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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FEB X 8 2011

FORM 1-A *LA*  
REGULATION A AMENDED OFFERING STATEMENT  
UNDER THE SECURITIES ACT OF 1933

DIVISION OF CORPORATION FINANCE  
OFFICE OF BEVERAGES, APPAREL AND HEALTH CARE SERVICES

Effective Date: \_\_\_\_\_

Date Filed: ~~December 28, 2010~~ February 8, 2011

File No. \_\_\_\_\_024-10288

AGRI-LABORATORIES, LTD.

(Exact name of issuer as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

20927 State Route K  
St. Joseph, MO 64505  
(816) 233-9533  
Fax: (816) 233-9546

(Address, including zip code, and telephone number,  
including area code of issuer's principal executive office)

Steve Schram

20927 State Route K  
St. Joseph, MO 64505

(816) 233-9533 Fax: 816-233-9541

(Name, address, including zip code and telephone number,  
including area code of agent for services)

Copies of communications to:

Roger N. Walter  
Morris, Laing, Evans, Brock & Kennedy, Chtd.  
800 SW Jackson, Suite 1310  
Topeka, KS 66612  
(785) 232-2662 Fax: (785) 232-9983

422990

(Primary Standard Industrial  
Classification Code Number)

48-0985251

(I.R.S. Employer  
Identification Number)

This offering statement shall only be qualified upon order of the Commission, unless a subsequent amendment is filed indicating the intention to become qualified by operation of the terms of Regulation A.

## PART I— NOTIFICATION

### ITEM 1. Significant Parties.

#### a) Issuer's Directors:

| <b>Director Name</b>   | <b>Business Address</b>                              | <b>Residence Address</b>                            |
|------------------------|--|---|
| Walt Evans             | 3705 Pear Street<br>St. Joseph, MO 64503             | 3703 East Colony Square<br>St. Joseph, MO 64506     |
| Jay Miller             | 3910 N. George<br>Manchester, PA 17345               |   |
| Bo Richardson          | 7333 Town South Avenue<br>Baton Rouge, LA 70808-9099 |   |
| Dr. Robert K. Matthews | 2850 Nave Road SE<br>Massilon, OH 44646              | 3003 Westmoreland Avenue NW<br>Canton, OH 44718     |
| Chuck VanderPloeg      | 392 15th Street NE<br>Sioux Center, IA 51250         |   |
| Mo Jackson             | 7415 Lawrence Highway<br>Vermontville, MI 49096      |   |
| Leon Ellin             | 1255 N. Gulfstream, #600<br>Sarasota, FL 34236       |   |
| Frank Carter           | 16355 South Lone Elm Road<br>Olathe, KS 66062 USA    | 12109 West 154th Terrace<br>Overland Park, KS 66221 |
| Steve Schram           | 20927 State Route K<br>St. Joseph, MO 64505          | 3808 Corinth Court<br>St. Joseph, MO 64506          |

#### b) Issuer's Officers:

| <b>Officer Name</b> | <b>Business Address</b>                                | <b>Residence Address</b>                     | <b>Title</b>                                |
|---------------------|--|--|---|
| Steve Schram        | 20927 State Route K<br>St. Joseph, MO 64505            | 3808 Corinth Court<br>St. Joseph, MO 64506   | CEO, President & Chairman of<br>the Board   |
| Terry Christie      | 20927 State Route K<br>St. Joseph, MO 64505            | 3201 Harbor View Dr.<br>St. Joseph, MO 64506 | Vice President of Research &<br>Development |
| Helen Taylor        | 20927 State Route K<br>St. Joseph, MO 64505            | 12558 Highway 169<br>Helena, MO 64459        | Chief Financial Officer                     |
| Edward S. Sloan     | 11181 Overbrook Rd., Ste. 200<br>Leawood, Kansas 66211 | 1761 E. 960 Road<br>Lawrence, KS 66049       | Secretary                                   |
| Cary Becker         | 20927 State Route K<br>St. Joseph, MO 64505            | 16354 Webster Street<br>Omaha, NE 68118      | Vice President of Sales                     |

(c) Issuer's General Partners: Inapplicable, Issuer is a corporation.

(d) record owners of 5% or more of any class of Issuer's equity securities:

**Class A Shares**

| <b>Company Name</b>              | <b>Business Address</b>  | <b>Residence Address</b> |
|----------------------------------|--|--------------------------|
| Animal Medic, Inc.               | Attn: Jay Miller<br>3910 N. George<br>Manchester, PA 17345                                     | N/A                      |
| Double E                         | Attn: Walt Evans<br>3705 Pear Street<br>P.O. Box 969<br>St. Joseph, MO 64503                   | N/A                      |
| Fuller Supply Company            | Attn: Bill Fuller<br>3500 Messer Airport Hwy<br>Birmingham, AL 35222                           | N/A                      |
| IVESCO, LLC                      | Attn: Duane Schamerloh<br>124 Country Club Road<br>P.O. Box 638<br>Iowa Falls, IA 50126        | N/A                      |
| Keith Jeffers, Inc.              | Attn: Shane Fundum<br>310 West Saunders Road<br>Dothan, AL 36302                               | N/A                      |
| Lextron, Inc.                    | Attn: John Adent, CEO<br>620 "O" Street<br>Greeley, CO 80632                                   |                          |
| Michigan Vet Farm                | Attn: Morris Jackson<br>7415 Lawrence Highway<br>Vermontville, MI 49096                        | N/A                      |
| MWI Veterinary Supply Co.        | Attn: Jim Cleary<br>651 South Stratford Drive<br>Ste 100<br>P.O. Box 910<br>Meridian, ID 83680 | N/A                      |
| Northwest Vet Supply, Inc.       | Attn: Robert Lohmann<br>3104 N. Van Buren<br>P.O. Box 1941<br>Enid, OK 73701                   | N/A                      |
| Professional Veterinary Products | 10077 South 134th Street<br>Omaha, NE 68138  | N/A                      |
| Robert J. Matthews Co.           | Attn: Dr. Robert K. Matthews<br>2850 Nave Road SE<br>Massillon, OH 44646                       | N/A                      |
| Southern Livestock Supply Co.    | Attn: Bo Richardson<br>7333 Town South Avenue<br>Baton Rouge, LA 70808                         | N/A                      |

| <b>Company Name</b>                                | <b>Business Address</b>  | <b>Residence Address</b> |
|--|--|--------------------------|
| Valley Veterinary Clinic, P.A.                     | Attn: Arnold Nagely<br>1118 Pony Express Hwy<br>P.O. Box 504<br>Marysville, KS 66508 | N/A                      |
| Vet & Poultry Supply                               | Attn: Ed Bradford<br>120 Greene Road<br>P.O. Box 454<br>Goshen, IN 46526             | N/A                      |
| Walco International                                | Attn: James Robison<br>7 Village Circle, Suite 200<br>Westlake, TX 76262             | N/A                      |
| West Plains Veterinary Supply of Springfield, Inc. | Attn: Greg Lowe<br>614 North Washington<br>P.O. Box 328<br>Springfield, MO 65801     | N/A                      |

**Class B Shares**

| <b>Name</b>              | <b>Business Address</b>  | <b>Residential Address</b>                 |
|--------------------------|--|--|
| Becker Trust             | 20927 State Route K<br>St. Joseph, Mo. 64503                       | 16354 Weber Street<br>Omaha, NE            |
| Helen Taylor             | 20927 State Route K<br>St. Joseph, Mo. 64503                       | 4305 Fredrick Ave<br>St. Joseph, Mo. 64506 |
| Michigan Vet Farm Supply | 7415 Lawrence Highway<br>Vermontville, MI 49096                    | N/A  |
| Nagely Trust             | 1174 Keystone Road<br>Marysville, KS 66508                         | Same                                       |
| Steve Schram Trust       | 20927 State Route K<br>St. Joseph, MO 64505                        | 3808 Corinth Court<br>St. Joseph, MO 64506 |
| Shultz Trust             | 1118 Pony Express Highway<br>P.O. Box 504<br>Marysville, Ks. 66508 | 1149 Eight Road<br>Marysville, Ks. 66508   |

**Class C Shares**

| <b>Company Name</b>           | <b>Business Address</b>                          | <b>Residence Address</b> |
|-------------------------------|--|--------------------------|
| Allison Stout, DVM            | 213 Navajo Road<br>Las Cruces, NM 88007          | N/A                      |
| Brownsberger Vet Clinic, Inc. | 106 West 5th Street<br>Appleton City, MO 64724   | N/A                      |
| Dr. Joe & Jen Vet Supply      | 34761 190th Street<br>Ree Heights, SD 57371      | N/A                      |
| Feeder Creek Vet Service      | 12575 Millers Port Rd.<br>Millers Port, OH 43046 | N/A                      |

| <b>Company Name</b>                     | <b>Business Address</b>                       | <b>Residence Address</b> |
|---|---|--------------------------|
| Kettle Moraine Large Animal Clinic, SC  | 2712 Eastern Avenue<br>Plymouth, WI 53073     | N/A                      |
| Lander Veterinary Clinic                | 4512 S. Walnut Road<br>Turlock, CA 95381      | N/A                      |
| Lena Vet Clinic                         | 11002 West Godderd Road<br>Lena, IL 61048     | N/A                      |
| Pharmacy and Livestock Supply           | 8176 Hwy 90 South<br>Navasota, TX 77868       | N/A                      |
| Southern Hills Veterinary Service, Inc. | 1902 Quincy St.<br>Corning, IA 50841          | N/A                      |
| Stanley D. Ourada, DVM                  | 2201 East 4th Avenue<br>Holdrege, NE 68949    | N/A                      |
| Veterinary Associates, LLP              | 19922 Highway 10 West<br>Reedsville, WI 54230 | N/A                      |
| VVC, LLC                                | 707 Woodland Plaza<br>Seymour, WI 54165       | N/A                      |
| Wishek Vet Clinic                       | 8370 Hwy 3 SE<br>Wishek, ND 58495             | N/A                      |

(e) beneficial owners of 5% or more of any class of Issuer's equity securities:

**Class A Shares**

| <b>Company Name</b>   | <b>Business Address</b>   | <b>Residence Address</b> |
|-----------------------|---|--------------------------|
| Animal Medic, Inc.    | Attn: Jay Miller<br>3910 N. George<br>Manchester, PA 17345                              | N/A                      |
| Double E              | Attn: Walt Evans<br>3705 Pear Street<br>P.O. Box 969<br>St. Joseph, MO 64503            | N/A                      |
| Fuller Supply Company | Attn: Bill Fuller<br>3500 Messer Airport Hwy<br>Birmingham, AL 35222                    | N/A                      |
| IVESCO, LLC           | Attn: Duane Schamerloh<br>124 Country Club Road<br>P.O. Box 638<br>Iowa Falls, IA 50126 | N/A                      |
| Keith Jeffers, Inc.   | Attn: Shane Fundum<br>310 West Saunders Road<br>Dothan, AL 36302                        | N/A                      |

| <b>Company Name</b>                                   | <b>Business Address</b>   | <b>Residence Address</b> |
|---|---|--------------------------|
| Lextron, Inc.   | Attn: John Adent, CEO<br>620 "O" Street<br>Greeley, CO 80632                                    |                          |
| Michigan Vet Farm                                     | Attn: Morris Jackson<br>7415 Lawrence Highway<br>Vermontville, MI 49096                         | N/A                      |
| MWI Veterinary Supply Co.                             | Attn: Jim Cleary<br>651 South Stratford Drive,<br>Ste 100<br>P.O. Box 910<br>Meridian, ID 83680 | N/A                      |
| Northwest Vet Supply, Inc.                            | Attn: Robert Lohmann<br>3104 N. Van Buren<br>P.O. Box 1941<br>Enid, OK 73701                    | N/A                      |
| Professional Veterinary Products                      | 10077 South 134th Street<br>Omaha, NE 68138   | N/A                      |
| Robert J. Matthews Co.                                | Attn: Dr. Robert K.<br>Matthews<br>2850 Nave Road SE<br>Massillon, OH 44646                     | N/A                      |
| Southern Livestock Supply Co.                         | Attn: Bo Richardson<br>7333 Town South Avenue<br>Baton Rouge, LA 70808                          | N/A                      |
| Valley Veterinary Clinic, P.A.                        | Attn: Arnold Nagely<br>1118 Pony Express Hwy<br>P.O. Box 504<br>Marysville, KS 66508            | N/A                      |
| Vet & Poultry Supply                                  | Attn: Ed Bradford<br>120 Greene Road<br>P.O. Box 454<br>Goshen, IN 46526                        | N/A                      |
| Walco International                                   | Attn: James Robison<br>7 Village Circle, Suite 200<br>Westlake, TX 76262                        | N/A                      |
| West Plains Veterinary Supply of<br>Springfield, Inc. | Attn: Greg Lowe<br>614 North Washington<br>P.O. Box 328<br>Springfield, MO 65801                | N/A                      |

