Big Sky Farms Inc.

Financial Report

For the Six Periods Ending Dec 13, 2008

THIS IS EXHIBIT " C " referred to in
the Affidavit of Canute Tagseth
SWORN before me at Saskatoon, SK
this 2 day of
November, 20 09

A COMMISSIONER FOR OATHS in and
for the Province of Saskatchewan
Being a Solicitor – OR –
~~My Commission expires~~

Big Sky Farms Inc.
Statement of Operations
For the Six Months Ending December 13, 2008

	December	YTD	Budget	Previous YTD
Revenue				
Hog Sales	9,877,739	59,454,628	59,756,546	57,865,681
Hog Inventory Adjustment	(2,276,955)	(963,203)	0	(2,359,176)
Total Hog Revenue	**7,600,784**	**58,491,425**	**59,756,546**	**55,506,505**
Other Revenue	1,555,956	1,641,496	196,154	287,670
Total Revenue	**9,156,740**	**60,132,921**	**59,952,700**	**55,794,174**
Feed Costs	**5,678,816**	**39,726,872**	**41,107,912**	**32,852,711**
Operating Expenses				
Communications	10,594	67,884	92,490	62,843
Power	123,146	828,584	1,012,413	967,082
Water Costs	4,914	5,064	0	8,219
Heating Fuel	136,579	404,622	387,102	370,465
General Insurance	85,626	500,850	677,515	539,458
Manure Removal	(81,126)	1,329,257	1,546,903	1,370,668
Repairs & Maintenance	206,084	1,306,342	1,259,943	1,511,126
Dead Disposal	20,940	118,849	124,620	148,876
Supplies	84,125	439,898	501,508	550,088
Property Taxes	15,046	158,732	139,223	293,776
Contract Facilities	526,906	3,012,603	2,469,231	1,599,135
Wages	736,043	4,839,496	4,896,065	5,254,372
Employee Benefits	102,986	716,394	667,402	792,706
Travel, Meals & Entertain	6,309	39,743	80,505	80,240
Breeding Herd Costs	70,718	(1,683,321)	1,381,047	1,063,035
Veterinary	179,994	958,534	1,304,718	1,306,424
Herd Health	22,321	138,191	149,305	133,615
AI Costs	144,135	819,752	810,174	842,084
Herd Health Export Fees	15,715	105,803	80,604	0
Trucking	815,267	5,062,396	4,730,447	6,358,017
Sales Costs	87,154	484,943	0	465,551
Large Corp Tax	0	0	0	59,655
Head Office Services	343,485	1,844,017	2,123,077	2,441,646
Total Operating Exp.	**3,656,960**	**21,498,635**	**24,434,292**	**26,219,081**
Operating Income	**(179,036)**	**(1,092,587)**	**(5,589,503)**	**(3,277,618)**
Fixed expenses				
Interest	357,980	2,880,367	2,813,502	2,819,508
Accretion on Financial Inst	42,722	315,591	0	60,210
Depreciation/Amortization	1,118,979	5,267,767	4,524,495	4,777,141
Total Fixed Exp.	**1,519,680**	**8,463,725**	**7,337,997**	**7,656,859**
Non-recurring Items	0	0	(468,000)	0
Net Income Before Taxes	**(1,698,716)**	**(9,556,311)**	**(12,459,500)**	**(10,934,477)**
Income taxes	(517,498)	(2,887,725)	(3,893,594)	(3,379,566)
Net Income	**(1,181,218)**	**(6,668,586)**	**(8,565,906)**	**(7,554,911)**

Big Sky Farms Inc.
Balance Sheet
December 13, 2008

	12/13/08	Budget	06/28/08
Current Assets			
Accounts Receivable	7,100,216	4,450,000	7,099,929
Inventory	31,482,701	33,145,000	33,066,969
Prepaid Insurance	25,416	550,000	448,997
	38,608,333	**38,145,000**	**40,615,895**
Land Building and Equipment			
Cost	149,597,010	151,042,000	150,256,484
less: Accumulated Depreciation	(49,784,941)	(50,739,496)	(46,467,067)
	99,812,069	**100,302,504**	**103,789,417**
Breeding Stock	**12,565,480**	**11,809,263**	**11,498,439**
Other Assets	**54,580**	**346,000**	**57,033**
	151,040,461	**150,602,767**	**155,960,785**
Current Liabilities			
Bank Overdraft	5,082,658	0	2,261,673
Line of Credit	22,000,000	29,161,165	22,000,000
Accounts Payable	11,770,375	10,384,587	9,837,893
Other liabilities	1,469,123	0	1,933,093
Interest Payable	850,601	0	322,774
Large Corporation Tax	18,794	0	18,794
Current Portion Senior Debt	40,621,312	40,114,037	41,076,336
Current Portion Subordinated Debt	4,725,503	600,000	925,000
Current Portion Capital Lease Obligation	947,889	645,000	649,651
	87,486,254	**80,904,789**	**79,025,213**
Long-Term Debt			
Senior Debt	4,895,359	5,706,018	4,743,720
Subordinated Debt	2,056,500	5,862,450	5,751,950
Capital Lease Obligation	8,181,893	9,071,200	8,530,245
	15,133,753	**20,639,668**	**19,025,915**
Interest Payable - Long term	269,666	0	208,178
Asset Retirement Obligation	288,060	281,000	282,438
Future Income Taxes	6,326,554	7,298,618	285,229
	109,504,287	**109,124,075**	**98,826,974**
Shareholders Equity			
Common Stock	39,466,962	39,474,962	39,466,962
Equity Portion of Compound Instruments	467,000	0	467,000
Contributed Surplus	4,970,597	4,970,597	4,970,597
Retained Earnings	3,300,202	5,599,040	21,923,578
Current Earnings	(6,668,586)	(8,565,906)	(9,694,326)
	41,536,175	**41,478,693**	**57,133,811**
	151,040,461	**150,602,768**	**155,960,785**

Big Sky Farms Inc.
Statement of Cash Flows
For the Six Months Ending December 13, 2008

	Month	YTD	Budget	Previous YTD
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES				
Operating Income	(1,181,218)	(6,668,586)	(8,565,906)	(7,554,911)
Financial Insts Accretion	42,722	315,591	0	55,330
Write Off Development Costs	0	0	468,000	0
Depreciation and Amortization	1,118,979	5,267,767	4,056,495	4,777,141
Future income taxes	(517,498)	(2,887,725)	(3,893,594)	(3,379,566)
	(537,016)	(3,972,953)	(7,935,005)	(6,102,006)
Changes in non-cash working capital				
Accounts Receivable	(1,921,867)	192	1,500,000	1,513,102
Inventory Asset	2,103,463	1,584,268	355,000	2,371,397
Prepaid Insurance	(12,924)	423,582	0	(662,745)
Accounts Payable and Accrued Liabilities	(51,689)	2,057,348	484,587	2,410,997
LCT Tax payable	0	0	0	7,992
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**(420,032)**	**92,436**	**(5,595,418)**	**(461,264)**
CASH FLOWS USED IN INVESTING ACTIVITIES				
Acquisition of Capital Assets	67,012	385,855	458,000	(1,254,789)
Breeding Herd	(167,938)	(2,737,693)	605,737	(1,991,215)
Deferred and start-up charges	(70)	2,453	0	(145,094)
CASH FLOWS USED IN INVESTING ACTIVITIES	**(100,996)**	**(2,349,385)**	**1,063,737**	**(3,391,098)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Change in Operating Line of Credit	0	0	4,072,165	3,000,000
Proceeds From Long-Term Debt	32,036,092	32,278,466	459,516	1,234,307
Repayment of Long-Term Debt	(32,032,846)	(32,526,911)	0	(4,369,138)
Preferred Shares	(42,722)	(315,591)	0	(55,330)
CASH FLOWS FROM FINANCING ACTIVITIES	**(39,476)**	**(564,037)**	**4,531,681**	**(190,161)**
NET INCREASE IN CASH	**(560,504)**	**(2,820,985)**	**(0)**	**(4,042,522)**
CASH POSITION BEGINNING OF PERIOD	**(4,522,154)**	**(2,261,673)**	**0**	**(129,544)**
CASH POSITION END OF PERIOD	**(5,082,658)**	**(5,082,658)**	**(0)**	**(4,172,066)**
REPRESENTED BY:				
Cash	(5,082,658)	(5,082,658)	0	(4,172,066)
	(5,082,658)	**(5,082,658)**	**0**	**(4,172,066)**

