



April 20, 2020

To: all Freshwater Fish Marketing Corporation stakeholders

RE: The impact of COVID-19 on Freshwater Fish Marketing Corporation (FFMC)

The global spread and subsequent economic and social disruption from the COVID-19 pandemic is unprecedented for us all and for the FFMC. The restaurant and hospitality industry is being impacted particularly hard, resulting in a global collapse of the food-service supply chain. Restaurants all over the world, accounting for the overwhelming majority of our customer base have closed, eliminating demand for the food-service products we sell. Reduced demand for our fish from the economic impact of COVID-19 is lowering sales revenues to unsustainable levels, placing substantial strain on the Corporation's cash flows. The Corporation is required to conduct its operations on a self-sustaining basis without appropriations from Parliament. Consequently, FFMC needs to take appropriate actions to preserve its long-term ability to maximize returns to fishers.

In addition to reduced demand and lower sales revenues from our customers, states of emergency and public health orders have been issued in all jurisdictions where we buy and process fish. The fishing industry and FFMC have been identified as critical businesses that can remain open and continue to operate. However, we must ensure compliance with government directives to maintain physical distancing at all of our facilities. Independent agencies, co-operatives and individual fishers are also required to maintain the same safe distancing protocols when catching, dressing and packing fish. This compliance obligates us to reduce the volume of fish we can purchase and process safely. The wellbeing of all FFMC stakeholders, particularly our fishers and employees are our highest priority.

FFMC is pursuing all market opportunities including retail distribution for fish products that we usually supply to the food service industry. These opportunities are showing some success. Nonetheless, given the overall reduced demand for our fish, for the foreseeable future, the Corporation will only be purchasing fish that can be readily sold to customers with confirmed requirements. For example, we are currently executing plans to accommodate a limited carp and mullet fishery in April and early May for which we have orders.

The overall fish procurement plan will be communicated through our field operations group as it is developed. At this time, the most likely scenario being generated is that we may buy limited quantities of lake whitefish, mullet, carp, tullibee and northern pike to support retail customers. We anticipate a recovery for restaurants when businesses are able to open again, but that recovery is expected to be slow. The longer-term uncertainty regarding the economic and subsequent recovery of the restaurant, hospitality and food-service industry indicates that we will not need to purchase large volumes of walleye until that industry shows sustained signs of improvement and demand increases. This scenario is subject to change depending on the strength and timing of the overall recovery from COVID-19.



FFMC is taking the necessary actions described above to get through these challenging times. Our focus is for the Corporation and all stakeholders to emerge from this crisis stronger than we were before. The uncertainty of these times is daunting for all of us. Recent COVID-19 trends seem encouraging and appear to be moving in the right direction. Stay safe and stay healthy.

Yours sincerely,

A handwritten signature in black ink, which appears to read "Stan Lazar", is positioned below the text "Yours sincerely,".

Stan Lazar
President and Chief Executive Officer