

Q.B. No. 363 OF 2008

IN THE QUEEN'S BENCH
JUDICIAL CENTRE OF SASKATOON

IN THE MATTER OF THE *COMPANIES' CREDITOR ARRANGEMENT ACT*
R.S.C. 1985, c. C-36, AS AMENDED (the "CAA")

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE CREDITORS OF
STOMP PORK FARM LTD.

EIGHTH REPORT OF THE MONITOR

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1.0 INTRODUCTION

On March 26, 2008 Stomp Pork Farm Ltd. (the "Applicant"), filed for protection from its creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended, (the "CCAA"). On March 27, 2008 this Honourable Court made such an order under the CCAA (the "Initial Order").

Pursuant to the Initial Order, Meyers Norris Penny Limited was appointed monitor of the Applicant during these CCAA proceedings (the "Monitor").

The Initial Order was amended by Fiat of this Honourable Court made March 27, 2008 (the "Amended Initial Order"). The Amended Initial Order was further amended by the following Orders of this Honourable Court:

- a) Order to Amend Initial Order (Payment of US Creditors and Correction of Stay period) made April 3rd, 2008;
- b) Order to Amend Initial Order (Service of Initial Order on Creditors in the United States) made April 4th, 2008 and
- c) Order made April 7th, 2008 directing that the DIP lending would be provided by Farm Credit Canada ("FCC") in accordance with a Revolving Demand Credit Agreement dated April 3, 2008, and that Agreement would replace the Commitment Letter referred to in paragraph 33(a) of the Amended Initial Order.

On April 22, 2008 by order of this Honourable Court the stay of proceedings was extended to May 12, 2008 and NBC and FCC were granted leave to serve demands for payment and notices under The Farm Debt Mediation Act, The Bankruptcy and Insolvency Act and The Saskatchewan Farm Security Act.

On April 23, 2008, by order, this Honourable Court dismissed NBC's application to vary the allocation of the DIP Lenders Charge established by the Amended Initial Order and ordered that any future DIP Lenders Charge would be allocated 75% to current assets and 25% to fixed assets.

On May 10, 2008, by order of this Honourable Court (the "May 10 Order"), the stay of proceedings was extended to May 23, 2008 and the Administration Charge was increased to \$300,000. The order also provided that payment of the professional fees secured by the Administration Charge be suspended and no such payment shall occur without further order of the Court.

On May 13, 2008 the Saskatchewan Court of Appeal refused NBC's application for leave to appeal the allocation of the DIP Lenders Charge contained in paragraph 34 of the Amended Initial Order. However, NBC was granted leave to appeal the April 23, 2008 Order of this Honourable Court regarding the allocation of any future DIP Lenders Charge. Argument was heard on this issue and on

May 22, 2008 the Saskatchewan Court of Appeal ordered that NBC's appeal be allowed to the extent that the allocation of any future DIP Lenders Charge be vacated.

On May 22, 2008, by order of this Honourable Court, the stay of proceedings was extended to May 28, 2008 and the Administration Charge was increased to \$500,000.

On May 28, 2008 by order of this Honourable Court (the "May 28 Order"), the stay of proceedings was extended to June 30, 2008. This order also approved the terms and conditions of the Restructuring Agreement and its related schedules made effective the 28th day of May 2008 (the "Restructuring Agreement"). The Restructuring Agreement provided for the sale of certain assets by the Applicant to Stomp Pork Farm 2008 Ltd. ("Newco"), Titan Ventures Inc. ("Titan") and Stomp Pork Farm (USA) Inc. ("Stomp USA"). The Restructuring Agreement provided a further credit facility from NBC and FCC to the Applicant to wind down remaining operations.

On June 20, 2008 by order of this Honourable Court (the "Claims Procedure Order"), a claims procedure was approved. It directed the Monitor to send a notice to each creditor of the Applicant along with a form of proof of claim by June 27, 2008 indicating the amount of each creditor's claim according to the records of the Applicant. The Monitor was also directed to place an advertisement in the Saskatoon Star-Phoenix and the Regina Leader-Post to bring the Claims Procedure Order to the attention of persons reading the newspapers. The Claims Procedure Order directs that creditors have until 5pm, July 16, 2008 to file a proof of claim if the amount they claim is different than that set out in the notice given by the Monitor or if they did not receive a notice from the Monitor. The order also sets out a process for resolution of disputes.

