

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 "CCAA")

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

FOURTH REPORT OF THE MONITOR

TABLE OF CONTENTS

1.0 INTRODUCTION4

2.0 TERMS OF REFERENCE5

3.0 BACKGROUND5

4.0 ACTIVITIES OF THE MONITOR.....6

5.0 OPERATIONS6

6.0 DIP FINANCING.....6

7.0 FINANCIAL POSITION7

8.0 PROJECTIONS9

9.0 ABILITY OF APPLICANT TO ADVANCE A PLAN..... 10



ATTACHMENTS

| | |
|-------|---|
| Tab A | Receipts and Disbursements March 27, 2008 to May 2, 2008 |
| Tab B | Cash Flow Projection May 5, 2008 to August 1, 2008 |
| Tab C | Cash Flow Statements Week ending April 25, 2008 Week ending May 2, 2008 |
| Tab D | Professional Fees |

1.0 INTRODUCTION

On March 26, 2008, the Applicant, 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.

The Applicant applied by way of Notice of Motion dated April 16, 2008 for an order extending the stay of proceedings under the Amended Initial Order, the appointment of a Chief Restructuring Officer ("CRO"), approval of further DIP Financing and an increase to the Administration Charge. The application was heard April 22, 2008. At this hearing FCC and National Bank of Canada ("NBC") sought 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.

During the April 22, 2008 hearing, the Applicant withdrew its application for an increase in the Administration Charge and adjourned the application for the appointment of a CRO sine die. The balance of the relief sought by the Applicant, FCC and NBC was granted by order of this Honorable Court issued April 22, 2008 with the stay of proceeding being extended to May 12, 2008. The next return date for further applications has been set for May 10, 2008.

On April 23, 2008 this Honorable Court dismissed NBC's application to vary the allocation of the DIP Lenders Charge established by the Amended Initial Order but determined that any future DIP Lenders Charge would be allocated 75% to current assets and 25% to fixed assets. NBC is seeking leave of the Saskatchewan Court of Appeal to appeal these aforementioned rulings and that application is scheduled to be heard May 13, 2008.

2.0 TERMS OF REFERENCE

2.1 This fourth report of the Monitor (the "Fourth Report") should be read in conjunction with the prior reports of the Monitor as it is intended to provide this Honorable 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) DIP financing
- d) financial position
- e) projections
- f) ability of Applicant to advance a plan

2.2 In preparing this Fourth 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 ("CICA") 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 Fourth 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 Affidavit of Murray D'Angelo sworn April 2, 2008, the Affidavit of William Wilmot sworn April 18, 2008 and the Notices of Motion filed by the Applicant and by NBC.

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 After completing its accounting for the month ended March 31, 2008, the Applicant identified additional creditors with claims that predated the Amended Initial Order and exceeded \$250. The Monitor has sent the Notice to Creditors to these additional creditors. Combined, the Notice to Creditors has been mailed by ordinary mail to 142 creditors.
- 4.3 A Creditor List updated to April 29, 2008 has been posted to the Website.
- 4.4 From additional Demands for Notice received, a Service List was prepared as of May 8, 2008 and this Service List has been posted to the Website.
- 4.5 The Applicant has been working with FCC and NBC to develop a restructuring plan. The Monitor has been advising and assisting the Applicant on various issues relating to a restructuring plan.

5.0 OPERATIONS

- 5.1 The Applicant is continuing to operate under the status quo scenario in the normal course of business during the current stay period. Cash flow projections to August 1, 2008 are included at Tab B.
- 5.2 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.

6.0 DIP FINANCING

- 6.1 As at May 8, 2008, the DIP lender had advanced \$2,110,013. The last advance under the DIP lending facility was April 22, 2008. In addition as of May 8, 2008 interest in the amount of \$13,886 has accrued.
- 6.2 According to the Revolving Demand Credit Agreement the term of the DIP financing expired April 22, 2008 and the Balance Due Date is the end of the Stay Period under the Amended Initial Order, or such later date as FCC in its sole discretion may decide. As discussed earlier

in this Fourth Report NBC will be seeking leave to appeal paragraph 34 of the Amended Initial Order and the Order of April 23, 2008 in relation to the allocation of the DIP Lender Charge. As a result, on April 23, 2008, NBC requested the Applicant to not repay the DIP advance. On April 25, 2008 FCC served Notice of Default under paragraph 35(b) of the Amended Initial Order, alleging that the Applicant has failed to pay the \$1,500,000 CAIS TAP payment; has failed to repay the balance of the DIP financing and has failed to provide a Business Recovery Plan satisfactory to FCC. The Monitor is aware the DIP financing has not been repaid but expects that the repayment of the DIP financing will be resolved after NBC's appeal of the allocation of the DIP Lenders Charge.

