



Freshwater Fish Marketing Corporation

Five-Year Corporate Plan Summary

Corporate Plan 12/13 to 16/17

Capital Budget 12/13

Operating Budget 12/13

Original Submission of Plan: February 2012

Updated: October 12, 2012

Executive Summary

Freshwater Fish Marketing Corporation (Freshwater) has provided effective market access and a reliable source of income to the commercial fishers of its mandated region in western and northern Canada for more than 40 years. Freshwater Fish was created in 1969 in response to the recommendations of the McIvor Commission, which found that 'the uncertainties and risks [of the freshwater fishery] are especially extensive in exporting ... due to (1) the perishable nature of the product (2) the absence of effective quality control and (3) the lack of coordination between the demand and supply coming to the market'. In its 1966 report the McIvor Commission described a business environment in which too many exporters were selling to just a few buyers giving the buyers total control over prices. Buying prices changed (usually downward) during the season and in many cases fishers found themselves still owing money to their local agent for gear and fuel at the end of the season.

Freshwater was created as a single desk to level the playing field between sellers and buyers by giving fishers the leverage required to negotiate economically viable prices with their customers. Freshwater's primary objective has been to increase returns, not just to the strongest fishers but to all fishers. The effectiveness of this approach can be found in the trend of fish prices relative to those for hogs and beef cattle. Fish prices were well below hog and cattle prices in the early 1980's but had surpassed hogs by the end of that decade and cattle by the early 2000's.

Since its start-up in 1969, Freshwater has returned over \$1.0 billion to the mostly remote northern communities it serves and has contributed an additional benefit of approximately \$0.7 billion through the operation of its plant and collection infrastructure. This result has been achieved while operating in a self-sustaining manner, as required by its mandate.

In fulfilling its mandate, Freshwater provides four key benefits to the inland fishery as well as domestic and global food markets:

1. Orderly market/price maintenance - Freshwater buys all fish offered for sale and carries out market-making activities such as holding frozen inventory to match supply with demand.
2. Global markets - Freshwater gives Canadian inland fishers access to global markets while reducing the business risk for fishers inherent in the export of food products:
 - foreign exchange risk - by hedging currencies
 - market risk - by setting buying prices for a season and as much as possible for a year at a time
 - cash flow risk - by paying fishers within a week of delivery and managing customer receivables
3. Food safety and security - Freshwater works closely with the Canadian Food Inspection Agency (CFIA) and its customers to ensure its supply chain and processing plant meet federal and customer requirements for food safety and security. Freshwater was one of the first foreign fish plants certified for export to Russia.
4. Economic development - In many communities where Freshwater operates delivery points, the fishery is the only commercial avenue of economic development. A majority of these communities (42 of 53) are predominantly Aboriginal (First Nations and Métis). The fishery fosters independent business owners, increases employment in rural and remote regions and offsets the need for social assistance. In FY2009/10, 75% of the more than \$31 million that FFMC paid out in returns to fishers and agency fees went to predominantly Aboriginal communities. If 53° north and above is considered north, then approximately 40% of deliveries by value and 50% by volume came from northern communities in FY2009/10. This income remains in the community in the form of wages for hired labour (fishers hire an average of four crew members) and money spent at local businesses.

Freshwater, like every other Canadian food processor and exporter, has had to contend with a number of fast-paced changes to its environment over the past decade: the weak US dollar / strong Canadian dollar, increasingly complex food safety and security regulations, more stringent workplace safety requirements, increasing access to international markets and increasing international competition in domestic markets, to name just a few of the most significant.

The FY2012/13 plan will continue the central theme of the FY2011/12 plan; the need for Freshwater and the fishery to adjust to a strong Canadian dollar at par or higher against the US dollar and in a strong position against the Euro. To give the fishery time to adjust to current exchange rates, the FY2012/13 Corporate Plan will continue to hold buying prices at approximately the same level as the previous two years. With the USD/CAD forecast at \$0.98, this has been a very difficult target to achieve, requiring continued implementation of the Corporation's strategy for adjusting to a strong Canadian dollar.

Holding buying prices at the same level as the previous two years ensures that Freshwater obtains the required volumes to be profitable. Although walleye deliveries are stable at current prices whitefish and northern pike, both essential to the business, are at a point on the price/supply curve that is very elastic. With more than forty years of data and experience Freshwater understands that at current price levels fishers are making decisions on whether to fish or not to fish based on their individual assessment of how they will maximize income over the next year, by fishing, by working outside of their community or a combination of both. These individual decisions multiplied by 2000 fishers have a critical impact on Freshwater's own viability. This strategy also includes projects to improve efficiencies, supply volumes and market prices.

In keeping with the cost containment measures of Budget 2010 and the spirit and intent of the Strategic and Operational Review, cost reductions have been made and cost reduction projects are ongoing in several areas of this plan: most significantly, working capital, ERP / business processes, supply chain management, plant management and plant renovation. Where possible, third-party contractors have been used rather than hire additional staff. Internal audit, public relations and payroll will all be handled by third parties in FY2012/13.

Cost reductions on a per unit basis can also be achieved by increasing volume through the plant. Initiatives on supply development and market development address the two sides of this volume equation. The loss of Saskatchewan as a signatory to the *FFMA* does add some risk to volume projections; however, this risk is diminishing. At the time of writing, fisher co-ops representing 99.5% of previous deliveries to Freshwater have signed contracts to continue supplying Freshwater after April 1, 2012. Saskatchewan fishers will be paid at the same rate as fishers in the mandated region. However, the Corporation will no longer provide payroll services (Record of Employment, EI deductions, royalty deductions, loan deductions) or freight allowance administration. Nor will Saskatchewan fishers participate in any final payments (distribution of surpluses). Historically, Saskatchewan has delivered approximately 10% of Freshwater's fish by value and 17% by volume. Fishers of the Northwest Territories Fishermen's Federation recently reconfirmed their commitment to the *FFMA* and Freshwater is now working with the Fishermen's Federation and the NWT government to revitalize the fishery on Great Slave Lake.

To achieve the delivery volumes required to meet market demand and maximize supply chain and processing efficiency, additional supplies need to be found and may require purchasing fish from outside the mandate region. The Board and management believe that where this program can be demonstrated to generate additional earnings, it is entirely consistent with the Corporation's mandate to increase returns to fishers and increase trade in fish. Traditionally, Freshwater and Great Lakes processors have traded whitefish, walleye and perch. This program envisions the expansion

of trade in whitefish and includes the US side of the Great Lakes. Commitments will be short-term, allowing sales to match supply with customer requirements and make purchases only when local supplies are short. There would be several benefits: (a) market stabilization – excess Great Lakes supply will not damage Freshwater markets; (b) continuity of supply to customers – Freshwater has expanded whitefish markets and is short of supply; (c) financial contribution to overheads and earnings; (d) and eventual elimination of the ‘boom-bust’ cycle in whitefish.