On June 20, 2008 a further order was made vacating that portion of the May 10 Order, which had suspended the payment of professional fees secured by the Administration Charge.

2.0 TERMS OF REFERENCE

2.1 This eighth report of the Monitor (the "Eighth Report") should be read in conjunction with the prior reports of the Monitor as it is intended to provide this Honourable Court with an update since the filing of the last Monitor's Report in respect of the following:

- a) activities of the Monitor;
- b) operations
- c) financial position
- d) projections
- e) professional fees

- f) claims process
- g) plan of compromise or arrangement

2.2 In preparing this Eighth Report, the Monitor has relied upon unaudited financial information, Applicant records and discussions with management of the Applicant. The Monitor has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future oriented financial information relied upon in this report is based on management's assumptions regarding future events and actual results will likely vary from this information and the variations may be material.

2.3 In preparing this Eighth Report, the Monitor has reviewed all pleadings and proceedings taken and filed in this action including the Amended Initial Order, all Orders amending the Amended Initial Order, the Affidavit of Ivan Stomp, the Second Affidavit of Ivan Stomp, the Third Affidavit of Ivan Stomp, the Fourth Affidavit of Ivan Stomp, the Fifth Affidavit of Ivan Stomp, the Sixth Affidavit of Ivan Stomp, the Seventh Affidavit of Ivan Stomp and the Eighth Affidavit of Ivan Stomp, the Affidavit of Murray D'Angelo sworn April 2, 2008, the Affidavit of William Wilmot sworn April 18, 2008, the Affidavit of Gary Stooshinoff sworn June 17, 2008, the Notices of Motion filed by the Applicant, NBC and by FCC, and the Restructuring Agreement.

3.0 BACKGROUND

3.1 The Applicant is primarily in the business of pork production and owns and manages numerous facilities in Saskatchewan. It also leases hog facilities in the United States. Information regarding the CCAA proceedings, including the Amended Initial Order, has been posted by the Monitor on its website at www.mnpdebt.ca ("the Website"). Further background on the Applicant is contained in the material filed relating to the Amended Initial Order and includes the First Affidavit of Ivan Stomp.

3.2 Meyers Norris Penny LLP has acted in the professional capacity of accountant and business advisor during the period 2000 to 2006 and as auditor and business advisor since 2007 (including an audit of the Fiscal Period Ended April 30, 2007).

4.0 ACTIVITIES OF THE MONITOR

4.1 Since the issuance of the Amended Initial Order the Monitor and its representatives have been working on a daily basis with the Applicant. The Monitor has had complete access to

the books and records of the Applicant and received the full cooperation of the Applicant's management team.

- 4.2 The Applicant has identified 143 creditors with claims that predated the Amended Initial Order and exceeded \$250. The Monitor has sent, by ordinary mail, the Notice to Creditors as defined in the Amended Initial Order to these creditors.
- 4.3 A Creditor List updated to May 15, 2008 has been posted to the Website. The total unsecured claims, based on the Applicants records, is \$8,460,030. A breakdown of the categories of creditors by value is summarized below.

Unsecured Claim of Creditor by Value	Number of Creditors
\$	
Under 100	41
100 to 249	29
250 to 499	19
500 to 999	29
1,000 to 4,999	30
5,000 to 19,999	23
20,000 to 49,999	6
50,000 to 99,999	2
Over 100,000	4

- 4.4 The Service List was updated as of June 18, 2008 and this Service List has been posted to the Website.

5.0 OPERATIONS

- 5.1 As a result of the May 28 Order, the Applicant's operating objective is to liquidate the residual assets (the remaining rolling stock inventory and the sow and boar herd) as described in the Sixth Report of the Monitor (section 9.0). The Applicant has advised that the delivery of sows under the Federal Cull Breeding Swine Program ("Sow Cull Program") will be completed during the week ending June 27, 2008. The Applicant is also proceeding with the sale of the residual sows not subject to the Sow Cull Program and anticipates all animals will be sold by the end of July 2008.
- 5.2 The Applicant has commenced the process to decommission the barns which were not sold subject to the Restructuring Agreement. This process should be completed by the end of August 2008.