6.3 The Revolving Demand Credit Agreement has not been extended or amended by FCC. A Business Recovery Plan (restructuring plan) that is satisfactory to FCC is currently being negotiated.

6.4 As of the time of this Fourth Report, the Applicant has complied with the weekly reporting requirements of the Revolving Demand Credit Agreement.

7.0 FINANCIAL POSITION

7.1 The Monitor has reviewed the Receipts and Disbursements for the period March 27, 2008 to May 2, 2008 and is satisfied that all sales are being reported appropriately and are being deposited into the proper bank accounts. All disbursements are in accordance with the terms of the Amended Initial Order.

A statement of Receipts and Disbursements for the period March 27, 2008 to May 2, 2008 is found at Tab A and is summarized below:

| | March 27/08 to April 18/08 | Activity during period | March 27/08 to May 2/08 |
|---------------------|-------------------------------|---------------------------|----------------------------|
| Canadian Account | \$ | \$ | \$ |
| Opening Cash | (344,167) | | (344,167) |
| Cash In Flows | 6,087,893 | 1,267,239 | 7,355,132 |
| Cash Out Flows | <u>(2,896,939)</u> | <u>(1,717,315)</u> | <u>(4,614,254)</u> |
| Ending Cash Balance | <u>2,846,786</u> | | <u>2,396,711</u> |
| US Account | \$ | \$ | \$ |
| Opening Cash | 1,784,645 | | 1,784,645 |
| Cash In Flows | 2,785,114 | 1,416,940 | 4,202,054 |
| Cash Out Flows | <u>(4,376,227)</u> | <u>(1,435,798)</u> | <u>(5,812,026)</u> |
| Ending Cash Balance | <u>193,532</u> | | <u>174,673</u> |

- 7.2 The Monitor has included a Cash Flow Statement Summary for the week ended May 2, 2008 (Tab C). Costs have tracked as anticipated but revenue continues to be depressed. The following items represent the reasons for variance from budget (Tab C):
- Transfer from Canadian Account to US Account for Newsham Genetics - refer to Section 7.7
 - DIP Financing and Cargill purchases - refer to Section 6 and 7.8
 - Dividend Income reported week ending April 18, 2008 - represents dividend for Class B Shares of Heartland Pork Management Services Ltd. and SPI Marketing Group Inc.
 - Repayment of DIP Credit Facility – refer to Section 6
- 7.3. The Monitor has reviewed the payment of professional fees by the Applicant and has provided a breakdown of the fees for Applicant's counsel and for the Monitor and its counsel to April 30, 2008 (Tab D). In reference to the Applicant's application to increase the Administration Charge to \$300,000 the Monitor is supportive of the suspension of the payment of the professional fees to May 23, 2008 provided that:
- the increase in the Administration Charge is approved by the Court; and
 - that the professionals continue to invoice on a weekly basis and provide copies of the invoices to the Monitor so that the Monitor can assess whether the Administration Charge is adequate.
- 7.4 The Monitor is aware that US trucking costs for the week ending April 18, 2008 and May 2, 2008 were paid by the Applicant directly from the NBC US bank account. Previously these funds were transferred from the US Bank account to the Canadian Bank account to facilitate payment.
- 7.5 The Monitor is aware that the April 30, 2008 payroll was paid by the Applicant and all expense claims by employees outstanding at the date of the Amended Initial Order have been paid.
- 7.6 The Royal Bank of Canada US account was closed and all funds were transferred to the NBC US bank account. The amount was \$131,040 as indicated on the Cash Flow Statement for period ending April 25, 2008 (Tab C).
- 7.7 The Monitor is aware the Applicant is under contract with Newsham Genetics ("Newsham") for use of female and male genetics and the amount is calculated based on a fee per weaned pig. The Applicant has estimated the fee relating to the Canadian isoweans sold into the US market represents approximately 30% of the monthly payment and the balance of the fee relates to isoweans finished under contract in the US. The payment is made by an automatic debit from the US Bank Account. In order to recognize the portion of this expense which is