Big Sky Farms Inc.
Summary All Operations
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	60,442	59,999	(443)	$0.81	350,685	351,976	1,291	$0.84	$0.88	771,487
Price per 100 KG	110	136	25	0.00	127	136	9	0.00	0.00	0
Breeding Stock Sold	1,488	2,176	688	0.02	9,435	11,409	1,974	0.02	0.03	27,176
Feeder Pigs Sold	15,265	8,438	(6,827)	0.21	79,343	54,599	(24,744)	0.19	0.14	121,407
Isoweans Sold	29,988	11,642	(18,346)	0.40	120,439	72,257	(48,182)	0.29	0.18	157,553
Pigs Weaned	87,344	84,517	(2,827)	1.18	544,061	531,793	(12,268)	1.31	1.34	1,143,521
Revenue										
Market Hog Sales	7,199,632	8,662,444	1,462,811	96.86	49,158,107	50,956,860	1,798,753	117.95	128.01	122,836,517
Hog Sales:Breeding	415,292	616,822	201,530	5.59	2,623,576	3,267,448	643,872	6.30	8.21	7,725,643
Feeder Hog Sales	1,012,614	506,396	(506,217)	13.62	3,238,591	2,914,383	(324,208)	7.77	7.32	7,134,080
Isowean Sales	1,250,201	421,871	(828,331)	16.82	4,434,354	2,617,856	(1,816,498)	10.64	6.58	5,709,327
Hog Inventory Adjustment	(2,276,955)	0	2,276,955	(30.63)	(963,203)	0	963,203	(2.31)		0
Other Revenue	1,555,956	32,692	(1,523,264)	20.93	1,641,496	196,154	(1,445,342)	3.94	0.49	3,425,000
Total Revenue	9,156,740	10,240,225	1,083,484	123.19	60,132,921	59,952,700	(180,220)	144.28	150.61	146,830,568
Feed Costs	5,678,816	6,680,866	1,002,050	76.40	39,726,872	41,107,912	1,381,039	95.32	103.27	84,099,876
Operating Expenses										
Communications	10,594	14,827	4,233	0.14	67,884	92,490	24,606	0.16	0.23	193,927
Power	123,146	167,854	44,707	1.66	828,584	1,012,413	183,829	1.99	2.54	2,016,573
Water Costs	4,914	0	(4,914)	0.07	5,064	0	(5,064)	0.01		0
Heating Fuel	136,579	82,608	(53,970)	1.84	404,622	387,102	(17,520)	0.97	0.97	937,669
General Insurance	85,626	111,119	25,493	1.15	500,850	677,515	176,666	1.20	1.70	1,448,150
Manure Removal	(81,126)	177,925	259,051	(1.09)	1,329,257	1,546,903	217,646	3.19	3.89	2,558,692
Repairs & Maintenance	189,855	186,242	(3,613)	2.55	1,193,890	1,140,795	(53,095)	2.86	2.87	2,409,089
Dead Disposal	20,940	20,077	(863)	0.28	118,849	124,620	5,771	0.29	0.31	259,987
Contract Services	16,229	19,396	3,167	0.22	112,452	119,148	6,696	0.27	0.30	253,072
Supplies	84,125	82,343	(1,782)	1.13	439,898	501,508	61,610	1.06	1.26	1,081,966
Property Taxes	15,046	22,742	7,696	0.20	158,732	139,223	(19,509)	0.38	0.35	296,573
Contract Facilities	526,906	411,538	(115,367)	7.09	3,012,603	2,469,231	(543,373)	7.23	6.20	5,350,000
Wages	736,043	798,525	62,482	9.90	4,839,496	4,896,065	56,569	11.61	12.30	10,372,295
Employee Benefits	102,606	108,786	6,179	1.38	715,520	667,402	(48,118)	1.72	1.68	1,413,019
Staff Training	379	0	(379)	0.01	874	0	(874)	0.00		0
Travel Meals & Ent	6,309	13,055	6,746	0.08	39,743	80,505	40,762	0.10	0.20	170,390
Breeding Herd Costs	340,611	615,842	275,232	4.58	25,610	3,695,055	3,669,445	0.06	9.28	8,005,952
less sale of cull sows	(269,893)	(266,706)	3,187	(3.63)	(1,708,931)	(2,314,008)	(605,076)	(4.10)	(5.81)	(4,557,302)
Veterinary	179,994	212,893	32,899	2.42	958,534	1,304,718	346,184	2.30	3.28	2,813,343
Herd Health	22,321	24,679	2,358	0.30	138,191	149,305	11,114	0.33	0.38	321,241
AI Costs	144,135	130,680	(13,454)	1.94	819,752	810,174	(9,578)	1.97	2.04	1,727,350
Herd Health Export Fees	15,715	10,918	(4,798)	0.21	105,803	80,604	(25,200)	0.25	0.20	166,473
Trucking	815,267	785,859	(29,408)	10.97	5,062,396	4,730,447	(331,949)	12.15	11.88	10,543,793
Sales Costs	87,154	0	(87,154)	1.17	484,943	0	(484,943)	1.16		0
Head Office Services	343,485	353,846	10,361	4.62	1,844,017	2,123,077	279,060	4.42	5.33	4,600,001
Total Operating Exp.	3,656,960	4,085,049	428,089	49.20	21,498,635	24,434,292	2,935,657	51.58	61.38	52,382,253
Operating Income	(179,036)	(525,690)	(346,654)	(2.41)	(1,092,587)	(5,589,503)	(4,496,917)	(2.62)	(14.04)	10,348,439
Fixed expenses										
Interest	357,980	468,917	110,937	4.82	2,880,367	2,813,502	(66,865)	6.91	7.07	6,095,921
Debt Instruments Accretion	42,722	0	(42,722)	0.57	315,591	0	(315,591)	0.76		0
Depreciation & Amortization	1,118,979	754,082	(364,896)	15.05	5,267,767	4,524,495	(743,272)	12.64	11.37	9,803,075
Total Fixed Exp.	1,519,680	1,222,999	(296,681)	20.45	8,463,725	7,337,997	(1,125,728)	20.31	18.43	15,898,995
Non-recurring Items	0	0	0		0	(468,000)	(468,000)		(1.18)	(438,000)
Net Income Before Taxes	(1,698,716)	(1,748,690)	(49,973)	(22.85)	(9,556,311)	(12,459,500)	(2,903,188)	(22.93)	(31.30)	(5,112,557)
Income Taxes	(517,498)	(546,465)	(28,967)	(6.96)	(2,887,725)	(3,893,594)	(1,005,869)	(6.93)	(9.78)	(1,597,674)
Net Income	(1,181,218)	(1,202,224)	(21,006)	(15.89)	(6,668,586)	(8,565,906)	(1,897,320)	(16.00)	(21.52)	(3,514,883)

Big Sky Farms Inc.
3-Site Operations
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	36,433	37,495	1,062	50.73	212,038	223,922	11,884	50.78	50.84	479,574
Price per 100 KG	110	133	23	0.00	124	133	9	0.00	0.00	0
Breeding Stock Sold	925	1,048	123	0.02	5,408	6,288	880	0.02	0.02	13,624
Feeder Pigs Sold	15,265	8,438	(6,827)	0.31	74,788	54,049	(20,739)	0.28	0.20	120,307
Isoweans Sold	29,988	11,642	(18,346)	0.60	116,578	72,257	(44,321)	0.43	0.27	157,553
Pigs Weaned	65,514	63,045	(2,469)	1.32	398,477	384,308	(14,169)	1.47	1.45	840,012
Revenue										
Market Hog Sales	4,333,528	5,332,179	998,651	87.10	29,199,769	31,959,821	2,760,052	107.54	120.26	75,081,198
Hog Sales:Breeding	255,278	310,208	54,930	5.13	1,492,489	1,861,248	368,759	5.50	7.00	4,032,704
Feeder Hog Sales	1,012,614	506,396	(506,217)	20.35	3,067,137	2,886,768	(180,369)	11.30	10.86	7,071,250
Isowean Sales	1,250,201	421,871	(828,331)	25.13	4,386,513	2,617,856	(1,768,656)	16.16	9.85	5,709,327
Hog Inventory Adjustment	(1,390,839)	0	1,390,839	(27.95)	(1,337,114)	0	1,337,114	(4.92)		0
Feeder Pig Transfers	(17,284)	0	17,284	(0.35)	247,198	0	(247,198)	0.91		0
Other Revenue	1,200,012	24,973	(1,175,039)	24.12	1,257,102	149,840	(1,107,263)	4.63	0.56	2,616,320
Total Revenue	6,643,511	6,595,627	(47,883)	133.52	38,313,094	39,475,533	1,162,439	141.11	148.54	94,510,798
Feed Costs	3,463,087	4,367,831	904,744	69.60	25,142,064	27,286,131	2,144,067	92.60	102.67	55,141,848
Operating Expenses										
Communications	6,598	9,076	2,478	0.13	41,173	54,456	13,283	0.15	0.20	117,988
Power	78,737	110,276	31,540	1.58	520,213	649,322	129,109	1.92	2.44	1,292,632
Water Costs	40	0	(40)	0.00	146	0	(146)	0.00		0
Heating Fuel	83,088	53,586	(29,502)	1.67	199,203	209,363	10,160	0.73	0.79	572,846
General Insurance	55,920	85,900	29,980	1.12	304,663	515,400	210,737	1.12	1.94	1,116,700
Manure Removal	(59,784)	136,341	196,125	(1.20)	943,941	1,192,011	248,070	3.48	4.49	1,979,000
Repairs & Maintenance	137,701	139,037	1,336	2.77	942,034	834,222	(107,812)	3.47	3.14	1,807,481
Dead Disposal	17,064	13,841	(3,223)	0.34	96,500	83,046	(13,454)	0.36	0.31	179,933
Contract Services	15,669	14,753	(916)	0.31	92,372	88,518	(3,854)	0.34	0.33	191,789
Supplies	58,791	50,191	(8,600)	1.18	313,735	304,490	(9,244)	1.16	1.15	663,571
Property Taxes	4,541	14,165	9,625	0.09	59,569	84,992	25,423	0.22	0.32	184,150
Contract Facilities	109,894	107,077	(2,817)	2.21	670,382	642,462	(27,921)	2.47	2.42	1,392,000
Wages	515,833	527,484	11,651	10.37	3,284,524	3,164,905	(119,619)	12.10	11.91	6,857,295
Employee Benefits	73,399	73,848	449	1.48	495,598	443,087	(52,512)	1.83	1.67	960,021
Staff Training	231	0	(231)	0.00	561	0	(561)	0.00		0
Travel Meals & Ent	4,648	7,805	3,157	0.09	24,401	46,830	22,429	0.09	0.18	101,465
Breeding Herd Costs	206,398	443,314	236,916	4.15	(656,808)	2,659,883	3,316,691	(2.42)	10.01	5,763,080
less sale of cull sows	(199,597)	(191,525)	8,072	(4.01)	(891,101)	(1,153,565)	(262,465)	(3.28)	(4.34)	(2,764,505)
Veterinary	92,931	137,659	44,728	1.87	554,170	840,147	285,977	2.04	3.16	1,838,891
Herd Health	17,037	17,766	729	0.34	95,856	106,597	10,742	0.35	0.40	230,961
AI Costs	106,210	94,534	(11,676)	2.13	597,589	567,448	(30,141)	2.20	2.14	1,231,751
Herd Health Export Fees	11,101	4,323	(6,778)	0.22	58,800	32,534	(26,267)	0.22	0.12	70,602
Trucking	596,372	595,926	(446)	11.99	3,653,924	3,588,761	(65,163)	13.46	13.50	7,917,096
Sales Costs	52,249	0	(52,249)	1.05	278,009	0	(278,009)	1.02		0
Head Office Services	269,211	272,603	3,392	5.41	1,372,352	1,635,619	263,266	5.05	6.15	3,543,841
Total Operating Exp.	2,254,283	2,717,981	463,698	45.31	13,051,809	16,590,527	3,538,718	48.07	62.43	35,248,587
Operating Income	926,140	(490,185)	(1,416,325)	18.61	119,222	(4,401,125)	(4,520,347)	0.44	(16.56)	4,120,363
Fixed expenses										
Interest	299,781	362,344	62,563	6.03	2,352,227	2,174,063	(178,164)	8.66	8.18	4,710,470
Debt Instruments Accretion	42,722	0	(42,722)	0.86	315,591	0	(315,591)	1.16		0
Depreciation & Amortization	682,894	580,713	(102,180)	13.72	4,050,506	3,484,280	(566,226)	14.92	13.11	7,549,274
Total Fixed Exp.	1,025,397	943,057	(82,339)	20.61	6,718,324	5,658,343	(1,059,981)	24.74	21.29	12,259,744
Net Income Before Taxes	(99,257)	(1,433,242)	(1,333,986)	(1.99)	(6,599,103)	(10,059,469)	(3,460,366)	(24.30)	(37.85)	(8,139,381)
Income Taxes	(17,667)	(447,888)	(430,221)	(0.36)	(1,963,597)	(3,143,584)	(1,179,987)	(7.23)	(11.83)	(2,543,557)
Net Income	(81,589)	(985,354)	(903,765)	(1.64)	(4,635,505)	(6,915,885)	(2,280,380)	(17.07)	(26.02)	(5,595,824)