**Class B Shares**

| <b>Name</b>              | <b>Business Address</b>  | <b>Residential Address</b>                 |
|--------------------------|--|--|
| Becker Trust             | 20927 State Route K<br>St. Joseph, Mo. 64503                       | 16354 Weber Street<br>Omaha, NE            |
| Helen Taylor             | 20927 State Route K<br>St. Joseph, Mo. 64503                       | 4305 Fredrick Ave<br>St. Joseph, Mo. 64506 |
| Michigan Vet Farm Supply | 7415 Lawrence Highway<br>Vermontville, MI 49096                    | N/A  |
| Nagely Trust             | 1174 Keystone Road<br>Marysville, KS 66508                         | Same                                       |
| Steve Schram Trust       | 20927 State Route K<br>St. Joseph, MO 64505                        | 3808 Corinth Court<br>St. Joseph, MO 64506 |
| Shultz Trust             | 1118 Pony Express Highway<br>P.O. Box 504<br>Marysville, Ks. 66508 | 1149 Eight Road<br>Marysville, Ks. 66508   |

**Class C Shares**

| <b>Company Name</b>                        | <b>Business Address</b>                          | <b>Residence Address</b> |
|--|--|--------------------------|
| Allison Stout, DVM                         | 213 Navajo Road<br>Las Cruces, NM 88007          | N/A                      |
| Brownsberger Vet Clinic, Inc.              | 106 West 5th Street<br>Appleton City, MO 64724   | N/A                      |
| Dr. Joe & Jen Vet Supply                   | 34761 190th Street<br>Ree Heights, SD 57371      | N/A                      |
| Feeder Creek Vet Service                   | 12575 Millers Port Rd.<br>Millers Port, OH 43046 | N/A                      |
| Kettle Moraine Large Animal<br>Clinic, SC  | 2712 Eastern Avenue<br>Plymouth, WI 53073        | N/A                      |
| Lander Veterinary Clinic                   | 4512 S. Walnut Road<br>Turlock, CA 95381         | N/A                      |
| Lena Vet Clinic                            | 11002 West Godderd Road<br>Lena, IL 61048        | N/A                      |
| Pharmacy and Livestock Supply              | 8176 Hwy 90 South<br>Navasota, TX 77868          | N/A                      |
| Southern Hills Veterinary Service,<br>Inc. | 1902 Quincy St.<br>Corning, IA 50841             | N/A                      |
| Stanley D. Ourada, DVM                     | 2201 East 4th Avenue<br>Holdrege, NE 68949       | N/A                      |
| Veterinary Associates, LLP                 | 19922 Highway 10 West<br>Reedsville, WI 54230    | N/A                      |
| VVC, LLC                                   | 707 Woodland Plaza<br>Seymour, WI 54165          | N/A                      |
| Wishek Vet Clinic                          | 8370 Hwy 3 SE<br>Wishek, ND 58495                | N/A                      |

(f) promoters of the issuer; Not applicable.

(g) affiliates of the issuer; Tradewinds, Inc., a Kansas corporation, is a wholly owned subsidiary of Issuer.

(h) counsel to the issuer with respect to the proposed offering;

Counsel

Edward S. Sloan  
Waldeck, Matteuzzi & Sloan, P.C.  
11181 Overbrook Road  
Suite 200  
Leawood, Kansas 66211

Special Securities Counsel

Roger N. Walter  
Morris, Laing, Evans, Brock & Kennedy, Chtd.  
800 SW Jackson, Suite 1310  
Topeka, KS 66612-1216

(i) each underwriter with respect to the proposed offering; Not applicable.

(j) the underwriter's directors; Not applicable.

(k) the underwriter's officers; Not applicable.

(l) the underwriter's general partners; Not applicable.

(m) counsel to the underwriter; Not applicable.

**ITEM 2. Application of Rule 262**

None of the persons identified in response to Item 1 are subject to any disqualification pursuant to Rule 262.

**ITEM 3. Affiliate Sales**

Not applicable.

**ITEM 4. Jurisdictions in Which Securities Are to be Offered**

(a) Not applicable.



- (b) The securities will be offered by the officers of Agri-Labs who will receive no additional compensation for their sales activities. The offer of Class B shares will be offered only to employees or outside directors of Agri-Labs or its Class A shareholders. The offer of Class C shares will be limited to licensed and practicing veterinarians or business entities comprised of veterinarians who purchase on an annual basis a specified level of product from Agri-Labs. Agri-Labs currently intends to offer the securities in the following state's jurisdictions: Alabama, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Missouri, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas and Wisconsin.

#### **ITEM 5. Unregistered Securities Issued or Sold Within One Year**

(a) As to any unregistered securities issued by the issuer or any of its predecessors or affiliated issuers within one year prior to the filing of this Form 1-A, state:

(1) Name of such issuer. Agri-Laboratories, Ltd.

(2) The title and amount of securities issued. Within one year prior to filing this Form 1-A, no shares of Class A or Class C stock of Agri-Laboratories, Ltd. were issued; and 1,050 shares of Class B stock of Agri-Laboratories, Ltd. were issued.

(3) Offering price. Within one year prior to filing of this Form 1-A, Class B shares were sold for book value adjusted on a monthly basis. During this period the book value of Class B shares ranged from \$25.55 to \$35.43 per share. A total of 1,050 shares of Class B stock were issued for cash consideration in the aggregate amount of \$31,230.50.

(4) Persons to whom the securities were issued. The names and identities of persons to whom Class B shares were issued within one year prior to the filing of this Form 1-A are as follows:

Anthony Willis  
Tim Kosmacek

Dr. Roger Winter  
Randy Holliman

(b) Sales for accounts of others. No securities sold by the issuer or any of its predecessors or affiliated issuers within one year prior to the filing of this Form 1-A were for the account of any person who at the time was a director, officer, promoter or principal security holder of the issuer, or who was an underwriter of any securities of such issuer.

(c) Basis for exemption. The securities are exempt pursuant to the provisions of Regulation A, Rule 251, *et. seq.* Issuer is an entity organized under the laws of, and having a principal place of

business in, the United States, is not subject to Section 13 of 15(d) of the Act, is not a development stage company, is not an investment company, is not issuing fractional shares, is not disqualified under rule 262. In addition, the sum of all cash and other consideration received for the securities did not exceed \$5 Million Dollars. All sales of Class B and Class C shares within one year prior to filing this Form 1-A was done pursuant to an offering under an exemption qualified under Regulation A on December 23, 2008, as File No. 333-134078, and an amended offering statement was filed on December 23, 2009 and qualified on February 4, 2010 as File No. 24-10212.

**ITEM 6. Other Present or Proposed Offerings**

Not applicable.

**ITEM 7. Marketing Arrangements**

(a) There are no arrangements to limit or restrict the sale or other securities of the same class as those to be offered for the period of distribution; to stabilize the market for any of the securities to be offered; or for withholding commissions. The Class B and Class C shares to be issued under this Form 1-A offering are subject to restrictions on transfer imposed by Agri-Labs' Bylaws. These shares may not be sold or transferred by the holder without the consent of Agri-Labs. Upon notice of intent to transfer the shares, Agri-Labs has an option or right of refusal to purchase the shares at book value.

(b) Not applicable.

**ITEM 8. Relationship with Issuer of Experts Named in Offering Statement.**

Not applicable.

**ITEM 9. Use of a Solicitation of Interest Document**

Not applicable – no publication was used.

**OFFERING CIRCULAR**  
**DATE: ~~December 28, 2010~~ February 8, 2011**

**FILE NO. \_\_\_\_\_ 024-10288**

**AMENDMENT NO. 1**  
**AGRI-LABORATORIES, LTD.**  
**A Delaware Corporation**  
**20927 State Route K**  
**St. Joseph, Missouri 64505**  
**Phone: (816) 223-9533**  
**Fax: (816) 233-9546**

**Class B Common Stock – 100,000 shares**  
**Price \$34.86 share**

**Class C Common Stock – 25,000 shares**  
**Price \$34.86 per share**

**MAXIMUM AGGREGATE OFFERING AMOUNT**

**Class B Common Stock - \$3,486,000.00**  
**Class C Stock - \$871,500.00**  
**Total Maximum Offering Amount - \$4,357,500.00**

Price per share \$34.86 as of November 1, 2010 valid through November 30, 2010

|                                  | <b>Price to Public</b> | <b>Underwriting Discounts and Commissions</b> | <b>Proceeds to Issuer</b> |
|----------------------------------|------------------------|---|---------------------------|
| Class B Per Share                | \$34.86                | -0-   | \$34.86                   |
| Total Class B Shares             | \$3,486,000.00         | -0-   | \$3,486,000.00            |
| Class C Per Share                | \$34.86                | -0-   | \$34.86                   |
| Total Class C Shares             | \$871,500.00           | -0-   | \$871,500.00              |
| Total Class B and Class C Shares | \$4,357,500.00         | -0-   | \$4,357,500.00            |

Agri-Laboratories, Ltd. (“Agri-Labs”), a Delaware corporation, is offering up to 100,000 shares of its Class B common and up to 25,000 shares of its Class C common stock. The shares are being offered at the book value per share, which is the net worth (assets less total liabilities) divided by the total number of outstanding common shares (initially Class A, B and C shares). The current book value is \$34.86 per share. After qualification, the offering price will be adjusted after each fiscal month to reflect the current net book value (divided by the total number of outstanding Class A, B and C shares), which is the current net worth (assets less total liabilities divided by the total number of outstanding common shares (initially Class A, B and C shares)). Class B and C shareholders who have purchased pursuant to this Offering and who have received a current offering circular will receive a written notice of each monthly adjustment. In no event will this adjustment result in the aggregate offering amount exceeding \$4,968,769.50

(\$5million less \$31,230.50, aggregate offering proceeds for all securities sold within twelve months before the start of this offering in reliance on Regulation A). Ownership of the Class B common stock is limited to employees of Agri-Labs or employees of Class A shareholders of Agri-Labs or outside directors. Class A shareholders are all retail distributors of Agri-Labs products. Ownership of the Class C common stock is limited to licensed, practicing veterinarians or businesses comprised of veterinarians. Class B shares must be purchased in minimum increments of 50 shares. Class C shares must be purchased in minimum increments of 1,000 shares. The offering price is determined by reference to the existing book value of Class A, B and C shares. The approximate date of commencement of the sale to the public will be the date of qualification.

See "Risk Factors" beginning on page 7 for a discussion of certain risks that should be considered by prospective purchasers of the Shares offered hereunder.

The Offering is being made on a "best efforts" basis directly to purchasers by Agri-Labs on a continuing basis for two years from the date of qualification, terminating on \_\_\_\_\_, 20\_\_\_. The Offering is not contingent upon sales of a minimum offering amount and there is no minimum number of shares which must be sold in order for Agri-Labs to have access to offering proceeds. Therefore, the proceeds will be deposited directly into Agri-Labs operating accounts. See "Use of Proceeds."

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREUNDER ARE EXEMPT FROM REGISTRATION.

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## **SUMMARY INFORMATION and RISK FACTORS**

### **OFFERING SUMMARY:**

**This summary highlights selected information from this document and may not contain all the information that is important to you. To understand the Offering fully, you should carefully read the entire document.**

Agri-Laboratories, Ltd. (“Agri-Labs”) is a Delaware corporation formed in August of 1984. It is a wholesale distributor of pesticides, insecticides, pharmaceuticals and biologicals in the global animal health market. It purchases these products from over 50 manufacturers and resells them at mark up over its cost to animal health product distributors (its Class A shareholders). These distributors in turn sell the product to veterinarians, retail stores, livestock producers and other consumers. Title to the goods passes to the distributors when sold, and Agri-Labs recognizes revenues on an accrual basis when the goods are sold.

Agri-Labs’ current capital structure consists of Class A common stock, Class B and Class C common stock. Class A shares are voting shares with each Class A stockholder entitled to one (1) vote for each Class A share held. Class A shareholders are entitled to vote on any matter which shareholders are entitled to vote on pursuant to the Bylaws of Agri-Labs. The Company was initially organized with 15 Class A shareholders each purchasing 10,000 shares followed by a second purchase of 5,000 shares for a total of 15,000 Class A shares at \$1 per share, amounting to an initial capitalization of \$225,000. There are currently 16 Class A shareholders, with each owning 15,000 shares. The most recent purchase of 15,000 Class A shares occurred in 2006 for a price of \$21.17 per share for an aggregate purchase price of \$325,500. Class A shareholders are all retail distributors of products distributed by Agri-Labs. Historically, dividends have not normally been paid on Class A shares. However, in 2010, Agri-Labs declared a dividend of \$1.50 on Class A shares.

