivered to the investor before the agreement to purchase, as required by subsection 80.3(1) of the Saskatchewan Act.

An investor should refer to the provisions of the Saskatchewan Act for particulars of these rights or consult with a lawyer.

These rights given by the Saskatchewan Act are in addition to and without derogation from any other right or remedy which an investor might have at law.

Pursuant to section 147 of the Saskatchewan Act statutory rights of action must be exercised within certain time periods. These time periods are:

(a) an action for rescission must be started within 180 days of the date of the transaction that gave rise to the action;

(b) an action for damages must be started by the earlier of:

(i) one year after the investor first had knowledge of the facts giving rise to the action; or

(ii) six years after the date of the transaction that gave rise to the action.

QUALIFICATION

The Member Loan Program operates pursuant to a February 4, 2003 MRRS decision document issued by The Manitoba Securities Commission (the "MRRS Decision") pursuant to National Policy 12-201 - Mutual Reliance Review System for Exemptive Relief Applications of the Canadian Securities Administrators (the "MRRS"). The MRRS Decision evidences not only the decision of The Manitoba Securities Commission, but also the decisions of the securities regulatory authority in each of British Columbia, Alberta and Saskatchewan (together with Manitoba, the "Eligible Provinces"). The MRRS Decision exempts loans made by members and employees resident in any of the Eligible Provinces to the Company under the Program from the registration and prospectus requirements of the securities legislation of those Provinces. As a result, unless independently sought by a member or employee, such person will not have the benefit of the services of an investment dealer, broker or investment adviser in connection with the decision to loan funds to the Company, and will not have the benefit of a prospectus. None of the securities regulatory authorities in the Eligible Provinces have in any manner passed upon the merits of a loan by a member or employee to the Company pursuant to the Program. The Program is not available to members or employees who are resident in a jurisdiction other than one of the Eligible Provinces.

Members and employees may wish to consider consulting with a registered investment dealer, broker or investment advisor prior to making a loan pursuant to the Program.

SCHEDULE
PROGRAM PARTICULARS

Management

The Program is administered and operated by the Company in Winnipeg through its Corporate Accounting Department.

Eligibility

Member Loans

A Member Loan Account can only be established by a member, but loans can be made by and held for each of the immediate family members, namely, the spouse and children of the Member (collectively, the "Member Participants"). The Member Participants must be a resident of any of the Eligible Provinces (Manitoba, Saskatchewan, Alberta and British Columbia).

Employee Loans

An Employee Loan Account can only be established by an employee, but loans can be made by and held jointly with any immediate family member (spouse or child) of the employee (collectively, the "Employee Participants"). The Employee Participants must be resident in any of the Eligible Provinces (Manitoba, Saskatchewan, Alberta and British Columbia).

Member Participants and Employee Participants are collectively referred to as the "Participants".

Minimum or Maximum Amounts

Loans in an amount of less than $100 will not be accepted. The aggregate maximum amount that can be held and due to any Participant, including accrued interest, is restricted to $1,500,000 (the "Maximum Amount"). Subject to the Maximum Amount, Participants may make additional investments at any time. Any amounts in excess of that Maximum Amount will be returned to the Participant. If previous loans have been repaid but the Participant has not requested that the Company close out the account, new loans can be made. If the Participant has asked that the Company close out the account and the Participant wishes to make another loan under the Program, new loan documentation must be completed.

Application

A Member or employee wishing to invest in the Program can do so by (i) completing a "Member Loan Application Form" or "Employee Loan Application Form", respectively, copies of which are attached hereto and are also available upon request from Agricore United Treasury Department, 28th Floor, 201 Portage Avenue, TD Centre, Winnipeg, Manitoba; and (ii) submitting the completed application form together with a cheque or money order payable to Agricore United (Canadian funds only) in the amount of the loan to Agricore United at the Treasury Department, 28th Floor, 201 Portage Avenue, TD Centre, Winnipeg, Manitoba, R3C 3A7. Within three working days of receipt of an application, Agricore United will give notice to the applicant as to whether or not the application has been accepted and, if it has been accepted, confirmation of the amount of the initial Member or Employee Loan and the name or names in which the Member or Employee Loan Account has been opened. The Participant will be asked to provide information required for legal and tax purposes. In addition, the Participant will be asked for a specimen signature to ensure valid authorization for future loan transactions.

Multiple and Joint Accounts

Member Loans

A Member may make application for more than one Member Loan Account. A Member Loan Account can be held jointly, that is, a member may record the Member Loan Account as being held by that member and one or more other Member Participants. "In Trust" accounts are not permitted. If the holder of a Member Loan Account dies, and that Member Loan Account is not held in any joint capacity, the account will be closed and the account balance paid to the estate of the deceased. See the heading "The Program - Repayment Upon Death". Joint accounts continue to be held in the names of the surviving Member Loan Account holder(s).