Big Sky Farms Inc.
Burr Goodeve Division
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	1,046	2,025	979	$0.34	6,387	12,150	5,763	$0.31	$0.49	26,325
Price per 100 KG	97	132	35	0.03	108	133	25	0.01	0.01	0
Breeding Stock Sold	695	1,048	353	0.22	5,178	6,288	1,110	0.25	0.25	13,624
Feeder Pigs Sold	3,346	3,616	270	1.07	23,891	20,289	(3,602)	1.15	0.81	46,992
Isoweans Sold	481	0	(481)	0.15	481	0	(481)	0.02		0
Pigs Weaned	5,725	5,643	(82)	1.84	34,831	33,916	(915)	1.68	1.35	74,684
Revenue										
Market Hog Sales	118,809	285,900	167,090	38.10	880,596	1,721,558	840,963	42.44	68.76	4,097,018
Hog Sales:Breeding	191,798	310,208	118,410	61.51	1,429,009	1,861,248	432,239	68.87	74.34	4,032,704
Feeder Hog Sales	220,286	216,999	(3,287)	70.64	886,522	1,086,049	199,527	42.73	43.38	2,773,477
Isowean Sales	26,607	0	(26,607)	8.53	26,607	0	(26,607)	1.28		0
Hog Inventory Adjustment	(201,680)	0	201,680	(64.68)	(1,027,019)	0	1,027,019	(49.50)		0
Feeder Pig Transfers	51,359	0	(51,359)	16.47	234,564	0	(234,564)	11.30		0
Other Revenue	121,105	2,270	(118,835)	38.84	132,655	13,622	(119,033)	6.39	0.54	237,847
Total Revenue	528,284	815,377	287,092	169.41	2,562,933	4,682,477	2,119,543	123.52	187.02	11,141,047
Feed Costs	134,455	389,831	255,376	43.12	1,578,239	2,411,127	832,888	76.06	96.30	4,947,208
Operating Expenses										
Communications	975	1,191	216	0.31	5,685	7,146	1,461	0.27	0.29	15,483
Power	6,650	10,047	3,398	2.13	49,838	59,317	9,479	2.40	2.37	115,909
Heating Fuel	11,902	10,734	(1,168)	3.82	36,930	31,275	(5,654)	1.78	1.25	102,978
General Insurance	5,694	9,200	3,506	1.83	33,716	55,200	21,484	1.62	2.20	119,600
Manure Removal	(5,441)	13,228	18,669	(1.74)	95,326	115,647	20,321	4.59	4.62	192,000
Repairs & Maintenance	21,304	16,825	(4,479)	6.83	74,290	100,950	26,660	3.58	4.03	218,725
Dead Disposal	719	1,088	369	0.23	5,715	6,528	813	0.28	0.26	14,144
Contract Services	2,568	1,232	(1,336)	0.82	7,713	7,392	(321)	0.37	0.30	16,016
Supplies	5,430	4,553	(877)	1.74	29,026	26,988	(2,038)	1.40	1.08	59,712
Property Taxes	(187)	1,631	1,817	(0.06)	12,764	9,785	(2,979)	0.62	0.39	21,200
Wages	64,159	58,315	(5,844)	20.57	409,470	349,890	(59,580)	19.73	13.97	758,095
Employee Benefits	8,949	8,164	(785)	2.87	60,556	48,985	(11,571)	2.92	1.96	106,133
Travel Meals & Ent	127	545	418	0.04	1,110	3,270	2,160	0.05	0.13	7,085
Breeding Herd Costs	31,707	45,686	13,980	10.17	(10,873)	274,117	284,990	(0.52)	10.95	593,920
less sale of cull sows	(22,103)	(21,959)	144	(7.09)	(94,749)	(132,261)	(37,512)	(4.57)	(5.28)	(316,962)
Veterinary	10,395	12,266	1,871	3.33	60,297	71,742	11,444	2.91	2.87	160,433
Herd Health	1,642	1,845	204	0.53	9,841	11,073	1,231	0.47	0.44	23,991
AI Costs	9,585	11,760	2,175	3.07	57,358	69,959	12,601	2.76	2.79	152,509
Herd Health Export Fees	665	0	(665)	0.21	4,767	0	(4,767)	0.23		0
Trucking	50,255	71,447	21,192	16.12	428,922	415,049	(13,873)	20.67	16.58	938,143
Sales Costs	2,725	0	(2,725)	0.87	12,629	0	(12,629)	0.61		0
Head Office Services	28,906	28,166	(740)	9.27	145,787	168,997	23,210	7.03	6.75	366,160
Total Operating Exp.	236,625	285,965	49,340	75.88	1,436,117	1,701,048	264,932	69.21	67.94	3,665,275
Operating Income	157,205	139,581	(17,624)	50.41	(451,422)	570,301	1,021,724	(21.76)	22.78	2,528,564
Fixed expenses										
Interest	18,519	36,411	17,892	5.94	172,420	218,463	46,044	8.31	8.73	473,337
Debt Instruments Accretion	3,726	0	(3,726)	1.19	25,997	0	(25,997)	1.25		0
Depreciation & Amortization	58,255	52,585	(5,670)	18.68	339,548	315,508	(24,040)	16.36	12.60	683,600
Total Fixed Exp.	80,499	88,995	8,496	25.82	537,964	533,971	(3,993)	25.93	21.33	1,156,937
Net Income Before Taxes	76,706	50,586	(26,120)	24.60	(989,387)	36,330	1,025,717	(47.68)	1.45	1,371,627
Income Taxes	25,135	15,808	(9,327)	8.06	(301,059)	11,353	312,413	(14.51)	0.45	428,633
Net Income	51,571	34,778	(16,793)	16.54	(688,328)	24,977	713,305	(33.17)	1.00	942,994

Big Sky Farms Inc.
Kelvington Lintlaw Division
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	1,960	0	(1,960)	$0.47	7,464	4,608	(2,856)	$0.46	$0.38	4,608
Price per 100 KG	107	0	(107)	0.03	123	133	10	0.01	0.01	0
Breeding Stock Sold	230	0	(230)	0.05	230	0	(230)	0.01		0
Feeder Pigs Sold	4,079	3,626	(453)	0.97	21,074	19,452	(1,622)	1.30	1.59	45,449
Isoweans Sold	2,157	0	(2,157)	0.51	2,157	0	(2,157)	0.13		0
Pigs Weaned	5,162	5,287	125	1.22	30,795	30,867	72	1.90	2.52	68,934
Revenue										
Market Hog Sales	230,873	0	(230,873)	54.78	1,016,511	659,100	(357,412)	62.84	53.89	659,100
Hog Sales:Breeding	63,480	0	(63,480)	15.06	63,480	0	(63,480)	3.92		0
Feeder Hog Sales	249,919	217,573	(32,345)	59.30	781,763	1,038,646	256,883	48.33	84.93	2,681,661
Isowean Sales	116,808	0	(116,808)	27.72	116,808	0	(116,808)	7.22		0
Hog Inventory Adjustment	68,276	0	(68,276)	16.20	1,127,241	0	(1,127,241)	69.68		0
Feeder Pig Transfers	(68,643)	0	68,643	(16.29)	(276,470)	0	276,470	(17.09)		0
Other Revenue	123,745	2,270	(121,475)	29.36	127,355	13,622	(113,733)	7.87	1.11	237,847
Total Revenue	784,457	219,844	(564,613)	186.13	2,956,687	1,711,367	(1,245,320)	182.77	139.93	3,578,608
Feed Costs	343,384	146,484	(196,908)	81.48	1,783,349	1,252,182	(531,167)	110.24	102.39	2,203,365
Operating Expenses										
Communications	1,373	1,316	(57)	0.33	7,836	7,896	60	0.48	0.65	17,108
Power	7,552	12,286	4,734	1.79	48,816	72,914	24,098	3.02	5.96	147,511
Heating Fuel	12,132	6,724	(5,408)	2.88	34,196	30,983	(3,213)	2.11	2.53	77,082
General Insurance	5,451	9,200	3,749	1.29	33,408	55,200	21,792	2.07	4.51	119,600
Manure Removal	(4,913)	11,574	16,487	(1.17)	97,425	101,191	3,766	6 02	8.27	168,000
Repairs & Maintenance	19,623	16,825	(2,798)	4.66	233,784	100,950	(132,834)	14.45	8.25	218,725
Dead Disposal	2,028	1,357	(671)	0.48	8,339	8,142	(197)	0.52	0.67	17,641
Contract Services	1,743	1,232	(511)	0.41	10,943	7,392	(3,551)	0.68	0.60	16,016
Supplies	7,777	3,421	(4,356)	1.85	39,689	21,067	(18,622)	2.45	1.72	45,593
Property Taxes	1,388	1,712	324	0.33	5,733	10,269	4,536	0.35	0.84	22,250
Wages	60,296	58,922	(1,373)	14.31	340,735	353,534	12,799	21.06	28.91	765,991
Employee Benefits	8,676	8,249	(427)	2.06	54,079	49,495	(4,584)	3.34	4.05	107,239
Staff Training	0	0	0		165	0	(165)	0.01		0
Travel Meals & Ent	223	750	527	0.05	2,382	4,500	2,118	0.15	0.37	9,750
Breeding Herd Costs	31,666	45,686	14,020	7.51	(41,524)	274,117	315,641	(2.57)	22.41	593,920
less sale of cull sows	(22,689)	(21,959)	730	(5.38)	(84,017)	(132,261)	(48,244)	(5.19)	(10.81)	(316,962)
Veterinary	23,086	11,020	(12,067)	5.48	64,838	63,698	(1,140)	4.01	5.21	142,463
Herd Health	1,642	1,845	204	0.39	9,841	11,073	1,231	0.61	0.91	23,991
AI Costs	8,538	11,087	2,549	2.03	59,256	64,063	4,807	3.66	5.24	141,498
Herd Health Export Fees	673	1,595	922	0.16	7,699	8,559	860	0.48	0.70	19,997
Trucking	61,597	41,672	(19,925)	14.62	299,661	263,366	(36,295)	18.52	21.53	561,720
Sales Costs	3,600	0	(3,600)	0.85	12,249	0	(12,249)	0.76		0
Head Office Services	28,906	28,166	(740)	6.86	145,787	168,997	23,210	9.01	13.82	366,160
Total Operating Exp.	260,368	252,681	(7,687)	61.78	1,391,321	1,545,146	153,825	86.01	126.34	3,265,294
Operating Income	180,705	(179,321)	(360,026)	42.88	(217,983)	(1,085,961)	(867,978)	(13.48)	(88.80)	(1,890,051)
Fixed expenses										
Interest	18,519	36,411	17,892	4.39	168,338	218,463	50,126	10.41	17.86	473,337
Debt Instruments Accretion	3,726	0	(3,726)	0.88	25,997	0	(25,997)	1.61		0
Depreciation & Amortization	57,962	57,677	(285)	13.75	352,472	346,062	(6,410)	21.79	28.30	749,800
Total Fixed Exp.	80,207	94,087	13,881	19.03	546,806	564,525	17,719	33.80	46.16	1,223,137
Net Income Before Taxes	100,498	(273,409)	(373,907)	23.85	(764,789)	(1,650,485)	(885,696)	(47.28)	(134.96)	(3,113,188)
Income Taxes	32,570	(85,440)	(118,010)	7.73	(230,873)	(515,777)	(284,904)	(14.27)	(42.17)	(972,871)
Net Income	67,928	(187,969)	(255,897)	16.12	(533,916)	(1,134,709)	(600,792)	(33.01)	(92.78)	(2,140,317)