Class B and Class C shares are non-voting shares which only entitle Class B and Class C shareholders to dividends. Class B shares are only offered to employees of Class A shareholders, employees of Agri-Labs, or outside directors. Class C shares are only offered to veterinarians and/or veterinarian clinics who purchase product from Agri-Labs. Class B shares are offered to create an incentive within the Agri-Labs distributor network for sales people to market Agri-Labs’ products. This ownership stake of the distributor network allows the marketing force to participate, through dividends, in the overall profitability of the Company. Class C shares are offered to create an incentive within the veterinarian channel of trade to recommend Agri-Labs products for use by customers of the veterinarians.

Class B shares historically have been purchased at book value, as adjusted on a monthly basis by the Company. Initially, in 1986, a limited number of Class B shares were issued. Since 1991, Agri-Labs has offered ownership of Class B shares on a continuing basis to its distribution network of sales representatives and staff. Agri-Labs has declared an annual dividend on Class B shares every year since 1987. From 1993 through 2006 that annual dividend has been either \$1.00 or \$1.10 per share. In 2007 the dividend increased to \$1.15 per share, then decreased to

\$1.00 per share in 2008 and 2009, jumping to \$1.50 per share for 2010. For the period from 2000 through 2002 dividends on Class B shares were prorated to reflect the length of ownership of the shares during the calendar year for which the dividend was declared.

The Class B shares have been a key factor in Agri-Labs developing one of the most successful distribution networks in the United States. Ownership by its distributor shareholders, with its attendant participation and loyalty, has been a primary ingredient in this success. In addition to continuing its Class B shares incentive program for its distributors on a larger scale, Agri-Labs proposes to build on this success in developing other market areas through the issuance of Class C shares.

Class C shares historically have been purchased at book value, as adjusted on a monthly basis by the Company. Class C shares were first issued in 2004, and Agri-Labs has offered ownership of Class C shares on a continuing basis to its distribution network of veterinarians since that time. Agri-Labs has declared an annual dividend on Class C shares every year since 2004. In the year 2004 the dividend declared was \$0.50. For the years 2005 & 2006 the dividend was \$1.10; for the year 2007, the dividend was \$1.15; for the year 2008 and 2009 the dividend was \$1.00; and for the year 2010 the dividend was \$1.50.

In October of 1998, under a unique manufacturer/distributor agreement, Agri-Labs helped develop and launch a new line of MLV cattle vaccines, marketed under the trade names of TITANIUM® and MASTER GUARD®. Agri-Labs has the exclusive right to distribute these vaccines. It primarily grows the market for the vaccines through distribution to consulting veterinarians who control large numbers of cattle by servicing feedlots, dairies and ranchers who control large numbers of cattle. The target market for these efforts are in Arkansas, Georgia, Illinois, Indiana, Kansas, Kentucky, Michigan, Missouri, Montana, Nebraska, New York, California, Oklahoma, Texas, South Dakota, Idaho, New Mexico, Wisconsin, Minnesota and Iowa, Pennsylvania.

Agri-Labs implemented a program which emulates the successful features of its Class B shares with its Class C shares which creates an incentive for veterinarians to distribute Agri-Labs vaccines. This program involves the issuance of Class C stock, which is only available to licensed practicing veterinarians or business entities comprised of veterinarians. The Shares are purchased for cash consideration at the equivalent price of Class A and B shares. The Class C shares must be purchased in 1,000 share increments. The Class C shareholder is required to maintain sales of \$50,000 annually in the sale of Agri-Labs' products or the shares will be subject to redemption by Agri-Labs at the then current book value. The Class C shares can also be redeemed at book value in the event of death, disability, retirement, loss of license to practice veterinary medicine, dissolution, merger or withdrawal from the practice of veterinary medicine for any reason.

The declaration of dividends is subject to the discretion of the Board of Directors. The Board is not obligated to declare dividends equally across all classes of shares. Historically, the Board has declared dividends with respect to Class B shares for each calendar year since 1987 through 2008. The first dividend for Class B shares was \$0.25 per share in 1987. The dividend has been a \$1.10 per Class B share for the years 1998 through 2006, increasing to \$1.15 for the

year 2007, decreasing to \$1.00 for 2008 and 2009, and increasing to \$1.50 per share for the year 2010. For the years 2000 to 2002 the Class B dividend was prorated to reflect the length of ownership of the shares. A dividend in the amount of \$0.50 per share was declared for 2004, the dividend was \$1.10 per Class C share for the years 2005 and 2006, \$1.15 for the year 2007, \$1.00 for 2008 and 2009, and \$1.50 for the year 2010. A \$1.50 per share dividend was declared on the Class A shares in 2010, but normally a dividend is not paid on Class A shares.

Investors who desire to subscribe to either Class B or Class C shares must complete and sign the appropriate Subscription Agreement. All purchasers of shares will be subject to substantial restrictions on transfer of the Shares provided in the Bylaws of Agri-Labs and in the Subscription Agreement. These shares may not be sold or transferred by the holder without the consent of Agri-Labs. Upon notice of intent to transfer the shares, Agri-Labs has an option or right of first refusal to purchase the shares at book value. See the “Description of Securities” section of this Offering Circular.

### **THE OFFERING**

|  |   |
|--|---|
| Securities Offered                                 | 100,000 shares Class B stock<br>25,000 shares of Class C stock  |
| Price Per Share                                    | \$34.86 per Class B shares <sup>1</sup><br>\$34.86 per Class C shares <sup>2</sup>  |
| Total Shares Issued and Outstanding After Offering | 162,423 shares Class B stock<br>43,000 shares Class C stock   |
| Total Proceeds                                     | \$3,486,000.00 – Class B shares<br>\$871,500.00 – Class C shares<br>\$4,357,500.00 total Class B and C shares                               |
| Dilution   | N/A   |
| Subscription                                       | An investor wishing to purchase either Class B or Class C shares must complete and deliver to Agri-Labs a Subscription Agreement.           |
| Risk Factors                                       | An investor considering purchase of the share should review the risk factor associated with such an investment. See “Risk Factors” section. |

### **RISK FACTORS**

**Before you invest in our Class B or Class C common stock, you should be aware that there are various risks, including those described below. You should carefully consider these risk factors, together with all the other information included in this Prospectus.**

<sup>1</sup> The shares are being offered at the book value per share, which is the net worth (assets less total liabilities) divided by the total number of outstanding common shares (Class A, B and C shares). The current book value is \$34.86 per share. The offering price will be adjusted after each month to reflect the current book value (net worth divided by the total number of outstanding Class A, B and C shares). In no event will this adjustment exceed a price per share which would result in the aggregate offering price exceeding \$4,968,769.50.

<sup>2</sup> See Footnote 1



**This Is A Best Efforts Offering Without A Minimum Sales Amount Or Escrow.** This Offering is being made on a best effort basis, directly by Agri-Labs, and there is no minimum offering amount that must be reached before Agri-Labs can access the funds. No escrow account has been established and all subscription funds will be paid directly to the Company. Subscriptions are irrevocable. A shareholder will not be entitled to a return of his or her purchase price based on the failure of Agri-Labs to achieve any minimum level of sales in this Offering. If a shareholder wishes to rescind the purchase, that request will be subject to Agri-Labs ability to redeem the shares, as provided in its Bylaws. Also, it is possible that the issuer would only sell a nominal amount of shares and might not have sufficient proceeds to further the goals of this Offering.

**There Are Substantial Restrictions On Transfer Of The Shares.** The Class B and C Shares purchased in this Offering are subject to strict restrictions on transfers contained in the Bylaws of Agri-Labs. The Shares may not be sold or transferred without the consent of Agri-Labs, and Agri-Labs has an option of right of first refusal for 60 days from written notice of the proposed transfer to exercise its option to purchase the Shares at the book value of the Shares as determined by the Company's accountants at the end of the month preceding the date Agri-Labs notifies the shareholder it is exercising its option.

Historically, 44 Class B shareholders have requested approval to transfer 34,291 Class B shares to third parties. Agri-Labs has always allowed the transfer when the shareholder has proposed to transfer Class B shares and has not been required to redeem any of the shares in these transactions. No Class C shareholders have requested a transfer of their Class C shares.

**No Obligation To Repurchase The Shares.** Even though Agri-Labs has the option of right of first refusal to purchase the Shares of any shareholder proposing to transfer the Shares, it is not obligated to do so. Further, depending on the number of shareholders proposing to transfer at any point in time, Agri-Labs may not have the financial resources to do so.

**There Is No Trading Market For The Shares.** There will be no active secondary trading market in the Class B and C shares purchased in this Offering. The Shares will not be eligible for listing on any stock exchange or for quotation on NASDAQ, and Agri-Labs does not intend to obtain such a listing or approval. Investors may not be able to liquidate their investment in the event Agri-Labs elects not to or is unable to redeem the shares.

**Issues Related to Compliance With Prior Regulation A Offering.** The Company has filed and obtained qualification of three (3) Regulation A offerings, File No. 24-10056 (qualified June 24, 2004), File No. 24-10147 (qualified June 29, 2006), and File No. 333-134078, qualified December 23, 2008 with an amended offering circular qualified on February 4, 2010 as File No. 24-10212. All of these offerings were continuous offerings which terminated two years after qualification. With respect to the first two (2) offerings, the Company failed to update the information provided in the Offering Circulars as required by Rule 253(e)(1) and (2), and failed to timely file the Form 2-A filing as required by Rule 257. The requirement to file Form 2A's under Rule 257 is not a condition to the exemption. The failure to comply with Rule 253 could subject the Company to a claim that the Offering was not exempt under Regulation A and/or that the Offering failed to disclose material facts. However, Rule 260 provides that a failure to

comply with a condition or requirement of Regulation A will not result in loss of the exemption if the failure to comply was not intended to protect a particular investor, was insignificant with respect to the Offering as a whole and a good faith and reasonable attempt was made to comply with the requirements of Regulation A. The Company believes it has met the conditions of Rule 260. However, there is no assurance that others will not take exception to this view. This lack of compliance could subject the Company to legal claims by regulators or investors seeking to rescind their investment which could cause a financial strain on the Company. Going forward, Company has input the deadlines for such filings in its docket system, and such filings will be made on a timely basis.

**Ownership Of Class B Shares Can Be Terminated At The Option Of Agri-Labs If The Shareholder's Employment Or Affiliation With The Company Or A Class A Shareholder Is Terminated.** Under the terms of the Bylaws and terms of the Subscription Agreement, in order to purchase Class B shares, a purchaser must be employed by Agri-Labs, be an outside director of Agri-Labs, or be a Class A Shareholder of Agri-Labs or employee thereof. If the shareholder's employment or affiliation with that Class A Shareholder or with Agri-Labs is terminated for any reason (including death or retirement), or if the Class A shareholder shall no longer be a Class A shareholder or a retail distributor of Agri-Labs for any reason, under the Bylaws and terms of the Subscription Agreement Agri-Labs has the option to repurchase the Shares at book value, as determined by the Company's accountants at the end of the month preceding written notice of the Company's intent to exercise this option.

Historically, when a Class B shareholder has terminated employment, has died, is no longer an Outside Director of the company, or when that shareholder's employer has terminated a Class A shareholder distribution agreement with Agri-Labs or has been terminated by a Class A shareholder, the Class B shares have either been redeemed or a transfer to a qualified third party has been approved. In total 136 Class B shareholders holding 103,030 Class B shares have been subject to redemption or transfer of shares because of termination of qualified status. Of these, 98 Class B shareholders holding 68,739 shares have had their shares redeemed by Agri-Labs. The remainder have been allowed to transfer their shares to qualified third parties.

**Ownership Of Class C Shares Can Be Terminated At The Option Of Agri-Labs If The Shareholder Ceases To Practice Veterinary Medicine Or Fails To Maintain Minimum Product Purchase Requirements.** In order to purchase Class C shares, a purchaser must be a licensed, practicing veterinarian or a business comprised of veterinarians. Further, the purchasers must generate on an annual basis \$50,000 of Agri-Labs' product sales. Subsequent to the purchase of Class C shares, if the shareholder ceases to be engaged in the practice of veterinary medicine, or fails to meet the minimum annual sales requirements of \$50,000 of general products, Agri-Labs has the option to repurchase the shares at book value, as determined by the Company's accountants at the end of the month preceding the written notice of the Company's intent to exercise this option.

**Forward-Looking Statements May Be Inaccurate.** This Offering Circular contains financial projections and forward-looking statements that are based on management's beliefs and assumptions as determined by current information available. When used in this Offering Circular words such as "anticipate," "believe," "estimate," and depending on the context "may,"

and similar expressions are intended to identify forward-looking statements. However, such statements only reflect management's current view with respect to future events, and are subject to risk of uncertainty and the risk that the underlying assumptions may prove inaccurate. Agri-Labs' actual performance may fall materially short of the financial projections and actual results may vary from those anticipated or estimated.