attributable to the Canadian operation, the Applicant will transfer the estimated amount from the Canadian Bank account to the US Bank account prior to the automatic debit taking place. The Applicant will reconcile the actual Canadian portion after the month end and make adjustments as necessary.

- 7.8 At the outset of the CCAA an arrangement was made between the Applicant, Cargill Animal Nutrition ("Cargill") and the DIP lender for Cargill to receive payment directly from the DIP lender for feed delivered subsequent to the Amended Initial Order. That arrangement ended April 22, 2008. Effective April 23, 2008 the Applicant remits payment directly to Cargill on a daily basis.
- 7.9 The Monitor is aware that Saskatchewan Energy required an \$85,000 deposit and weekly prepayment of utilities in the amount of \$5,000 per week commencing the week ending May 9, 2008. Upon receipt of monthly statements adjustments will be made.
- 7.10 The Monitor has received numerous inquiries from suppliers with regard to payment for services and product as a post CCAA liability. 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. Our review of the receipts and disbursements indicate the Applicant is fulfilling this commitment. 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 creditors minimal comfort when providing service to the Applicant at this stage in the process.

8.0 PROJECTIONS

- 8.1 Attached to this Fourth Report are financial cash flow projections prepared by the Applicant to August 1, 2008 (Tab B). The Monitor has reviewed these projections and while the Monitor is mindful that these projections are based on a set of assumptions that will likely vary materially from actual results, these projections appear reasonable.
- 8.2 The Cash Flow projections are based on a continuation of current operations. The repayment of the DIP financing is projected for the week of May 23, 2008 subject to further order of the Court. Repayment of the DIP financing will result in a need for future DIP financing to support Canadian operations commencing with the week ending June 6, 2008 for a total of approximately \$2,500,000 by August 1, 2008 (Tab B).

9.0 ABILITY OF THE APPLICANT TO ADVANCE A PLAN

- 9.1 The Monitor was advised on April 14, 2008 that the Applicant had retained Prowis Inc. ("Prowis") as a consultant, as permitted under the terms of the Amended Initial Order. The Monitor has worked closely with the Applicant and Prowis in developing cash flow projections to assist in the development of a plan of restructuring (Tab B).
- 9.2 As detailed in the Fourth Affidavit of Ivan Stomp, the Applicant, with the assistance of Prowis and the Monitor, is actively engaged in discussions with NBC and FCC regarding the terms of a restructuring plan.
- 9.3 The Monitor is aware there has been no progress on the US Farm Bill (the "Bill"). The uncertainty created by this Bill still exists and is impacting the market.
- 9.4 The prices for finished hogs have improved by approximately \$40 per hog since the last week of March 2008.
- 9.5 With the continued support of NBC and FCC an extension of the stay of proceedings under the Amended Initial Order to May 23, 2008 seems reasonable.

All of which is respectfully submitted this 8th day of May, 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
FOURTH REPORT OF THE
MONITOR

RECEIPTS AND DISBURSEMENTS
MARCH 27, 2008 THROUGH TO MAY 2, 2008

5 WEEKS TOTAL

| Canadian \$ Account | |
|---|---------------------|
| Opening cash balance: | \$ (344,167.00) |
| Cash inflows: | |
| Collection of existing A/R/sales of inventories | 2,604,808.58 |
| Transfers from US\$ Account | 854,025.77 |
| Transfers from LCU and RBC | 139,331.00 |
| Other cash inflows: | |
| CAIS/TAP | 1,500,000.00 |
| DIP Financing | 2,120,013.63 |
| Dividend Income | 136,953.08 |
| Total | <u>7,355,132.06</u> |
| Cash outflows: | |
| Payroll, including source deductions | 659,884.46 |
| Purchase of inventory from Cargill Limited | 1,702,734.26 |
| Purchase of inventory other than from Cargill Limited | - |
| Trucking costs | 582,902.55 |
| Utility costs | 85,051.00 |
| Payment of legal and Monitor costs | 429,833.11 |
| Severance costs | - |
| Payments of financing (leasing) costs | 9,411.18 |
| Payment of DIP Facility costs (Interest and Commitment Fee) | 10,000.00 |
| Payment of other costs and expenses | 714,495.02 |
| Transfers to US\$ Account | 419,942.22 |
| Total | <u>4,614,253.80</u> |
| Projected ending cash balance: | \$ 2,396,711.26 |