In the marketing side of the business, the addition of a Business Development Manager to the Sales and Marketing team has proven very effective, adding more than \$2.5 million in new business after one full year. In the plan year, marketing will continue to focus development on the contribution made by new markets (Russia, Romania), replacing commodity business with branded (perch) and finding new opportunities for value-added products (mullet roe, pin-bone-out whitefish, smoked trout, battered walleye). To help address the difficulties experienced by fishers who rely on lower value species such as mullet and tullibee, Freshwater will continue to work with stakeholders and partners to find ways to add value to these species. Research and development is the long-term solution but this will require partners who are willing to commit for the longer term.

In 2010 Freshwater engaged Genivar, consulting engineers, to provide a plant condition assessment for the 40 year old Winnipeg processing facility that included mechanical, electrical and structural engineering, building life-cycle analysis and capital asset planning. The objective of the study was to extend the operational life of the plant to 2035, meet health and food safety standards and gain cost savings through processing efficiencies. The phased investment plan to improve the plant condition to current standards is:

		Implementation schedule	\$'000
Actual spent		FY 2008/09 - FY 2011/12	\$ 11.452
Planned spending	Phase I	FY 2012/13	\$ 1.514
		FY 2013/14	\$ 2.294
	Phase II	FY 2014/15 - FY 2020/21	\$ 16.328
	Phase III	FY 2021/22 - FY 2022/23	\$ 3.412
Total capital investment			\$ 35.000

Of the \$35 million in capital investment required to improve the plant condition, \$11.5 million had been spent as of April 30, 2012. The remaining \$23.4 million of investment will be spent over the next 9 years with \$1.5 million planned in FY 2012/13 and \$2.75 million to be spent in each of the successive 8 years.

While some risk inherently exists with operating and maintaining a 40 year old processing facility, nearly one third of the capital identified in the plant condition assessment has already been invested, primarily to address the areas of highest risk. In addition, Freshwater has a number of contingencies in place that could be used to mitigate risk should a capital expenditure be required in advance of the above schedule;

- Freshwater has the capacity to absorb more debt. Projected peak borrowings would allow an additional \$11 million to be spent on capital without breaching the legislated borrowing limit
- Freshwater could pay less final payment to fishers and retain more earnings to invest in capital expenditures
- Freshwater has and will continue to work with its customers and CFIA to prioritize capital investments to meet food safety and security regulations

Borrowing authority requirements:

Projected peak borrowing requirements will be as follows:

	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Operating debt	\$26,117	\$23,228	\$20,872	\$19,215	\$17,842
Long-term debt	\$9,715	\$14,131	\$16,619	\$18,985	\$21,226
Total Borrowing requirement (thousands)	\$35,831	\$37,359	\$37,491	\$38,200	\$39,068

Freshwater's newly-approved Long Term Debt and Retained Earnings Policy came into effect in the FY2011/12 plan year. Effective in FY2011/12, final payment to fishers is based on available cash rather than a percentage of net income. As a commitment to meeting its mandate as a self-sustaining Crown Corporation, retained earnings will be built up from \$ 4.6 million in FY2011/12 to \$8.6 million in FY2016/17 and the forecast in this plan shows that cash will be available to fishers annually. Through implementation of this policy, Freshwater is committing to rebuilding its retained earnings and paying down capital debt based on a schedule agreed with its bank.

Management will need to balance the requirement for improving retained earnings with the economic realities of the fishery. In this manner Freshwater and the fishery it serves are not separate entities; they are an integral part of each other's economic viability. The Corporation must remain mindful of this when setting buying prices and balance the multiple priorities of debt reduction, plant renovation and a fishery that needs price stability.

In 2010, Freshwater Fish underwent its regular Special Examination by the Office of the Auditor General of Canada. Freshwater was given an adverse opinion due to a number of governance, strategic, risk management and operational issues. As of April 30, 2012 most of the recommendations had been implemented. Following is a detailed status of work undertaken:

ITEM	STATUS / ACTION
Board profile	The Board has submitted to the Minister a new Board profile policy. A person with a CA designation now acts a financial advisor to the Board and Audit Committee
Audit Committee	Audit Committee has been restructured and is now in compliance. The financial advisor will become Chair on being appointed to the Board.
Internal audit plan	KPMG has been retained as internal auditor and an audit plan approved
Strategic plan	The shareholder has now approved the FY2009/10 and FY2010/11 Plans for one year each and the FY2011/12 Plan for a two-year period.
Oversight of risk	Management has created an Integrated Risk Management Plan which has been approved by the full Board and is now reviewed quarterly by the Audit Committee.
Retained earnings	A Long Term Debt and Retained Earnings Policy has been developed with the assistance of Grant Thornton and KPMG. This policy was approved by the Board in Feb 2011 and made effective May 1, 2011 for the 2011/12 fiscal year
Human resources strategy	The work required to improve HR practices is ongoing but at the time of the audit had not been written into a comprehensive departmental strategic document. A draft strategic plan document for the HR department has been written and will be approved by October 31, 2012.
Contracting and procurement policies	Draft policies are now in use and will be formally approved by October 31, 2012

The Corporate Plan presented here details how Freshwater Fish will continue to increase returns to fishers in a self-sustaining manner in its mandated region, provide economic opportunities for rural and remote communities, open global markets for Canadian freshwater fish and meet the most stringent requirements for food safety and sustainability.



Statutory Authority, Mandate and Profile

Statutory Authority

Freshwater Fish Marketing Act R.S.C. c.F-13

Mandate

The Corporation's mandate is “to purchase all fish lawfully fished and offered for sale; to create an orderly market; to promote international markets; to increase fish trade; and to increase returns to fishers. Surpluses, in the form of final payments, are distributed annually to participating fishers.

Governance

Freshwater Fish Marketing Corporation (FFMC) is a federal Crown Corporation created in 1969 under the *Freshwater Fish Marketing Act* to regulate interprovincial and export trade in freshwater fish. Its Board of Directors is composed of a Chairperson, a President and Chief Executive Officer, one Director for each participating province/territory, and four other Directors. All Board positions are federal Order-in-Council appointments, currently with three appointed on recommendation of the lieutenant governor-in-council of each participating province/territory. The Chairperson of the Board is the key link between the Corporation and the federal government, through the Minister of Fisheries and Oceans Canada and through other senior government officials. The Directors are accountable through the Chairperson to the Minister of Fisheries and Oceans. It is the Minister of Fisheries and Oceans who represents the Corporation in Cabinet and Parliament.

The Board acts as the trustee on behalf of the government by holding management accountable for the Corporation's performance, its long-term viability, and the achievement of its objectives. The Board is responsible for ensuring the Corporation is managing its assets, its human and financial resources in accordance with professional best business practices and standards.

In keeping with the requirements of the *Financial Administration Act*, there is currently one Committee reporting to the Board: the Audit Committee. Audit Committee members are appointed by the Board and the three (3) members are drawn from the Board. The Chairperson of the Board may be a member of the Audit Committee but cannot serve as the Audit Committee Chairperson. The Audit Committee may also appoint an individual who holds a professional accounting designation and is experienced in corporate finance to assist the Audit Committee as an advisor. Members of the Audit Committee cannot be officers or employees of the Corporation.

The Audit Committee provides assistance to the Board of Directors in fulfilling the Board's oversight responsibility with respect to the Corporation. The Corporation's financial statements are audited by the Office of the Auditor General.

