



2004-05 to 2008-09 Corporate Plan Summary

Operating Budget Summary,
Capital Budget Summary and
Borrowing Plan Summary
For the 2004-05 Budget Year

[Agriculture. It's all we do.]

Farm Credit Canada

Agriculture. It's all we do.

We are passionate about agriculture and helping our customers succeed. Our core strength is agricultural knowledge and expertise. We build relationships with customers through each business phase, from start up to retirement, not just the life of a loan. This strategic intent is called "Customer for Life".

FCC believes that the key to success for each agricultural enterprise is the ability to proactively plan for future growth. This corporate plan outlines our five-year strategies for how we will provide relevant products, services and solutions tailored to the unique needs of the agricultural industry.

Table of Contents

| | |
|--|----|
| EXECUTIVE SUMMARY | 5 |
| MANDATE | 9 |
| CORPORATE PROFILE | 10 |
| OVERVIEW | 10 |
| AGRICULTURAL POLICY FRAMEWORK | 11 |
| PUBLIC POLICY ROLE | 13 |
| ENVIRONMENTAL RESPONSIBILITY | 15 |
| OFFICIAL LANGUAGES | 16 |
| PUBLIC POLICY SCORECARD | 17 |
| GOVERNANCE STRUCTURE | 18 |
| EXECUTIVE | 20 |
| OUR PEOPLE | 21 |
| LENDING PRODUCTS | 22 |
| BUSINESS SERVICES | 24 |
| ALLIANCES AND PARTNERSHIPS | 24 |
| VENTURE CAPITAL | 25 |
| INTEGRATED PLANNING PROCESS | 26 |
| STRATEGIC ISSUES FOR THE PLANNING PERIOD | 28 |
| ASSESSMENT OF RESULTS – BALANCED SCORECARD 2003-04 | 28 |
| ANALYSIS OF EXTERNAL BUSINESS ENVIRONMENT | 30 |
| ASSESSMENT OF CORPORATE STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS | 33 |
| ASSESSMENT OF STRATEGIC ISSUES AND KEY PLANNING ASSUMPTIONS | 35 |
| OBJECTIVES, STRATEGIES AND PERFORMANCE MEASURES | 36 |
| FCC STRATEGY MAP | 37 |
| OBJECTIVE: UNIQUE PEOPLE LEADING OUR SUCCESS | 40 |
| OBJECTIVE: CREATE SOLUTIONS FOR CUSTOMER SUCCESS | 41 |
| OBJECTIVE: MAKE IT EASY FOR CUSTOMERS TO DO BUSINESS WITH US | 47 |
| OBJECTIVE: FINANCIAL SUCCESS – THE FOUNDATION OF CUSTOMER SUPPORT | 49 |
| OPERATING BUDGET SUMMARY | 50 |
| DISCUSSION OF EXPECTED RESULTS | 54 |

| | |
|---|----|
| <u>2003-04 FORECAST VERSUS 2004-05 FINANCIAL PLAN</u> | 54 |
| <u>Balance Sheet</u> | 54 |
| <u>Statement of Operations</u> | 55 |
| <u>Financial Ratios</u> | 56 |
| <u>Statement of Cash Flow</u> | 57 |
| <u>CAPITAL BUDGET SUMMARY</u> | 58 |
| <u>BORROWING PLAN SUMMARY</u> | 59 |
| <u>FCC OFFICE LOCATIONS</u> | 60 |
| <u>REFERENCE INFORMATION</u> | 61 |

EXECUTIVE SUMMARY

This corporate plan results from FCC's integrated planning process, and includes the corporation's strategy, allocation of resources and plans for execution. FCC's Board of Directors leads the formulation of FCC's business strategy. The Senior Management Team is responsible for executing the corporation's strategy and devising initiatives for its fulfillment. The Board provides direction and guidance throughout the planning period and indeed, the full fiscal year. Ultimately, every employee's individual annual performance objectives are linked to corporate strategy. This ensures that the whole organization is aligned and pulling towards the same vision: Visionary leaders and trusted partners – putting the power of our people's specialized knowledge and innovation to work for farm families and agribusiness across Canada.

Working from a deep sense of commitment to agriculture, FCC will continue to explore unique ways to encourage the further growth and development of the industry. Our commitment to primary producers remains at the very core of our business. They require support from the entire value chain, from agribusinesses that produce inputs to those that process or package outputs. We also entered the venture capital field and are maximizing partnerships in order to get things done on behalf of Canadian producers.

Business and succession planning remains important as primary producers work to increase their knowledge of current marketplace risks and challenges, while preparing for the future. The corporation will continue to deepen its understanding of the agricultural environment so that it can continue to offer solutions as unique and diverse as its customers' needs. FCC will work to strengthen partnerships in the financial, business and agricultural communities in order to help producers enhance their management skills required for long-term success. At the same time, FCC will promote producer access to enhanced financial and business solutions.