Big Sky Farms Inc.
Preeceville Sturgis Division
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	5,644	6,006	362	$0.88	27,951	30,714	2,763	$0.92	$1.00	65,943
Price per 100 KG	111	133	21	0.02	120	133	13	0.00	0.00	0
Feeder Pigs Sold	1,142	0	(1,142)	0.18	2,812	0	(2,812)	0.09		0
Isoweans Sold	1,441	0	(1,441)	0.23	6,230	0	(6,230)	0.21		0
Pigs Weaned	6,607	6,149	(458)	1.03	40,322	37,583	(2,739)	1.33	1.22	82,224
Revenue										
Market Hog Sales	685,802	854,492	168,690	107.24	3,697,102	4,384,263	687,161	121.65	142.74	10,307,934
Feeder Hog Sales	76,285	0	(76,285)	11.93	153,944	0	(153,944)	5.07		0
Isowean Sales	78,153	0	(78,153)	12.22	193,926	0	(193,926)	6.38		0
Hog Inventory Adjustment	(255,133)	0	255,133	(39.90)	58,676	0	(58,676)	1.93		0
Feeder Pig Transfers	0	0	0		65,490	0	(65,490)	2.15		0
Other Revenue	123,745	2,270	(121,475)	19.35	127,105	13,622	(113,483)	4.18	0.44	237,847
Total Revenue	708,851	856,762	147,911	110.84	4,296,243	4,397,884	101,642	141.37	143.19	10,545,781
Feed Costs	427,072	616,058	188,986	66.78	2,920,353	3,444,606	524,253	96.10	112.15	6,981,833
Operating Expenses										
Communications	1,332	1,379	47	0.21	8,264	8,274	10	0.27	0.27	17,927
Power	8,752	13,786	5,034	1.37	52,592	78,544	25,952	1.73	2.56	162,407
Water Costs	0	0	0		67	0	(67)	0.00		0
Heating Fuel	5,504	10,819	5,315	0.86	22,377	52,576	30,198	0.74	1.71	127,030
General Insurance	5,920	9,200	3,280	0.93	34,669	55,200	20,531	1.14	1.80	119,600
Manure Removal	(8,858)	15,019	23,877	(1.39)	128,423	131,308	2,885	4.23	4.28	218,000
Repairs & Maintenance	7,764	16,825	9,061	1.21	54,954	100,950	45,996	1.81	3.29	218,725
Dead Disposal	2,140	1,387	(753)	0.33	11,096	8,322	(2,774)	0.37	0.27	18,031
Contract Services	1,055	1,618	563	0.16	11,232	9,708	(1,524)	0.37	0.32	21,034
Supplies	5,232	5,876	644	0.82	27,023	34,302	7,279	0.89	1.12	74,554
Property Taxes	0	1,708	1,708		20,204	10,246	(9,958)	0.66	0.33	22,200
Wages	58,566	55,356	(3,210)	9.16	394,232	332,135	(62,097)	12.97	10.81	719,626
Employee Benefits	7,773	7,750	(23)	1.22	57,874	46,499	(11,375)	1.90	1.51	100,748
Staff Training	0	0	0		165	0	(165)	0.01		0
Travel Meals & Ent	1,113	1,050	(63)	0.17	4,145	6,300	2,155	0.14	0.21	13,650
Breeding Herd Costs	13,784	39,655	25,872	2.16	(104,071)	237,932	342,003	(3.42)	7.75	515,520
less sale of cull sows	(21,946)	(16,632)	5,314	(3.43)	(95,188)	(100,174)	(4,986)	(3.13)	(3.26)	(240,066)
Veterinary	8,391	13,866	5,476	1.31	58,488	84,567	26,078	1.92	2.75	184,138
Herd Health	1,642	1,845	204	0.26	9,841	11,072	1,230	0.32	0.36	23,989
AI Costs	8,859	8,514	(345)	1.39	51,408	50,557	(851)	1.69	1.65	110,557
Herd Health Export Fees	225	0	(225)	0.04	1,248	0	(1,248)	0.04		0
Trucking	66,852	58,123	(8,729)	10.45	342,759	313,830	(28,929)	11.28	10.22	687,255
Sales Costs	5,883	0	(5,883)	0.92	32,998	0	(32,998)	1.09		0
Head Office Services	28,906	28,166	(740)	4.52	145,787	168,997	23,210	4.80	5.50	366,160
Total Operating Exp.	208,886	275,310	66,423	32.66	1,270,590	1,641,144	370,554	41.81	53.43	3,481,086
Operating Income	72,893	(34,605)	(107,498)	11.40	105,300	(687,865)	(793,165)	3.46	(22.40)	82,862
Fixed expenses										
Interest	18,519	36,411	17,892	2.90	168,338	218,463	50,126	5.54	7.11	473,337
Debt Instruments Accretion	3,726	0	(3,726)	0.58	25,997	0	(25,997)	0.86		0
Depreciation & Amortization	71,869	60,000	(11,869)	11.24	436,208	360,000	(76,208)	14.35	11.72	780,000
Total Fixed Exp.	94,113	96,411	2,297	14.72	630,542	578,463	(52,079)	20.75	18.83	1,253,337
Net Income Before Taxes	(21,220)	(131,016)	(109,795)	(3.32)	(525,242)	(1,266,329)	(741,086)	(17.28)	(41.23)	(1,170,475)
Income Taxes	(5,467)	(40,942)	(35,475)	(0.85)	(156,014)	(395,728)	(239,714)	(5.13)	(12.88)	(365,773)
Net Income	(15,753)	(90,073)	(74,320)	(2.46)	(369,228)	(870,601)	(501,373)	(12.15)	(28.35)	(804,701)

