SECTION 2.0 NOTICE OF ALTERATION

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2.1 HOLDING PEN EXPANSION

It is proposed to add an addition to the holding pen barn immediately east of the existing holding pens as indicated in the upper right hand corner of Drawing No. Layout R3. The need for additional holding pens stems directly from the need to ensure a steady flow of raw material into the Processing Plant during a 2-shift operation. Because the delivery of hogs to the plant currently takes place primarily between the hours of 5:30 A.M. to 2:00 A.M. (20 ½ hour period), Sunday through Friday and sometimes on Saturday, the need for more hog storage becomes apparent. Even with more storage, the hog delivery may occur around the clock in future. The outflow of hogs from the holding pens to the Processing Plant will remain nearly constant over a two-shift period as it does for a single shift (except for the time of shift change-over). The need for a two to four hour rest period combined with the fact that the inflow of hogs to the holding pens is more variable, has resulted in the need for more hog storage. There is a need to expand the holding pen area at least by about 4,026.8 m^2 (43,343 ft^2) from the current one-shift holding pen area of 5,945 m^2 (160 feet by 400 feet), an increase of 67.7%. The double set of two existing unloading doors at the northeast and southeast corners of the existing holding pen will be replaced by two sets of four unloading doors, again one set on either corner at the east end. The area of the pen expansion is less than the 100% expansion anticipated in the Operating Licence Application (May 1999), primarily because the staging area/hallways at the west end of the barn already exist.

It has been found during the first shift operation since the fall of 1999 that, although the original holding pens were designed for 7,500 hogs, the practical holding capacity is about 6,720 hogs, with 4 of 56 pens dedicated to substandard animals. In addition, during the past few years the average hog weight has increased and the number of hogs per pen has decreased to 110 animals from about 120 animals/pen. The expansion proposed herein will increase the capacity nominally from 6,720 to 10,080 animals (50% increase). Additional hogs can be stored in the aisle ways on a short-term basis, if necessary.

Holding pen expansion will require construction of temporary doors for unloading hogs on both the south and north sides of the building and replacement of the existing manure pad and reconstruction at another location. The new manure pad will be located on the south side of the hog-unloading yard. A new dead-hog bin area will be located at the east end of the addition to the holding pen barn in between the two unloading docks. In this location, it can service both sides of the unloading operation. The storage bin for hogs dead upon arrival or dying from stress soon after transfer to the barn will also be located in this area. It will be screened with a "slatted" gate to prevent observation from the 65th Street E. Expansion of the

holding pens towards the east will necessitate construction of new east/west ditches and a new access road from the east off of 65th Street E (that is the road allowance to the east of the existing Pork Processing plant) for hog-hauling trucks. Connection of Richmond Avenue to the new on-site access road leading to the holding pens will require upgrading of 65th Street E over a length of about 675 m.

In addition to the above, the expansion of the hog pens will require moving a portion of a 25 kVA electrical line; relocation of a few light poles; relocation of a portion of the fire loop; filling in a ditch; and moving a fence (Personal Communication – Kevin Croteau, EIT, Project Coordinator, Maple Leaf Pork).