The primary responsibility of the Audit Committee is to oversee the Corporation's financial reporting process on behalf of the Board and report the results of its activities to the Board.

In addition, a temporary Selection Committee is formed whenever the Corporation is recruiting a new President and CEO. The Selection Committee is composed of the Board Chairperson and a minimum of three (3) Directors.

Corporate Business Profile

Freshwater operates as a self-supporting business receiving no government appropriations, with a complex supply chain of delivery points, agents, temperature-controlled transport, processing and inventory management to match the fish harvest of approximately 2,200 commercial fishers with market demand. It purchases approximately 17 million kgs of freshwater fish each year, which is packed whole or processed into fillets, minced and caviar products in the Winnipeg plant. The plant is federally-inspected, kosher-certified, and compliant with international standards for product safety and quality.

Annual sales of approximately \$66 million go to important niche markets in the USA (60%), Canada (18%), Europe (20%), and other markets (2%). A 'final payment' from any year-end surpluses is distributed to fishers annually subject to the Long Term Debt and Retained Earnings Policy.

Vision, Mission and Goals

Vision

Freshwater Fish Marketing Corporation maximizes returns to the fishers of Western Canada through effective marketing, efficient supply chain management and the value-added processing of quality freshwater fish products.

Mission

Freshwater will provide the core activities of its legislated mandate which are to:

- Purchase all fish offered for sale
- Create an orderly market
- Promote international markets
- Increase trade in fish
- Maximize returns to commercial fishers

To do this, Freshwater will support the orderly management of the freshwater fishery through planned harvesting, processing and marketing strategies to maximize returns to commercial fishers.

Goals

- To generate market value and leadership
- To manage an effective and efficient supply chain
- To assure continued stakeholder confidence
- To maintain corporate viability and sustainability

Strategies

The Mission, Vision and Goals define the boundaries within which Freshwater Fish operates. Strategies set Freshwater's focus and direction over the ten year strategic horizon and are determined by the need to manage risks and leverage opportunities to ensure a sustainable future for FFMC.

Freshwater has identified seven key strategies to ensure its sustainability. A more detailed summary of strategies is presented in Appendix 5.

1. Ensure the long-term financial viability of the Corporation

Freshwater Fish will create or modify policy and put in place programs to reduce its short-term debt, properly finance its long-term capital expenditure program and operate on best practice principles.

2. Develop processing infrastructure to meet fishery and market needs

Invest in infrastructure and develop systems to add value to products, reduce costs and meet current standards for food safety, security and quality.

3. Stakeholder knowledge and support

Execute a two-way communications strategy for each stakeholder group (fishers, government, employees) to maximize the fishery resource and increase returns to fishers.

4. Expand the business to create value and diversify to promote stability

Create broader product lines and a more diverse set of key markets to reduce dependence on core species and markets.

5. Manage the Corporation within a market-oriented business model

Operate using species-specific business plans and sound market assessments to drive investment and harvest management with the goal of increasing revenues.

6. Promote sustainable development and commercial viability of the fishery

Work with fishing communities and government to improve opportunities and income for fishers.

7. Create an environment of total quality management

Develop a culture of total quality management throughout the supply chain to meet customers' needs effectively, efficiently and consistently.

Strategic Initiatives

Use of corporate resources is guided by the seven strategies described in 3.5. The strategies drive eleven strategic initiatives. Initiatives are designed to put strategies in motion by creating a structure from which strategic projects can be generated. Initiatives are usually three to five years in length. The following chart shows how initiatives address strategies.

Strategy/Initiative Matrix

		STRATEGIES						
		1-Financial viability	2-Processing infrastructure	3-Stakeholder knowledge & support	4-Expand & diversify the business	5-Market-oriented business model	6-Fishery-sustainable & viable	7-Total quality management
I N I T I A T I V E S	1	Balance Sheet	■	■				
	2	Plant Renovation	■	■		■	■	
	3	Culture of Excellence			■	■	■	■
	4	Lake-to-plate Quality Assurance		■	■		■	■
	5	Supply Chain Management	■	■		■	■	■
	6	Cost Management	■	■				■
	7	Supply Development	■	■		■	■	■
	8	Market & Product Development	■	■		■	■	■
	9	Species Management				■	■	■
	10	Stakeholder Communications			■			■
	11	Governance	■		■			■

Description of Initiatives

1. Balance sheet

Freshwater Fish's balance sheet was weak and as a result, undertook a number of initiatives to address this. A retained earnings and long-term debt policy was implemented, repayment of principal long-term capital debt is now occurring and working capital levels are managed more effectively. This initiative is designed to strengthen Freshwater's balance sheet. This must be balanced against the need to avoid further reducing prices to fishers, many of whom are already operating at marginal economic levels.

2. Plant redevelopment

In 2010 Freshwater engaged Genivar, consulting engineers, to provide a plant condition assessment for the 40 year old Winnipeg processing facility that included mechanical, electrical and structural engineering, building life-cycle analysis and capital asset planning. The objective of the study was to extend the operational life of the plant to 2035, meet health and food safety standards and gain cost savings through processing efficiencies. The phased investment plan to improve the plant condition to current standards is provided in appendix 4, highlights are:

		Implementation schedule	\$'000
Actual spent		FY 2008/09 - FY 2011/12	\$ 11.452
Planned spending	Phase I	FY 2012/13	\$ 1.514
		FY 2013/14	\$ 2.294
	Phase II	FY 2014/15 - FY 2020/21	\$ 16.328
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Total capital investment			\$ 35.000

Of the \$35 million in capital investment required to improve the plant condition, \$11.5 million had been spent as of April 30, 2012. The remaining \$23.4 million of investment will be spent over the next 9 years with \$1.5 million planned in FY 2012/13 and \$2.75 million to be spent in each of the successive 8 years.

3. Culture of excellence

Missing skill sets have been resourced and performance development and pay-at-risk systems implemented. Now the organization needs to undergo a culture change that will see it focus on quality and excellence in all of its processes.

4. Lake to plate quality assurance

Related to the Culture of Excellence initiative, there is an opportunity to increase value to fishers and customers by improving processes and work habits to provide a more consistent product with fewer errors in specifications, documentation and timing.

5. Supply chain management

Until 2008 Freshwater had no formal supply chain management system. Since then a Supply Chain Manager has been hired and certain basic processes implemented. Going forward Freshwater will focus on streamlining logistics to reduce costs.

6. Cost management

A number of systems, processes and reporting structures have been established to manage Freshwater's costs. These include installing a Process Operating System, hiring a Cost Accountant and implementing standard costing systems.

Basic yield management processes are in place in the most yield-sensitive operations. The next priority will be real-time continuous collection and analysis of yield data.

7. Supply development

Food processing is a low-margin, capital intensive business that requires high volumes to achieve profitability; with this in mind, building deliveries to meet the supply needs of growing markets is a priority. The focus will be on whitefish as the species with the most potential for growth both from a supply side and markets perspective.

8. Market and product development

To grow volume and reduce risk while increasing prices over the long term the business must expand beyond its traditional markets and products. Freshwater Fish is investing where it has an opportunity to build new markets and working with partners to add new products. In FY2011/12, \$2.5 million in revenue came from markets, customers or products that did not exist two years ago.

