

**THE QUEEN'S BENCH**  
**WINNIPEG CENTRE**

IN THE MATTER OF THE: *Companies' Creditors Arrangement Act*,  
R.S.C. 1985, c. C-36, as Amended

AND IN THE MATTER OF: A Proposed Plan of Compromise or  
Arrangement of The Puratone Corporation,  
Pembina Valley Pigs Ltd. and Niverville  
Swine Breeders Ltd. (the "Applicants")

Application under the: *Companies' Creditors Arrangement Act*, R.S.C.  
1985, c. C-36, as Amended

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**SIXTH REPORT OF THE MONITOR**

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**THE QUEEN'S BENCH  
WINNIPEG CENTRE**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT  
ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF THE PURATONE CORPORATION, NIVERVILLE  
SWINE BREEDERS LTD., AND PEMBINA VALLEY PIGS LTD.**

**APPLICANTS**

**SIXTH REPORT OF THE MONITOR  
DATED DECEMBER 27, 2012**

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**INTRODUCTION**

1. On September 12, 2012, The Puratone Corporation (“**TPC**”), Niverville Swine Breeders Ltd., and Pembina Valley Pigs Ltd. (collectively the “**Applicants**”) filed for and obtained protection under the *Companies' Creditors Arrangement Act* (the “**CCAA**”). Pursuant to the Order of the Manitoba Court of Queen's Bench (the “**Court**”) dated September 12, 2012 (the “**Initial Order**”), Deloitte & Touche Inc. (“**Deloitte**”) was appointed as the Monitor of the Applicants

(the “**Monitor**”) in the CCAA proceedings and a stay of proceedings was granted in favour of the Applicants.

2. On October 10, 2012, the Court extended the stay of proceedings until November 2, 2012.
3. On October 30, 2012, the Court extended the stay of proceedings until November 12, 2012.
4. On November 8, 2012, the Court further extended the stay of proceedings until January 15, 2013 (the “**Stay Period**”).
5. The Monitor has provided the Court with the following reports:
  - i. The Pre-Filing Report of the Proposed Monitor dated September 11, 2012 (the “**Pre-Filing Report**”) in connection with the Applicants’ application for protection under the CCAA;
  - ii. The First Report of the Monitor dated October 5, 2012 (the “**First Report**”) in connection with the Applicants’ motion to extend the Stay Period;
  - iii. The Second Report of the Monitor dated October 25, 2012 (the “**Second Report**”) in connection with the Applicant’s motion to extend the Stay Period;
  - iv. The Third Report of the Monitor dated November 5, 2012 (the “**Third Report**”) in connection with the Applicant’s motion to i) further extend the Stay Period; and ii) seek approval for the sale transaction (the “**Transaction**”) contemplated by the Asset Purchase Agreement (the “**APA**”) between the Applicants and Maple Leaf Foods Inc. (the

“**Purchaser**”), and as agreed to by Deloitte & Touche Inc. in its capacity as Monitor of the Applicants;

- v. The Fourth Report of the Monitor dated November 14, 2012 (the “**Fourth Report**”) in connection with the Applicants’ motion to allow the transfer of their shares and limited partnership units in the Partially Owned Subsidiaries (as defined in the APA) and the assignment of certain agreements between the Partially Owned Subsidiaries and/or their shareholders/unit holders to the Purchaser in connection with the Transaction; and
  - vi. The Fifth Report of the Monitor dated November 20, 2012 (the “**Fifth Report**”) in connection with the Applicants’ motion to assign their rights and obligations under certain Assumed Contracts (as defined in the APA) to the Purchaser on Closing as part of the Purchased Assets (as defined in the APA) pursuant to the Transaction, where the consent of the relevant counterparty was required for the assignment and such counterparty had not expressly agreed to an assignment of the Applicants’ rights and obligations to the Purchaser.
6. Copies of the Initial Order, the Pre-Filing Report, the First, Second, Third, Fourth, and Fifth Report(s), all motion materials and orders in the CCAA proceedings, and certain other documents related to the CCAA proceedings have been posted and are available on the Monitor’s website at [www.deloitte.com/ca/puratone](http://www.deloitte.com/ca/puratone).