- 5.3 The Monitor is aware the Applicant has suspended payment under all lease and conditional sale agreements for vehicles included in the residual rolling stock inventory. The Applicant is maintaining insurance on all vehicles in accordance with the agreements and has discontinued use of the vehicles subject to security agreements.
- 5.4 The Applicant has advised it has commenced the process of returning the residual rolling stock subject to security interests and anticipates that the return of all vehicles to the secured lenders will be completed during the week ending July 4, 2008. The Applicant is making arrangements for sale of residual rolling stock not subject to valid security interests.
- 5.5 Although the Applicant has continued to receive expressions of interest with regard to the sale of the North Battleford feed mill no offers to purchase have been presented to the Applicant.
- 5.6 The Monitor is aware the Applicant has received expressions of interest with regard to the sale of certain of the remaining barns but no offers to purchase have been presented to the Applicant.

6.0 FINANCIAL POSITION

- 6.1 A statement of receipts and disbursements for the period March 27, 2008 to June 20, 2008 (the "R&D") is found at Tab A and is summarized below:

	March 27/08 to June 13/08	Activity during period	March 27/08 to June 20/08
Canadian Account	\$	\$	\$
Opening Cash	(344,167)		(344,167)
Cash In Flows	11,675,144	114,975	11,790,119
Cash Out Flows	<u>(11,189,581)</u>	<u>(115,619)</u>	<u>(11,305,200)</u>
Ending Cash Balance	<u>141,396</u>	<u>(644)</u>	<u>140,752</u>
US Account	\$	\$	\$
Opening Cash	1,784,645		1,784,645
Cash In Flows	8,908,030	498,319	9,406,349
Cash Out Flows	<u>(10,287,845)</u>	<u>(831,438)</u>	<u>(11,119,283)</u>
Ending Cash Balance	<u>404,830</u>	<u>(333,119)</u>	<u>71,711</u>

- 6.2 The Monitor has reviewed the R&D and is satisfied that all disbursements are in accordance with the terms of the Amended Initial Order. Further, the Monitor is satisfied all receipts are

reported appropriately and were being deposited into the proper bank accounts up to May 28, 2008.

- 6.3 Receipts subsequent to May 28, 2008 generated from the assets no longer owned by Stomp continued to be deposited to the Applicant's bank accounts as the bank accounts of Newco, Titan and Stomp USA were not operational (as of May 30, 2008 the bank accounts of Newco and Titan were operational and the bank account for Stomp USA became operational as of June 24, 2008). Accordingly all of the deposited receipts belonging to the three new companies have been recorded as inter company transactions on the R&D.
- 6.4 The Monitor has reviewed the inter company transactions since May 28, 2008. All transactions are being recorded appropriately and funds transferred between the Applicant and the new companies are valid. A detailed statement of the inter company transactions is found at Tab B. The detailed statement attached includes, in addition to the cash transactions, accruals and set off and therefore is not readily comparable to the R&D. The Monitor has requested additional information from the Applicant and will provide a detailed breakdown by category as part of the next report. The Applicant has advised all funds required to clear the inter company transactions were transferred as of June 25, 2008. The Applicant is reconciling the inter company transactions on a daily basis and has established a process to transfer all funds on a weekly basis.
- 6.5 The Monitor has included a Cash Flow Statement Summary for the week ended June 20, 2008 (Tab D). Costs have tracked as anticipated. Invoices presented for payment to the Applicant by June 19, 2008 were paid. The only item accounting for the variance from budget is inter company transfers, which varied from budget due to the actual timing of transfers between companies.
- 6.6 The Applicant's feed costs are being paid by Newco and are being reported in the inter company transfers. The Monitor has reviewed the feed costs being paid by Newco and costs have tracked as anticipated.
- 6.7 The assets sold by the Applicant pursuant to the Restructuring Agreement have been transferred to the respective purchasers. However, as of the date of this Eighth Report, the financing that was to be provided by NBC and FCC to Newco, Titan and Stomp USA has not been advanced. Accordingly, the sales proceeds payable to the Applicant pursuant to the Restructuring Agreement have not been remitted by the three new companies.
- 6.8 The Monitor has received numerous inquiries from suppliers with regard to payment for services and product as a post CCAA liability. As there is no charge for suppliers other than

Cargill the suppliers are not guaranteed payment of post order supplies. The lack of a general supplier's charge gives the post CCAA creditors minimal comfort when providing service to the Applicant at this stage in the process. Accordingly, the Applicant has committed to paying invoices on a weekly basis and will pay all invoices every Friday if the invoice is presented Thursday of each week for post CCAA services. The Applicant has advised all post CCAA suppliers are current.

