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DALLAS (AP) — Saputo is buying Dean Foods' Morningstar Foods unit for \$1.45 billion.

Shares of Dean Foods added 66 cents, or 3.9 percent, to \$17.80 in early trading Monday.

Morningstar makes dairy and non-dairy products including creams and creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half, value-added milks, sour cream and cottage cheese.

Saputo is a Canadian company that makes and sells dairy and grocery products such as ricotta, milk, yogurt and ice cream mixes.

Dean Foods Co. CEO Gregg Tanner said in a statement that the company plans to use substantially all of the sale's net proceeds to lower outstanding debt. The food maker anticipates \$887 million in proceeds.

In early November Dean Foods reported that it returned to a profit in its third quarter, and the Dallas company raised its full-year earnings forecast.

Dean Foods said that as a condition of the sale, it entered a deal with controlled subsidiary WhiteWave Foods Co. that gives WhiteWave \$60 million to end an option to buy plant capacity and property at a Morningstar plant in Frederick, Md. It has also agreed to sell to Morningstar certain manufacturing equipment located at another plant in Sulphur Springs, Texas. In addition, WhiteWave and Morningstar agreed to modify certain terms of existing intercompany commercial agreements between their two companies.

The boards of Saputo Inc. and Dean Foods have approved the deal, which is expected to close later this year or early in 2013's first quarter.

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