## **PURPOSE**

7. The purpose of this sixth report of the Monitor (the “**Sixth Report**”) is to provide information with respect to the following:
  - i. The closing of the Transaction between the Applicants and the Purchaser;
  - ii. The Applicants’ motion, returnable on January 4, 2013, seeking an Order to:
    - a) Extend the Stay Period;
    - b) Expand the powers and duties of the Monitor to (i) permit it to act as the agent for each of the Applicants in order to discharge certain of their obligations under the APA; and (ii) to make an application to this Court for the Distribution Order;
    - c) Discharge the KERP Charge; and
    - d) Approve the Third, Fourth, and Fifth Reports of the Monitor.

## **TERMS OF REFERENCE**

8. In preparing this Sixth Report, the Monitor has relied upon unaudited interim financial information, the Applicants’ books and records, the Affidavits of Raymond Hildebrand sworn September 11, October 4, October 24, November 1 and November 6, 2012, the Affidavits of Larry Johnson sworn on November 14, November 16, and November 20, 2012, and discussions with management (“**Management**”) and the Applicants’ financial and legal advisors.
9. The financial information of the Applicants has not been audited, reviewed or otherwise verified by the Monitor as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting

principles and the reader is cautioned that this Sixth Report may not disclose all significant matters about the Applicants. Additionally, none of the Monitor's procedures were intended to disclose defalcations or other irregularities. If the Monitor were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Monitor's attention. Accordingly, the Monitor does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The Monitor may refine or alter its observations as further information is obtained or brought to its attention after the date of this Sixth Report.

10. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this Sixth Report. Any use which any party makes of this Sixth Report, or any reliance or decision to be made based on this Sixth Report, is the sole responsibility of such party.
11. Unless otherwise stated, all monetary amounts contained in this Sixth Report are expressed in Canadian dollars.
12. Capitalized terms used in this Sixth Report but not defined herein are as defined in the Pre-Filing Report, the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report and the APA, as applicable.

## **SALE TRANSACTION AND THE APA**

13. The APA and the Transaction described therein were approved by the Court pursuant to the terms of the Approval and Vesting Order dated November 8, 2012 (the “**Approval and Vesting Order**”).
14. In addition to Court approval, two key additional external conditions relating to the Closing in the APA were i) regulatory approval pursuant to *The Farm Lands Ownership Act* (Manitoba) and, ii) regulatory approval pursuant to the federal *Competition Act*. Approval pursuant to *The Farm Lands Ownership Act* (Manitoba) was received as of November 22, 2012. On December 7, 2012 the Competition Bureau advised the Purchaser that, while it would not be appropriate to issue an Advance Ruling Certificate (“ARC”) pursuant to Section 102 of the *Competition Act*, the Commissioner of Competition did not, at that time, intend to make an application under Section 92 of the *Competition Act*, which provides, inter alia, that the Competition Tribunal may make a wide variety of orders in relation to a proposed merger if the Competition Tribunal finds that a proposed merger is likely to prevent or substantially lessen competition. The Purchaser was satisfied with the position of the Competition Bureau and waived the APA condition regarding same.
15. In accordance with clause 3.5 of the APA, the Applicants provided a good faith estimate to the Purchaser of the estimated amount of each constituent element of the Cash Purchase Price (the “**Estimated Cash Purchase Price**”) on December 11, 2012.
16. On December 14, 2012, the Applicants and the Purchaser jointly counted the closing livestock and feed inventories (the “**Closing Date Inventory Count**”).

The Monitor also participated in the Closing Date Inventory Count by conducting selected site verification procedures.