| US \$ Account | |
|---|---------------------|
| Opening cash balance: | \$ 1,784,645.00 |
| Cash inflows: | |
| Transfers from RBC\$ Account | 131,040.43 |
| Transfers from CDN\$ Account | 978,371.80 |
| Collection of existing A/R/sales of inventories | 3,092,642.63 |
| Total | <u>4,202,054.86</u> |
| Cash outflows: | |
| Payments to maintain US contracts | 4,767,934.11 |
| Payment of other US Costs | 72,954.15 |
| Transfers to CDN \$ account | 971,138.03 |
| Total | <u>5,812,026.29</u> |
| Projected ending cash balance: | \$ 174,673.57 |

TAB B
TO
FOURTH REPORT OF THE
MONITOR



**Stomp Pork Farm Ltd.
CASH FLOW PROJECTION**

| US \$ Account | BUDGET May 5-9 | BUDGET May 12-16 | BUDGET May 19-23 | BUDGET May 26-30 | BUDGET June 2-6 | BUDGET June 9-13 | BUDGET June 16-20 | BUDGET June 23-27 | BUDGET June 30-July 4 | BUDGET July 7-11 | BUDGET July 14-18 | BUDGET July 21-25 | BUDGET July 28-Aug 1 |
|--|-------------------|---------------------|---------------------|---------------------|--------------------|---------------------|----------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|-------------------------|
| Opening cash balance: | 174,674 | 222,674 | 220,674 | 280,674 | 340,674 | 425,274 | 626,124 | 887,974 | 1,326,074 | 1,764,174 | 2,026,024 | 2,225,874 | 2,487,724 |
| Cash inflows: | | | | | | | | | | | | | |
| Transfer from REC | 4,000 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 |
| Transfers from CDN \$ account | 735,000 | 742,400 | 742,400 | 742,400 | 769,000 | 944,250 | 944,250 | 1,120,500 | 1,120,500 | 944,250 | 944,250 | 944,250 | 944,250 |
| Collection of existing A/R/sales of inventories ⁷ | 739,000 | 745,000 | 745,000 | 745,000 | 770,600 | 946,850 | 946,850 | 1,123,100 | 1,123,100 | 946,850 | 946,850 | 946,850 | 946,850 |
| Total | | | | | | | | | | | | | |
| Propig-SPF/QPP | - | 87,000 | 87,000 | 87,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 |
| Propig-ES | - | 163,850 | 163,850 | 163,850 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 |
| Garrels-HZ | - | 163,850 | 163,850 | 163,850 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 |
| Garrels-CR | - | 163,850 | 163,850 | 163,850 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 |
| Garrels-BH | - | 163,850 | 163,850 | 163,850 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 | 169,500 |
| Garrels-LAPC | - | - | - | - | 176,250 | 176,250 | 176,250 | 176,250 | 176,250 | - | - | - | - |
| CAC | - | - | - | - | - | - | - | 176,250 | 176,250 | 176,250 | 176,250 | 176,250 | 176,250 |
| PC | - | - | - | - | - | - | - | 1,120,500 | 1,120,500 | 944,250 | 944,250 | 944,250 | 944,250 |
| TOTAL | - | 742,400 | 742,400 | 742,400 | 768,000 | 944,250 | 944,250 | 1,120,500 | 1,120,500 | 944,250 | 944,250 | 944,250 | 944,250 |
| Cash outflows: | | | | | | | | | | | | | |
| Payments to maintain US contracts | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 |
| Payment of other US Costs-Trucking & Weaned Pig ⁸ | 41,000 | 97,000 | 35,000 | 35,000 | 35,000 | 97,000 | 35,000 | 35,000 | 35,000 | 35,000 | 97,000 | 35,000 | 35,000 |
| Transfers to CDN \$ account | 691,000 | 747,000 | 685,000 | 685,000 | 685,000 | 747,000 | 685,000 | 685,000 | 685,000 | 685,000 | 747,000 | 685,000 | 685,000 |
| Total | 222,674 | 220,674 | 280,674 | 340,674 | 425,274 | 626,124 | 887,974 | 1,326,074 | 1,764,174 | 2,026,024 | 2,225,874 | 2,487,724 | 2,749,574 |
| Projected ending cash balance: | | | | | | | | | | | | | |