9. Species management

Each of the major species is operated as a separate business unit and each must have its own business plan including a supply development plan and marketing plan. Species specific Profit and Loss statements are produced monthly.

10. Stakeholder communications

Freshwater Fish has communications strategies for each of its stakeholder groups and a communications company has been retained to help implement these strategies. The goal is to improve the understanding of and support for Freshwater among its stakeholders.

11. Governance

This initiative is designed to raise Freshwater's governance to best practice levels over the plan period. In the near term, it will focus on finding solutions to governance issues addressed in the Auditor General's Special Examination report and any shortfalls found in the annual financial audit.

One Year Action Plan (FY2012/13)

The Action Plan is separated into two parts: the first describes major corporate projects to be undertaken through the year and the second is a chart of the Key Performance Indicators (KPIs) by department, along with a summary of how each department plans to achieve these targets.

Corporate Projects

Corporate projects are the vehicles that achieve progress against initiatives and therefore progress against strategies. It is at the project level that budgets, resources and outcomes are determined.

Corporate projects are often inter-departmental or cross-functional, and have an executive committee member as champion and a project leader. The executive committee champion updates the executive committee on progress, issues and resourcing requirements. The project leader looks after the day-to-day activities of the project and reports to the executive committee champion. All corporate projects have a project outline approved by the strategic planning team.

The following chart shows how corporate projects address initiatives. Each corporate project is described in detail in Section 4.1.2.

Strategic Initiatives /Projects Matrix

			INITIATIVES										
			1	2	3	4	5	6	7	8	9	10	11
Project #			Balance sheet	Plant renovation	Culture of excellence	Lake-to-plate quality assurance	Supply chain management	Cost management	Supply development	Market & product development	Species management	Stakeholder communications	Governance
P R O J E C T S	12/1	Enterprise resource planning											
	12/3	Yield management – Phase 2											
	12/9	Governance development											
	13/1	Value-added whitefish products											
	13/2	Value-added roe products											
	13/3	Supply – Great Lakes fish											
	13/4	Supply – fishing vessels for Great Slave Lake											
	13/5	Change management											

The following are FY2011/12 projects that have been completed:

- 12/2 Margin and contribution management
- 12/4 Plant efficiency
- 12/5 Tunnel freezer
- 12/6 Saskatchewan supply program
- 12/7 Respectful workplace policy
- 12/8 Human resource policies and procedures

The systems and programs implemented by these projects are now fully integrated into the business.

Key Performance Indicators and Action Plans by Department

Achievement of the Plan requires each department to operate within its expense budget and meet certain operational goals summarized in the Key Performance Indicators given below.

Department	Metric	Performance Target
Corporate	Net Income	\$2.0 million
	Total Returns to Fishers	(mandate region) \$25.6 million (all) \$27.6 million
Finance	Working Capital Management	5% improvement in current ratio
	Financial reporting and accuracy and processing efficiency	Improve month-end cycle time to 5 days by Jan 31, 2013 and achieve improved processing efficiency in all finance areas by April 30, 2013
	IT controls and processes	Ensure the Corporation is compliant with the ITGC audit by April 30, 2013
Sales and Marketing	Gross and net sales	\$66.0 million/\$61.5 million
	Whitefish improvement	PBO fillet sales: 80,000 kgs/\$700,000 Portion sales: 49,000 kgs/\$416,000 125g whitefish caviar: 3,600 kgs/\$120,400 Purchase Great Lakes whitefish: buy 72,500 kgs; sell @ avg. gross contribution margin of \$0.24/kg
	New business	\$2.5 million
Processing	Improve direct labour efficiency by 2%	\$90,000
	Increase yield on walleye by 1.7%	\$900,000
Field Operations	Delivery volume	Total deliveries 13.6 million kilograms
	Great Slave Lake whitefish deliveries	384,000 kilograms
	Communication with fishers	15 fisher meetings, 4 newsletters
Quality Assurance and Technical Services	Compliance - customers	Pass all customer audits
	Compliance - CFIA	Plant quality compliant with CFIA
	Research & Development – caviar – roe from three species	Commercial production from at least one species
Human Resources and Government Services	Implementation of (HRIS) Human Resources Information System - Payworks	Fully functional HR System by April 30, 2013
	Reduce # of days lost due to workplace accidents	Reduce by 10%: 816 to 735 Based on calendar year
	Reduce average # of attendance incidents per employee	Reduce from 10 to 9 by April 30, 2013
	Pension Upgrade	Completion of all requirements by April 30, 2013

Supply Chain	Overseas freight cost improvement	10% reduction
	Cold storage cost reduction	\$40,000
	Production planning implemented	Up and running by May 1, 2012
President's Office	Communication: Quarterly meetings with staff and fisher newsletters	Quarterly for each
	Governance: Integrated Risk Management Plan – Phases 1 and 2	Document completed Plan in use by July 31, 2012
	Governance: Special Exam recommendations	All implemented by April 30, 2013

Capital Budget

In developing the capital plan for the planning period, Freshwater has taken into account all aspects of the challenges of a 40 year old processing infrastructure and designed a capital plan that is affordable within its borrowing limits while meeting the commitment of paying down debt. Investments as per Schedule A below are made in categories such as maintenance or replacement of aging plant infrastructure and information technology.

Schedule A

	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Total Plant	\$ 2,135,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000
Total Field Operations	\$ 585,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Total Capital Investment	\$ 2,720,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000

\$2.1 million in capital expenditures previously approved in the 2011/12 remain to be completed with cash to be spent in FY 2012/13. The accompanying schedule on the next page provides a detailed breakdown by spending category.

Investment in the plant since its original opening in 1971 was minimal until FY2006/07, running at or below the annual depreciation rate. After more than 40 years of operation, equipment and infrastructure are nearing the end of their useful life creating three sets of issues for the Corporation.

- Maintenance: Aging equipment and infrastructure are expensive to maintain and are increasingly prone to break-down during periods of heavy use.
- Food safety regulations and customer quality assurance standards: Well-publicized food safety problems have increased public sensitivity to safety in food processing, reinforcing an existing trend toward more rigid enforcement of regulations and more demanding standards applied by customers. The difficulty and additional cost of complying with regulations and the quality assurance standards of customers have become a factor in the industry and for the Corporation.
- Efficiency: Old technology and worn-out equipment reduce efficiencies and yields, increasing costs and adding to the difficulties of competing in a strong dollar environment.

In 2010 Freshwater engaged Genivar, consulting engineers, in response to this situation to provide a plant condition assessment for the 40 year old Winnipeg processing facility that included mechanical, electrical and structural engineering, building life-cycle analysis and capital asset planning. The objective of the study was to extend the operational life of the plant to 2035, meet health and food safety standards and gain cost savings through processing efficiencies.