17. It was anticipated that the transaction would close on December 14, 2012. However, an issue arose pursuant to Section 8.1(f) of the APA with respect to transferring the grant funding (or the right to receive the grant funding) under the Manure Management Financial Assistance Program administered by Manitoba Agriculture, Food and Rural Initiatives (the “**MAFR Funding**”), from the Applicants to the Purchaser. The Applicants were of the view that they had satisfied the transfer condition whereas the Purchaser was of the view that the condition had not been satisfied and, therefore, the Purchase Price should be adjusted downward to reflect the loss of such funding.
18. The MAFR Funding, in addition to other lesser issues, gave rise to an amending document. The First Amendment to Asset Purchase Agreement (the “**Amendment**”) was executed on December 17, 2012 by all parties who had previously executed the APA. As it related to the MAFR Funding, the Amendment provided for a deduction from the Estimated Cash Purchase Price and specified that a separate wire transfer be paid to the Monitor in the amount of \$1,573,765 (the “**MAFR Funding Holdback**”) which was to be held by the Monitor in trust and only to be released upon the conditions specified in Section 3.12 of the Amendment. In summary, Section 3.12 of the Amendment requires the Purchaser to, *inter alia*, use commercially reasonable efforts to obtain MAFR Replacement Funding by June 30, 2013 and if said funding is received the MAFR Funding Holdback would be released to the Applicants. If, on or prior to June 30, 2013, the Purchaser has not received assurances from MAFR that the MAFR Replacement Funding will be available, the Purchaser, the Applicants, and the Monitor may then apply to Court to determine to which



of them the MAFR Funding Holdback should be released and in what amounts based on an interpretation of the entirety of Section 8.1(f) of the APA.

19. Closing under the APA was completed on December 17, 2012 with an effective date for cutoff being the close of business on December 14, 2012 (the “**Closing Date**”).
20. In accordance with clause 3.6 of the APA and the terms of the Amendment, on December 17, 2012, the Purchaser transferred by wire to the Monitor the Estimated Cash Purchase Price as follows:
  - a) \$37,824,329 in cash proceeds;
  - b) \$1,573,765 representing the MAFR Holdback Amount; and
  - c) \$5,000,000 representing a general holdback to be held in escrow pending the final resolution of all Purchase Price adjustments.
21. Following receipt of the Estimated Cash Purchase Price and confirmation from the Applicants and the Purchaser that all of the closing conditions had either been satisfied or waived, the Monitor issued the Monitor’s Certificate at 3:36 p.m. on December 17, 2012 and sent it to counsel for the Applicants, the Purchaser, Bank of Montreal and Farm Credit Corporation as the final step in the closing of the Transaction. The Monitor’s Certificate, a copy of which is attached hereto as Exhibit A, was filed with the Court on December 19, 2012.
22. In connection with the Closing, all amounts subject to the KERP Charge were satisfied by the Applicants by way of payments to certain of the Applicants’ employees. Also, in connection with the Closing, pursuant to clause 7.3 of the

APA, the Applicants paid all required Cure Costs to bring assigned contracts having Cure Costs into good standing.

23. Pursuant to clause 7.4 of the APA, the Purchaser offered employment opportunities to all individuals who had been employed by the Applicants as of the Closing Date. All of the Applicants' active employees were terminated by the Applicants immediately prior to the Closing of the APA. As a result, after the Closing Date, the Applicants had no remaining active employees other than the Applicants' Chief Financial Officer, with whom the Monitor had made arrangements to remain as an Officer of the Applicants in order to assist with post-Closing matters.
24. Section 3.8 of the APA provides that, following closing, the Purchaser will prepare the Closing Time Calculation within 30 days and provide it to the Applicants and the Monitor. Subsequently there is a 15 day Review Period and, if the Applicants and the Monitor are satisfied with the Closing Time Calculation, it becomes the Final Cash Purchase Price. If the Applicants and the Monitor are not satisfied with the Closing Time Calculation, the APA provides for the issuance of a Dispute Notice. In the absence of agreement, the Court would determine the Final Cash Purchase Price.
25. The Monitor has not distributed any of the Transaction proceeds. A further motion will be made to the Court by the Monitor for a distribution order subsequent to the expiration of the Review Period as detailed in the APA.