The Government of Canada's Agricultural Policy Framework (APF), developed with the provincial and territorial governments and the agriculture and agri-food industry, will guide agricultural program development across Canada. Farm Credit Canada's plans, products and services are consistent with and directly supportive of the objectives of the APF.

The following key planning assumptions were used in the preparation of this corporate plan:

- ❑ FCC will continue to provide lending, venture capital and business services to primary producers and agribusiness operators who will remain the core of our business.
- ❑ FCC will also provide new financial solutions for primary producers and agribusiness through expanded delivery channels.
- ❑ FCC will retain its emphasis on building long-term relationships with customers, offering superior agricultural knowledge through dedicated staff.
- ❑ FCC will offer wider access to its business services through new and existing alliance partners.
- ❑ FCC will be visibly supportive of the federal Agricultural Policy Framework.
- ❑ FCC's ability to provide a financial return adequate to fund future growth will be a key measure of financial success.

This year's corporate plan calls for continued expansion of FCC's financing and business solutions. The objectives, programs and strategies for the five-year planning period are as follows:

| Objective | Strategy Statement | Measurement Details |
|---|--|--|
| People - Unique People Leading our Success | FCC will be a top company to work for in Canada, with high employee engagement and an innovation and learning culture as measured by the People Index. | People Index: The People Index (annual Employee Engagement Survey administered by Hewitt). Employee Engagement score will move from 69% (2003-04) to 76% in 2008-09. This includes an innovation component, to be benchmarked in 2003 and a learning component, to be benchmarked in 2004. |

| Objective | Strategy Statement | Measurement Details |
|---|---|---|
| Customer - Create solutions for customer success | FCC will sustain high customer loyalty, grow its loan portfolio, invest in venture capital and deliver products and services to enhance producer and agribusiness management practices in order to support agriculture in Canada. | Customer Loyalty Index (CLI)*: Minimum of 4.24 Loan Portfolio Growth: Average annual growth rate of 7.8% over five years Venture Capital Investments: \$78 million invested by 2008-09 Business Services Growth: Enhance Management Practices via management training, publications & software: 2004-05 target: 47,600 customers 2008-09 target: 90,100 Insurance revenue: 2004-05: \$9.92M 2008-09: \$13.34M AgExpert revenue: 2004-05: \$2.4M 2008-09: \$5.25M Overall Reputation Index: Maintain at 134** |

*Customer Loyalty Index (CLI) includes customer satisfaction and perception of value obtained from FCC services. The maximum possible score is 5.77.

**FCC's reputation index is very good at 134, which the corporation seeks to maintain.

| Objective | Strategy Statement | Measurement Details |
|--|--|---|
| Service - Make it easy for customers to do business with us | FCC strives to be easy to do business with – as measured by its Customer Experience Index. | <p>Customer Experience Index = Service Provision Index + Customer Turnover Measure</p> <p>Service Provision Index: Post-service customer survey to measure gap between customer satisfaction and customer expectation. Initially will focus on new Farm Finance and Agribusiness lending with appropriate weighting assigned to each. Other business lines to be added over time</p> <p>Customer Turnover Measure: Post-departure survey to capture information on rationale for departure including elements where departure was avoidable either through actions taken or not taken by FCC *</p> |

| Objective | Strategy Statements | Measurement Details |
|---|---|--|
| Financial Success - The foundation of customer support | FCC will remain financially self-sustaining, through profit and operating efficiency, in order to grow its support for agriculture and customers. | <p>Return On Equity (ROE)**:</p> <p>2004-05: 10.74%</p> <p>2008-09: 12.49%</p> <p>Debt-to-equity Ratio: 10:1 or better</p> <p>Efficiency Ratio**: under 45 cents</p> |

*The measure will be expressed as a percentage, e.g. "X% of customer defections in 2004-05 were avoidable, as compared with X% last year."

**Efficiency ratio measures how well resources are utilized to generate income.

MANDATE

FCC's roots date back to 1927, when the Canadian Farm Loan Board (CFLB) was established to provide long-term mortgage credit to farmers. In 1942, the *Veteran's Land Administration Act* (VLA) was introduced to assist veterans of World War II to enter farming, providing the most important source of farm credit at the time.

Farm Credit Corporation was established in 1959 by the *Farm Credit Act* as the successor to the Canadian Farm Loan Board when it was created as an agent Crown corporation named in Part I of Schedule III of the *Financial Administration Act*.