**Agri-Labs' Ability To Pay Dividends On Class B and Class C Shares In The Future Can Not Be Guaranteed.** Agri-Labs has declared a dividend on Class B shares for each calendar year from 1987 through 2010. The first dividend declared by Agri-Labs in 1987 on Class B shares was for \$0.25 per share. The dividend has been \$1.10 per share between 1998 and 2006. The dividend increased to \$1.15 per share for the year 2007, but then decreased to \$1.10 per share for 2008 and 2009. The dividend for 2010 increased to \$1.50 per share. For the years 2000 to 2002 those dividends were prorated to reflect the length of ownership of the Class B shares during the year for which the dividend was declared. Class C dividends have been paid since the issuance of Class C shares in 2004 with a \$ .50 per shares dividend declared for 2004, a \$1.10 dividend declared for the years 2005 and 2006, a \$1.15 dividend declared for the year 2007, and a \$1.10 dividend declared for the year 2008 and 2009. The dividend for 2010 increased to \$1.50. Though the Company historically has been able to pay dividends on Class B and Class C shares, there is no guarantee that Agri-Labs' profitability and ability to pay dividends on Class B or Class C shares in the future will continue.

The declaration of dividends is subject to the discretion of the Board of Directors. The Board is not obligated to declare dividends equally across all classes of shares and it may act preferentially with respect to one or more classes of shares. Historically, the Board has declared dividends on Class B and Class C shares, but not Class A shares. However, in 2010 the Class A dividend of \$1.50 was declared on the Class A shares. Going forward it intends to declare dividends on Class B and Class C shares equally, but not on Class A shares. However, the ultimate decision on declaring dividends in the future is subject to the unrestricted discretion of the Board of Directors.

**Changes In The Animal Health Biologicals And Pharmaceuticals Industry Could Adversely Affect Our Business.** The wholesale distribution industry for pesticides, insecticides, pharmaceuticals and biologicals in the global animal health market is subject to changing political, economic and regulatory influences. Both state and federal government agencies regulate the distribution of certain animal health products. All pharmaceutical products Agri-Labs sells are regulated by the Food and Drug Administration ("FDA"). Biological products are registered by the United States Department of Agriculture ("USDA"). Insecticides are regulated by the Environmental Protection Agency ("EPA"). Also, Agri-Labs is subject to regulation by the Drug Enforcement Administration ("DEA"). Each of these regulatory agencies have significant rules and regulations that must be adhered to in order to remain in compliance. An adverse finding regarding the compliance of Agri-Labs with these regulations could negatively impact sales and profits of the Company. Furthermore, the regulatory stance these agencies take can be affected by who is in control of the executive and legislative branches of government. Our suppliers are subject to regulation by the Department of Agriculture and rely, in part, on farm and agricultural subsidy programs. If funding for such programs is reduced, there is a risk

our product supply would diminish, which would lead to decreased sales. These factors affect our purchasing practices and the operation of our business.

There is a trend within this industry toward consolidation to create integrated delivery systems with greater market presence. As this industry consolidates, competition for customers will become more intense and the importance of acquiring each customer will become greater.

**Loss Of Agri-Labs' Relationship With Key Distributors Could Materially Affect Its Business.** Agri-Labs' customer base is comprised of several retail distributors of its animal health products. Eighty-Nine Percent (89%) of its annual revenues are generated by its 16 Class A shareholders. Agri-Labs top five (5) distributors in 2010 represented approximately Sixty-Seven Percent (67%) of its total revenues. The U.S. animal health market over the last 14 years has experienced consolidation of manufacturers and distributors. It is predicted that this trend will continue and consolidation of distributors could have a negative impact on Agri-Labs' customer base. A change in ownership of its top five (5) distributors has the potential to adversely impact future revenue for Agri-Labs if new owners determine to discontinue doing business with Agri-Labs.

**Loss Of Agri-Labs' Relationship With Key Suppliers Could Materially Affect Its Business.** It is typical for many animal health products produced in the United States, especially generic drugs, to rely on raw ingredients from international sources. Some of the raw materials used for Abbreviated New Animal Drug Applications ("ANADA") products owned by Agri-Labs are sourced from raw ingredient suppliers outside the United States in such countries as China, India and Ireland. Adverse conditions related to trade relations, international affairs or other political factors could limit the supply of key products marketed to and/or sold by Agri-Labs. This could result in a supply shortage for its customer base, which could affect its revenue and profit potential.

**The Introduction Of New Products Into The Cattle Vaccine Market To Compete With TITANIUM® And/Or MASTER GUARD® Vaccines Could Materially Affect Agri-Labs' Business.** In the event new product vaccines are developed that compete with Agri-Labs cattle vaccines, the company's annual revenues could be affected, which may materially adversely affect its revenues.

## **PLAN OF DISTRIBUTION**

The Class B and C shares will be offered directly by Agri-Labs management. The individuals who will participate in the offer and distribution of the shares will be Steve Schram, the Chief Executive Officer of the Company, Cary Becker, Vice President of Sales and Helen Taylor, the Chief Financial Officer. None of these individuals are subject to statutory disqualifications as defined in Section 3(a)(39) of the Securities and Exchange Act of 1934 (“1934 Act”), nor will any of them be compensated in connection with their participation in the offering by commission or other transaction-based compensation. Further, none of these individuals are associated persons of a broker-dealer, and all of them meet the conditions stated in Rule 3a4-1(a)(4)(ii) under the 1934 Act. None of these individuals will be deemed a broker by virtue of compliance with Rule 3a4-1.

Class B shares may only be purchased by employees or outside directors of Agri-Labs or Class A shareholders or their employees. Ownership of Class A shares is limited to entities that have a current Distribution Agreement for Agri-Labs’ products. Class B shares are offered to create an economic incentive within Agri-Labs’ distribution networks for the sales force to market Agri-Labs’ products. This ownership stake of the distribution network promotes brand loyalty and allows the marketing force to participate in the profitability of the Company.

Class C shares are only offered to licensed and practicing veterinarians or business entities comprised of veterinarians. Purchasers must qualify by generating minimum levels of Agri-Labs’ product sales. If the Class C shareholder does not maintain certain minimum levels of participation in distributing Agri-Labs’ products in the years subsequent to purchase (\$50,000 of annual sales of general products) Agri-Labs has the option to redeem the Shares at their then current book value, as determined pursuant to the corporation’s Bylaws.

Pursuant to Agri-Labs’ Bylaws certain other acts or events will be deemed a “transfer” which will trigger the option of Agri-Labs to redeem the Shares at book value and terminate the shareholder’s ownership of the Shares. These acts include the breach of any contract by the shareholder existing between the shareholder and Agri-Labs, including but not limited to a breach of any confidentiality agreement, distribution agreement, license agreement or consignment agreement. Further, it includes termination of employment with Agri-Labs or a Class A shareholder, termination of the current Distribution Agreement between Agri-Labs and the Class A shareholder, or acquiring an equity ownership interest in a competitor of Agri-Labs within the animal biologicals or pharmaceuticals business. Also, if an individual Class C shareholder ceases to be engaged in the practice of veterinarian medicine, (by death, retirement or for any other reason), or if a business or entity comprised of a group shall be dissolved, merged or discontinue the active practice of veterinary medicine Agri-Labs will have the option to repurchase the Class C shares at the then current at book value as determined by the Company’s accountants at the end of the month preceding the written notice of the Company’s intent to exercise this option.

Agri-Labs reserves the right, in its sole discretion to refuse to accept a subscription from any person or entity, in whole or in part, for any reason or for no reason. The Offering commenced on December 23, 2008, and is on a continuous basis until all of the allotted Shares are sold or the Offering expires, whichever occurs first. This Amended Offering Circular is being filed under Rule 253(e)(2) of the ’33 Act which states that any offering circular for a

continuous offering is to be updated every twelve (12) months after the date the offering statement was qualified. The Offering is not contingent upon achieving a minimum offering by a specific date or ever. No escrow account has been established for deposit of the Offering proceeds. Subscription funds will be paid directly to Agri-Labs, and Agri-Labs will have immediate access to such funds. Subscriptions are irrevocable.

## USE OF PROCEEDS

The primary business purpose in issuing Class B and Class C shares is not to raise capital for business needs, although the funds raised will provide working capital for the general needs of Agri-Labs to fund future growth and the redemption of Class A, B and C shares as needed. The primary reason for issuance of the shares is to create an incentive within the distribution network of Agri-Labs to market Agri-Labs' products. This ownership stake provides an economic incentive for salesmen to market and veterinarians to use and prescribe Agri-Labs' products. It builds and promotes brand loyalty within the distribution network and key veterinary clinics. The proceeds from the Offering will be reflected on Agri-Labs' balance sheet as contributed capital, and will be retained as working capital and applied by Agri-Labs for its general business needs to maintain current levels of capital as industry consolidation occurs.

The anticipated uses of the proceeds from this Offering are contained in the following table:

|                                      |                     |
|--------------------------------------|---------------------|
| Gross aggregate proceeds             | \$4,357,500.00      |
| less offering expenses               | \$0.00 <sup>3</sup> |
| net proceeds after offering expenses | \$4,357,500.00      |

| Principal Purposes  | 25% Proceeds          |             | 50% Proceeds          |             | 75% Proceeds          |             | 100% Proceeds         |             |
|---------------------|-----------------------|-------------|-----------------------|-------------|-----------------------|-------------|-----------------------|-------------|
|                     | (.00)                 |             | (.00)                 |             | (.00)                 |             | (.00)                 |             |
| R & D Investments   | \$1,089,375.00        | 100%        | \$1,089,375.00        | 50%         | \$1,634,062.50        | 50%         | \$2,178,750.00        | 50%         |
| Product Acquisition |                       |             | \$871,500.00          | 40%         | \$980,437.50          | 30%         | \$1,307,250.00        | 30%         |
| Infrastructure      |                       |             | \$217,875.00          | 10%         | \$326,812.50          | 10%         | \$435,750.00          | 10%         |
| Marketing           |                       |             |                       |             | \$326,812.50          | 10%         | \$435,750.00          | 10%         |
| <b>Total</b>        | <b>\$1,089,375.00</b> | <b>100%</b> | <b>\$2,178,750.00</b> | <b>100%</b> | <b>\$3,268,125.00</b> | <b>100%</b> | <b>\$4,357,500.00</b> | <b>100%</b> |

The research and development (R & D Investments) use of proceeds described above will fund the development of extensions to current product lines involving cattle biologicals, and the development of new biologicals, generic pharmaceuticals and new animal pharmaceuticals. The Product Acquisition category would potentially fund the cost of acquiring biological and pharmaceutical products from other animal health manufacturers currently marketing such products who are divesting themselves of the products. Infrastructure expenditures would involve the cost to fund additional equipment and personnel as the Company grows. Finally, anticipated use of proceeds for marketing would involve supporting strategies to grow and enhance products and markets such as advertising, customer education, industry promotional events and customer purchase incentives.

<sup>3</sup> Offering expenses estimated at \$30,000 which include printing, accounting and legal services, are paid directly by the Company from revenue sources other than the Offering Proceeds.

## **DESCRIPTION OF BUSINESS**

Agri-Labs is a Delaware corporation formed in August of 1984. It is engaged in business as a wholesale distributor of pesticides, insecticides, pharmaceuticals and biologicals in the global animal health market.

### **History**

*August 1984-Agri-Laboratories, Ltd. established as a buying group with 25 distributor/members and founding management team.*

*September 1984-Agri-Labs® label introduced for a line of large animal biological, pharmaceuticals and insecticides.*

*January 1985-First Performer® brand products for companion animals launched.*

*November 1985-Prolabs® label prescription products introduced.*

*July 1987-Distributors/shareholders consolidate outstanding stock, making Agri-Labs 100% distributor employee owned. New corporate sales, marketing and distribution headquarters are dedicated in St. Joseph, Missouri.*

*June 1989-EquiLabs® line of products for horses launched.*

*January 1991-Generic Drug Law ("GDL") goes into effect.*

*June 1992-Agri-Labs receives first Abbreviated New Drug Application ("ANADA") approval under the GDL: Di-Methox® Soluble powder.*

*May 1995-Agri-Labs introduces new management team.*

*April 1996-Company increases commitment to the small animal market with a new line of companion animal vaccines: Champion Protector®.*

*September 1997-Under an innovative marketing agreement, Agri-Labs launches the first private label ivermectin products (products that control worms in animals): TOP LINE® for cattle and DOUBLE IMPACT® for cattle and swine.*

*October 1998-Under a unique manufacturer/distributor agreement, Agri-Labs helps develop and launch TITANIUM® and MASTER GUARD®, a new line of MLV cattle vaccines. These were the first vaccine lines with both Type 1 and Type 2 BVD protection. Today this product line is the standard by which all other 4/5-way viral products are measured.*

*December 2004 - Agri-Labs launched the SRP vaccine, Salmonella Newport Bacterial Extract, which uses totally new vaccine technology to provide unsurpassed immunity against salmonella in beef and dairy cattle.*



*January 2005- Agri-Labs launched MYCOMUNE® , the first USDA licensed vaccine for prevention of mycoplasmal mastitis.*

*January 2008 - Agri-Labs acquires the tradename and marketing rights to the number one selling Colostrum supplement on the market, Colostrx.*

*January 2008 - Agri-Labs signs agreement with Allflex, the world's largest I.D. tag manufacturer, to have Agri-Labs support Allflex sales in the U.S. and begin manufacturing of the AgriTag line.*

*October 2009 - KMG Chemicals, Inc., a global provider of specialty chemicals, announces that it has formed a strategic partnership to have Agri-Labs provide sales, marketing and technical support to KMGs insecticide line in the United States.*

*October 2009- Agri-Labs acquired the exclusive sales, marketing and distribution rights for the PULMO-GUARD® family of Pasturella cattle vaccines: one-dose PULMO-GUARD PHM-1, PULMO-GUARD PH-M and the combination Express® 5-PHM previously sold by Boehringer Ingelheim Vetmedica, Inc. (BIVI).*

### **Agri-Labs is a leader in distribution, marketing and sales in the United States.**

Agri-Labs is a marketing and sales company with a history of successful product introductions in all animal health species. Agri-Labs is owned by its distributor shareholders. Their combined sales represent over \$2 billion in product sales or 53% of the total animal health products sold in the United States. In an era when manufacturers are cutting back on direct sales forces and relying more on outside distributors with marketing capabilities, Agri-Labs stands apart. Agri-Labs functions as an active marketing partner exploring markets and developing products with its animal health product suppliers.