## **STATUS OF POST-FILING MATTERS**

26. Pursuant to the terms of the APA, the Purchaser agreed to assume, pay, perform or discharge when due those liabilities accruing from the use of the

Purchased Assets from and after the Time of Closing. The Purchaser specifically did not agree to assume any liabilities related to the Excluded Assets or related to any litigation to which the Applicants were subject. The Excluded Assets consist of the following:

- a) All cash and cash equivalents, including, for greater certainty and without limiting the generality of the forgoing, the proceeds of the sale of the Purchased Assets to the Purchaser;
- b) All bank or trust accounts and deposits of the Applicants;
- c) All accounts receivable and rights to payment owed to the Applicants;
- d) All prepaid expenses of the Applicants;
- e) All income, GST, corporate capital tax and other tax installments paid by the Applicants and the rights to receive any refund of income, GST, corporate capital or other taxes paid by the Applicants;
- f) All rights of action and Claims (and benefits arising therefrom) of the Applicants against any third persons in the conduct of the Business or otherwise arising by reason of any facts or circumstances that occurred or existed prior to the Closing Date whether or not an action or any other proceeding shall have been commenced before such time, except to the extent such rights of action and Claims (and benefits arising therefrom) are in respect of the Purchased Assets or Assumed Liabilities;
- g) All rights of the Applicants to any refunds of workers' compensation payments in respect of the period prior to the Closing Date;

- h) All assets, including monies held in trust, in possession of the Applicants but owned by third parties;
- i) All proceeds of insurance payable to the Applicants pursuant to Section 2.3(a) of the APA;
- j) All contracts and agreements of the Applicants (and the rights of the Applicants thereunder), other than the Assumed Contracts (and the rights of the Applicants thereunder);
- k) All rights of the Applicants under the APA and the Ancillary Agreements, instruments and certificates delivered pursuant to the APA;
- l) The minute books and corporate records of the Applicants; and
- m) The real property and buildings described in Schedule “L” of the APA in respect of which TPC has entered into agreements of purchase and sale.

27. Based upon the records of the Applicants made available to the Monitor, discussions with Management, and the Applicants’ legal counsel, the Monitor is not aware of any claims against any of the Applicants arising from and after the date of the Initial Order.

## **CORPORATE GOVERNANCE**

28. Concurrent with the Closing of the APA, the Monitor has made arrangements with Larry Sveinbjorn Johnson, the Chief Financial Officer of the Applicants, to remain and assist with post-Closing matters. Additionally, at least one member of each of the boards of directors of the Applicants has agreed to continue as a director so that each of the Applicants will continue to have at least one director to enable continued proper governance.

29. In conjunction with these governance changes, the Applicants are also seeking enhanced powers and duties for the Monitor with respect to the oversight of the business and final dealings with the Excluded Assets and any remaining matters concerning the Applicants, pursuant to the CCAA proceedings. These enhanced powers are described in more detail in the draft Order.
30. The Applicants' stated belief is that the expansion of the Monitor's powers and duties to assist the Applicants in dealing with post-Closing matters, Excluded Assets, certain tax filings and other related matters (and perhaps taking control of the completion of some or all of such matters if necessary, as agent of the Applicants) is the most cost-effective means of finalizing matters in relation to the Applicants.
31. Certain administrative matters remain to be completed to finalize matters relating to the Applicants including:
- a) Determination of the Final Cash Purchase Price in accordance with the APA;
  - b) Preparation of certain statutory returns for the period prior to the Closing Date;
  - c) Preparation of income tax returns in respect of each of the Applicants; and
  - d) Disposition and realization of the Excluded Assets.
32. In order to ensure that post-Closing matters are given their proper attention, the Applicants propose that the Monitor be authorized and empowered, but not obliged, to act as agent for each of the Applicants for the purpose of

discharging such of their obligations under the APA that are to be performed after closing and, subject to the proviso which follows, for the purpose of pursuing, recovering, realizing upon and (or) collecting each of the Excluded Assets. Provided that, with respect to the Excluded Assets which consist of assets, including monies held in trust, in the possession of the Applicants but owned by third parties (the “**Trust Assets**”), if there are competing claims of ownership, it is proposed that the Monitor prepare a report to the Court with respect thereto and that the Court shall either decide on the merits of such claims or give directions as to the manner in which such claims shall be determined.