7.0 PROJECTIONS

- 7.1 Attached to this Eighth Report are financial cash flow projections prepared by the Applicant to August 29, 2008 (the "Projections") (Tab C). The Projections are based on planned decommissioning of residual barns and the sale of residual hog inventory and rolling stock.
- 7.2 The Applicant revised the initial projections included in our Seventh Report with the assistance of Prowis Inc. ("Prowis") to reflect the fluctuations in the market price for isoweans. The Projections were prepared effective June 19, 2008 and provided to the Monitor on June 24, 2008. The Applicant is currently selling isoweans for \$5 per animal rather than the \$10 initially projected.
- 7.3 The Projections estimate that the net costs of winding up and decommissioning the residual barns approximate \$2,600,000. Pursuant to the Restructuring Agreement NBC and FCC have agreed to fund the net costs to a maximum of \$2,600,000. Whether the \$2,600,000 to be advanced by NBC and FCC will be sufficient to wind down the operations and decommission the remaining barns is dependant upon management's assumptions regarding future events. The Monitor has reviewed the Projections and while the Monitor is mindful that the Projections are based on a set of assumptions that will likely vary materially from actual results, the Projections appear reasonable.
- 7.4 The Applicant is liquidating 6,000 sows pursuant to the Sow Cull Program and anticipates that the delivery of the sows will be completed on or about June 27, 2008. The Applicant anticipates receipt of the funds from the Sow Cull Program in August 2008.
- 7.5 The Monitor is aware the CAIS appeal, heard May 7, 2008, which was referred for further review due to the complexity of the appeal, has now been referred back to the CAIS appeal committee with a recommendation. The Monitor expects that the Applicant will receive a final decision from the CAIS appeal committee within two to three weeks. The proceeds from the CAIS appeal, if any, are not factored into the Projections.

8.0 PROFESSIONAL FEES

8.1 The outstanding professional fees to June 20, 2008 subject to the Administration Charge total \$432,702. All professional fees charged since the commencement of this proceeding are summarized at Tab E. The professional fees paid since the commencement of the CCAA proceeding total \$531,690. This varies from the professional fees reported on the R&D at Tab A as the fees of Prowis, prior to Prowis' inclusion in the Administration Charge in the amount of \$56,039, were reported in other costs and expenses. In addition, the Monitor incorrectly charged PST on the first invoice, which was refunded to the Applicant in the amount of \$1,521.

8.2 The Monitor has invoiced fees on a weekly basis. We have provided at Tab F a reconciliation of the time charged by work type from date of appointment. The fees of the Monitor, Monitor's Counsel and Counsel for the Applicant are subject to taxation pursuant to paragraph 30 of the Amended Initial Order. It is the intention of the Monitor to seek taxation at its earliest opportunity.

8.3 No payments to the professionals secured by the Administration Charge have been made since the May 10 Order, with the exception of the land title transfer fees reported week ended June 13, 2008 in the amount of \$35,577 as provided for in the Restructuring Agreement. The Projections include provision for the payment of professional fees outstanding as of June 20, 2008. The Monitor is aware the reduction in the Administration Charge to \$200,000 and limiting this charge to the receipts from the Sow Cull Program has been agreed to by the professionals.

9.0 CREDITOR CLAIMS PROCESS

9.1 The Monitor completed the service of the Notice to Creditors as defined in the Claims Procedure Order, on June 26, 2008. Approximately 240 notices were served on all known Canadian and US creditors.

9.2 The Monitor has also arranged to have the Saskatoon Star Phoenix and Regina Leader Post run the news paper advertisement on June 26, 2008 pursuant to the Claims Procedure order.

10.0 PLAN OF ARRANGEMENT

10.1 The Monitor is aware that the Applicant, with the assistance of its counsel and Prowis, has been drafting the Plan of Compromise or Arrangement (the "Draft Plan"). The Draft Plan has been reviewed with the Monitor, its counsel, the Senior Secured Lenders and its respective

counsel and Cargill and its counsel. The feed back and comments have been gathered by the Applicant and appropriate revisions to the Draft Plan are being considered.

10.2 The Monitor anticipates the Court will require it to prepare a report to creditors for circulation with the Plan of Compromise or Arrangement, which will assist creditors in making an informed decision.

11.0 RECOMMENDATION

11.1 In view of the progress the Applicant has made toward developing a Plan of Compromise or Arrangement and the continued support of NBC and FCC, an extension of the stay of proceedings under the Amended Initial Order to July 18, 2008 is warranted.

All of which is respectfully submitted this 26th day of June, 2008.