Agri-Labs' mission goes beyond providing quality animal health products to the industry. Agri-Labs believes it is critical to strengthen the partnerships with its customers, its distribution network and the manufacturers with which it works. These professional partnerships will enable Agri-Labs to better serve its mutual customers.

Agri-Labs represents the interests of the manufacturers in the industry. The Company's distribution network allows animal health product providers to maintain and increase production volume while introducing and supporting products in new market territories. In an effort to expand animal health sales both domestically and internationally, Agri-Labs has entered into joint ventures with manufacturers which have helped develop and market new products, and reintroduced and extended the market life of existing, older products.

Agri-Labs facilitates the development and marketing of new animal health products by serving as an intermediary between researchers and research & development firms/manufacturers. It actively seeks out researchers who are developing solutions to meet the need for new products and arranges a relationship between researchers who originate the product

concept and research & development/manufacturing firms who can provide the resources to obtain government approval and bring the product to market. In exchange for its services, Agri-Labs attempts to position itself to obtain the exclusive right to market the resulting product. It is currently engaged in such projects with at least five manufacturers/research & development entities.

### **Distribution and Sales.**

The heart and soul of Agri-Labs is its distributor network. From its founding, every distributor was in an ownership position with the Company. Currently, elected representatives of shareholders serve on the Board of Directors participating actively in policy making. This management/distributor relationship gives Agri-Labs a unique perspective on the market. A direct result of shareholders' input is the Company's marketing approach. It does not market its products based on individual animal species market demand. Rather, it bundles its products across multiple species markets, e.g., bovine, equine and swine market demand. This offers end-users virtually all products needed for any operation whether they be pharmaceuticals, biologicals, insecticides or accessories. This 'bundling' makes product decisions simpler and provides a springboard for driving sales across multiple species market opportunities. Agri-Labs distribution network consists of 1,130 outside sales representatives of Class A shareholders who market the products by traveling to and personal contact with potential purchasers. It also utilizes a staff of 21 inside sales representatives who are engaged in on-site telemarketing from Class A shareholder's office locations. In addition, Agri-Labs has field-based sales representatives and a field technical service staff to support our products. Agri-Labs distribution through its Class A shareholders has 173 locations located throughout the United States to reach customers in all specie segments. These distribution locations are retail stores or branch stores of Class A shareholders which are retail sales outlets for products distributed by Agri-Labs. Agri-Labs provides comprehensive training, up-to-the-minute technical data and complete product information. The Company's approach to marketing is also seen in its sales training seminars and incentive programs. Agri-Labs markets, distributes and sells products through its warehouse and shipping facility based in St. Joseph, Missouri. Agri-Labs' experienced and knowledgeable sales and marketing team can provide manufacturers a strong partner to bring products to the marketplace.

### **Support**

Aside from the efficiency of the distribution/sales network, the biggest advantage manufacturers derive from a partnership with Agri-Labs is the marketing support. The Agri-Labs management team represents over 150 years of marketing and sales experience. This wide-ranging experience has allowed management to develop and initiate a marketing program that has proven success.

### **Agri-Labs' Purpose.**

Agri-Labs' fundamental purpose is to be the most reliable, honest and innovative animal health company by providing more value and service to its customers.

Agri-Labs targets all marketing efforts toward making purchasing decisions easy. The distinctive and attractive labeling on all of the Company's product lines is designed to achieve maximum brand awareness and encourage brand loyalty and cross-purchasing. Product catalogs are directed at individual market segments. Veterinarians, beef/dairy, swine and poultry producers can find all their pharmaceutical, biological, insecticide and sundry needs in one place, as can pet owners and horse owners.

The Company engages in extensive advertising efforts on national and regional levels while providing distributors, veterinarians and retailers with promotional materials and powerful incentive programs. The sales force is provided with technical information, product comparisons and sales oriented consumer aids. To increase market demand and resulting sales the Company frequently employs direct mailings to targeted market groups. Agri-Labs can respond rapidly to the market and most requests and inquiries can be handled immediately on the local level.

### **Innovation.**

The establishment of Agri-Labs in 1984 was an innovation in itself. Since then the Company has continued to break new ground in the industry.

Agri-Labs was one of the first agri-marketing distributors to apply for, and be granted, an Abbreviated New Animal Drug Application (ANADA) under the Generic Drug Law. To date the Company has been awarded twelve (12) ANADAs and continues to be active in ANADA and New Animal Drug Application (NADA) development and acquisition. The Company currently owns twelve (12) ANADAs. It owns no NADAs.

The Generic Animal Drug and Patent Term Restoration Act (GADPTRA) was enacted into law in 1988. Essentially it established a mechanism for obtaining approval of generic copies of pioneer NADAs with reduced testing requirements since the products had already been proven safe and effective. This created the Abbreviated New Animal Drug Application or ANADA. It also has a provision to restore a certain amount of patent protection to the pioneer company to compensate for protection lost during FDA regulatory review. The regulatory approval process requires demonstration of either chemical equivalency or actual bioequivalency depending on the dosage form in question. All true solution dosage forms or products that are constituted into a solution prior to administration (soluble powders) qualify for a waiver from conducting bioequivalency testing and only require demonstration that the product formulation is the same or nearly the same as the pioneer and is stable. Other dosage forms (pastes, tablets, suspensions) generally require bioequivalency testing versus the pioneer product. This usually is in the form of a blood level bioequivalency study but can be a clinical bioequivalency study if measurable blood levels of the product in question are not attainable. These studies along with other data are submitted to the Center for Veterinary Medicine (CVM) as an ANADA. CVM is a division of the Food and Drug Administration (FDA). If all data submitted is determined by CVM to be satisfactory and the manufacturer of the finished product is considered to be in compliance with Current Good Manufacturing Practices (CGMPs), the CVM will issue an approval letter to the sponsor of the application. The product can then be legally marketed.

The significance of owning ANADAs has been and is providing a proprietary product and position to remain competitive and provide a greater return to our shareholders than simply buying and selling product owned by manufacturers or suppliers. It also affords Agri-Labs greater control and flexibility in managing and growing our business.

Agri-Labs has also been recognized by the industry for its marketing support. Throughout the years the Company has been an active and enthusiastic supporter of the National Cattlemen's Beef Association ("NCBA") and the National Pork Producers Council ("NPPC") programs and events.

The company took another innovative step in 1998. To expedite product development, conduct first hand product research and provide technical assistance, the Company hired a Doctor of Veterinary Medicine to head up its Tech Services Team. Today, the Company has a full team of experts to provide technical support to its customers. Additionally, veterinarian distribution was added in 1997 and currently represents approximately 451 of annual revenue.

Since 1997 Agri-Labs has entered into exclusive business arrangements and technology transfer agreements which have allowed the Company to introduce TOP LINE® and DOUBLE IMPACT® ivermectin, insecticides and launch a line of MLV cattle vaccines: TITANIUM® and MASTERGUARD®.

In 1984, the founders of Agri-Laboratories, Ltd. took a look at the animal health industry and decided that things could be done in a different, better way. They recognized that a well managed network of diversified, independent distributors could get more manufacturers' products into the hands of more producers, more efficiently. Innovation is a way of life at Agri-Labs. Everyday the Company continues to look into opportunities and possibilities for improvement upon how it does business.

Agri-Labs currently markets more than 750 products through its branded product lines of Agri-Labs®, ProLabs®, and Tradewinds®. Through these multiple brands it can reach the United States' market in each marketing channel for its customers.

### **Number of Employees**

During the 2010 calendar year Agri-Labs had forty-six (46) full time employees. In 2009 it had forty-eight (48) full time employees. Agri-Labs had no part time employees in 2009 or 2010.

### **Short-Term Liquidity and Capital Resources**

The Company's amount of accounts receivable vary from month to month and can reach relatively high levels. However, this is not indicative of any cash flow problems or difficulty with collections. Rather, it is largely a consequence of extended payment terms offered to its customers. This is a common practice in the animal health industry utilized to move inventory because of the dating or relatively limited shelf life of the products. Extended payment terms are frequently provided by Agri-Labs' suppliers and are passed through to customers. Also, these terms are utilized as a marketing and promotional tool to move product out of the Company's

warehouse to our customers. To the extent Agri-Labs can load up its customers' inventory, it lessens the opportunities for competitors to make inroads in selling their products to our customers. The extended payment terms can vary from 60 to 120 days, or longer, depending on the profitability of the product and how critical the sale of the product is to current business needs. Notwithstanding the occasional spike in the level of these receivables, the Company has never experienced significant collection problems. Historically, less than one percent (1%) of accounts receivable have become past due. The Company has a solid record for customer collections. Consequently it does not believe any allowance for doubtful accounts is warranted in its financial statements.

The Company does have short-term working capital requirements to carry these receivables, purchase inventory and meet its operating needs. However, these needs are effectively provided for by adequate credit limits and payment terms provided by the Company's suppliers and through outside bank financing. The Company has a \$10 million line of credit for working capital through UMB Bank, N.A., the Company's lender since September, 2009. The line of credit has an adjustable interest rate, which as of October 31, 2010 was 3.50%. As of October 31, 2010, \$0.00 was recorded as a line-of-credit note payable. The Company is in compliance with the covenants of the loan agreement and engages in periodic discussion with bank officers on the Company's direction and needs. Agri-Labs believes an increase in this line of credit could be obtained if needed. The Company's short-term working capital requirements is not one of the reasons for this Offering.

### **Competitive Conditions**

Manufacturers of biologicals and pharmaceuticals products have the option of selling their products directly to livestock producers, veterinarians and dealers or using independent distributors, private label companies and marketing companies. Agri-Labs is positioned in the industry as a private label company and marketing company with no proprietary manufacturing capacity. It works with manufacturers to produce the Company's private label and proprietary products. Agri-Labs aligns itself with manufacturers who need sales and marketing expertise and a distribution network to bring products to the veterinary and retail livestock and consumer markets in the most economical manner. Agri-Labs competes with manufacturers of products with similar label indications that sell their products directly to veterinarians and these retail markets.

Agri-Labs has successfully competed in this market since 1984 by providing an outlet for manufacturers of animal health at a competitive price. By utilizing the volume purchasing opportunities of its distribution networks, it is able to provide animal health products to its distribution customers and their customers at competitive prices. Its competitive advantage is gained from having less infrastructure and overhead expense than its competitors such as manufacturers who directly market their products and who must maintain the overhead and staff to support manufacturing operations. Agri-Labs supports its competitive pricing with marketing and sales support for its distribution network.

Agri-Labs' ownership of generic drugs and its development of proprietary biologicals has provided Agri-Labs an additional opportunity to compete with major manufacturers in product

categories that are more profitable and have a longer product life cycle than comparable products.

The animal health industry continues to experience consolidation of the livestock industry that includes beef and dairy cattle, swine and poultry. This consolidation has given rise to pricing pressures on commonly used animal health products. The need of manufacturers to move products through production to maintain large inventories has provided pressure to discount the price of products. Also, significant FDA regulations have inhibited suppliers to Agri-Labs from introducing new products and maintaining a consistent supply of current products to distribute. These factors combine to limit supplies and therefore sales opportunities.

**The Business of Tradewinds, Inc., a Wholly Owned Subsidiary**

Tradewinds, Inc. (“Tradewinds”) is a wholly owned subsidiary of Agri-Labs. The officers of Tradewinds are all officers of Agri-Labs: Steve Schram is President, Terry Christie is Secretary and Helen Taylor is Treasurer. The business of Tradewinds consists of selling selected animal health products of Agri-Labs under the brand name of Tradewinds to distributors who are not Class A shareholders of Agri-Labs. This allows Agri-Labs to reach a broader market with these selected products. The focus of these products is the over-the-counter, companion animal, pharmaceutical and biological products.