Big Sky Farms Inc.
Ogema Division
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	8,311	9,550	1,239	$0.71	51,895	61,047	9,152	$0.83	$0.95	127,897
Price per 100 KG	107	133	25	0.01	124	133	9	0.00	0.00	0
Feeder Pigs Sold	4,503	97	(4,406)	0.39	16,388	7,708	(8,680)	0.26	0.12	15,767
Isoweans Sold	7,539	0	(7,539)	0.65	19,127	0	(19,127)	0.31		0
Pigs Weaned	11,652	10,928	(724)	1.00	68,492	68,894	402	1.10	1.08	149,147
Revenue										
Market Hog Sales	929,133	1,358,660	429,528	79.54	7,067,646	8,718,006	1,650,361	113.39	136.27	20,004,744
Feeder Hog Sales	319,148	5,813	(313,335)	27.32	767,388	404,005	(363,384)	12.31	6.31	912,461
Isowean Sales	270,805	0	(270,805)	23.18	593,602	0	(593,602)	9.52		0
Hog Inventory Adjustment	(360,690)	0	360,690	(30.88)	(499,179)	0	499,179	(8.01)		0
Feeder Pig Transfers	0	0	0		(143,453)	0	143,453	(2.30)		0
Other Revenue	253,112	4,541	(248,571)	21.67	282,265	27,244	(255,021)	4.53	0.43	475,694
Total Revenue	1,411,507	1,369,014	(42,493)	120.84	8,068,269	9,149,254	1,080,986	129.44	143.01	21,392,899
Feed Costs	790,051	989,293	199,243	67.64	5,792,144	6,585,745	793,601	92.93	102.94	13,047,719
Operating Expenses										
Communications	959	1,957	998	0.08	5,202	11,742	6,540	0.08	0.18	25,441
Power	14,718	16,993	2,276	1.26	78,594	100,565	21,971	1.26	1.57	199,703
Heating Fuel	14,998	5,122	(9,876)	1.28	27,573	20,663	(6,910)	0.44	0.32	55,472
General Insurance	9,605	14,500	4,895	0.82	50,388	87,000	36,612	0.81	1.36	188,500
Manure Removal	(9,734)	29,624	39,359	(0.83)	166,991	259,002	92,010	2.68	4.05	430,000
Repairs & Maintenance	28,830	22,067	(6,763)	2.47	131,340	132,402	1,062	2.11	2.07	286,871
Dead Disposal	4,372	3,328	(1,044)	0.37	21,570	19,968	(1,602)	0.35	0.31	43,264
Contract Services	835	3,326	2,491	0.07	12,633	19,956	7,324	0.20	0.31	43,238
Supplies	10,161	9,979	(182)	0.87	56,736	64,177	7,441	0.91	1.00	137,453
Property Taxes	1,966	2,785	818	0.17	7,964	16,708	8,744	0.13	0.26	36,200
Contract Facilities	109,894	107,077	(2,817)	9.41	670,382	642,462	(27,921)	10.76	10.04	1,392,000
Wages	75,897	87,928	12,031	6.50	480,792	527,569	46,777	7.71	8.25	1,143,066
Employee Benefits	10,955	12,310	1,355	0.94	72,843	73,860	1,017	1.17	1.15	160,029
Staff Training	135	0	(135)	0.01	135	0	(135)	0.00		0
Travel Meals & Ent	1,185	2,100	915	0.10	6,046	12,600	6,554	0.10	0.20	27,300
Breeding Herd Costs	30,377	78,072	47,695	2.60	(93,600)	468,429	562,029	(1.50)	7.32	1,014,930
less sale of cull sows	(31,138)	(32,744)	(1,605)	(2.67)	(172,625)	(197,217)	(24,593)	(2.77)	(3.08)	(472,629)
Veterinary	5,537	30,293	24,756	0.47	89,549	196,622	107,073	1.44	3.07	423,712
Herd Health	4,441	3,606	(835)	0.38	22,303	21,638	(665)	0.36	0.34	46,882
AI Costs	18,262	15,073	(3,188)	1.56	96,428	93,629	(2,799)	1.55	1.46	200,789
Herd Health Export Fees	6,179	97	(6,082)	0.53	20,137	7,708	(12,429)	0.32	0 12	15,767
Trucking	115,227	90,601	(24,627)	9.86	698,448	635,729	(62,720)	11.21	9.94	1,358,677
Sales Costs	11,723	0	(11,723)	1.00	61,321	0	(61,321)	0.98		0
Head Office Services	48,075	56,474	8,399	4.12	256,840	338,843	82,004	4.12	5.30	734,160
Total Operating Exp.	483,457	560,568	77,111	41.39	2,767,993	3,554,053	786,060	44.41	55.55	7,490,826
Operating Income	138,000	(180,847)	(318,847)	11.81	(491,868)	(990,544)	(498,675)	(7.89)	(15.48)	854,355
Fixed expenses										
Interest	62,998	76,068	13,070	5.39	482,741	456,405	(26,336)	7.74	7.13	988,878
Debt Instruments Accretion	12,047	0	(12,047)	1.03	100,016	0	(100,016)	1.60		0
Depreciation & Amortization	122,926	104,967	(17,959)	10.52	687,714	629,804	(57,910)	11.03	9.84	1,364,576
Total Fixed Exp.	197,971	181,035	(16,936)	16.95	1,270,471	1,086,209	(184,262)	20.38	16.98	2,353,453
Net Income Before Taxes	(59,971)	(361,882)	(301,911)	(5.13)	(1,762,339)	(2,076,753)	(314,413)	(28.27)	(32.46)	(1,499,098)
Income Taxes	(14,976)	(113,088)	(98,112)	(1.28)	(519,476)	(648,985)	(129,509)	(8.33)	(10.14)	(468,468)
Net Income	(44,995)	(248,794)	(203,799)	(3.85)	(1,242,863)	(1,427,768)	(184,904)	(19.94)	(22.32)	(1,030,630)

Big Sky Farms Inc.
Rama Division
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	10,957	9,600	(1,357)	$1.00	60,372	56,589	(3,783)	$1.00	$0.98	123,789
Price per 100 KG	111	133	21	0.01	125	133	8	0.00	0.00	0
Feeder Pigs Sold	0	550	550		0	3,300	3,300		0.06	6,050
Pigs Weaned	11,467	11,570	103	1.05	70,657	67,890	(2,767)	1.17	1.17	149,342
Revenue										
Market Hog Sales	1,374,203	1,365,774	(8,430)	125.42	8,502,191	8,078,840	(423,351)	140.83	139.67	19,424,671
Feeder Hog Sales	0	33,006	33,006		0	182,537	182,537		3.16	355,328
Hog Inventory Adjustment	(218,438)	0	218,438	(19.94)	88,774	0	(88,774)	1.47		0
Feeder Pig Transfers	(24,505)	0	24,505	(2.24)	135,091	0	(135,091)	2.24		0
Other Revenue	248,112	4,541	(243,571)	22.64	251,228	27,244	(223,985)	4.16	0.47	475,694
Total Revenue	1,379,372	1,403,320	23,948	125.89	8,977,285	8,288,621	(688,664)	148.70	143.30	20,255,693
Feed Costs	878,522	1,016,585	138,063	80.18	6,101,044	6,272,153	171,109	101.06	108.43	12,869,638
Operating Expenses										
Communications	1,556	1,418	(138)	0.14	6,983	8,508	1,525	0.12	0.15	18,434
Power	17,325	22,885	5,560	1.58	125,383	135,339	9,956	2.08	2.34	267,513
Heating Fuel	14,538	8,853	(5,685)	1.33	32,616	36,023	3,407	0.54	0.62	96,222
General Insurance	12,145	17,800	5,655	1.11	66,426	106,800	40,374	1.10	1.85	231,400
Manure Removal	(13,609)	29,418	43,027	(1.24)	193,651	257,195	63,544	3.21	4.45	427,000
Repairs & Maintenance	36,773	32,610	(4,163)	3.36	264,015	195,660	(68,355)	4.37	3.38	423,930
Dead Disposal	3,385	2,786	(599)	0.31	19,221	16,716	(2,505)	0.32	0.29	36,218
Contract Services	4,419	3,326	(1,093)	0.40	17,586	19,956	2,370	0.29	0.35	43,238
Supplies	14,362	10,451	(3,912)	1.31	66,360	61,694	(4,666)	1.10	1.07	136,048
Property Taxes	1,584	2,746	1,163	0.14	1,290	16,477	15,186	0.02	0.28	35,700
Wages	107,160	107,520	360	9.78	673,292	645,119	(28,173)	11.15	11.15	1,397,758
Employee Benefits	15,474	15,053	(421)	1.41	107,074	90,317	(16,758)	1.77	1.56	195,686
Travel Meals & Ent	767	1,305	538	0.07	4,158	7,830	3,672	0.07	0.14	16,965
Breeding Herd Costs	64,089	78,072	13,983	5.85	(73,383)	468,429	541,812	(1.22)	8.10	1,014,930
less sale of cull sows	(49,881)	(32,744)	17,137	(4.55)	(177,439)	(197,217)	(19,779)	(2.94)	(3.41)	(472,629)
Veterinary	26,142	25,238	(905)	2.39	134,232	149,732	15,501	2.22	2.59	332,174
Herd Health	3,291	3,700	408	0.30	19,718	22,198	2,481	0.33	0.38	48,096
AI Costs	18,983	15,964	(3,019)	1.73	114,341	97,567	(16,775)	1.89	1.69	209,955
Herd Health Export Fees	0	303	303		218	1,815	1,597	0.00	0.03	3,328
Trucking	112,542	142,422	29,881	10.27	717,357	840,972	123,615	11.88	14.54	1,869,250
Sales Costs	11,003	0	(11,003)	1.00	70,058	0	(70,058)	1.16		0
Head Office Services	57,676	56,474	(1,202)	5.26	290,724	338,843	48,119	4.82	5.86	734,160
Total Operating Exp.	459,723	545,598	85,875	41.96	2,673,883	3,319,972	646,089	44.29	57.40	7,065,376
Operating Income	41,127	(158,863)	(199,990)	3.75	202,357	(1,303,505)	(1,505,862)	3.35	(22.54)	320,680
Fixed expenses										
Interest	89,872	73,004	(16,867)	8.20	642,646	438,025	(204,621)	10.64	7.57	949,053
Debt Instruments Accretion	12,047	0	(12,047)	1.10	100,016	0	(100,016)	1.66		0
Depreciation & Amortization	144,164	124,538	(19,625)	13.16	855,854	747,231	(108,623)	14.18	12.92	1,619,000
Total Fixed Exp.	246,082	197,543	(48,540)	22.46	1,598,516	1,185,255	(413,260)	26.48	20.49	2,568,053
Net Income Before Taxes	(204,955)	(356,406)	(151,450)	(18.71)	(1,396,158)	(2,488,760)	(1,092,602)	(23.13)	(43.03)	(2,247,373)
Income Taxes	(60,284)	(111,377)	(51,093)	(5.50)	(405,045)	(777,738)	(372,693)	(6.71)	(13.45)	(702,304)
Net Income	(144,671)	(245,029)	(100,357)	(13.20)	(991,114)	(1,711,023)	(719,909)	(16.42)	(29.58)	(1,545,069)