	Maintenance		Payback		TOTAL
	Infrastructure	Major Renovation	Improved Efficiency	Business Development	
TRANSCONA PLANT					
Grader Rm. Upgrades		\$ 36			\$ 36
Glazier Chiller		\$ 169			\$ 169
Receiving Ceiling - Sand Blasting & Painting		\$ 614			\$ 614
Receiving Ammonia Pipe Replacement		\$ 154			\$ 154
Receiving Cooling Coil Replacement		\$ 180			\$ 180
Water Pipe Replacement	\$ 64				\$ 64
Baader Rebuild		\$ 193			\$ 193
Packaging Sealer		\$ 128			\$ 128
Ice Slurry Silo Access & Hoarding	\$ 64				\$ 64
Truck		\$ 40			\$ 40
Blast Freezers			\$ 128		\$ 128
Cold Storage Racks			\$ 141		\$ 141
Office and Compute					\$ -
Mobile Communications Centre	\$ 9				\$ 9
Computers	\$ 107				\$ 107
Transcona Plant Failure Contingency					\$ -
Plant - Maintenance	\$ 107				\$ 107
					\$ -
TOTAL TRANSCONA PLANT	\$ 351	\$ 1,514	\$ 270	\$ -	\$ 2,135
FIELD OPERATIONS					\$ -
Poplar River Barge		\$ 210			\$ 210
Berens River					\$ -
Sewer Line repair		\$ 5			\$ 5
Selkirk					\$ -
Ice Machine		\$ 265			\$ 265
Wabowden					\$ -
Truck		\$ 35			\$ 35
Ice Machine		\$ 57			\$ 57
Leaf Rapids					\$ -
Water Pump System		\$ 14			\$ 14
					\$ -
TOTAL FIELD OPERATIONS	\$ -	\$ 585	\$ -	\$ -	\$ 585
TOTAL CAPITAL BUDGET	\$ 351	\$ 2,099	\$ 270	\$ -	\$ 2,720
TOTAL CAPITAL BUDGET \$ BY CATEGORY	\$	2,451	\$	270	\$ 2,720
TOTAL CAPITAL BUDGET % BY CATEGORY		90.09%		9.91%	100.00%

DEFINITIONS

Maintenance
Infrastructure
Major Renovation

Capital investment required to replace or repair assets
investments related to the physical plant environment
investments related to the processing of fish as identified in the Genivar study
investments related to food safety or security regulations

Payback
Improved Efficiency
Business Development

Capital investments that will provide a cost saving
investments with a financial return in material yield, operating and/or labour efficiency
investments with a financial return in product and market development



Operating Budget

Freshwater Fish is committed to running a high quality and effective organization by providing commercial and economic development, assuring food security and safety and encouraging and shaping markets for Canadian freshwater fish exports throughout the world. Freshwater Fish's projected operating budget for FY2012/13 is \$59.6 million based on net sales revenue of \$61.5 million. The attached projected financial statements reveal the fiscal realities of these commitments and the financial outcome of supporting the strategies discussed in this plan.

Fish Deliveries

Freshwater has developed a comprehensive regional supply development plan that has been incorporated into the financial projections. The financial plan includes a detailed analysis by Freshwater's field operations group of the effect of reduced Saskatchewan supply as a result of the province's withdrawal from the *Freshwater Fish Marketing Act*.

Revenues

Freshwater Fish's revenues consider the growth expectations consistent with the objectives of the market, product development initiatives and forecast supply volumes.

Expense Management

Freshwater has a cost management initiative described within the plan that includes a mix of annual savings from operating and labour efficiencies, material yield and process improvements. These improvements have been incorporated into the financial statements.

Payments to Fishers

Initial Payment

Freshwater continues to face Canadian dollar strength and global economic challenges. In order to offset these challenges, reductions in overhead expenses, improvements in operating efficiencies, and repayment of long-term debt will have been initiated or achieved in FY2012/13 and will continue to improve through FY2016/17. Initial payments to fishers assume no further decreases in initial buying prices to meet Freshwater's commitment to encourage increased fishing. Stable or increasing fish deliveries are critical to Freshwater's financial and economic success.

Final Payment and Retained Earnings

Freshwater's Long Term Debt and Retained Earnings Policy was approved by the Board of Directors in February 2011. Effective in FY2011/12, final payment to fishers was based on available cash rather than a percentage of net income.

Debt

Freshwater's legislated borrowing limit is \$50 million and currently is authorized at \$39.5 million. The Corporation currently utilizes a revolving demand credit facility providing access to funds up to the amount of \$29.5 million in short term borrowings and \$10 million in long-term borrowings. The funds are advanced through loans, overdrafts, promissory notes and bankers' acceptances. The bankers' acceptances are renewed weekly and are projected in FY2012/13 to bear a weighted average interest rate of 2.05%. The U.S. dollar denominated promissory note is renewed for 3 or 6 month terms and is projected to bear a weighted average interest rate of 2.38% in FY2012/13.

Freshwater's projected total debt at the end of FY2011/12 was \$21.1 million. Freshwater has made significant progress in its initiative to strengthen its balance sheet by reducing inventory levels, improving accounts receivable collections and lengthening accounts payable payment times. However the most significant contributor to Freshwater's strengthened balance sheet was the retention of \$2.951 million of its \$5.739 million in earnings (45%). Financial projections over the planning period demonstrate that debt will be restructured and paid down based on the following assumptions.

- Existing long-term debt
 - \$10.0 million, 20 year amortization, 3.47% interest

- New long-term debt for capital investment
 - \$2.7 million for capital purchases in FY2012/13, 20 year amortization, 3.47% interest
 - \$3 million for capital purchases annually 2014-2017, 20 year amortization, inflation adjusted 2014-2017

- Working Capital Debt
 - \$4 million LIBOR loan, 2.38% interest FY2012/13, inflation adjusted 2014-2017
 - Remaining requirements as Banker's Acceptance, 2.056% interest FY2012/13, inflation adjusted 2014-2017

The financial projections show total debt requirements as of the end of each fiscal year. Peak borrowing requirements affected by increased working capital during the year are reflected in the borrowing authority section below.

Freshwater had the revised debt structure in place by April 30, 2012.

Borrowing authority

Projected peak borrowing requirements will be as follows:

	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Operating debt	\$26,117	\$23,228	\$20,872	\$19,215	\$17,842
Long-term debt	\$9,715	\$14,131	\$16,619	\$18,985	\$21,226
Total Borrowing requirement (thousands)	\$35,831	\$37,359	\$37,491	\$38,200	\$39,068

Assumptions Underlying Financials

The following are select high level assumptions used towards key areas of Freshwater Fish's financial projections:

- Inflation of 2% annually;
- Foreign currency exchange of \$CAD/\$USD at \$0.98 in FY2012/13 and par 2012/13/14 onward;
- Depreciation per accounting policy; and,
- Selling and administration costs include efficiency gains.

Risks

The following are select high level risks that could impact key areas of Freshwater Fish's financial projections which are monitored:

- Continued global economic challenges could further strengthen the Canadian dollar, reducing sales revenue;
- Increasing interest rates;
- Declining marketability of fish due to lack of eco-certification; and,
- Buying price affects delivered volume. Although walleye deliveries are stable at current prices whitefish and northern pike, both essential to the business, are at a point on the price/supply curve that is very elastic. With more than forty years of data and experience Freshwater understands that at current price levels fishers are making decisions on whether to fish or not to fish based on their individual assessment of how they will maximize income over the next year, by fishing, by working outside of their community or a combination of both. These individual decisions multiplied by 2000 fishers have a critical impact on Freshwater's own viability.