**Principal Customers of Agri-Labs**

The following table represents the principal customers of Agri-Labs and the percentage of sales attributable to these customers for the last two fiscal years:

|   | <b>2009 % of Sales</b> | <b>2008 % of Sales</b> |
|---|------------------------|------------------------|
| <b>Members - Class A Shareholders</b>     |                        |                        |
| Professional Vet Products                 | 16.03%                 | 18.67%                 |
| MWI Vet Supply                            | 14.18%                 | 17.69%                 |
| Walco/Hi Pro                              | 13.68%                 | 8.75%                  |
| IVESCO                                    | 9.34%                  | 9.05%                  |
| Lextron, Inc.                             | 6.52%                  | 4.93%                  |
| Robert J. Matthews, Co.                   | 4.03%                  | 5.01%                  |
| Valley Vet Supply                         | 2.58%                  | 2.65%                  |
| Vet & Poultry                             | 2.33%                  | 2.73%                  |
| West Plains Vet                           | 2.10%                  | 2.54%                  |
| Southern Livestock                        | 1.96%                  | 1.84%                  |
| Animal Medic                              | 1.79%                  | 2.03%                  |
| Northwest Veterinary Supply               | 1.69%                  | 1.74%                  |
| Jeffers, Inc.                             | 1.59%                  | 1.38%                  |
| Fuller Supply Co., Inc.                   | 1.46%                  | 1.11%                  |
| United Pharmacal Co., Inc.                | 0.66%                  | 0.60%                  |
| Michigan Vet Supply                       | 0.59%                  | 0.57%                  |
| Vet Pharm (redeemed in 2008)              | Incl in non-member     | 8.16%                  |
| National Animal Health (redeemed in 2008) | Incl in non-member     | 0.08%                  |
| Non Members                               | 19.47%                 | 10.46%                 |
| <b>Totals</b>                             | <b>100%</b>            | <b>100%</b>            |

## **Research and Development/Technical Trials**

Agri-Labs in the regular course of its business enters into joint development agreements with manufacturers. Pursuant to these agreements Agri-Labs obtains exclusive marketing rights for the resulting products and/or royalty payments or a share of profits in exchange for funding part of the research and development costs. Agri-Labs is constantly looking for ANADA and NADA products to develop and acquire. It routinely funds technical trials, veterinary tests and research and development costs to insure there is a market for these products.

Terry Christie, Vice President of Research and Development of Agri-Labs, serves as the leader of a Product Review Team ("PRT") whose function is to review and approve all biological and pharmaceutical research projects. Once a project is approved by the PRT and Agri-Labs' Board of Directors, the PRT assigns responsibility for each project and monitors the progress on a monthly basis. Mr. Christie leads and coordinates any pharmaceutical project if developmental work is required. This work typically requires finding and developing an active ingredient source, finding and reaching an agreement with a finished product manufacturer, developing a finished product, coordinating all testing and compilation of data necessary to file an ANADA. Mr. Christie prepares the ANADA application if Agri-Labs is going to be the sponsor of the application and does all of the regulatory follow up with the CVM until the application is approved. He also does all post-approval regulatory work.

Agri-Labs is involved in research and development activities to obtain a proprietary interest in products. This leads to higher risk, but also creates the opportunity for higher profitability and return to shareholders than simply buying and selling product. To date, the Company has been successful in these endeavors and returns have outweighed the risk. Of course, there is no guarantee this trend will continue.

During the 2009 calendar year Agri-Labs spent \$125,727 on research and development. In 2008 Agri-Labs had negative spending of \$73,578.00 on research and development due to the adjustment of certain accrual accounts.

## **Characteristics Of Agri-Labs' Operations And Industry Which May Have An Impact Upon Future Financial Performance.**

Agri-Labs currently has the exclusive right to market certain products. Investors should review the RISK FACTORS section of this Offering Circular with respect to the risk that Agri-Labs could lose the exclusive right to market these products.

Agri-Labs has entered into an agreement with Diamond Animal Health, Inc. for the exclusive right to market certain bovine vaccines. These products are known by the trade names TITANIUM® and MASTERGUARD®. Agri-Labs was given the exclusive right to market these products in exchange for its agreement to meet certain escalating levels of product distribution. The Second Amendment to the Amended and Restated Bovine Vaccine Distribution Agreement is dated December 10, 2004 and extends through December 15, 2009. The Third Amendment to the Agreement dated May 26, 2006, revises the 3<sup>rd</sup> and 4<sup>th</sup> quarter 2006 purchase orders, and revises the terms of the loan between Agri-Labs and Diamond. The loan

has since been paid in full. The Fourth Amendment dated November 16, 2007, removes the exclusive right to market the products in Canada, and states that the distribution rights became non-exclusive after Contract Year 2009, or as of December 15, 2009, through the remainder of the term of the Agreement. Pursuant to the Fourth Amendment, Agri-Labs right to distribute the products is currently non-exclusive. Also, Agri-Labs owns the exclusive rights to the trade names and other potential future distributors of these vaccines cannot use these trade names.

Investors should also review the RISK FACTORS section of this Offering Circular with respect to the risk that Agri-Labs' business could be materially adversely affected by the loss of its relationship with key distributors and suppliers.

The wholesale distribution industry for pesticides, insecticides, pharmaceuticals and biologicals in the global animal health market is subject to changing political, economic and regulatory influences. Both state and federal government agencies regulate the distribution of certain animal health products. All pharmaceutical products Agri-Labs sells are regulated by the Food and Drug Administration ("FDA"). Biological products are registered by the United States Department of Agriculture ("USDA"). Insecticides are regulated by the Environmental Protection Agency ("EPA"). Also, Agri-Labs is subject to regulation by the Drug Enforcement Administration ("DEA"). Each of these regulatory agencies has significant rules and regulations that must be adhered to in order to remain in compliance. An adverse finding regarding the compliance of Agri-Labs with these regulations could negatively impact sales and profits of the Company. Furthermore, the regulatory stance these agencies take can be affected by who is in control of the executive and legislative branches of government. Our suppliers are subject to regulation by the Department of Agriculture and rely, in part, on farm and agricultural subsidy programs. If funding for such programs is reduced, there is a risk our product supply would diminish, which would lead to decreased sales. These factors affect our purchasing practices and the operation of our business.

Agri-Labs is directly affected by regulation by the FDA and the CVM, a division of the FDA. The CVM reviews all applications Agri-Labs submits for ANADAs and either denies or approves those applications. Furthermore, the FDA has authority to inspect Agri-Labs' physical facility with regard to storage and handling of pharmaceuticals. The FDA also has authority to remove from distribution products which Agri-Labs distributes.

Agri-Labs is only indirectly affected by regulation by the USDA, EPA and DEA. Agri-Labs does not directly interact with the USDA. It does not submit applications to the USDA for biologicals. However, it could be affected if the USDA took any adverse action with respect to the license for TITANIUM® and MASTERGUARD® held by Diamond Animal Health. Also, the USDA and EPA have authority to remove from distribution products which Agri-Labs distributes. Agri-Labs has no direct interaction with the DEA. It does not distribute drugs which fall under the jurisdiction of the DEA, and therefore would not be affected by DEA action to remove products it regulates from distribution.

There is a trend within this industry toward consolidation to create integrated delivery systems with greater market presence. As this industry consolidates, competition for customers will become more intense and the importance of acquiring each customer will become greater.



## DESCRIPTION OF PROPERTY

Agri-Labs currently leases its physical plant from K-Highway, a Missouri general limited partnership. The terms of the lease are triple net with the first term expiring December 31, 2005 and two 5 year options thereafter. The second and final five year renewal option was exercised by Agrilabs and the term ends December 31, 2015. A “triple net” lease or net-net-net lease is a lease whereby the lessee is responsible for maintaining insurance, taxes and maintenance on the leased premises. The Plant lease agreement currently requires a monthly rent of \$31,335.00. The facility consists of 21 offices totaling 8,000 square feet and a warehouse with storage representing 46,000 square feet. This facility is located at 20927 State Route K, St. Joseph, MO 64505. This is the sole warehouse and executive offices of Agri-Labs. K-Highway is an entity owned by certain Class A shareholders and certain employees of Agri-Laboratories, Ltd. as follows:

Southern Livestock Supply Co., Inc.  
Michigan Veterinary Farm Supply  
Robert and/or Velma Lohmann  
Double E Investments  
William Fuller  
Lakeland Vet, Inc.  
Robert J. Matthews Co.  
Keith & Dorothy Jeffers  
Larry Gladfelter  
Dr. Arnold Nagely and Dr. Raymond L. Shultz as joint tenants  
Helen Taylor  
Terry Christie  
Edward Bradford, Trustee of the Edward Bradford Trust  
Cary Becker and Barbara J. Becker, Trustees of the Becker Family Revocable Trust  
Lowe and Wilcox Enterprises, LLC  
Herman O. Haenert and Judith A. Haenert, Trustees under the Haenert Living Trust

The general partner of K-Highway is K-Highway General Partner, Inc., a Missouri corporation solely owned by the CEO and Chairman of the Board of Agri-Labs, Steve Schram.

**DIRECTORS, OFFICERS AND SIGNIFICANT EMPLOYEES**

**Directors**

| <b>Name</b>   | <b>Company</b>     | <b>Mo/Year Nominated</b> | <b>Term Expires</b>  |
|---|--------------------|--------------------------|--|
| Jay Miller, Age 41  | Animal Medic       | March 2010               | March 2013   |
| Bo Richardson, Age 56   | Southern Livestock | March 2010               | March 2013   |
| Walt Evans*, Age 55<br>*took place of Steve Price who resigned in October of 2010 | UPCO               | October 2010             | March 2011 (at which time a new director will be nominated to fill remainder of term through 2012) |
| Mo Jackson, Age 54  | Michigan Vet Farm  | March 2009               | March 2012   |
| Chuck VanderPloeg, Age 55   | Lextron, Inc.      | March 2008               | March 2011   |
| Dr. Robert Matthews, Age 69   | R.J. Matthews Co.  | March 2008               | March 2011   |
| Steve Schram, Age 48  | Agri-Labs          | N/A                      | Upon termination of employment as CEO  |

**Outside Directors**

| <b>Name</b>          | <b>Mo/Year Nominated</b> | <b>Term Expires</b> |
|----------------------|--------------------------|---------------------|
| Leon Ellin, Age 67   | March 2010               | March 2012          |
| Frank Carter, Age 57 | March 2008               | March 2012          |

**Directors**

*Mr. Miller* is the President/50% owner of Animal Medic, Inc., a Pennsylvania company in the animal health industry founded in 1970. Mr. Miller joined Animal Medic in 1999 as a controller. Mr. Miller also served as the CFO of the Company from 2003 to 2007. In 2007 Mr. Miller negotiated his 50% purchase of the company, and assumed his title as President. Mr. Miller obtained an MBA in accounting/finance from York College of Pennsylvania in 2002.

*Mr. Richardson* is the President/owner of Southern Livestock Company, Inc., an animal health, lawn and garden distributor established and incorporated in Louisiana in 1971. Mr. Richardson began his employment with the company in 1970 as a general laborer and family member, working his way up to an outside sales representative after high school and college, in 1978. Mr. Richardson served as an outside sales representative for the company for 20 years through 1998 at which time he, along with a partner, purchased the company from family members.

*Mr. Evans* is part of the second generation of the Evans family to work in the pet products industry, and is the President of United Pharmacal Co., and entity created by his father almost 60 years ago.

*Mr. Jackson* is the owner and President of Michigan Veterinary Farm Supply Co., Inc., located in Vermontville, Michigan. Mr. Jackson joined the company in 1978 after graduating from Purdue University with a degree in Business Management. Michigan Vet has been in the animal health and veterinary supply business since 1974, and Mr. Jackson has owned the company since 1988, taking over from his father, Marvin K. Jackson.

*Mr. VanderPloeg* is the President & CEO of Vet Pharm, Inc., a fully-owned subsidiary of Lextron, Inc. Mr. VanderPloeg has worked with Vet Pharm for over 25 years. Vet Pharm is a full service animal health products distributor providing services to veterinarians across the United States since 1983 having locations in Sioux Center, Iowa, Sioux Falls, South Dakota, and Jerome, Idaho.

*Dr. Matthews* is the Vice President of Robert J. Matthews Co., an animal health and related products distributor out of Massillon, Ohio. Dr. Matthews has been with the company that was founded by his father, Robert J. Matthews, since August, 1969. Prior to that time, he was in private practice after receiving a DVM degree from The Ohio State University in 1966.