MEYERS NORRIS PENNY LIMITED
In its capacity as Court Appointed Monitor of Stomp Pork Farm Ltd.

Per: _____

Naida Kornuta
Senior Vice President

TAB A
TO
EIGHTH REPORT OF THE
MONITOR

RECEIPTS AND DISBURSEMENTS
MARCH 27, 2008 THROUGH TO JUNE 20, 2008

12 WEEK TOTAL

Canadian \$ Account	
Opening cash balance:	\$ (344,167.00)
Cash inflows:	
Collection of existing A/R/sales of inventories	5,183,482.74
Transfers from US\$ Account	854,025.47
Transfers from LCU and RBC	139,330.70
GST	52,355.18
Other cash inflows:	(0.30)
CAIS/TAP	1,499,999.70
DIP Financing	2,120,013.33
Dividend Income	136,952.78
Proceeds belonging to intercompany	(0.30)
Loan Advances - NBC/FCC	1,803,960.00
Total	11,790,119.30
Cash outflows:	
Payroll, including source deductions	1,370,383.57
Purchase of inventory from Cargill Limited	3,032,301.93
Purchase of inventory other than from Cargill Limited	-
Trucking costs	840,694.86
Utility costs	180,671.67
Payment of legal and Monitor costs	477,171.44
Severance costs	-
Payments of financing (leasing) costs	9,411.18
Payment of DIP Facility costs (Interest and Commitment Fee)	2,136,556.14
Payment of other costs and expenses	1,084,694.20
Transfers to US\$ Account	459,652.92
Transfers to NBC	468,277.02
Post CCAA liabilities	128,704.06
Intercompany payments	1,116,681.75
Total	11,305,200.74
Ending cash balance:	\$ 140,751.56

US \$ Account	
Opening cash balance:	\$ 1,784,645.00
Cash inflows:	
Collection of Newco US's A/R	1,567,580.15
Intercompany receipt	422,800.00
Transfers from RBC\$ Account	131,040.43
Transfers from CDN\$ Account	1,018,138.29
Collection of existing A/R/sales of inventories	6,266,790.19
Total	9,406,349.06
Cash outflows:	
Payments to maintain US contracts	7,474,697.49
Payment of other US Costs	182,858.45
Post CCAA liabilities	996,641.22
Transfers to CDN \$ account	971,138.31
Transfers to NBC	672,769.32
Intercompany payments	821,178.00
Total	11,119,282.79
Ending cash balance:	\$ 71,711.27

TAB B
TO
EIGHTH REPORT OF THE
MONITOR

SPF Group
Daily Intercompany Tracking

May 29 - June 09-Jun 10-Jun 11-Jun 12-Jun 13-Jun 16-Jun 17-Jun 18-Jun 19-Jun 20-Jun

SPF2008 / Oidco

SPF2008 to Oidco
Expenses paid by Oidco for SPF2008
Replacement Gills
Receipts belonging to Oidco

Oidco to SPF2008
Cash Receipts belonging to SPF2008
Feed Sales to Oidco
Expenses paid by SPF2008 for Oidco

SPF2008's Payable / (Receivable) with Oidco

Opening Balance
SPF2008 (Payment to)/Receipt from Oidco
Closing

Titan / Oidco

Titan to Oidco
Expenses paid by Oidco for Titan
Receipts belonging to Oidco
Replacement Gills

Oidco to Titan
Expenses paid by Titan for Oidco

Titan's Payable/(Receivable) with Oidco

Opening Balance
Titan (Payment to)/Receipt from Oidco
Closing

US/Oidco

US to Oidco
Piglet's purchase
Expenses paid by Oidco for US

Oidco to US
Cash Receipts belonging to US
Expenses paid by US for Oidco
Sales Revenue Received By Oidco Due to USA(US\$)