33. It is further proposed that the Monitor shall, after the Final Cash Purchase Price has been determined, bring a Motion for the Distribution Order, which shall be supported by a Report from the Monitor including, *inter alia*, the opinion of counsel to the Monitor as to the validity and priority of all claims to monies being held by the Monitor pursuant to the APA.
34. The Monitor is of the view that, by adding the aforesaid powers and duties, administration of the estates of the Applicants would be completed in the most efficient and least costly manner.

## **CLAIMS PROCESS**

35. As noted above, although none of the Transaction proceeds have been distributed, subject to completion of the review by the Monitor’s counsel of the security issued by the Applicants, it is anticipated that all of the available proceeds from the Transaction and from the Excluded Assets will be utilized to satisfy in whole or in part the various secured claims against the Applicants and the post-filing liabilities of the Applicants. The Monitor is not aware of

any assets of the Applicants or any other funds available to satisfy the claims of the remaining creditors of the Applicants. Consequently, it is the Monitor's view that a claims process in respect of the pre-filing claims against the Applicants is of no value to the estates.

36. The Monitor is not aware of any material unpaid or unassumed claims for goods or services supplied from and after the date of the Initial Order and, accordingly, does not propose to carry out a claims process in respect of any post-filing claims.

37. The Monitor has considered whether it would be more beneficial to the Applicants' creditors if proceedings in respect of the Applicants were taken under the *Bankruptcy and Insolvency Act* (Canada). Given that it does not appear that any funds will be available to unsecured creditors and there are matters which require completion pursuant to the APA and the Amendment, the Monitor is of the view that a receivership or bankruptcy at the current time would add increased costs and complexity to the sale and distribution process, and would add no benefit to any of the Applicants' creditors.

## **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

38. Attached as Exhibit B is the Statement of Receipts and Disbursements for the period December 14, 2012 to December 21, 2012, including an updated Cash Flow Forecast for the period December 14, 2012 to March 17, 2013. The DIP Facility remains in place and is still available to the Applicants. The Monitor forecasts that the DIP Facility will be sufficient to fund steps necessary to finalize the estates of the Applicants.

## **STAY EXTENSION**

39. The Applicants have also requested that the Court approve an extension of the Stay Period from January 15, 2013 to February 28, 2013 to permit the Monitor to finalize the estates of the Applicants.
40. The Monitor is of the view that the Applicants have acted, and are acting, in good faith and with due diligence, and respectfully recommends that this Court approve an extension of the stay of proceedings.

## **MONITOR'S CONSENT AND RECOMMENDATIONS**

41. The Monitor consents to the proposed expansion of its powers and duties as contemplated in the Applicants' motion and as reflected in the draft proposed Order sought therein.
42. For the reasons set out above, the Monitor recommends that:
- a) The Stay Period be extended to February 28, 2013;
  - b) The powers and duties of the Monitor be expanded on the terms of the draft Order to permit the Monitor to undertake activities necessary to finalize the estates of the Applicants;
  - c) The KERP Charge be discharged; and
  - d) The Third, Fourth, and Fifth Reports of the Monitor be approved.



All of which is respectfully submitted at Winnipeg, Manitoba, this 27<sup>th</sup> day of December, 2012.

**DELOITTE & TOUCHE INC.**

In its capacity as Monitor of  
The Puratone Corporation, Niverville Swine  
Breeders Ltd., and Pembina Valley Pigs Ltd.,  
and not in its personal capacity.

A handwritten signature in cursive script, appearing to read "Steven Peleck". The signature is written in dark ink on a white background.