*Mr. Ellin* became an operating partner of Littlejohn & Co in 2004. Littlejohn is a control-oriented investor in mid-sized companies, typically those with revenues in the range of \$150 million to \$800 million, which are experiencing a fundamental change in capital structure, strategy, operations or growth. Mr. Ellin has 40 years of experience in senior financial and operating positions, in both large and mid-sized companies. He spent the 20 years immediately prior to his service at Littlejohn managing turnaround, restructuring and strategic business refocusing tasks at a number of mid-sized companies, including Wilton Industries, ITCO Holding Company, Edward Don & Company, Champion Products, Inc. and Voit Corporation. His prior experience includes ten years with Colgate-Palmolive, including director of Corporate Strategic Planning and as CFO of a Colgate subsidiary company. His educational background includes an MBA from The Wharton School and an AB from the University of Chicago.

*Mr. Carter* has been employed with Systems Material Handling Co. (SMH) since June of 2000 and is currently Vice President & General Manager. Mr. Carter's areas of specific responsibility include Distribution Operations, Accounting & Finance, and Information Systems. SMH is a distributor of after-market, replacement parts for the forklift industry. Mr. Carter joined SMH in advance of the sale of the company to its current Belgium-based ownership and worked with the owner to ready the company for sale by changing the accounting, banking and insurance representation to entities more aligned with SMH's needs. From 2000 through 2007, SMH has grown from a revenue size of \$50MM to its current size of over \$200MM.

### **Executive Officers**

*Steve Schram* serves as Chief Executive Officer and Chairman of the Board of Directors of Agri-Labs. He is 49 years of age. He was born and raised in Iowa. He graduated from Anthon Oto High School in 1979. He graduated from Iowa State University with a B.S. in Animal Science in 1983. He began his career in the animal health industry with Syntex Animal Health in 1983 and held the following positions with Syntex:

- Sales Representative 1983-1986
- Regional Manager 1986-1988
- Product Manager 1988-1989
- National Sales Manager 1990-1992
- Business Unit Manager 1992-1995

He joined Agri-Labs as Director of Sales and Marketing in 1995. In 1997 Schram was elected President of Agri-Labs. He established a wholly owned subsidiary of Agri-Labs, Tradewinds, Inc. He currently serves as President, CEO and Chairman of the Board of Directors of Agri-Labs.

*Terry Christie* serves as Vice President of Research & Development for Agri-Labs. He is 59 years of age. He was born and raised in Missouri. He graduated from South Harrison High School in 1969. He attended Northwest Missouri State, Maryville, Missouri from 1969 to 1971 and Missouri Western State College, St. Joseph, Missouri from 1972 to 1974 where he graduated with a B.S. in Biology and a Minor in Chemistry. Prior to joining Agri-Labs his professional background is as follows:

- Assistant Mgr. Parenteral Dept. Medico, Elwood, KS 1974-1980.
- Director of Quality Assurance, Tech America, Elwood, KS (formerly Medico), 1980-1986
- Superintendent of Production, Fermenta Animal Health (formerly Tech America) 1987-1989

Mr. Christie was hired in his present position with Agri-Labs on October 30, 1989. As Vice President of Research and Development, Mr. Christie is responsible for pharmaceutical animal drug development. All such projects are decided upon through the Product Review Team (PRT). Once a project is established, Mr. Christie is responsible for outsourcing the active ingredient and finished product manufacturing, and coordinating the project through the development and filing of the animal drug application (either ANADA or NADA) with the Center for Veterinary Medicine. Once a product is approved, Mr. Christie coordinates contract manufacturers and Agri-Labs sales and marketing personnel for production of the finished product.

*Helen Taylor* is the Chief Financial Officer for Agri-Labs. She was born and raised in Missouri. She graduated from Savannah High School in 1974. She attended Northwest Missouri State College in St. Joseph, Missouri and graduated with a B.S. degree in Accounting in July of 1977. She was a staff accountant with the public accounting firm of Melvin P. Ketter, CPA from 1977 to 1978. She passed her CPA exams and was licensed in November of 1978. She then served as a staff accountant with the public accounting firm of Bill Blanchard, CPA from 1978 to 1984. She obtained a Masters of Business Administration from NW Missouri State University in 1983. She established her own accounting firm in 1984 and was actively engaged in that business from 1984 through 1996. She was also a full time instructor at Missouri Western State College from 1985 through 1996. She served as Director of Finance for Agri-Labs from April, 1997 to 2001. She has been Chief Financial Officer of Agri-Labs since January, 2002. Her age is 54.

*Edward S. Sloan*, Secretary – Serves as national legal counsel for Agri-Labs. His employment is with Waldeck, Matteuzzi & Sloan, P.C. in Leawood, Kansas. He also serves as recording secretary for all Shareholder and Board of Director meetings. He is one of the founding shareholders in Waldeck, Matteuzzi & Sloan, P.C. Mr. Sloan is in charge of the business section of the firm. He serves as counsel to a multitude of clients handling transactional work, the formation of business entities, financial affairs and operational issues for his clients. He is 49 years old.

*Cary Becker* serves as Vice President of Sales. He was hired in this position on May 1, 1999. He is 50 years of age. He was born in Yankton, South Dakota and raised in Hartington, Nebraska. He graduated from Hartington Cedar Catholic High School. He attended and graduated from Kearney State College in Kearney, Nebraska in 1984 with a BS degree in Business Marketing & Finance, and a minor in Ag Economics and Biology. His professional background prior to joining Agri-Labs is as follows:

- 1984-1989 Ralston Purina Company/Purina Mills, Inc. Territory & District Sales Manager
- 1989-1995 Syntex Animal Health, division of Syntex Laboratories. Started as Territory Sales Manager, promoted to Regional Sales Manager in 1991.
- 1995-1999 Fort Dodge Animal Health, division of American Home Products. Regional Sales Manager.

**RENUMERATION OF DIRECTORS AND OFFICERS**

| <b>Name of Individual or identify of group</b>      | <b>Capacities in remuneration was received</b> | <b>Aggregate remuneration</b> |
|---|--|-------------------------------|
| Three highest paid officers or directors as a group | Salaries & bonus                               | <b>\$764,090.00</b>           |

There is one (1) stock plan approved by the Board of Directors as follows:

**Executive Share Appreciation Plan.** Agri-Labs has established a Restated Executive Share Appreciation Plan ("Plan") under which any employee who is recommended by the CEO and approved by the Board of Directors may be granted Share Units, which is a unit of future incentive compensation tied with the book value of a share of Agri-Labs' stock at the time the units are granted. The Share Units granted vest 20% per year over a five-year period. The holder of the Share Unit may convert the units to shares, but is not obligated to do so. Upon termination of employment the employee holding the units is entitled to receive as deferred compensation the full appreciation in the book value of the shares underlying the units at the time of termination over the original book value at the time the units were granted. The CEO Steve Schram has 15,000 Class A Share Units, all of which are fully vested. The book value of the Class A shares at the time Class A Share Units were granted and the strike price for conversion of the units is \$8.56 per share. The Units were granted on January 1, 1997.

**SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN  
SECURITYHOLDERS**

The following table reflects the ownership of Class B shares, non-voting securities of Agri-Labs for each of the three highest paid persons who are officers or directors, and for all officers and directors as a group:

| <b>Name</b>   | <b>No. of Shares</b> | <b>Percentage of Outstanding Class B Shares Before Offering</b> | <b>Percentage of Class B Shares After the Offering - Maximum</b> |
|---|----------------------|---|--|
| Steve Schram<br>CEO & Chairman of the Board of Directors<br>20927 State Route K<br>St. Joseph, MO 64505 | 4,600                | 7.37%   | 2.83%  |
| Helen Taylor, CFO<br>20927 State Route K<br>St. Joseph, MO 64505  | 4,505                | 7.22%   | 2.77%  |
| Terry Christie<br>VP of Research and Development<br>20927 State Route K<br>St. Joseph, MO 64505         | 2,020                | 3.24%   | 1.24%  |
| All Officers and Directors as a Group   | 14,766               | 23.65%  | 9.09%  |

The following table reflects the ownership of over 10% of non-voting securities of Agri-Labs for any class of stock:

**Class C Stock**

| <b>Name</b>   | <b>No. of Shares</b> | <b>Percentage of Outstanding Class C Shares Before Offering</b> | <b>Percentage of Class C Shares After the Offering - Maximum</b> |
|---|----------------------|---|--|
| Brownsberger Vet Clinic<br>c/o Bill Brownsberger, DVM<br>106 West 5th Street<br>Appleton City, MO 64724 | 2,000                | 11.11%  | 4.65%  |
| Lander Veterinary Clinic<br>c/o Ronald L. Terra<br>4512 South Walnut Road<br>Turlock, CA95381           | 2,000                | 11.11%  | 4.65%  |
| Lena Vet Clinic<br>c/o James L. Hastings<br>11002 West Goddard Road<br>Lena, IL 61048                   | 2,000                | 11.11%  | 4.65%  |
| Stanley D. Ourada, DVM<br>2201 East 4 <sup>th</sup> Avenue<br>Holdrege, NE 68949                        | 2,000                | 11.11%  | 4.65%  |

| <b>Name</b>   | <b>No. of Shares</b> | <b>Percentage of Outstanding Class C Shares Before Offering</b> | <b>Percentage of Class C Shares After the Offering - Maximum</b> |
|---|----------------------|---|--|
| Wishek Vet Clinic<br>c/o Dan Shuler, DVM<br>8370 Hwy 3 SE<br>Wishek, ND 58495 | 2,000                | 11.11%  | 4.65%  |

The following table reflects the beneficial ownership of voting securities of Agri-Labs, Class A shares, for each person who is a director:

| <b>Director</b>  | <b>Company through which Stock Owned</b> | <b>Shares Owned</b>                                      | <b>Percentage of Outstanding Class A Shares</b> |
|--|--|--|---|
| Jay Miller<br>3910 N. George<br>Manchester, PA 17345                                       | Animal Medic                             | 15,000   | 6.25%   |
| Bo Richardson<br>7333 Town South Avenue<br>Baton Rouge, LA 70808-9099                      | Southern Livestock                       | 15,000   | 6.25%   |
| Walt Evans<br>3705 Pear Street<br>St. Joseph, MO 64503                                     | UPCO                                     | 15,000   | 6.25%   |
| Mo Jackson<br>7415 Lawrence Highway<br>Vermontville, MI 49096                              | Michigan Vet Farm                        | 15,000   | 6.25%   |
| Dr. Robert K. Matthews<br>2850 Nave Road SE<br>Massilon, OH 44646                          | Robert J. Matthews Co.                   | 15,000   | 6.25%   |
| Chuck VanderPloeg<br>620 "O" Street<br>Greeley, CO 80632                                   | Lextron, Inc.                            | 15,000   | 6.25%   |
| Steve Schram<br>CEO & Chairman of the Board<br>20927 State Route K<br>St. Joseph, MO 64505 |  | 15,000 Share Units convertible to shares at \$8.56 share | %   |
| Officers and Directors as a Group:   |  | 90,000 shares<br>15,000 Share Units                      | 37.50%  |

There are no options, warrants or rights; and Agri-Labs does not have a parent company.



## INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

Each of the 16 Shareholders of Agri-Labs currently has in place a Distribution Agreement for Agri-Labs' products. This Distribution Agreement runs for a twelve (12) month period and automatically renews annually unless terminated in accordance with its provisions. The Distribution Agreement between the Class A Shareholder and Agri-Labs allows for the distribution of Agri-Labs' products through the retail operation of the Class A distributor Shareholders.

Under the agreement Agri-Labs authorizes the distributor to sell its products and the distributor agrees to use its best efforts to sell these products. The sales prices are set in an exhibit to the agreement, and Agri-Labs has the unilateral right to revise these prices at its discretion. Payment for purchases by the distributor is due 30 days after invoice. Unpaid balances accrue interest at the rate of 1½%. Credit limits for distributors are set forth in an exhibit to the agreement. Payments due under the agreement are secured by a pledge of the distributor's Class A shares. Under the agreement the distributor agrees to keep confidential certain matters including customer lists, marketing information, proprietary product information, prices and financial information. Agri-Labs has the ability to terminate the agreement on the occurrence of certain events defined in the agreement.