US's Payable / (Receivable) with Oidco

Opening Balance
USA (Payment to)/Receipt from Oidco

Closing

	May 29	09-Jun	10-Jun	11-Jun	12-Jun	13-Jun	16-Jun	17-Jun	18-Jun	19-Jun	20-Jun
SPF2008 to Oidco											
Expenses paid by Oidco for SPF2008	198,676.00						1,781.15	40,480.54			20,561.24
Replacement Gills	14,364.00			161.49							9,422.06
Receipts belonging to Oidco	213,040.00			161.49			1,781.15	40,480.54			29,983.30
Oidco to SPF2008											
Cash Receipts belonging to SPF2008	204,573.46										
Feed Sales to Oidco	64,296.92			82,881.35			1,876.52				2,072.13
Expenses paid by SPF2008 for Oidco	268,670.38			86,681.35			1,876.52				7,759.13
SPF2008's Payable / (Receivable) with Oidco	(55,630.38)			(86,519.86)			(1,876.52)	1,781.15	40,480.54	(2,072.13)	22,224.17
Opening Balance											
SPF2008 (Payment to)/Receipt from Oidco	(55,630.38)			(55,630.38)	(55,630.38)	(142,350.24)	69,285.76	67,409.24	69,190.39	109,670.93	107,598.80
Closing	(55,630.38)			(55,630.38)	(142,350.24)	69,285.76	67,409.24	69,190.39	109,670.93	107,598.80	129,622.97
Titan / Oidco											
Titan to Oidco											
Expenses paid by Oidco for Titan	2,000.00										15,150.00
Receipts belonging to Oidco	1,620.00										4,946.75
Replacement Gills	3,620.00			346.70							20,096.75
Oidco to Titan											
Expenses paid by Titan for Oidco											
Titan's Payable/(Receivable) with Oidco	3,620.00			346.70							20,096.75
Opening Balance											
Titan (Payment to)/Receipt from Oidco	-	3,620.00	3,620.00	3,966.70	(10,268.45)	(10,268.45)	(10,268.45)	(10,268.45)	12,381.55	12,381.55	32,478.30
Closing	3,620.00	3,620.00	3,966.70	3,966.70	(10,268.45)	(10,268.45)	(10,268.45)	12,381.55	12,381.55	12,381.55	32,478.30
US/Oidco											
US to Oidco											
Piglet's purchase	19,104.00										12,048.00
Expenses paid by Oidco for US	6,477.00										276,261.14
Receipts belonging to Oidco	25,581.00										
Oidco to US											
Cash Receipts belonging to US	104,098.00	164,900.77	99,496.36	127,162.18	133,302.40	106,375.69	204,141.59	136,671.49			51,130.21
Expenses paid by US for Oidco	772,158.42			4,707.50							
Sales Revenue Received By Oidco Due to USA(US\$)	104,098.00	164,900.77	99,496.36	131,669.68	133,302.40	106,375.69	204,141.59	136,671.49			51,130.21
US's Payable / (Receivable) with Oidco	(746,577.42)	(104,098.00)	(164,900.77)	(99,496.36)	(131,669.68)	(133,302.40)	296,640.59	(204,141.59)	5,229.11	288,309.14	(51,130.21)
Opening Balance											
USA (Payment to)/Receipt from Oidco	(746,577.42)	(850,675.42)	(243,417.77)	(342,914.13)	(231,365.81)	(364,668.21)	(68,027.62)	(272,169.21)	(286,940.10)	21,369.04	29,761.17
Closing	(746,577.42)	(850,675.42)	(243,417.77)	(342,914.13)	(231,365.81)	(364,668.21)	(68,027.62)	(272,169.21)	(286,940.10)	21,369.04	29,761.17