Employee Loans

Employee Loan Accounts can be held in the name of the employee or be held jointly with any other Employee Participant. An employee can hold an Employee Loan Account in his or her name and a second joint Employee Loan Account. If the employment of an employee who holds an Employee Loan Account is terminated for any reason other than retirement, the account will be closed and the account balance paid to the employee or, if the account is held jointly, the joint holders of the account. A retired employee of Agricore United who established an Employee Loan Account prior to his or her retirement as an employee may continue to hold the account after retirement, but no new loans will be accepted by the Company from such retired employee.

Repayment Upon Death

If the loan is held in joint names, it can be transferred to the joint holder once the Company receives proof of death of the lender, such as a death certificate. Repayments can then be made to the joint holder, as requested. If the loan is not held in joint names, the information required for repayment depends on the particular circumstances. If the loan is less than $1,000 and the deceased did not own farmland at the time of death, the Company requires the following documents:

- Notarial copy of the Will;
- Death Certificate; and
- Indemnity of person providing instructions for repayment.

If the loan is over $1,000 or the deceased owned farmland at the time of death, the Company must obtain Letters Probate or, in the case of an intestacy, Letters of Administration. When the Company receives the necessary legal documents, repayments can be made to the estate, according to the instructions received.

Employee Payroll Deduction

In the Employee Loan Application Form, employees of Agricore United may elect to have Agricore United deduct the amount of the loan periodically by way of payroll deduction.

Book Based Accounts

Registration of interests in the Member Loans and Employee Loans will be made only through a book-based system administered by Agricore United. No holder of a Member Loan or Employee Loan will be entitled to a certificate or other instrument from Agricore United evidencing that person's interest in or ownership of such Loan, although at the time any such Loan is first established, Agricore United will forward confirmation of the receipt of the Loan proceeds and the setting up of the Member Loan Account or Employee Loan Account, as the case may be, to the member or employee establishing the Loan. Payments of interest and redemption amounts will be made by Agricore United to those persons who are shown on its records as having an interest in the Loan. Agricore United is relieved from any liability associated with such payments provided that the payment is made to those persons who are shown on its records as having an interest in the Loan.

Agricore United is entitled, in connection with any matters related to the Member or Employee Loans, to act upon any written notice, consent, request, waiver, receipt, instrument, certificate or other document or paper reasonably believed by it to be genuine and to be signed or presented by the proper person or persons and Agricore United is under no duty to make investigations or inquiry as to any statement contained in any such writing but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

Transfer, Withdrawal and Repayment

Member and Employee Loans are non-transferable. Furthermore, cheques cannot be written on any of your Loan Accounts, however, you can request full or partial repayment at any time. All withdrawals of funds from Loan Accounts will only be made payable to the holder(s) of that Loan Account as shown on the books of Agricore United.

Member and Employee Loans are demand loans and are repayable in whole or in part, to the holder of the Loan Account upon written request sent by the account holder to Agricore United's head office. Indicate on the written request for repayment whether you wish to pick up the repayment or have it mailed to you. The repayment can be picked up from the Treasury Department, 28^{th} Floor, 201 Portage Avenue, TD Centre, Winnipeg, Manitoba or it can be mailed to the account holder's home or financial institution. Please allow for a period of 10 days to elapse before attending in person to pick up a repayment. Similarly, if mail is stipulated in your written request the request will be processed as soon as possible, but it may take up to 10 days to deposit the cheque in the mail. In that case, please allow a further 5 days for the cheque to reach its destination.

Agricore United may repay the loan, without demand, by giving written notice to the account holder 10 days prior to the repayment. Following the expiration of such notice period, Agricore United will mail a cheque payable to the account holder in the amount of repayment plus interest to the date of mailing to the last address provided by the account holder to Agricore United.

If a cheque mailed to an account holder is returned to Agricore United by the mail service, Agricore United may, at its option, deposit the amount of the cheque to the credit of the account holder(s) at main branch of the Agricore United's principal bank in Winnipeg, Manitoba, (currently, the Bank of Nova Scotia) to be paid to such account holder(s) upon presentation of proper identification only. Interest on the Member Loan will cease to accrue on the day the repayment cheque is mailed by Agricore United to the account holder.

Statements and Administration Fees

Agricore United will provide each Participant holding a Loan Account with a statement by Agricore United on a quarterly basis showing all transactions effected in that account since the date of the last statement.

There are no administration fees. Participants may, however, be charged for services they request, such as courier fees.