The amounts of accounts receivable owed by Class A Shareholders as of December 31, 2009 and the aging report with respect to these accounts is contained in the following table:

|                             | <b>12/31/2009<br/>A/R Balance</b> | <b>% of AR</b> |
|-----------------------------|-----------------------------------|----------------|
| <b>Members</b>              |                                   |                |
| Professional Vet Products   | \$961,699.44                      | 16.46%         |
| IVESCO                      | \$948,366.92                      | 16.23%         |
| MWI Vet Supply              | \$829,649.85                      | 14.20%         |
| Walco                       | \$429,995.71                      | 7.36%          |
| Lextron                     | \$264,118.26                      | 4.52%          |
| Vet Pharm                   | \$250,337.35                      | 4.28%          |
| Robert J. Matthews, Co      | \$242,209.12                      | 4.14%          |
| West Plains Vet             | \$146,425.46                      | 2.51%          |
| Animal Medic                | \$141,584.09                      | 2.42%          |
| Vet & Poultry               | \$114,511.39                      | 1.96%          |
| Northwest Veterinary Supply | \$105,431.96                      | 1.80%          |
| Southern Livestock          | \$81,973.57                       | 1.40%          |
| Jeffers, Inc                | \$73,378.19                       | 1.26%          |
| Fuller Supply Co., Inc      | \$65,481.02                       | 1.12%          |
| Valley Vet                  | \$43,604.36                       | 0.75%          |
| United Pharmacal Co., Inc   | \$23,224.54                       | 0.40%          |
| Michigan Vet Supply         | \$2,364.80                        | 0.04%          |

|                    |                       |                |
|--------------------|-----------------------|----------------|
| <b>Non Members</b> | <b>\$1,119,857.76</b> | <b>19.16%</b>  |
| <b>Totals</b>      | <b>\$5,844,213.79</b> | <b>100.00%</b> |

The aging of the Accounts Receivable is as follows:

|              |                |
|--------------|----------------|
| Current      | 93.77%         |
| 30 - 60 days | 6.05%          |
| Over 60 days | <u>0.18%</u>   |
|              | <u>100.00%</u> |

In addition to the Distribution Agreement between the Class A Shareholders and Agri-Labs, certain of the Class A Shareholders are owners of the Missouri General Partnership which owns the physical facility in which Agri-Labs maintains its corporate headquarters. K-Highway Limited Partnership is a Missouri Limited Partnership in which the only asset is the real estate and improvements located at 20927 State Route K in St. Joseph, Missouri. The General Partner of the Partnership is K-Highway General Partner, Inc., a Missouri Corporation, which is wholly owned by Steve Schram, the CEO and Chairman of the Board of Directors of Agri-Labs. Agri-Labs leases its physical facilities, a warehouse and executive offices from the Partnership. Under the terms of the Plant Lease Agreement, Agri-Labs is currently obligated to pay a monthly rent of \$31,335.00.

## DESCRIPTION OF SECURITIES

Agri-Labs' Articles of Incorporation and Amendments thereto authorize the issuance of 800,000 shares, consisting of authority to issue 400,000 shares of Class A common stock, 200,000 shares of Class B common stock, and 200,000 shares of Class C common stock. There are currently 240,000 shares of Class A common stock outstanding. Prior to this Offering it has issued 161,860 shares of Class B common stock and it has redeemed 99,437 shares of Class B common stock. There are currently 62,423 shares of Class B common stock outstanding. Prior to this Offering it has issued 19,000 shares of Class C common stock and it has redeemed 1,000 shares. There are currently 18,000 shares of Class C common stock outstanding.

Holders of Class A common stock are entitled to one vote per each Class A share held. Class A shareholders are entitled to vote on any matter for which shareholders are entitled to vote pursuant to the Bylaws of Agri-Labs. The voting rights of the holders of Class A shares are non-cumulative, which means that more than 50% of the Shares voting for the election of directors can elect all of the directors if they so choose. Class A shareholders are all entities that are retail distributors of Agri-Labs' products.

Class B and Class C shares are non-voting shares which only entitle Class B and Class C shareholders to dividends, if declared. The declaration of dividends is discretionary with the Board of Directors. The Board is not obligated to declare dividends equally across all classes of shares and it may act preferentially with respect to one or more classes of shares. Historically, the Board has declared dividends with respect to Class B shares every calendar year from 1987 through 2008. The Board has never declared dividends on Class A shares. The first dividend on Class B shares was \$0.25 per share in 1987. The dividend has been \$1.10 per share for the years 1998 through 2006, \$1.15 per share for the year 2007, \$1.00 per share for the years 2008 and 2009, and a \$1.50 per share dividend for the year 2010. For the years 2000 to 2002 those dividends have been prorated to reflect the length of ownership of the shares. Class C dividends have been paid since the issuance of Class C shares in 2004 with a \$ .50 per share dividend declared for 2004, a \$1.10 dividend per share declared for 2005 and 2006, a \$1.15 per share dividend for 2007, a dividend of \$1.00 per share for the years 2008 and 2009, and a \$1.50 per share dividend for the year 2010. A dividend of \$1.50 per share was declared on Class A shares in 2010, but normally no dividend is declared on Class A shares. Going forward, it is the intention of the Board to declare dividends on Class B and C shares equally, but not Class A shares.

Class B shares may only be purchased by employees or outside directors of Agri-Labs or Class A shareholders or their employees, and must be purchased in 50 share increments. Class B shares are offered to create an incentive within Agri-Labs distributor network for sales people to market Agri-Labs' products. This ownership stake of the distributor network promotes brand loyalty and allows the marketing force to participate, through dividends, in the overall profitability of the Company.

Class C shares are only offered to licensed and practicing veterinarians or business entities comprised of veterinarians who qualify by purchasing minimum levels of Agri-Labs' products. The Class C shares must be purchased in 1,000 share increments. If the Class C

shareholder does not maintain certain minimum levels of participation in distributing Agri-Labs' product in years subsequent to purchase (\$50,000 in annual general product sales) Agri-Labs has the option to redeem the Shares at the then current book value as determined by the Company's accountants at the end of the month preceding the written notice of the Company's intent to exercise this option.

The Class B and C shares when duly issued and sold pursuant to this Offering will be fully paid and non-assessable. Class A, B and C shares have equal rights with respect to any preference on liquidation.

None of the shares have any preemption rights or conversion rights. All of the shares (Class A, B and C) are subject to redemption rights contained in the Bylaws of Agri-Labs.

Class C shares are only offered to licensed and practicing veterinarians or business entities comprised of veterinarians. Purchasers must qualify by generating minimum levels of Agri-Labs' product sales. If the Class C shareholder does not maintain certain minimum levels of participation in distributing Agri-Labs' products in the years subsequent to purchase (\$50,000 of annual sales of general products) Agri-Labs has the option to redeem the Shares at their then current book values, as determined pursuant to the corporation's Bylaws.

Pursuant to Agri-Labs' Bylaws certain other acts or events will be deemed a "transfer" which will trigger the option of Agri-Labs to redeem the Class A, B or C Shares at book value and terminate the shareholder's ownership of the Shares. These acts include the breach of any contract by the shareholder existing between the shareholder and Agri-Labs, including but not limited to a breach of any confidentiality agreement, distribution agreement, license agreement or consignment agreement. Further, it includes termination of employment with Agri-Labs or a Class A shareholder, termination of the current Distribution Agreement between Agri-Labs and the Class A shareholder, or acquiring an equity ownership interest in a competitor of Agri-Labs within the animal biologicals or pharmaceuticals business. Also, if an individual Class C shareholder ceases to be engaged in the practice of veterinarian medicine, (by death, retirement or for any other reason), or if a business or entity comprised of a group shall be dissolved, merged or discontinue the active practice of veterinary medicine Agri-Labs has the option to repurchase the Class C shares at the then current at book value as determined by the Company's accountants at the end of the month preceding the written notice of the Company's intent to exercise this option.

**Indemnification Of Officers, Directors and Employees.** As authorized by the Delaware Code, the Bylaws of Agri-Labs provide that every person who is a director, officer or employee of the corporation shall be indemnified by Agri-Labs to the fullest extent permitted by the General Corporation Law of the State of Delaware. Further, Agri-Labs, if authorized by the Board of Directors, may purchase and maintain insurance on behalf of any such person to the fullest extent permitted by the General Corporation Law of the State of Delaware.

**Limited Transferability And Lack Of Market Ability.** The Class B and C shares purchased in this Offering are being offered in reliance on an exemption under Section 3(b) of the '33 Act and Regulation A. These Shares, as well as the Class A shares, are also subject to substantial further

restrictions on transfer as contained in the Bylaws of Agri-Labs. Pursuant to these restrictions, the Shares may not be sold or otherwise transferred by the holder without the consent of Agri-Labs. Upon notice of intent to transfer the Shares, Agri-Labs has an option or right of first refusal to purchase the Shares at book value. This option must be exercised by written notice within 60 days of the next regularly scheduled Board of Directors meeting following the Company's receipt of written notice of the proposed transfer. The purchase price is the book value determined by the Company's accountants at the end of the month preceding the date Agri-Labs provides written notice of its intent to exercise its option, and the closing on the purchase must occur within 30 days after the aforesaid 60 day period. If Agri-Labs does not purchase the Shares, the Shares may be transferred subject only to the requirement the Shares have been registered or confirmation that the transaction is exempt from registration under the '33 Act.

There is no public market for the Shares and there can be no assurance that a market will develop. The Shares will not be traded on any established market. The Shares will not be eligible for listing on any stock exchange or for quotation on NASDAQ, and Agri-Labs does not intend to obtain such a listing or approval. Investors may not be able to liquidate their investment should they choose to do so. The Shares should be purchased for long-term investment purposes only.

## TERMS OF THE OFFERING

All purchasers will be required to execute a written Subscription Agreement to purchase either Class B or Class C shares. This Offering is being undertaken directly by Agri-Labs without an underwriter. Under the terms of the Offering, Agri-Labs is proposing to offer up to 100,000 shares of Class B stock and up to 25,000 shares of Class C stock. The shares are being offered at the book value per share, which is the net worth (assets less total liabilities) divided by the total number of outstanding Class A, B and C common shares. The current book value is \$34.86 per share. After qualification, the offering price will be adjusted monthly to reflect the current book value. Class B and C shareholders who have purchased pursuant to this Offering and who have received a current offering circular will receive a written notice of each monthly adjustment. In no event will this adjustment result in the aggregate offering amount exceeding \$4,968,769.50 (\$5million less \$31,230.50, aggregate offering proceeds for all securities sold within twelve months before the start of this offering in reliance on Regulation A). At the time of making any adjustment, the aggregate offering amount will be recalculated considering the shares already sold under the Offering and the shares to be sold at the new adjusted price. If the recalculated new aggregate offering amount would exceed \$4,968,769.50 the Company will lower the aggregate number of shares it will issue under this Offering. It will be mathematically impossible to exceed \$4,968,769.50 under any future adjustment based on terms disclosed in any supplemental Offering Circular. Class B shares must be purchased in minimum increments of 50 shares. Class C shares must be purchased in minimum increments of 1,000 shares. Class B and C shares are non-voting shares which will only entitle Class B and C shareholders to dividends, if declared. For the period 2000 to 2002, Agri-Labs pro-rated Class B dividends to reflect the length of time the Class B shares have been held during the year for which the dividend was declared.

**How To Subscribe.** A purchaser of Class B or Class C shares must execute a "Subscription Agreement" which must be completed in full, signed and returned to Agri-Labs. The Subscription Agreement and full purchase price for the Shares should be delivered in person to Agri-Labs or by mail to:

Agri-Laboratories, Ltd  
Attn: Steve Schram, CEO  
20927 State Route K  
St. Joseph, MO 64505

## LITIGATION

PVP is a Class A member of the company that has filed for protection under Chapter 11 of the Bankruptcy Code. It is anticipated that debtor counsel for PVP may file a lawsuit through the bankruptcy proceeding for setoff of the pre-petition amounts they claim are due for promotional allowances, and for payment of any post-petition amounts they claim are due for promotional allowances. It is the contention of Agri-Labs that pursuant to the terms of the contracts, Agri-Labs is not responsible for any promotional allowance payments or setoffs to PVP. Other than this possible litigation, Agri-Labs is not currently involved in any litigation nor is it aware of any other litigation that is threatened as of the date of this Offering Circular.

## LEGAL MATTERS

The validity of the Class B and Class C shares being offered by Agri-Labs and certain legal matters will be passed upon for Agri-Labs by Morris, Laing, Evans, Brock & Kennedy, Chartered with offices in Wichita, Kansas and Topeka, Kansas.

## EXPERTS

The financial statements of Agri-Labs as of December 31, 2008 and as of December 31, 2009, included in this Offering Circular have been audited by Kane, Mitchell & Co., L.L.C., Certified Public Accountants as stated in the report attached hereto and have been so included in reliance upon the report of such firm given on their authority as experts in accounting and auditing.

## ADDITIONAL INFORMATION

Agri-Labs will make available to potential investors and their advisors any non-confidential or non-proprietary materials available to Agri-Labs and will answer all inquiries from potential investors and their advisors, other than proprietary or confidential matters, concerning the operation of Agri-Labs, its management, any other matters relating to the business and assets of Agri-Labs and this Offering and sale of Class B and Class C shares. In order to obtain additional information, please contact the CEO, Steve Schram or CFO, Helen Taylor at:

Agri-Laboratories, Ltd  
20927 State Route K  
St. Joseph, MO 64505  
Phone: (816) 233-9533 Fax: (816) 233-9546

We have not authorized anyone to provide you with information different from that contained in this Offering Circular. This Offering Circular is an offer to sell, or a solicitation of offers to buy Class B and Class C shares of common stock only in jurisdictions where offers and sales are permitted.