Statement of Operations, Comprehensive Income and Retained Earnings 2013

Freshwater Fish Marketing Corporation Pro-Forma Financial Statements						
Version: Base Case 1.0 - 2012-08-24						
S7 - Quarterly Income Statement						
	Annual Actual	Quarterly Plan	Quarterly Plan	Quarterly Plan	Quarterly Plan	Annual Plan
	Fiscal 2012	Fiscal 2013	Fiscal 2013	Fiscal 2013	Fiscal 2013	Fiscal 2013
Start Date	1-May-2011	1-May-2012	1-Aug-2012	1-Nov-2012	1-Feb-2013	Fiscal 2013
End Date	30-Apr-2012	31-Jul-2012	31-Oct-2012	31-Jan-2013	30-Apr-2013	Fiscal 2013
(\$'000, unless otherwise stated)						
Sales and gross margin						
Net delivered weight to customers (kg)	8,485,799	1,741,575	2,212,523	1,795,172	2,304,135	8,053,406
Total gross sales at customer location	66,881	14,941	17,463	15,089	19,436	66,928
Plus (less): Fx gain/(loss)	(94)	(193)	(231)	(202)	(258)	(884)
Less: discounts and allowances	(2,146)	(1,007)	(1,208)	(1,023)	(1,294)	(4,531)
Total net sales	64,641	13,741	16,024	13,865	17,884	61,513
Cost of sales						
Opening inventory of finished fish products	9,195	9,618	13,723	16,269	13,888	9,618
Plus: fish purchases and processing expenses						
Fish purchases - mandated area	27,752	8,972	9,226	2,960	3,386	24,544
Fish purchases - non-mandated area	-	979	198	607	204	1,988
Plant Salaries, wages and benefits	10,916	2,384	2,821	2,431	3,122	10,758
Processing and operating costs	3,905	853	1,009	869	1,117	3,848
Packaging and storage	3,670	802	948	817	1,050	3,617
Freight	3,034	663	784	676	868	2,990
Repair and Maintenance	1,708	373	441	380	488	1,683
Utilities and property taxes	1,279	279	331	285	366	1,260
Depreciation and amortization of production assets	1,382	322	344	365	386	1,418
Other/Contingency	789	266	299	266	319	1,150
Sub-total	63,630	25,511	30,125	25,925	25,193	62,874
Less: ending inventory of processed fish products	(9,618)	(13,723)	(16,269)	(13,888)	(9,618)	(9,618)
Total cost of sales	54,012	11,788	13,856	12,037	15,575	53,256
Gross profit on operations	10,629	1,952	2,168	1,828	2,309	8,257
\$ per kg	\$1.25	\$1.12	\$0.98	\$1.02	\$1.00	\$1.03
Marketing and administrative expenses						
Salaries and benefits	2,328	596	596	596	596	2,383
Commissions	864	201	255	207	265	927
Data processing, office and professional services	205	176	176	176	176	702
Interest income	-	-	-	-	-	-
Interest expense	544	156	175	193	194	717
Advertising and promotion	280	79	79	79	79	314
Meeting fees and expenses	127	24	24	24	24	96
Other marketing and administrative expenses	578	111	111	111	111	444
Depreciation and amortization of administration assets	129	25	25	25	25	98
Total marketing and administrative expenses	5,055	1,366	1,439	1,409	1,468	5,682
Other income and expenses	(33)	(133)	(133)	(133)	(133)	(530)
Profit before provision for final payments to fishers	5,541	454	597	286	708	2,045
Provision for final payments to fishers	(2,950)	-	-	-	(1,100)	(1,100)
Total comprehensive income	2,591	454	597	286	(392)	945
Retained earnings, beginning of period	1,649	4,240	4,694	5,290	5,577	4,240
Retained earnings, end of period	4,240	4,694	5,290	5,577	5,185	5,185
Total payments to fishers - mandate area	30,702	8,972	9,226	2,960	4,486	25,644
Total available funds	33,293	10,405	10,021	3,853	4,298	28,577
Payment %	92.22%	86.23%	92.07%	76.81%	104.37%	89.74%

Balance Sheet 2013

Freshwater Fish Marketing Corporation Pro-Forma Financial Statements					
Version: Base Case 1.0 - 2012-08-24					
S8 - Quarterly Balance Sheet					
	Annual Actual	Quarterly Plan	Quarterly Plan	Quarterly Plan	Quarterly Plan
	Fiscal 2012	Fiscal 2013	Fiscal 2013	Fiscal 2013	Fiscal 2013
Start Date	1-May-2011	1-May-2012	1-Aug-2012	1-Nov-2012	1-Feb-2013
End Date	30-Apr-2012	31-Jul-2012	31-Oct-2012	31-Jan-2013	30-Apr-2013
(\$'000)					
Assets					
Current assets					
Cash	420	50	50	50	50
Trade receivables	6,507	7,343	7,455	8,538	6,062
Inventories					
Processed fish products, net of write-downs					
Walleye (Pickerel)	5,388	9,500	11,213	9,043	5,388
Lake Whitefish	686	867	1,605	1,246	686
Northern Pike	3,072	2,798	2,874	2,964	3,072
Sauger	68	69	113	73	68
Mullet	279	259	308	268	279
Perch	20	29	17	186	20
Lake Trout	104	201	141	107	104
Other	-	-	-	-	-
Total processed fish products, net of write-downs	9,618	13,723	16,269	13,888	9,618
Raw materials and supplies	873	873	873	873	873
Total inventories	10,491	14,596	17,142	14,761	10,491
Prepaid expenses	694	344	355	397	283
Derivative-related assets	139	139	139	139	139
Total current assets	18,251	22,471	25,142	23,885	17,025
Property, plant and equipment	17,692	18,570	19,425	20,260	21,074
Intangible assets	45	45	45	45	45
Total assets	35,988	41,086	44,612	44,190	38,144
Liabilities					
Current liabilities					
Trade and other payables and accrued liabilities	5,626	4,125	4,259	4,762	3,393
Current portion of accrued obligation for employee benefits	1,008	1,008	1,008	1,008	1,008
Provision for final payments to fishers	2,950	2,950	2,950	-	1,100
Operating line (LIBOR)	3,952	3,952	3,952	3,952	3,952
Operating line (BA Short Term)	7,200	13,385	16,220	17,999	7,855
Current portion of long-term debt	161	162	164	165	336
Derivative-related liabilities	394	394	394	394	394
Total current liabilities	21,291	25,976	28,947	28,280	18,037
Long-term debt	9,839	9,798	9,757	9,715	14,304
Accrued obligation for employee benefits	568	568	568	568	568
Asset retirement obligation	50	50	50	50	50
Total liabilities	31,748	36,392	39,322	38,613	32,959
Equity					
Retained earnings	4,240	4,694	5,290	5,577	5,185
Total liabilities and equity	35,988	41,086	44,612	44,190	38,144
Quarterly peak borrowing requirement					
Operating line (LIBOR)		3,952	3,952	3,952	3,952
Operating line (BA Short Term)		13,385	16,220	17,999	17,672
Current portion of long-term debt		162	164	165	166
Long-term debt		9,798	9,757	9,715	9,701
Total peak borrowing requirement		27,298	30,092	31,831	31,490
Contingency		4,000	4,000	4,000	4,000
Adjusted peak borrowing requirement		31,298	34,092	35,831	35,490