Per: Steven Peleck, CA•CIRP  
Senior Vice-President

**Exhibit A – Monitor’s Certificate**

**THE QUEEN'S BENCH  
WINNIPEG CENTRE**

IN THE MATTER OF THE: *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as Amended

AND IN THE MATTER OF: A Proposed Plan of Compromise or Arrangement of The Puratone Corporation, Pembina Valley Pigs Ltd. and Niverville Swine Breeders Ltd. (the "Applicants")

Application under the: *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as Amended

**MONITOR'S CERTIFICATE**

**RECITALS**

A. Pursuant to the Initial Order of the Honourable Mr. Justice Dewar of the Manitoba Court of Queen's Bench (the "Court") dated September 12, 2012, Deloitte & Touche Inc. was appointed as the Monitor (the "Monitor") of the Applicants.

B. Pursuant to an Order of the Court dated November 8, 2012, the Court approved the Asset Purchase Agreement made as of November 1, 2012 (as subsequently amended, the "Sale Agreement") between the Applicants and Maple Leaf Foods Inc. (the "Purchaser") and the Monitor and provided for the vesting in the Purchaser of the Applicants' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing

as set out in Article 8 of the Sale Agreement have been satisfied or waived by the Applicants and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

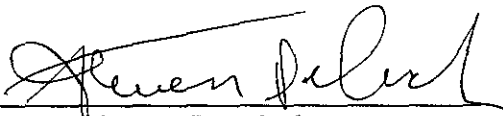
C. Pursuant to a further Order of the Court made on November 8, 2012, the Court granted certain additional powers to the Monitor in connection with its obligations to be performed under and as party to the Sale Agreement.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 8 of the Sale Agreement have been satisfied or waived by the Applicants and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at 3:36 p.m. on December 17, 2012.

**DELOITTE & TOUCHE INC., in its  
capacity as Monitor of the Applicants,  
and not in its personal capacity**

Per:   
Name: Steven P. Peleck  
Title: Senior Vice-President

## Exhibit B – Statement of Receipts and Disbursements and Projected Cash Flows

### THE PURATONE CORPORATION, NIVERVILLE SWINE BREEDERS LTD., AND PEMBINA VALLEY PIGS LTD.

#### STATEMENT OF RECEIPTS AND DISBURSEMENTS OF THE MONITOR December 14, 2012 to December 27, 2012

##### RECEIPTS

<b>Asset Purchase Agreement (Note 1)</b>		
Deposit	100,000	
Interest	42	100,042
	<hr/>	
Cash Proceeds	37,824,329	
Interest	-	37,824,329
	<hr/>	
MAFR Holdback	1,573,765	
Interest	-	1,573,765
	<hr/>	
General Holdback	5,000,000	
Interest	-	5,000,000
	<hr/>	
<b>Subtotal</b>		<b>44,498,136</b>

##### DISBURSEMENTS

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<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>	<b>\$</b>	<b>44,498,136</b>
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**Note 1:** The funds are held in trust by the Monitor pending the issuance of a Distribution Order by the Court.

The Puratone Corporation, Niverville Swine Breeders Ltd., and Pembina Valley Pigs Ltd.