Big Sky Farms Inc.
Porcupine Division
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	8,515	10,314	1,799	$0.79	57,969	58,813	844	$0.90	$0.98	131,011
Price per 100 KG	110	133	22	0.01	126	133	7	0.00	0.00	0
Feeder Pigs Sold	2,195	550	(1,645)	0.20	10,623	3,300	(7,323)	0.16	0.05	6,050
Isoweans Sold	6,355	0	(6,355)	0.59	12,327	0	(12,327)	0.19		0
Pigs Weaned	11,858	11,825	(33)	1.10	73,818	72,901	(917)	1.14	1.21	158,128
Revenue										
Market Hog Sales	994,708	1,467,353	472,645	92.56	8,035,723	8,398,053	362,330	124.17	139.81	20,587,730
Feeder Hog Sales	146,977	33,006	(113,971)	13.68	477,520	175,532	(301,988)	7.38	2.92	348,323
Isowean Sales	204,435	0	(204,435)	19.02	363,828	0	(363,828)	5.62		0
Hog Inventory Adjustment	(403,095)	0	403,095	(37.51)	(1,068,471)	0	1,068,471	(16.51)		0
Feeder Pig Transfers	0	0	0		166,735	0	(166,735)	2.58		0
Other Revenue	248,267	4,541	(243,727)	23.10	246,484	27,244	(219,240)	3.81	0.45	475,694
Total Revenue	1,191,293	1,504,900	313,607	110.85	8,221,819	8,600,829	379,010	127.04	143.19	21,411,748
Feed Costs	743,358	1,072,514	329,156	69.17	6,057,338	6,459,938	402,600	93.60	107.55	13,350,959
Operating Expenses										
Communications	95	1,446	1,351	0.01	5,636	8,676	3,040	0.09	0.14	18,798
Power	15,822	23,657	7,835	1.47	123,185	139,938	16,753	1.90	2.33	277,058
Water Costs	40	0	(40)	0.00	80	0	(80)	0.00		0
Heating Fuel	21,904	10,104	(11,800)	2.04	42,499	34,258	(8,241)	0.66	0.57	102,256
General Insurance	12,153	18,500	6,347	1.13	65,958	111,000	45,042	1.02	1.85	240,500
Manure Removal	(13,068)	31,278	44,346	(1.22)	219,823	273,458	53,635	3.40	4.55	454,000
Repairs & Maintenance	20,042	30,585	10,543	1.86	169,075	183,510	14,435	2.61	3.06	397,605
Dead Disposal	3,620	2,991	(629)	0.34	24,943	17,946	(6,997)	0.39	0.30	38,883
Contract Services	3,558	3,249	(309)	0.33	27,036	19,494	(7,542)	0.42	0.32	42,237
Supplies	9,087	11,022	1,935	0.85	61,690	65,914	4,224	0.95	1.10	144,039
Property Taxes	69	3,212	3,142	0.01	10,447	19,269	8,822	0.16	0.32	41,750
Wages	102,525	107,975	5,450	9.54	639,439	647,848	8,409	9.88	10.79	1,403,670
Employee Benefits	14,810	15,116	306	1.38	93,461	90,699	(2,762)	1.44	1.51	196,514
Travel Meals & Ent	979	1,355	376	0.09	5,398	8,130	2,732	0.08	0.14	17,615
Breeding Herd Costs	32,897	78,072	45,175	3.06	(83,624)	468,429	552,053	(1.29)	7.80	1,014,930
less sale of cull sows	(33,944)	(32,744)	1,200	(3.16)	(172,284)	(197,217)	(24,933)	(2.66)	(3.28)	(472,629)
Veterinary	10,864	27,513	16,649	1.01	100,585	165,402	64,817	1.55	2.75	359,641
Herd Health	3,293	3,702	409	0.31	19,723	22,213	2,491	0.30	0.37	48,129
AI Costs	22,147	16,152	(5,995)	2.06	115,793	96,719	(19,074)	1.79	1.61	209,698
Herd Health Export Fees	525	0	(525)	0.05	2,944	0	(2,944)	0.05		0
Trucking	147,069	160,226	13,157	13.68	911,173	924,724	13,551	14.08	15.39	2,076,657
Sales Costs	12,490	0	(12,490)	1.16	72,929	0	(72,929)	1.13		0
Head Office Services	57,676	56,509	(1,167)	5.37	291,284	339,055	47,772	4.50	5.64	734,620
Total Operating Exp.	444,653	569,920	125,267	41.37	2,747,191	3,439,465	692,274	42.45	57.26	7,345,973
Operating Income	3,281	(137,534)	(140,816)	0.31	(582,710)	(1,298,574)	(715,865)	(9.00)	(21.62)	714,816
Fixed expenses										
Interest	37,154	79,935	42,781	3.46	422,713	479,607	56,894	6.53	7.98	1,039,149
Debt Instruments Accretion	3,726	0	(3,726)	0.35	25,997	0	(25,997)	0.40		0
Depreciation & Amortization	140,605	150,177	9,572	13.08	845,534	901,061	55,527	13.06	15.00	1,952,299
Total Fixed Exp.	181,485	230,111	48,627	16.89	1,294,243	1,380,668	86,425	20.00	22.99	2,991,448
Net Income Before Taxes	(178,203)	(367,646)	(189,443)	(16.58)	(1,876,953)	(2,679,243)	(802,290)	(29.00)	(44.60)	(2,276,632)
Income Taxes	(54,524)	(114,889)	(60,365)	(5.07)	(578,424)	(837,263)	(258,839)	(8.94)	(13.94)	(711,447)
Net Income	(123,679)	(252,756)	(129,078)	(11.51)	(1,298,529)	(1,841,979)	(543,450)	(20.06)	(30.67)	(1,565,184)

Big Sky Farms Inc.
Pelly Division
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Isoweans Sold	12,015	11,642	(373)	($0.05)	76,256	72,257	(3,999)	($0.79)		157,553
Pigs Weaned	13,043	11,642	(1,401)	(0.06)	79,562	72,257	(7,305)	(0.83)		157,553
Revenue										
Isowean Sales	553,394	421,871	(131,523)	(2.44)	3,091,742	2,617,856	(473,885)	(32.11)		5,709,327
Hog Inventory Adjustment	(20,079)	0	20,079	0.09	(17,136)	0	17,136	0.18		0
Feeder Pig Transfers	24,505	0	(24,505)	(0.11)	65,241	0	(65,241)	(0.68)		0
Other Revenue	81,927	4,541	(77,386)	(0.36)	90,011	27,244	(62,768)	(0.93)		475,694
Total Revenue	639,747	426,411	(213,335)	(2.82)	3,229,858	2,645,100	(584,758)	(33.54)		6,185,022
Feed Costs	146,246	137,066	(9,180)	(0.64)	909,596	860,380	(49,216)	(9.45)		1,741,127
Operating Expenses										
Communications	308	369	61	0.00	1,567	2,214	647	(0.02)		4,797
Power	7,918	10,621	2,703	(0.03)	41,805	62,706	20,901	(0.43)		122,529
Heating Fuel	2,110	1,230	(880)	(0.01)	3,011	3,585	574	(0.03)		11,805
General Insurance	4,953	7,500	2,547	(0.02)	20,098	45,000	24,902	(0.21)		97,500
Manure Removal	(4,159)	6,200	10,360	0.02	42,301	54,210	11,908	(0.44)		90,000
Repairs & Maintenance	3,364	3,300	(64)	(0.01)	14,575	19,800	5,225	(0.15)		42,900
Dead Disposal	800	904	104	0.00	5,616	5,424	(192)	(0.06)		11,752
Contract Services	1,492	770	(722)	(0.01)	5,231	4,620	(611)	(0.05)		10,010
Supplies	6,742	4,890	(1,852)	(0.03)	33,210	30,348	(2,863)	(0.34)		66,172
Property Taxes	(280)	373	653	0.00	1,168	2,238	1,070	(0.01)		4,850
Wages	47,231	51,468	4,237	(0.21)	346,564	308,810	(37,754)	(3.60)		669,088
Employee Benefits	6,762	7,206	444	(0.03)	49,712	43,233	(6,479)	(0.52)		93,672
Staff Training	96	0	(96)	0.00	96	0	(96)	0.00		0
Travel Meals & Ent	255	700	445	0.00	1,162	4,200	3,038	(0.01)		9,100
Breeding Herd Costs	1,879	78,072	76,192	(0.01)	(249,734)	468,429	718,163	2.59		1,014,930
less sale of cull sows	(17,897)	(32,744)	(14,847)	0.08	(94,799)	(197,217)	(102,418)	0.98		(472,629)
Veterinary	8,517	17,464	8,947	(0.04)	46,181	108,385	62,204	(0.48)		236,330
Herd Health	1,087	1,222	135	0.00	4,589	7,331	2,742	(0.05)		15,883
AI Costs	19,837	15,984	(3,853)	(0.09)	103,004	94,953	(8,051)	(1.07)		206,744
Herd Health Export Fees	2,835	2,328	(507)	(0.01)	21,786	14,451	(7,334)	(0.23)		31,511
Trucking	42,830	31,435	(11,395)	(0.19)	255,605	195,093	(60,512)	(2.65)		425,393
Sales Costs	4,826	0	(4,826)	(0.02)	15,825	0	(15,825)	(0.16)		0
Head Office Services	19,066	18,648	(419)	(0.08)	96,144	111,886	15,742	(1.00)		242,420
Total Operating Exp.	160,572	227,940	67,369	(0.71)	764,715	1,389,699	624,984	(7.94)		2,934,758
Operating Income	332,929	61,405	(271,524)	(1.47)	1,555,548	395,022	(1,160,526)	(16.15)		1,509,136
Fixed expenses										
Interest	54,202	24,106	(30,096)	(0.24)	295,033	144,636	(150,397)	(3.06)		313,378
Debt Instruments Accretion	3,726	0	(3,726)	(0.02)	11,572	0	(11,572)	(0.12)		0
Depreciation & Amortization	87,113	30,769	(56,344)	(0.38)	533,177	184,615	(348,561)	(5.54)		400,000
Total Fixed Exp.	145,040	54,875	(90,165)	(0.64)	839,782	329,251	(510,530)	(8.72)		713,378
Net Income Before Taxes	187,889	6,529	(181,359)	(0.83)	715,766	65,770	(649,996)	(7.43)		795,758
Income Taxes	59,879	2,040	(57,839)	(0.26)	227,293	20,553	(206,740)	(2.36)		248,674
Net Income	128,009	4,489	(123,520)	(0.56)	488,473	45,217	(443,256)	(5.07)		547,084

Big Sky Farms Inc.
Contract Finisher Units
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	12,975	8,749	(4,226)	$1.00	62,928	48,894	(14,034)	$1.00	$1.00	117,092
Price per 100 KG	110	142	32	0.01	133	143	10	0.00	0.00	0
Revenue										
Market Hog Sales	1,498,998	1,304,591	(194,408)	115.53	8,980,780	7,303,206	(1,677,574)	142.72	149.37	19,355,107
Hog Inventory Adjustment	(356,500)	0	356,500	(27.48)	1,031,652	0	(1,031,652)	16.39		0
Feeder Pig Transfers	(459,979)	0	459,979	(35.45)	(2,642,372)	0	2,642,372	(41.99)		0
Total Revenue	682,519	1,304,591	622,071	52.60	7,370,060	7,303,206	(66,854)	117.12	149.37	19,355,107
Feed Costs	908,834	629,908	(278,927)	70.05	5,356,448	3,661,658	(1,694,790)	85.12	74.89	8,153,558
Operating Expenses										
Communications	0	100	100		0	600	600		0.01	1,300
General Insurance	396	231	(165)	0.03	2,279	1,385	(895)	0.04	0.03	3,000
Supplies	0	1,661	1,661		0	9,954	9,954		0.20	26,886
Contract Facilities	229,735	130,000	(99,735)	17.71	1,232,090	780,000	(452,090)	19.58	15.95	1,690,000
Wages	0	8,769	8,769		0	52,615	52,615		1.08	114,000
Travel Meals & Ent	0	100	100		0	600	600		0.01	1,300
Veterinary	10,323	3,357	(6,966)	0.80	43,135	19,012	(24,124)	0.69	0.39	46,674
Herd Health	0	154	154		0	923	923		0.02	2,000
Trucking	81,060	51,072	(29,989)	6.25	399,539	291,068	(108,471)	6.35	5.95	740,676
Sales Costs	16,240	0	(16,240)	1.25	92,264	0	(92,264)	1.47		0
Head Office Services	1,369	0	(1,369)	0.11	15,205	0	(15,205)	0.24		0
Total Operating Exp.	339,123	195,444	(143,680)	26.14	1,784,513	1,156,156	(628,357)	28.36	23.65	2,625,836
Operating Income	(565,438)	479,239	1,044,678	(43.58)	229,099	2,485,392	2,256,293	3.64	50.83	8,575,713
Fixed expenses										
Net Income Before Taxes	(565,438)	479,239	1,044,678	(43.58)	229,099	2,485,392	2,256,293	3.64	50.83	8,575,713
Income Taxes	(176,699)	149,762	326,462	(13.62)	71,594	776,685	705,092	1.14	15.89	2,679,910
Net Income	(388,739)	329,477	718,216	(29.96)	157,506	1,708,707	1,551,201	2.50	34.95	5,895,802