TAB C
TO
EIGHTH REPORT OF THE
MONITOR

Stomp Park Farm
Updated Oldco Cash Flow Projections
June 19, 2008

CAD	Actual to					Total	Previous Budget
	June 13	20-Jun	27-Jun	July	August		
Collection of Oldco Rec.							
Cull Sales		6,400	127,080	155,400	-	288,880	125,000
ISO/Wean	Note 1	90,000	20,000	31,500	-	141,500	358,500
Hog and Feeder Sales	Note 2	53,358	33,400	167,000	-	286,758	290,000
Proceeds belonging to Interco	Note 3	1,605,382				1,605,382	
Intercompany Receipts		-	65,120	-	-	65,120	-
NBC/FCC Advance		1,803,960				1,803,960	
Misc		141,585				141,585	
Proceeds from Culling Program		-			1,350,000	1,350,000	1,350,000
Total Receipts		3,095,286	194,920	160,880	353,900	1,350,000	2,123,500
Breeding Expenses		158	-	-	-	158	-
Building & Equipment Repair		-	1,000	1,000	5,000	7,000	-
Custom Work & Rentals		1,347	1,000	1,000	5,000	8,347	-
Vehicle & Equipment Repair		2,838	-	-	-	2,838	-
Diesel & Oil		1,630	1,200	1,200	6,000	10,030	-
Feed		313,425	-	29,180	78,439	421,044	561,000
Feed for resale		-	-	-	-	-	-
Supplies		14	500	500	2,500	3,514	-
Utilities		10,000	10,000	4,000	20,000	44,000	50,000
Veterinary		7,687	4,000	-	-	11,687	-
Wages & Benefits		560,288	-	222,500	272,500	1,362,290	1,090,000
Manure & Yard		70,869	-	-	-	70,869	-
Trucking - Feeders to US		-	22,700	22,700	213,500	258,900	375,900
Trucking - Feed/Hogs		-	-	-	-	-	-
Licenses & Insurance - Feedmills		-	-	-	-	-	-
Management & Marketing		79	13,000	-	-	13,079	-
Building Rent		-	-	-	-	-	-
Travel		-	-	-	-	-	-
Interest Expense		-	-	-	-	-	-
Office Expense		1,150	18,500	20,000	-	39,650	800,000
Professional Fees		35,578	400,000	400,000	364,422	800,000	1,100,000
Post/CCA/Liabilities		1,125,344	155,868	100,000	-	1,381,212	500,000
Vacation Pay		-	-	-	500,000	200,000	200,000
Other Costs		-	-	100,000	50,000	200,000	-
Intercompany Payments		1,026,013	419,152	-	-	1,445,165	-
Total Disbursements		3,156,419	646,920	882,080	672,939	1,050,672	4,676,900
Surplus / (Shortfall)		448,867	(452,000)	(722,000)	(319,039)	299,328	(2,553,400)
Operating Balance - Operating Loan		25,847	474,714	22,715	(699,285)	(1,018,324)	25,847
Closing Balance - Operating Loan		474,714	22,715	(699,285)	(1,018,324)	(718,996)	(2,553,400)
Balance - Loss Loan		(1,803,960)	(1,803,960)	(1,803,960)	(1,803,960)	(1,803,960)	-
Total		(1,329,246)	(1,781,245)	(2,503,245)	(2,822,284)	(2,522,956)	(2,533,400)
Note 1 - Sows			2,118	3,073	-	25	
Number of Sows			60	51	-	-	
Selling Price			127,080	155,400	-	-	
Total Proceeds				4,000	6,300	-	
Note 2 - Isowearns				5	5	5	
Number of Isowearns				5	5	5	
Selling Price				20,000	31,500	-	
Total Proceeds				260	3,340	-	
Note 3 - Feeders and Hogs				50	50	5	
Number of Hogs				50	50	5	
Selling Price				13,000	167,000	-	
Total Proceeds							

TAB D
TO
EIGHTH REPORT OF THE
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**RECEIPTS AND DISBURSEMENTS
FOR THE WEEK ENDING JUNE 20, 2008**

June 20

Canadian \$ Account	
Opening cash balance:	\$ 141,398.71
Cash inflows:	
Collection of existing A/R/sales of inventories	114,975.00
Transfers from US\$ Account	
Transfers from LCU and RBC	
GST	
Other cash inflows:	
CAIS/TAP	
DIP Financing	
Dividend Income	
Proceeds belonging to intercompany	
Loan Advances - NBC/FCC	
Total	114,975.00
Cash outflows:	
Payroll, including source deductions	7,247.00
Purchase of inventory from Cargill Limited	
Purchase of inventory other than from Cargill Limited	
Trucking costs	17,704.00
Utility costs	
Payment of legal and Monitor costs	
Severance costs	
Payments of financing (leasing) costs	
Payment of DIP Facility costs (Interest and Commitment Fee)	
Payment of other costs and expenses	
Transfers to US\$ Account	
Transfers to NBC	
Post CCAA liabilities	
Intercompany payments	90,668.75
Total	115,619.75
Ending cash balance:	\$ 140,753.96

US \$ Account	
Opening cash balance:	\$ 404,830.36
Cash inflows:	
Collection of Newco US's A/R	498,319.00
Intercompany receipt	
Transfers from RBC\$ Account	
Transfers from CDN\$ Account	
Collection of existing A/R/sales of inventories	
Total	498,319.00
Cash outflows:	
Payments to maintain US contracts	
Payment of other US Costs	10,259.25
Post CCAA liabilities	
Transfers to CDN \$ account	
Transfers to NBC	
Intercompany payments	821,178.00
Total	831,437.25
Ending cash balance:	\$ 71,712.11

TAB E
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**Stomp Pork Farm Ltd.
Professional Fees**