NOTES:

- A) CANADIAN
 - 1 Receipt of \$980,000 CAIS in last week of May.
 - 2 Receive payment for last market hogs last week of May.
 - 3 Sale of Feed, semen and gilts to Sinnott Pork.
 - 4 Sale of 4,750 isoweans per week at \$15.00 week of May
 - 5 Trucking isoweans sales to USA, gilt transfers and cull to
 - 6 Transfer to cover UPS brokerages on isoweans sold in U
 - Also transfer for monthly payment to Newsnam Genetics isoweans sold in the USA.
- B) USA
 - 7 Sales of 5,120 hogs per week to June 9th.
 - June 9th week start selling LAPC flow - 4 weeks of 1,175.
 - June 23rd week start selling Manitou flow at 1,175 per week.
 - 8 Trucking cost to transfer isoweans and feeders to USA.
 - Weaned pig fee transferred from Canadian account for isoweans sold in USA.
 - Weaned pig fee is paid to Newsnam Genetics in US\$.

TAB C
TO
FOURTH REPORT OF THE
MONITOR

CASH FLOW STATEMENT

To: Farm Credit Canada ("FCC")

Re: Stomp Pork Farm Ltd. (the "Borrower")

Period Ending: Friday, the 25th day of April, 2008 (the "Period Ending Date")

Note: All amounts are expressed in Canadian dollars

| | ACTUAL | BUDGET | VARIANCE FROM BUDGET |
|---|-------------------|-------------------|-------------------------|
| Canadian \$ Account | | | |
| Opening cash balance: | \$ 2,846,786.39 | \$ 2,846,786.39 | \$ - |
| Cash inflows: | | | |
| Collection of existing A/R/sales of inventories | 534,867.33 | 502,500.00 | 32,367.33 |
| Transfers from US\$ Account | | 25,000.00 | (25,000.00) |
| Transfers from LCU and RBC | | - | - |
| Other cash inflows: | | | |
| Dividend Income | | - | - |
| CAIS/TAP | | - | - |
| DIP Financing | 48,170.21 | 225,000.00 | (176,829.79) |
| Total | 583,037.54 | 752,500.00 | (169,462.46) |
| Cash outflows: | | | |
| Payroll, including source deductions ¹ | (478.21) | 10,000.00 | (10,478.21) |
| Purchase of inventory from Cargill Limited | 203,926.30 | 225,000.00 | (21,073.70) |
| Purchase of inventory other than from Cargill Limited | | - | - |
| Trucking costs ² | 54,922.35 | 105,000.00 | (50,077.65) |
| Utility costs ³ | 85,000.00 | 85,000.00 | - |
| Payment of legal and Monitor costs | 72,006.44 | 100,000.00 | (27,993.56) |
| Severance costs | | - | - |
| Payments of financing (leasing) costs | 1,625.52 | 6,800.00 | (5,174.48) |
| Payment of DIP Facility costs (Interest and Commitment Fee) | | - | - |
| Payment of other costs and expenses | 128,120.27 | 175,000.00 | (46,879.73) |
| Transfers to US\$ Account ⁴ | 20,842.33 | | 20,842.33 |
| Repayment of DIP advances/interest to date | | 6,333.29 | (6,333.29) |
| Total | 565,965.00 | 713,133.29 | (147,168.29) |
| Projected ending cash balance: | \$ 2,863,858.93 | \$ 2,886,153.10 | \$ (22,294.17) |
| US \$ Account | | | |
| Opening cash balance: | \$ 193,532.18 | \$ 193,532.18 | \$ - |
| Cash inflows: | | | |
| Transfer from RBC Account | 131,040.43 | 131,000.00 | 40.43 |
| Transfers from CDN\$ Account | 20,666.66 | | 20,666.66 |
| Collection of existing A/R/sales of inventories | 551,286.04 | 650,240.00 | (98,953.96) |
| Total | 702,993.13 | 781,240.00 | (78,246.87) |
| Cash outflows: | | | |
| Payments to maintain US contracts | 614,240.94 | 550,000.00 | 64,240.94 |
| Payment of other US Costs-Trucking | 31,339.50 | - | 31,339.50 |
| Transfers to CDN \$ account | | 25,000.00 | (25,000.00) |
| Total | 645,580.44 | 575,000.00 | 70,580.44 |
| Projected ending cash balance: | \$ 250,944.87 | \$ 399,772.18 | \$ (148,827.31) |