Cash Flow Projection

December 17, 2012 through March 17, 2013

Week Start	Week 1 17-Dec-12	Week 2 24-Dec-12	Week 3 31-Dec-12	Week 4 7-Jan-13	Week 5 14-Jan-13	Week 6 21-Jan-13	Week 7 28-Jan-13	Week 8 4-Feb-13	Week 9 11-Feb-13	Week 10 18-Feb-13	Week 11 25-Feb-13	Week 12 4-Mar-13	Week 13 11-Mar-13	Week 1 - 13 Cumulative Totals
<b>Receipts</b>														
Sales														
Market hogs - Hedged	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Market hogs - Non-hedged	1,426,000	-	-	-	-	-	-	-	-	-	-	-	-	1,426,000
12% reduction in pricing factor	(171,120)	-	-	-	-	-	-	-	-	-	-	-	-	(171,120)
Premium	27,344	-	-	-	-	-	-	-	-	-	-	-	-	27,344
Premium	15,070	-	-	-	-	-	-	-	-	-	-	-	-	15,070
<b>Subtotal market hogs</b>	<b>1,297,294</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>1,297,294</b>
Feeders	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Isoweanings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gilt sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cull sales	70,000	-	-	-	-	-	-	-	-	-	-	-	-	70,000
Feed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agri-stability	-	705,363	705,363	705,363	-	-	-	-	-	-	-	-	-	2,116,089
A/R collection	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>1,367,294</b>	<b>705,363</b>	<b>705,363</b>	<b>705,363</b>	-	-	-	-	-	-	-	-	-	<b>3,483,383</b>
<b>Disbursements</b>														
Operations														
Ingredients costs	161,577	-	-	-	-	-	-	-	-	-	-	-	-	161,577
Escalation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production input costs	85,575	186,094	-	-	-	-	-	-	-	-	-	-	-	241,669
Operating expenses	85,575	156,094	-	-	-	-	-	-	-	-	-	-	-	241,669
Farm bonus	-	-	-	-	150,000	-	-	-	-	-	-	-	-	150,000
Payroll	72,195	-	17,794	-	17,794	-	17,794	-	17,794	-	17,794	-	17,794	178,959
Restructuring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	200,000	50,000	50,000	150,000	75,000	50,000	50,000	25,000	75,000	25,000	25,000	25,000	-	800,000
Vacation pay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KEPP	717,586	-	-	-	-	-	-	-	-	-	-	-	-	717,586
Utility costs	62,231	-	-	-	-	-	-	-	-	-	-	-	-	62,231
Cure costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>1,384,739</b>	<b>362,188</b>	<b>67,794</b>	<b>150,000</b>	<b>92,794</b>	<b>50,000</b>	<b>217,794</b>	<b>25,000</b>	<b>92,794</b>	<b>25,000</b>	<b>42,794</b>	<b>25,000</b>	<b>17,794</b>	<b>2,553,691</b>
<b>Net Cash Flows</b>	<b>(17,445)</b>	<b>343,175</b>	<b>637,569</b>	<b>555,363</b>	<b>(92,794)</b>	<b>(50,000)</b>	<b>(217,794)</b>	<b>(25,000)</b>	<b>(92,794)</b>	<b>(25,000)</b>	<b>(42,794)</b>	<b>(25,000)</b>	<b>(17,794)</b>	<b>929,692</b>
<b>Opening Cash</b>	<b>(5,672,300)</b>	<b>(5,689,744)</b>	<b>(5,346,569)</b>	<b>(4,709,000)</b>	<b>(4,153,637)</b>	<b>(4,246,431)</b>	<b>(4,296,431)</b>	<b>(4,514,225)</b>	<b>(4,539,225)</b>	<b>(4,632,019)</b>	<b>(4,657,019)</b>	<b>(4,699,814)</b>	<b>(4,724,814)</b>	<b>(5,672,300)</b>
<b>Net Cash Flows</b>	<b>(17,445)</b>	<b>343,175</b>	<b>637,569</b>	<b>555,363</b>	<b>(92,794)</b>	<b>(50,000)</b>	<b>(217,794)</b>	<b>(25,000)</b>	<b>(92,794)</b>	<b>(25,000)</b>	<b>(42,794)</b>	<b>(25,000)</b>	<b>(17,794)</b>	<b>929,692</b>
<b>Closing Cash (Indebtedness)</b>	<b>(5,689,744)</b>	<b>(5,346,569)</b>	<b>(4,709,000)</b>	<b>(4,153,637)</b>	<b>(4,246,431)</b>	<b>(4,296,431)</b>	<b>(4,514,225)</b>	<b>(4,539,225)</b>	<b>(4,632,019)</b>	<b>(4,657,019)</b>	<b>(4,699,814)</b>	<b>(4,724,814)</b>	<b>(4,742,608)</b>	<b>(4,742,608)</b>