2.2 COOLER AREA

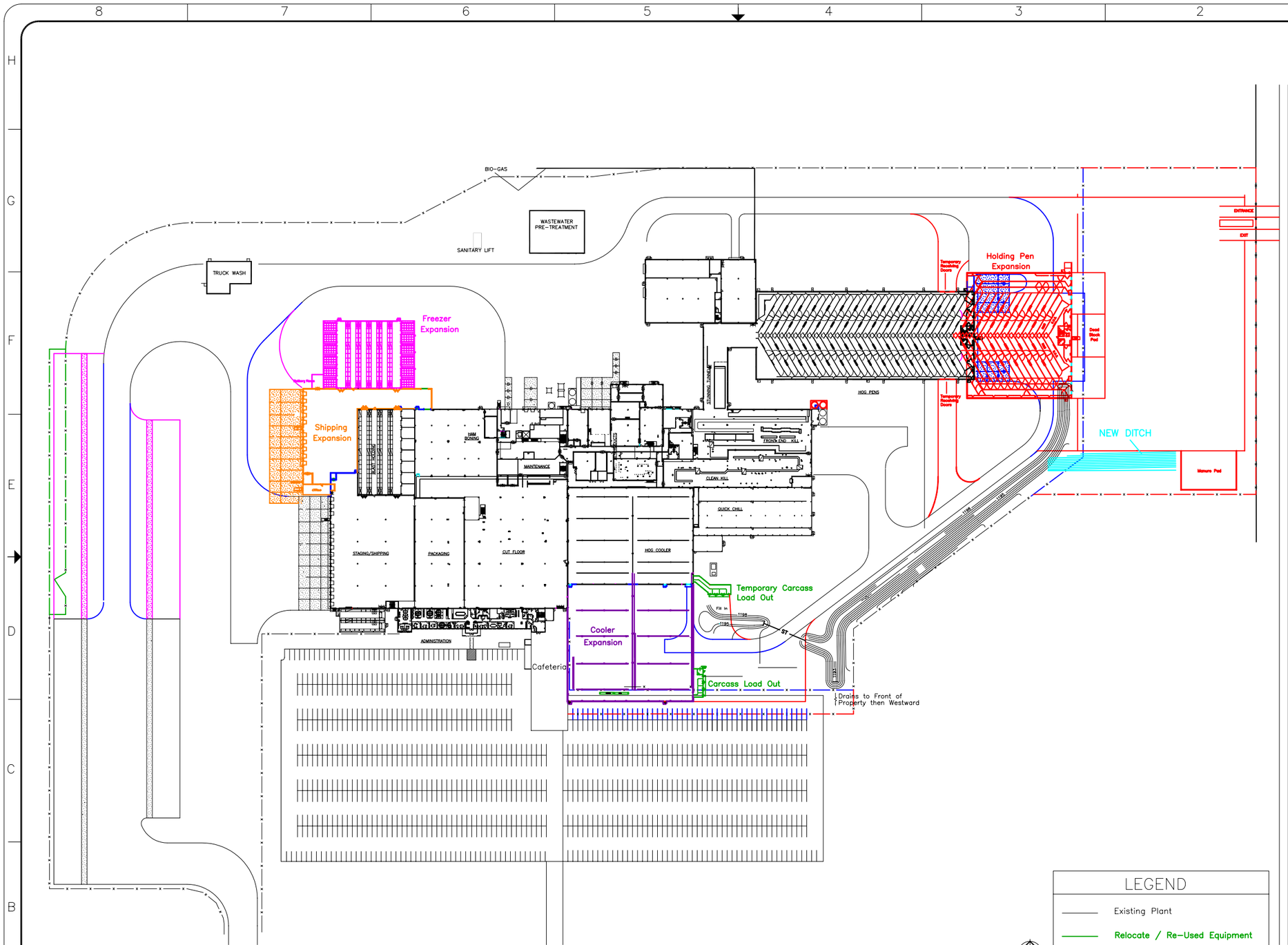
The cooler area proposed expansion is directly south of the existing cooler area as shown in Drawing No. Layout R3. The existing cooler is 3,634.4 m^2 (39,119 ft^2) in area and there is a need to expand this by 4,491.8 m^2 (48,348 ft^2). This amounts to a 123.6% expansion. The existing cooler accommodates 9,760 hogs on a 0.762 m (2'6" rail spacing), whereas the expansion area would accommodate hogs on 0.91 m (3' 00" rail spacing). Therefore, the cooler area when expanded will accommodate at least 23,552 hogs.

It has been found during the first-shift operation that carcasses are typically stiffer than anticipated coming out of the quick chill and as a result the required trolley "hanging distance" is approximately 23 cm (9 inches) whereas the original design "hanging distance" was 19 cm (7 1/2 inches). The expansion, therefore, makes up for the deficiency in the one-shift operation as well as accommodating the second shift. This accounts for the more than double floor area requested for the cooler area expansion.

The existing ground area slated for the cooler area expansion consists of an open area to just beyond the southern existing compound fence line except for the roadway and turn-around area that currently services the single carcass load-out door on the south face of the existing cooler area. This roadway and turn-around area is slated for change as part of the load-out area alteration described below. These areas are shown on Drawing No. Layout R3. The cooler expansion will also require relocation of the fence line, fire loop and modification of a ditch (Personal Communication – Kevin Croteau, EIT, Project Coordinator, Maple Leaf Pork).

2.3 CARCASS LOAD-OUT AREA

The request for alteration to the carcass load-out area actually involves a temporary relocation and a final relocation. The reason for this sequence is that during construction of the proposed expansion of the cooler area, there is a need to maintain a load-out ability. The temporary



LEGEND

- Existing Plant
- Relocate / Re-Used Equipment
- 2nd Shift Holding Pens
- 2nd Shift Shipping Area
- 2nd Shift Freezer Expansion
- 2nd Shift Cooler Expansion
- Removed Areas

REVISIONS			
ZONE	REV	DESCRIPTION	DATE
	2	Overall plant layout	22-Feb-02
	3	Overall plant layout	06-Feb-03

MAPLE LEAF PORK

MAPLE LEAF FOODS

MAPLE LEAF FOODS INC

DRAWN	Kevin Croteau	DATE	08-02-02
CHECKED		DATE	00-00-00

TITLE
Second Shift Proposal
Overall Layout
LayoutR3

PROJECT No.	PROJECT No	DWG NO.	LayoutR3
SIZE	FSCM NO.	SCALE	REV
E			0
PLOTTED	00-00-00	CAD FILE	105001

load-out on the east side of the existing cooler will service the east-half of the existing cooler and also some carcasses coming directly from the quick chill area. The temporary load-out area proposed for the east side of the cooler area is shown on Drawing No. Layout R3. The load-out area is currently used to move 500 whole carcasses per day on two trucks (250 carcasses/truck) for shipment to other cutting locations, currently all in Winnipeg. After the cooler area expansion is complete, the load-out area will be moved to the southeast corner of the expanded cooler area. The load-out area expansion will consist of an enclosed rail hallway leading to the load-out bays, construction of the load-out bays, and changes to the road leading to the load-out bays complete with turn-around area. The new carcass load-out will eventually accommodate and facilitate the ability to load whole carcasses as sales dictate. The total size of the proposed load-out area is about 85.5 m^2 (920 ft^2). Plans are to move some of the equipment from the temporary load-out to the new load-out unit near the end of construction of the cooler expansion and final load-out.