| | |
|---|---------------|
| DIP Facility remaining unadvanced, beginning of period: | \$ 938,156.58 |
| Approval of further DIP monies | |
| DIP Facility monies advanced during period, not incl. Cargill | |
| DIP Facility monies wired directly to Cargill | (48,170.21) |
| Repayments of DIP Facility | |
| DIP Facility commitment fee | - |
| Less: Estimated cost of inventory to be ordered from Cargill Limited from the Period Ending | |
| Date | |
| Net credit available under the DIP Facility | \$ 889,986.37 |

Notes:

- 1 A payroll advance cheque was returned.
- 2 The trucking costs to transfer hogs to the USA was paid directly from the US\$ account this week. In past weeks NBC has transferred funds to the CDN\$ account to pay these invoices,
- 3 Deposit paid to Sask-Energy.
- 4 Newsham Genetics is paid \$62,000 US each month from the US\$ account. This transfer covers the estimated number of weanlings sold directly from the Canadian barns.

The undersigned hereby certifies that as of Friday, the 25th day of April, 2008:

1. I am familiar with and have examined the provisions of the Revolving Demand Credit Agreement dated April 2, 2008 between the Borrower and FCC (the "Agreement") and have made reasonably investigations of corporate records and inquiries of other senior personnel of the Borrower. Terms defined in the Agreement have the same meanings when used in this Certificate.
2. The covenants and conditions precedent contained in the Agreement have been fulfilled and performed.
3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, or would constitute a default under the Agreement and there is no reason to believe that during the next fiscal Week of the Borrower, any such event or circumstance will occur.
4. The information referenced in this document is true and correct in all respects.

Certified Correct this 28th day of April, 2008.

Per: JSS
Office held: President and sole director

CASH FLOW STATEMENT

To: Farm Credit Canada ("FCC")

Re: Stomp Pork Farm Ltd. (the "Borrower")

Period Ending: Friday, the 2nd day of May, 2008 (the "Period Ending Date")