Statement of Cash Flows 2013

Freshwater Fish Marketing Corporation Pro-Forma Financial Statements						
Version: Base Case 1.0 - 2012-08-24						
S9 - Quarterly Cash Flow Statement						
	Annual Actual	Quarterly Plan	Quarterly Plan	Quarterly Plan	Quarterly Plan	Annual Plan
	Fiscal 2012	Fiscal 2013	Fiscal 2013	Fiscal 2013	Fiscal 2013	Fiscal 2013
Start Date	1-May-2011	1-May-2012	1-Aug-2012	1-Nov-2012	1-Feb-2013	
End Date	30-Apr-2012	31-Jul-2012	31-Oct-2012	31-Jan-2013	30-Apr-2013	
(\$'000)						
Operating activities						
Comprehensive income for the period	2,591	454	597	286	(392)	945
Plus: depreciation and amortization of production assets	1,382	322	344	365	386	1,418
Plus: depreciation and amortization of administration assets	130	-	-	-	-	-
Plus (less): gain (loss) on disposal of PP&E	37	-	-	-	-	-
Plus (less): changes in non-cash operating working capital						
Trade receivables	605	(836)	(112)	(1,083)	2,476	445
Inventories						
Total processed fish products, net of write-downs	(423)	(4,105)	(2,546)	2,382	4,270	-
Raw materials and supplies	(28)	-	-	-	-	-
Total inventories	(451)	(4,105)	(2,546)	2,382	4,270	-
Prepaid expenses	(420)	350	(11)	(42)	114	411
Derivative-related assets	339	-	-	-	-	-
Trade and other payables and accrued liabilities	2,243	(1,501)	135	502	(1,369)	(2,233)
Provision for final payments to fishers	1,755	-	-	(2,950)	1,100	(1,850)
Derivative-related liabilities	349	-	-	-	-	-
Accrued obligation for employee benefits	(242)	-	-	-	-	-
Asset retirement obligation	-	-	-	-	-	-
Sub-total	4,178	(6,092)	(2,535)	(1,191)	6,591	(3,227)
Cash from operating activities	8,318	(5,316)	(1,594)	(539)	6,585	(864)
Investing activities						
Additions to property, plant and equipment	(5,488)	(1,200)	(1,200)	(1,200)	(1,200)	(4,800)
Proceeds on disposal of property, plant and equipment	18	-	-	-	-	-
Cash from investing activities	(5,470)	(1,200)	(1,200)	(1,200)	(1,200)	(4,800)
Financing activities						
Plus (less): changes in debt						
Operating line (LIBOR)	-	-	-	-	-	-
Operating line (BA Short Term)	-	6,185	2,834	1,780	(10,144)	655
Current portion of long-term debt	(2,434)	1	1	1	170	175
Long-term debt	-	(41)	(41)	(42)	4,589	4,464
Sub-total	(2,434)	6,146	2,794	1,739	(5,385)	5,294
Cash from financing activities	(2,434)	6,146	2,794	1,739	(5,385)	5,294
Net increase (decrease) in cash and cash equivalents	414	(370)	-	-	-	(370)
Plus: cash and cash equivalents, beginning of period	6	420	50	50	50	420
Cash and cash equivalents, end of period	420	50	50	50	50	50

Statement of Operations, Comprehensive Income and Retained Earnings 2013-2017

Freshwater Fish Marketing Corporation Pro-Forma Financial Statements						
Version: Base Case 1.0 - 2012-08-24						
S1 - Annual Income Statement						
	Annual Actual	Annual Plan	Annual Plan	Annual Plan	Annual Plan	Annual Plan
	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Start Date	1-May-2011	1-May-2012	1-May-2013	1-May-2014	1-May-2015	1-May-2016
End Date	30-Apr-2012	30-Apr-2013	30-Apr-2014	30-Apr-2015	30-Apr-2016	30-Apr-2017
(\$'000, unless otherwise stated)						
Sales and gross margin						
Net delivered weight to customers (kg)	8,485,799	8,053,406	8,158,706	8,235,542	8,303,808	8,381,686
Total gross sales at customer location	66,881	66,928	67,431	67,808	68,150	68,536
Plus (less): Fx gain/(loss)	(94)	(884)	-	-	-	-
Less: discounts and allowances	(2,146)	(4,531)	(4,567)	(4,594)	(4,619)	(4,646)
Total net sales	64,641	61,513	62,863	63,214	63,531	63,890
Cost of sales						
Opening inventory of finished fish products	9,195	9,618	9,618	9,724	9,991	10,435
Plus: fish purchases and processing expenses						
Fish purchases - mandated area	27,752	24,544	24,933	25,311	25,676	25,766
Fish purchases - non-mandated area	-	1,988	1,757	1,540	1,340	1,419
Plant Salaries, wages and benefits	10,916	10,758	10,849	10,917	10,979	11,048
Processing and operating costs	3,905	3,848	3,881	3,906	3,927	3,952
Packaging and storage	3,670	3,617	3,648	3,670	3,691	3,714
Freight	3,034	2,990	3,015	3,034	3,051	3,071
Repair and Maintenance	1,708	1,683	1,698	1,708	1,718	1,729
Utilities and property taxes	1,279	1,260	1,271	1,279	1,286	1,295
Depreciation and amortization of production assets	1,382	1,418	1,662	1,795	1,915	2,023
Other/Contingency	789	1,150	1,167	1,185	1,203	1,221
Sub-total	63,630	62,874	63,500	64,071	64,777	65,673
Less: ending inventory of processed fish products	(9,618)	(9,618)	(9,724)	(9,991)	(10,435)	(11,035)
Total cost of sales	54,012	53,256	53,776	54,079	54,343	54,637
Gross profit on operations	10,629	8,257	9,087	9,134	9,189	9,253
\$ per kg	\$1.25	\$1.03	\$1.11	\$1.11	\$1.11	\$1.10
% of net sales	16.4%	13.4%	14.5%	14.5%	14.5%	14.5%
Marketing and administrative expenses						
Salaries and benefits	2,328	2,383	2,479	2,529	2,579	2,631
Commissions	864	927	939	948	956	965
Data processing, office and professional services	205	702	731	745	760	776
Interest expense	544	717	836	882	936	994
Advertising and promotion	280	314	327	333	340	347
Meeting fees and expenses	127	96	100	102	104	106
Other marketing and administrative expenses	578	444	462	472	481	491
Depreciation and amortization of administration assets	129	98	102	104	107	109
Total marketing and administrative expenses	5,055	5,682	5,977	6,116	6,263	6,418
Other income and expenses	(33)	(530)	(530)	(530)	(530)	(530)
Profit before provision for final payments to fishers	5,541	2,045	2,580	2,489	2,395	2,305
Provision for final payments to fishers	(2,950)	(1,100)	(1,528)	(1,566)	(1,605)	(1,645)
Total comprehensive income	2,591	945	1,052	923	790	659
Retained earnings, beginning of period	1,649	4,240	5,185	6,237	7,160	7,950
Retained earnings, end of period	4,240	5,185	6,237	7,160	7,950	8,609
Total payments to fishers - mandate area	30,702	25,644	26,461	26,877	27,281	27,411
Total available funds	33,293	28,577	29,270	29,340	29,411	29,490
Payment %	92.22%	89.74%	90.40%	91.61%	92.76%	92.95%