	Paid \$	Outstanding \$	Total \$
<u>Prowis (Financial Advisor to the Applicant)</u>			
	20,000.00		
	20,000.00		
	16,039.82		
Services to June 20, 2008		140,135.00	<u>196,174.82</u>
<u>WMCZ (Monitor Counsel)</u>			
Invoice 35982	21,543.52		
Invoice 36175	8,073.37		
Invoice 36204	21,616.31		
Invoice 36271	11,760.33		
Invoice 36454		14,004.30	
Invoice 36513		8,893.56	
Invoice 36641		10,464.45	
Invoice 36795		14,365.41	<u>110,721.25</u>
<u>MNP (Pre CCAA Advisory Services)</u>			
Jan 1/08 to March 27/08	113,435.76		<u>113,435.76</u>
Paid pursuant to Paragraph 5 of the Amended Initial Order			
<u>MNP (Monitor)</u>			
March 29, 2008 to April 4, 2008	33,545.22		
April 5, 2008 to April 11, 2008	29,819.59		
April 12, 2008 to April 18, 2008	29,588.90		
April 19, 2008 to April 25, 2008	38,082.56		
April 26, 2008 to May 2, 2008		15,023.77	
May 3, 2008 to May 9, 2008		23,606.18	
May 10, 2008 to May 16, 2008		10,569.12	
May 17, 2008 to May 23, 2008		17,986.46	
May 24, 2008 to May 31, 2008		23,383.47	
June 1, 2008 to June 6, 2008		5,393.54	
June 7, 2008 to June 13, 2008		6,646.09	
June 14, 2008 to June 20, 2008		17,466.36	<u>251,111.24</u>
<u>Robertson Stromberg (Applicant Counsel)</u>			
	90,828.08		
	10,643.60		
	20,801.23		
	10,333.53		
Land title fees	35,577.72		
Invoice May 23, 2008		58,368.73	
Invoice June 4, 2008		45,183.10	
Invoice June 17, 2008		13,547.95	
Invoice June 19, 2008		7,665.09	<u>292,949.03</u>
Total Professional Fees	<u>531,689.53</u>	<u>432,702.57</u>	<u>964,392.10</u>

TAB F
TO
EIGHTH REPORT OF THE
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Invoice Breakdown

Invoice Period	Monitor Services	CAIS Appeal & Filings	Management Consulting Services	Tax Services	Administrative Services	Total Professional Fees	Administration Cost Charge	Subtotal	GST	Total
March 29 - April 4	22,962.50	842.00	6,622.00			30,426.50	1,521.33	31,947.83	1,597.39	33,545.22
April 5 - 11	17,350.75	92.50	9,604.00			27,047.25	1,352.36	28,399.61	1,419.98	29,819.59
April 12 - 18	15,362.50	520.50	10,955.00			26,838.00	1,341.90	28,179.90	1,409.00	29,588.90
April 19 - 25	27,045.00		7,497.00			34,542.00	1,727.10	36,269.10	1,813.46	38,082.56
Total	82,720.75	1,455.00	34,678.00	-	-	118,863.75	5,942.69	124,796.44	6,239.82	131,036.26

Total Received: 131,036.26

April 26 - May 2	7,837.00	648.50	5,044.00	97.50		13,627.00	681.35	14,308.35	715.42	15,023.77
May 3 - 9	11,182.00	4,121.00	4,671.00	1,437.50		21,411.50	1,070.58	22,482.08	1,124.10	23,606.18
May 10 - 16	8,085.00	60.00	1,441.50			9,586.50	479.33	10,065.83	503.29	10,569.12
May 17 - 23	11,835.50	848.75	3,630.00			16,314.25	815.71	17,129.96	856.50	17,986.46
May 24 - 30	15,343.00	760.00	3,822.00	1,284.50		21,209.50	1,060.48	22,269.98	1,113.50	23,383.47
May 31 - June 6	1,513.50	308.40	2,317.00	433.20		4,892.10	244.61	5,136.71	256.84	5,393.54
June 7 - 13	3,160.00	2,082.40		629.80		6,028.20	301.41	6,329.61	316.48	6,646.09
June 14 - 20	10,994.50	210.00	2,100.00			15,842.50	792.13	16,634.63	831.73	17,466.36
Total	69,950.50	9,039.05	23,025.50	3,882.50	3,014.00	108,911.55	5,445.58	114,357.13	5,717.86	120,074.98

Balance Owing as of June 23: 120,074.98

Overall Total Fees: 251,111.24