Big Sky Farms Inc.
Contract Canadian
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	1,658	1,966	308	$1.00	11,499	12,661	1,162	$1.00	$1.00	37,943
Price per 100 KG	109	136	27	0.07	129	136	7	0.01	0.01	0
Revenue										
Market Hog Sales	193,616	279,683	86,067	116.78	1,583,541	1,807,791	224,250	137.71	142.79	6,117,145
Hog Inventory Adjustment	(95,400)	0	95,400	(57.54)	171,620	0	(171,620)	14.92		0
Feeder Pig Transfers	(28,565)	0	28,565	(17.23)	(409,705)	0	409,705	(35.63)		0
Total Revenue	69,651	279,683	210,032	42.01	1,345,456	1,807,791	462,335	117.01	142.79	6,117,145
Feed Costs	137,845	141,544	3,699	83.14	999,953	949,230	(50,723)	86.96	74.97	2,608,768
Operating Expenses										
General Insurance	194	0	(194)	0.12	1,317	0	(1,317)	0.11		0
Supplies	0	983	983		0	6,330	6,330		0.50	18,972
Contract Facilities	56,053	49,231	(6,822)	33.81	339,994	295,385	(44,609)	29.57	23.33	640,000
Veterinary	31	983	952	0.02	7,675	6,330	(1,344)	0.67	0.50	18,972
Herd Health	0	77	77		0	462	462		0.04	1,000
Trucking	15,484	16,615	1,131	9.34	108,724	107,005	(1,719)	9.46	8.45	329,535
Sales Costs	1,679	0	(1,679)	1.01	12,462	0	(12,462)	1.08		0
Total Operating Exp.	73,442	67,888	(5,553)	44.30	470,172	415,512	(54,660)	40.89	32.82	1,008,479
Operating Income	(141,636)	70,251	211,887	(85.43)	(124,670)	443,049	567,719	(10.84)	34.99	2,499,899
Fixed expenses										
Net Income Before Taxes	(141,636)	70,251	211,887	(85.43)	(124,670)	443,049	567,719	(10.84)	34.99	2,499,899
Income Taxes	(44,261)	21,953	66,215	(26.70)	(38,959)	138,453	177,412	(3.39)	10.94	781,218
Net Income	(97,375)	48,297	145,672	(53.73)	(85,710)	304,596	390,307	(7.45)	24.06	1,718,681

Big Sky Farms Inc.
Contract US
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	11,317	6,783	(4,534)	51.00	51,429	36,233	(15,196)	51.00	51.00	79,149
Price per 100 KG	110	144	34	0.01	133	145	12	0.00	0.00	0
Revenue										
Market Hog Sales	1,305,383	1,024,908	(280,475)	115.35	7,397,239	5,495,415	(1,901,824)	143.83	151.67	13,237,962
Hog Inventory Adjustment	(261,100)	0	261,100	(23.07)	860,032	0	(860,032)	16.72		0
Feeder Pig Transfers	(431,414)	0	431,414	(38.12)	(2,232,667)	0	2,232,667	(43.41)		0
Total Revenue	612,869	1,024,908	412,039	54.15	6,024,604	5,495,415	(529,189)	117.14	151.67	13,237,962
Feed Costs	770,989	488,364	(282,625)	68.13	4,356,495	2,712,428	(1,644,067)	84.71	74.86	5,544,791
Operating Expenses										
Communications	0	100	100		0	600	600		0.02	1,300
General Insurance	202	231	29	0.02	962	1,385	423	0.02	0.04	3,000
Supplies	0	678	678		0	3,623	3,623		0.10	7,915
Contract Facilities	173,682	80,769	(92,913)	15.35	892,096	484,615	(407,481)	17.35	13.38	1,050,000
Wages	0	8,769	8,769		0	52,615	52,615		1.45	114,000
Travel Meals & Ent	0	100	100		0	600	600		0.02	1,300
Veterinary	10,291	2,374	(7,917)	0.91	35,461	12,681	(22,779)	0.69	0.35	27,702
Herd Health	0	77	77		0	462	462		0.01	1,000
Trucking	65,577	34,457	(31,120)	5.79	290,815	184,063	(106,752)	5.65	5.08	411,141
Sales Costs	14,560	0	(14,560)	1.29	79,802	0	(79,802)	1.55		0
Head Office Services	1,369	0	(1,369)	0.12	15,205	0	(15,205)	0.30		0
Total Operating Exp.	265,682	127,555	(138,127)	23.48	1,314,340	740,644	(573,696)	25.56	20.44	1,617,357
Operating Income	(423,802)	408,989	832,791	(37.45)	353,769	2,042,343	1,688,574	6.88	56.37	6,075,814
Fixed expenses										
Net Income Before Taxes	(423,802)	408,989	832,791	(37.45)	353,769	2,042,343	1,688,574	6.88	56.37	6,075,814
Income Taxes	(132,438)	127,809	260,247	(11.70)	110,553	638,232	527,679	2.15	17.61	1,898,692
Net Income	(291,364)	281,180	572,544	(25.75)	243,216	1,404,111	1,160,895	4.73	38.75	4,177,122

Big Sky Farms Inc.
Contrac Barns - Wean to Finish
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	3,160	8,061	4,901	$1.00	41,328	45,321	3,993	$1.00	$1.00	96,327
Price per 100 KG	113	144	32	0.04	138	145	6	0.00	0.00	0
Revenue										
Market Hog Sales	406,920	1,218,120	811,200	128.77	6,213,664	6,874,185	660,520	150.35	151.68	16,076,331
Hog Inventory Adjustment	(268,961)	0	268,961	(85.11)	(801,927)	0	801,927	(19.40)		0
Feeder Pig Transfers	0	0	0		(689,123)	0	689,123	(16.67)		0
Total Revenue	137,959	1,218,120	1,080,161	43.66	4,722,614	6,874,185	2,151,570	114.27	151.68	16,076,331
Feed Costs	392,706	689,259	296,553	124.27	3,149,766	4,030,736	880,969	76.21	88.94	8,028,230
Operating Expenses										
General Insurance	0	1,154	1,154		0	6,923	6,923		0.15	15,000
Supplies	0	1,636	1,636		0	9,200	9,200		0.20	19,555
Contract Facilities	127,679	174,462	46,783	40.40	801,255	1,046,769	245,515	19.39	23.10	2,268,000
Wages	0	12,715	12,715		0	76,292	76,292		1.68	165,300
Veterinary	7,121	16,123	9,002	2.25	71,855	90,643	18,788	1.74	2.00	192,655
Herd Health	0	385	385		0	2,308	2,308		0.05	5,000
Trucking	15,184	40,952	25,768	4.81	214,732	230,233	15,501	5.20	5.08	500,119
Sales Costs	3,503	0	(3,503)	1.11	52,041	0	(52,041)	1.26		0
Head Office Services	1,370	0	(1,370)	0.43	19,162	0	(19,162)	0.46		0
Total Operating Exp.	154,858	247,427	92,570	49.01	1,159,044	1,462,369	303,325	28.05	32.27	3,165,629
Operating Income	(409,605)	281,434	691,038	(129.62)	413,804	1,381,080	967,276	10.01	30.47	4,882,472
Fixed expenses										
Net Income Before Taxes	(409,605)	281,434	691,038	(129.62)	413,804	1,381,080	967,276	10.01	30.47	4,882,472
Income Taxes	(128,001)	87,948	215,949	(40.51)	129,314	431,588	302,274	3.13	9.52	1,525,773
Net Income	(281,603)	193,486	475,089	(89.11)	284,490	949,493	665,003	6.88	20.95	3,356,700

Big Sky Farms Inc.
Contract Barns - Nurseries
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Feeder Pigs Sold	0	0	0		3,498	0	(3,498)			0
Revenue										
Feeder Hog Sales	0	0	0		141,188	0	(141,188)			0
Hog Inventory Adjustment	67,328	0	(67,328)		121,849	0	(121,849)			0
Feeder Pig Transfers	(55,856)	0	55,856		342,773	0	(342,773)			0
Total Revenue	11,472	0	(11,472)		605,810	0	(605,810)			0
Feed Costs	100,687	0	(100,687)		610,468	0	(610,468)			0
Operating Expenses										
Contract Facilities	59,598	0	(59,598)		308,876	0	(308,876)			0
Veterinary	26,444	0	(26,444)		93,226	0	(93,226)			0
Trucking	11,558	0	(11,558)		56,438	0	(56,438)			0
Head Office Services	274	0	(274)		3,969	0	(3,969)			0
Total Operating Exp.	97,873	0	(97,873)		462,508	0	(462,508)			0
Operating Income	(187,088)	0	187,088		(467,166)	0	467,166			0
Fixed expenses										
Net Income Before Taxes	(187,088)	0	187,088		(467,166)	0	467,166			0
Income Taxes	(58,465)	0	58,465		(145,989)	0	145,989			0
Net Income	(128,623)	0	128,623		(321,177)	0	321,177			0

Big Sky Farms Inc.
Farrow to Finish Units
For the Six Months Ending December 13, 2008