| | ACTUAL | BUDGET | VARIANCE FROM BUDGET |
|---|---------------------|-------------------|-------------------------|
| Canadian \$ Account | | | |
| Opening cash balance: | \$ 2,863,858.93 | \$ 2,863,858.93 | \$ - |
| Cash inflows: | | | |
| Collection of existing A/R/sales of inventories | 601,332.22 | 502,500.00 | 98,832.22 |
| Transfers from US\$ Account ¹ | 82,868.53 | 81,975.00 | 893.53 |
| Transfers from LCU and RBC | - | - | - |
| Other cash inflows: | | | |
| Dividend Income | - | - | - |
| CAIS/TAP | - | - | - |
| DIP Financing | - | - | - |
| Total | 684,200.75 | 584,475.00 | 99,725.75 |
| Cash outflows: | | | |
| Payroll, including source deductions | 476,214.85 | 460,000.00 | 16,214.85 |
| Purchase of inventory from Cargill Limited | 336,964.54 | 200,000.00 | 136,964.54 |
| Purchase of inventory other than from Cargill Limited | - | - | - |
| Trucking costs | 60,042.80 | 60,000.00 | 42.80 |
| Utility costs | - | - | - |
| Payment of legal and Monitor costs | 48,416.09 | 50,000.00 | (1,583.91) |
| Severance costs | - | - | - |
| Payments of financing (leasing) costs | - | 1,200.00 | (1,200.00) |
| Payment of DIP Facility costs (Interest and Commitment Fee) | - | - | - |
| Payment of other costs and expenses ² | 229,710.44 | 185,000.00 | 44,710.44 |
| Transfers to US\$ Account | - | - | - |
| Repayment of DIP advances/interest to date | - | - | - |
| Total | 1,151,348.72 | 956,200.00 | 195,148.72 |
| Projected ending cash balance: | \$ 2,396,710.96 | \$ 2,492,133.93 | \$ (95,422.97) |
| US \$ Account | | | |
| Opening cash balance: | \$ 250,944.87 | \$ 250,944.87 | \$ - |
| Cash inflows: | | | |
| Transfer from RBC Account | - | - | - |
| Transfers from CDN\$ Account | - | - | - |
| Collection of existing A/R/sales of inventories | 713,946.53 | 604,000.00 | 109,946.53 |
| Total | 713,946.53 | 604,000.00 | 109,946.53 |
| Cash outflows: | | | |
| Payments to maintain US contracts | 669,359.13 | 550,000.00 | 119,359.13 |
| Payment of other US Costs & Trucking | 38,883.70 | 30,000.00 | 8,883.70 |
| Transfers to CDN \$ account ¹ | 81,975.00 | 81,975.00 | - |
| Total | 790,217.83 | 661,975.00 | 128,242.83 |
| Projected ending cash balance: | \$ 174,673.57 | \$ 192,969.87 | \$ (18,296.30) |

| | |
|--|---------------|
| DIP Facility remaining unadvanced, beginning of period: | \$ 889,986.37 |
| Approval of further DIP monies | |
| DIP Facility monies advanced during period, not incl. Cargill | |
| DIP Facility monies wired directly to Cargill | - |
| Repayments of DIP Facility | |
| DIP Facility commitment fee | - |
| Less: Estimated cost of inventory to be ordered from Cargill Limited from the Period | |
| Ending Date | |
| Net credit available under the DIP Facility | \$ 889,986.37 |

Notes:

- 1 Transfer from US to Canadian accounts for isowean sales from Canadian barns that were paid for in US\$.
- 2 Includes \$66,356.65 paid to WFG for insurance and \$64,473.84 to Sand's for manure application.

The undersigned hereby certifies that as of Friday, the 2nd day of May, 2008:

1. I am familiar with and have examined the provisions of the Revolving Demand Credit Agreement dated April 2, 2008 between the Borrower and FCC (the "Agreement") and have made reasonably investigations of corporate records and inquiries of other senior personnel of the Borrower. Terms defined in the Agreement have the same meanings when used in this Certificate.
2. The covenants and conditions precedent contained in the Agreement have been fulfilled and performed.
3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, or would constitute a default under the Agreement and there is no reason to believe that during the next fiscal Week of the Borrower, any such event or circumstance will occur.
4. The information referenced in this document is true and correct in all respects.

Certified Correct this 5th day of May, 2008.

Per: _____
Office held: President and sole director

_____ JSG

TAB D
TO
FOURTH REPORT OF THE
MONITOR

Stomp Pork Farm Ltd.

| Professional Fees | Advisory/Financial Projections Business Analysis | CAIS | Corporate Recovery | Total |
|--|--|---------------|--------------------|----------------|
| Summary of Professional Fees - Monitor | \$ | \$ | \$ | \$ |
| January 1, 2008 through March 28, 2008 | 59,586 | 23,946 | 29,903 | 113,435 |
| March 29, 2008 through April 30, 2008 | 40,583 | 1,563 | 90,409 | 132,555 |
| Summary of Professional Fees - Monitor Counsel | - | - | 51,232 | 51,232 |
| March 29, 2008 through April 30, 2008 | - | - | 132,606 | 132,606 |
| Summary of Professional Fees - Applicant Counsel | - | - | - | - |
| To April 30, 2008 | - | - | - | - |
| Total | 100,169 | 25,509 | 304,150 | 429,828 |