First shift experience indicates that more carcasses will likely be processed in Winnipeg in the future and the expanded load-out area will accommodate the required logistical truck flow.

2.4 SHIPPING AREA

The proposed shipping area expansion is shown on Drawing No. Layout R3 and is located at the west-northwest corner of the Maple Leaf Pork processing plant immediately northwest of the existing shipping area. The shipping area expansion requires about a 50% increase in floor space to accommodate the second shift. There are currently 15 shipping bays and this alteration calls for another 10 bays. The additional ten bays cover an area of about 1,502.3 m^2 (16,170 ft^2).

It has been found since the fall of 1999, that the existing 15 bays have serviced the shipping of boxed product adequately. In addition, the existing 15 bays accommodate the peak shipping times and there is also no foreseen need to double this peak shipping capacity. Therefore, this request involves less than a doubling (only about a 50% increase) of the existing shipping area to accommodate the second shift.

The expanded shipping area will require movement of a fence line and a ditch due to increasing the area for dropping trailers; moving the fire loop; moving the process waste line; moving the sanitary waste line, and moving the water line (Personal Communication – Kevin Croteau, EIT, Project Coordinator, Maple Leaf Pork).

2.5 FREEZER AREA

The proposed freezer area expansion is shown in Drawing No. Layout R3 and is located on the north northwest corner of the Maple Leaf Pork processing plant. It will be located north of the expanded shipping area, with a common staging area separating the additional self-contained freezer.

The existing freezer area has 1,468.8 m^2 (15,810 ft^2) of floor space, while the proposed freezer area will add 1,863.9 m^2 (20,062 ft^2). This represents a 126.9% increase in freezer capacity. Off-site leased freezer capacity was planned into the first shift operation; but it has been found during the first shift that there is better product control with on-site freezer storage. Off-site leased freezer capacity will continue under second shift operation, but substantially more than double freezer capacity would be required to accommodate the second shift, as available off-site freezer capacity is now limited.

2.6 OTHER INTERNAL/EXTERNAL PLANT ALTERATIONS

In order to accommodate the second-shift operation, there is a need for other internal plant alterations including:

- Relocation of the engineering office to accommodate more men's lockers
- Relocation of the production office
- Additional purchasing storage.

In addition to the above, there is one alteration on the exterior of the plant and another associated with inedible rendering procedures. The first involves a minor exterior alteration with respect to the blood tanks. Currently there are two 36,320 litre (10,000 U.S. gallon) blood tanks and one 2,270 litre (500 gallon) low-grade blood tank outside the east wall of the kill area. Experience during the first shift is that the 2,270 litre blood tank has not been used. However, there is a need to increase the storage capacity for blood for the two-shift per day operation, so Maple Leaf Foods Inc. herein requests approval to install and operate one additional 36,320 litre (10,000 U.S. gallon) blood tank in this area. The low-grade blood tank will remain for its original intended use.

With respect to inedible rendering, Paragraph 22(2) of Maple Leaf's Licence dated March 14, 2002 provides:

> 22. "The Licencee shall:
>
> (a) ship all inedible renderable waste from the hog processing plant and the waste pre-treatment plant, including dead hogs delivered to or encountered in

> the hog holding pen area, to Rothsay in Winnipeg, or to such other rendering facility as may be approved by the Director, for rendering; and" etc., etc.

During the first shift operation, all of the inedible renderable waste has been picked up by Rothsay and delivered to its Winnipeg plant as required by the Licence. It has been found by Rothsay, however, that the high protein fraction of this inedible waste becomes glue-like and plugs and/or fouls their equipment because of the particular temperatures used at Maple Leaf Pork in Brandon. This has resulted in the high protein fraction of the inedible rendering delivered to Winnipeg, eventually being disposed of at an approved landfill. Maple Leaf Pork is currently working with Rothsay to change the processing temperature so that the material currently going to the landfill becomes renderable. However, Maple Leaf Pork requests the Licence be amended to permit a portion of the inedible rendering to be disposed of at an approved landfill or an approved composting facility, and to retain this new clause in the future to provide flexibility in the operation in the event problems develop periodically at Rothsay. High content protein is a valuable commodity, and Rothsay would not unnecessarily wish to dispose of this material.