Balance Sheet 2013-2017

Freshwater Fish Marketing Corporation Pro-Forma Financial Statements						
Version: Base Case 1.0 - 2012-08-24						
S2 - Annual Balance Sheet						
	Annual Actual	Annual Plan	Annual Plan	Annual Plan	Annual Plan	Annual Plan
	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Start Date	1-May-2011	1-May-2012	1-May-2013	1-May-2014	1-May-2015	1-May-2016
End Date	30-Apr-2012	30-Apr-2013	30-Apr-2014	30-Apr-2015	30-Apr-2016	30-Apr-2017
(\$'000)						
Assets						
Current assets						
Cash	420	50	50	50	50	84
Trade receivables	6,507	6,062	6,113	6,084	6,056	6,000
Inventories						
Processed fish products, net of write-downs						
Walleye (Pickerel)	5,388	5,388	5,542	5,844	6,290	6,875
Lake Whitefish	686	686	618	546	491	438
Northern Pike	3,072	3,072	3,075	3,082	3,092	3,105
Sauger	68	68	70	75	82	90
Mullet	279	279	284	293	306	323
Perch	20	20	31	47	69	98
Lake Trout	104	104	104	105	106	107
Other	-	-	-	-	-	-
Total processed fish products, net of write-downs	9,618	9,618	9,724	9,991	10,435	11,035
Raw materials and supplies	873	873	873	873	873	873
Total inventories	10,491	10,491	10,597	10,864	11,308	11,908
Prepaid expenses	694	283	281	280	279	277
Derivative-related assets	139	139	139	139	139	139
Total current assets	18,251	17,025	17,181	17,417	17,832	18,407
Property, plant and equipment	17,692	21,074	22,412	23,617	24,701	25,678
Intangible assets	45	45	45	45	45	45
Total assets	35,988	38,144	39,638	41,078	42,578	44,130
Liabilities						
Current liabilities						
Trade and other payables and accrued liabilities	5,626	3,393	3,377	3,363	3,350	3,321
Current portion of accrued obligation for employee benefits	1,008	1,008	1,008	1,008	1,008	1,008
Provision for final payments to fishers	2,950	1,100	1,528	1,566	1,605	1,645
Operating line (LIBOR)	3,952	3,952	3,952	3,952	3,952	3,952
Operating line (BA Short Term)	7,200	7,855	5,220	3,166	1,422	-
Current portion of long-term debt	161	336	452	572	696	823
Derivative-related liabilities	394	394	394	394	394	394
Total current liabilities	21,291	18,037	15,932	14,022	12,427	11,144
Long-term debt	9,839	14,304	16,851	19,279	21,583	23,760
Accrued obligation for employee benefits	568	568	568	568	568	568
Asset retirement obligation	50	50	50	50	50	50
Total liabilities	31,748	32,959	33,401	33,919	34,628	35,522
Equity						
Retained earnings	4,240	5,185	6,237	7,160	7,950	8,609
Total liabilities and equity	35,988	38,144	39,638	41,078	42,578	44,130
Annual peak borrowing requirement						
Payment % to fishers		3,952	3,952	3,952	3,952	3,952
Operating line (BA Short Term)		17,999	14,935	12,460	10,681	9,182
Current portion of long-term debt		165	341	460	582	708
Long-term debt		9,715	14,131	16,619	18,985	21,226
Total peak borrowing requirement before undernoted		31,831	33,359	33,491	34,201	35,068
Contingency		4,000	4,000	4,000	4,000	4,000
Adjusted peak borrowing requirement		35,831	37,359	37,491	38,201	39,068

Statement of Cash Flows 2013-2017

Freshwater Fish Marketing Corporation Pro-Forma Financial Statements						
Version: Base Case 1.0 - 2012-08-24						
S3 - Annual Cash Flow Statement						
	Annual Actual	Annual Plan	Annual Plan	Annual Plan	Annual Plan	Annual Plan
	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Start Date	1-May-2011	1-May-2012	1-May-2013	1-May-2014	1-May-2015	1-May-2016
End Date	30-Apr-2012	30-Apr-2013	30-Apr-2014	30-Apr-2015	30-Apr-2016	30-Apr-2017
(\$'000)						
Operating activities						
Comprehensive income for the period	2,591	945	1,052	923	790	659
Plus: depreciation and amortization of production assets	1,382	1,418	1,662	1,795	1,915	2,023
Plus: depreciation and amortization of administration assets	130	-	-	-	-	-
Plus (less): gain (loss) on disposal of PP&E	37	-	-	-	-	-
Plus (less): changes in non-cash operating working capital						
Trade receivables	605	445	(52)	30	28	56
Inventories						
Total processed fish products, net of write-downs	(423)	0	(106)	(267)	(444)	(600)
Raw materials and supplies	(28)	-	-	-	-	-
Total inventories	(451)	0	(106)	(267)	(444)	(600)
Prepaid expenses	(420)	411	1	1	1	2
Derivative-related assets	339	-	-	-	-	-
Trade and other payables and accrued liabilities	2,243	(2,233)	(15)	(14)	(13)	(29)
Provision for final payments to fishers	1,755	(1,850)	428	38	39	40
Derivative-related liabilities	349	-	-	-	-	-
Accrued obligation for employee benefits	(242)	-	-	-	-	-
Asset retirement obligation	-	-	-	-	-	-
Sub-total	4,178	(3,227)	256	(212)	(389)	(531)
Cash from operating activities	8,318	(864)	2,971	2,506	2,316	2,152
Investing activities						
Additions to property, plant and equipment	(5,488)	(4,800)	(3,000)	(3,000)	(3,000)	(3,000)
Proceeds on disposal of property, plant and equipment	18	-	-	-	-	-
Cash from investing activities	(5,470)	(4,800)	(3,000)	(3,000)	(3,000)	(3,000)
Financing activities						
Plus (less): changes in debt						
Operating line (LIBOR)	-	-	-	-	-	-
Operating line (BA Short Term)	-	655	(2,635)	(2,054)	(1,744)	(1,422)
Current portion of long-term debt	(2,434)	175	117	120	124	127
Long-term debt	-	4,464	2,548	2,428	2,304	2,177
Sub-total	(2,434)	5,294	29	494	684	882
Cash from financing activities	(2,434)	5,294	29	494	684	882
Net increase (decrease) in cash and cash equivalents	414	(370)	-	(0)	(0)	34
Plus: cash and cash equivalents, beginning of period	6	420	50	50	50	50
Cash and cash equivalents, end of period	420	50	50	50	50	84