	Actual December	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	7,874	5,694	(2,180)	$0.93	34,391	33,839	(552)	$0.87	$0.89	78,494
Price per 100 KG	112	133	21	0.01	122	134	12	0.00	0.00	0
Breeding Stock Sold	563	1,128	565	0.07	4,027	5,121	1,094	0.10	0.13	13,552
Feeder Pigs Sold	0	0	0		1,057	550	(507)	0.03	0.01	1,100
Isoweans Sold	0	0	0		3,861	0	(3,861)	0.10		0
Pigs Weaned	21,830	21,473	(357)	2.59	145,584	147,485	1,901	3.67	3.87	303,509
Revenue										
Market Hog Sales	960,185	807,554	(152,631)	113.81	4,763,893	4,819,648	55,755	120.09	126.58	12,323,882
Hog Sales:Breeding	160,014	306,614	146,600	18.97	1,131,087	1,406,200	275,113	28.51	36.93	3,692,939
Feeder Hog Sales	0	0	0		30,266	27,615	(2,651)	0.76	0.73	62,830
Isowean Sales	0	0	0		47,842	0	(47,842)	1.21		0
Hog Inventory Adjustment	(327,983)	0	327,983	(38.87)	22,337	0	(22,337)	0.56		0
Feeder Pig Transfers	533,119	0	(533,119)	63.19	2,741,524	0	(2,741,524)	69.11		0
Other Revenue	355,944	7,719	(348,225)	42.19	384,393	46,314	(338,079)	9.69	1.22	808,681
Total Revenue	1,681,279	1,121,887	(559,392)	199.27	9,121,342	6,299,777	(2,821,565)	229.94	165.46	16,888,332
Feed Costs	813,502	993,868	180,366	96.42	5,468,126	6,129,387	661,261	137.84	160.98	12,776,240
Operating Expenses										
Communications	3,996	5,651	1,655	0.47	26,711	37,434	10,723	0.67	0.98	74,639
Power	44,410	57,577	13,167	5.26	308,372	363,092	54,720	7.77	9.54	723,942
Water Costs	4,874	0	(4,874)	0.58	4,918	0	(4,918)	0.12		0
Heating Fuel	53,491	29,022	(24,469)	6.34	205,419	177,739	(27,680)	5.18	4.67	364,823
General Insurance	29,310	23,835	(5,476)	3.47	193,908	153,808	(40,100)	4.89	4.04	313,450
Manure Removal	(21,343)	41,584	62,926	(2.53)	385,316	354,893	(30,423)	9.71	9.32	579,692
Repairs & Maintenance	52,153	47,205	(4,948)	6.18	251,856	306,573	54,717	6.35	8.05	601,608
Dead Disposal	3,876	6,236	2,360	0.46	22,349	41,574	19,225	0.56	1.09	80,054
Contract Services	560	4,643	4,083	0.07	20,080	30,630	10,550	0.51	0.80	61,283
Supplies	25,333	28,854	3,521	3.00	126,164	177,864	51,700	3.18	4.67	371,954
Property Taxes	10,506	8,577	(1,929)	1.25	99,163	54,231	(44,932)	2.50	1.42	112,423
Wages	220,209	249,556	29,346	26.10	1,554,972	1,602,252	47,281	39.20	42.08	3,235,700
Employee Benefits	29,207	34,938	5,731	3.46	219,921	224,315	4,394	5.54	5.89	452,998
Staff Training	149	0	(149)	0.02	314	0	(314)	0.01		0
Travel Meals & Ent	1,661	5,150	3,489	0.20	15,342	33,075	17,733	0.39	0.87	67,625
Breeding Herd Costs	134,213	172,529	38,316	15.91	682,418	1,035,172	352,754	17.20	27.19	2,242,872
less sale of cull sows	(70,295)	(75,181)	(4,885)	(8.33)	(817,831)	(1,160,442)	(342,612)	(20.62)	(30.48)	(1,792,796)
Veterinary	43,175	55,754	12,578	5.12	196,148	354,916	158,767	4.94	9.32	735,123
Herd Health	5,284	6,375	1,091	0.63	42,335	39,477	(2,858)	1.07	1.04	83,280
AI Costs	37,925	36,146	(1,779)	4.50	222,163	242,726	20,563	5.60	6.37	495,600
Herd Health Export Fees	4,614	6,595	1,981	0.55	47,003	48,070	1,067	1.18	1.26	95,871
Trucking	111,093	97,909	(13,184)	13.17	737,762	620,385	(117,378)	18.60	16.29	1,385,902
Sales Costs	15,161	0	(15,161)	1.80	62,630	0	(62,630)	1.58		0
Head Office Services	71,261	81,243	9,982	8.45	433,329	487,458	54,130	10.92	12.80	1,056,160
Total Operating Exp.	810,823	924,197	113,374	96.10	5,040,761	5,225,246	184,479	127.07	137.23	11,342,201
Operating Income	56,954	(796,178)	(853,132)	6.75	(1,387,545)	(5,054,850)	(3,667,305)	(34.98)	(132.76)	(7,230,109)
Fixed expenses										
Interest	58,198	106,573	48,375	6.90	528,139	639,439	111,300	13.31	16.79	1,385,451
Depreciation & Amortization	436,085	173,369	(262,716)	51.69	1,217,261	1,040,214	(177,047)	30.69	27.32	2,253,800
Total Fixed Exp.	494,284	279,942	(214,341)	58.59	1,745,400	1,679,653	(65,747)	44.00	44.11	3,639,251
Non-recurring Items	0	0	0		0	(468,000)	(468,000)		(12.29)	(438,000)
Net Income Before Taxes	(437,329)	(1,076,120)	(638,791)	(51.83)	(3,132,946)	(6,266,503)	(3,133,558)	(78.98)	(164.58)	(10,431,361)
Income Taxes	(136,665)	(336,288)	(199,622)	(16.20)	(979,046)	(1,958,282)	(979,237)	(24.68)	(51.43)	(3,259,800)
Net Income	(300,664)	(739,833)	(439,169)	(35.64)	(2,153,900)	(4,308,221)	(2,154,321)	(54.30)	(113.15)	(7,171,560)

Big Sky Farms Inc.
Long-Term Debt
As at December 13, 2008

	Principal Outstanding	Current Portion	Balance
Syndicated loan - Credit B	$ 32,458,288	$ 3,680,000	$ 28,778,288
Syndicated loan - Credit C	7,550,000	800,000	$ 6,750,000
Sask Government Hog Loan 2002	613,019	613,019	-
Sask Government Hog Loan 2008	4,895,365	-	4,895,365
Senior debt	**45,516,672**	**5,093,019**	**40,423,653**
Scotiabank debt reclassified as current		35,528,288	(35,528,288)
Senior debt reclassified		**40,621,307**	**4,895,365**
Golden Opportunities Fund Inc.	1,500,000	600,000	900,000
Farm Credit Canada Ventures Inc.	1,500,000	600,000	900,000
Shareholder Loans	3,163,003	3,163,003	-
Promissory Note - Florian Possberg	619,000	362,500	256,500
Subordinated debt	**6,782,003**	**4,725,503**	**2,056,500**
Prairie Hog Production Limited Partnership - Nursery	6,016,863	682,333	5,334,530
Prairie Hog Production Limited Partnership - Finisher	3,112,919	264,556	2,848,363
Capital Lease Obligation	**9,129,782**	**946,889**	**8,182,893**
	$ 61,428,457	**$ 46,293,699**	**$ 15,134,758**

Big Sky Farms Inc.
13-Dec-08
Consolidated

Quick Cash Position

Cash on hand	$ (5,082,380)
Drawn line of Credit	(22,000,000)
Available Line of Credit	26,500,000
Cash Available	(582,380)
Accounts Receivable	5,753,115
Accounts Payable , Other Liabilities and LCT	(11,691,100)
Funds available from long term debt	(4,725,503)
Quick Cash Balance	$ (11,245,868)

Current Ratio (modified)

Current Assets per financial statements	$37,385,188
Breeding Stock	12,565,480
	$49,950,668
Current liabilities per financial statements	$87,406,702
Less reclassifed long term debt	(35,528,288)
Less accrued interest on subordinated debt	(765,752)
Less current portion of subordinated debt	(4,699,424)
	$46,413,238

Current Ratio	**Covenant**	**1 to 1**	**1.08**

Senior Debt Ratio

EBITDA	Jul to Sep 2008	1,338,183	
	Oct to Dec 2008	(2,691,617)	
	Jan to Mar 2008	(3,680,029)	
	Apr to Jun 2008	(1,393,123)	(6,426,586)
Senior Debt:	Line of Credit		27,082,380
	Current Portion of Senior Debt		5,093,019
	Current Portion of Capital leases		946,889
	Long-Term Senior Debt		40,423,653
	Capital Leases		8,182,893
			81,728,834

Senior Debt Ratio	**Covenant**	**not required**	**(12.72)**

Debt Service Ratio (modified)

EBITDA - Last Four Quarters as above			(6,426,586)
Current Portion of Senior Debt			n/a
Interest:	Jul to Sep 2008	1,510,274	
	Oct to Dec 2008	1,365,646	
	Jan to Mar 2008	1,790,510	
	Apr to Jun 2008	1,643,888	6,310,318
Capital Lease Payments			
	Jul to Sep 2008	50,114	
	Oct to Dec 2008	0	
	Jan to Mar 2008	149,029	
	Apr to Jun 2008	152,918	352,061
			6,662,379

Debt Service Ratio	**Covenant**	**1:1**	**(0.96)**

Big Sky Farms Inc.
10333 8th Avenue • P.O. Box 610 • Humboldt, Saskatchewan Canada S0K 2A0
Tel. (306) 682-5041 • Fax (306) 682-5042

THE BOARD OF DIRECTORS

Big Sky Farms Inc.

I HEREBY CERTIFY THAT as of December 22, 2008 all funds required to be paid to the following are paid in full and no arrears exist.

1. Canada Customs and Revenue Agency for payroll deductions and corporate tax under the provisions of *The Income Tax Act*; and

2. Minister of Finance under the provisions of *The Workers Compensation Act.*

I further certify that all wages due to all employees have been paid in full.

The unpaid vacation pay due to employees, as at December 13, 2008 was $726,812.81.

DATED AT the City of Humboldt, in the Province of Saskatchewan, this 22nd day of December, 2008.

BIG SKY FARMS INC.

Canute Tagseth, Chief Financial Officer

Lorianne Earis, Controller