On April 2, 1993, the *Farm Credit Corporation Act* was proclaimed into law and replaced the *Farm Credit Act* and the *Farm Syndicates Credit Act*, both of which were repealed. The Act provided FCC with an expanded mandate that included broader lending and administrative powers. It also combined under the authority of one Act, the corporation's powers to provide financial services to farming operations, including individuals, farming corporations and farm syndicates.

On June 14, 2001, the *Farm Credit Canada Act* received Royal Assent, which updated the *Farm Credit Corporation Act*. This new Act continues the corporation as Farm Credit Canada and allows the corporation to offer producers and agribusiness operators a broader range of services.

The corporation's mandate is to enhance rural Canada by providing business and financial solutions to farm families and agribusiness. From time to time, the corporation delivers specific programs for the Government of Canada on a cost-recovery basis.

CORPORATE PROFILE

Overview

Farm Credit Canada (FCC) offers flexible financing and business solutions to primary producers and agribusiness. FCC is Canada's largest agricultural term lender. The corporate office is located in Regina, Saskatchewan, with 1,000 employees serving more than 47,000 customers from 100 offices across Canada. The total loans receivable was approximately \$9.8 billion as of December 31, 2003.

As a federal Crown corporation, FCC reports to Parliament through the Minister of Agriculture and Agri-Food Canada. FCC's Board of Directors is comprised of 12 Directors who represent Canada from coast to coast. Their expertise, commitment and involvement in agriculture make a valuable contribution to the strategic direction of FCC.

Vision

Visionary leaders and trusted partners – putting the power of our people's specialized knowledge and innovation to work for farm families and agribusiness across Canada.

Mission

To enhance rural Canada by providing business and financial solutions for farm families and agribusiness.

Values

- ☐ Focus on the customer
- ☐ Work together
- ☐ Achieve excellence
- ☐ Act with integrity
- ☐ Give back to the community

Strategic Intent

Customer for Life – FCC will provide products and services to meet the needs of each phase of a customer's business cycle:

- ☐ Preparation and Training
- ☐ Start-Up
- ☐ Growth
- ☐ Sustaining
- ☐ Succession
- ☐ Retirement

Balanced Scorecard Perspectives

People: Unique people leading our success.

Customer: Create solutions for customer success.

Service: Make it easy for customers to do business with us.

Financial Success: The foundation of continued customer support.

Agricultural Policy Framework

The Government of Canada, along with the provincial and territorial governments and the agriculture and agri-food industry, is working to develop long-term agricultural policy to ensure the sector's growth and profitability in the 21st century. Governments have agreed to the key elements of this integrated Agricultural Policy Framework (APF): business risk management, food safety and food quality, environment, renewal, and science and innovation.

Business Risk Management – The APF's new approach to business risk management is intended to not only protect farmers against traditional and emerging risks, but will also encourage the use of new practices and strategies to reduce risk in the future. This includes traditional and new era risk management programs with the objective of delivering consistent, nation-wide, non-trade distorting programs. In addition, new risk management tools will be pursued with a focus on increasing both primary and value-added development and profitability. The Canadian Agricultural Income Stabilization Program (CAIS) has replaced the Net Income Stabilization Account (NISA) and the Canadian Farm Income Program (CFIP). CAIS provides both income stabilization and disaster assistance with a more streamlined application process for farmers.

Food Safety and Food Quality – Protect human health, increase consumer confidence and provide industry opportunities by strengthening Canada's position as a global leader in safety/quality systems.

Environment – Environmental stewardship is key to both the agriculture industry's long-term sustainability and its profitability. The APF will work to reduce agricultural risk as it relates to the health of water, soils, air and the atmosphere by increasing environmental awareness and effective environmental planning by Canadian producers.

Renewal – Agriculture is knowledge intensive, and producers are increasingly engaging in continuous learning to keep pace with change. New initiatives are included in the APF to allow all primary producers and agribusinesses to further develop their management and technical skills, from finance and production to the environment. In addition, the APF provides for the delivery of programs for farmers, from facilitating the development of alternative income sources to helping those who have decided to exit agriculture. The Canadian Farm Business Advisory Services is now available to producers in all provinces that have signed the APF Implementation Agreement.

Science and Innovation – Advances in science and technology have long been part of the success of Canada's agriculture and agri-food sector and one of the goals of the APF is to make the sector the world leader in innovation.

The APF will guide agricultural program development across Canada. Farm Credit Canada's products and services are consistent with and directly supportive of the objectives of the APF.

Public Policy Role

Farm Credit Canada is a federal Crown corporation, reporting to the Minister of Agriculture and Agri-Food. FCC's mission statement conveys the corporation's public policy role:

**FCC's mission is to enhance rural Canada
by providing specialized financial and business solutions to
farm families and agribusiness.**

FCC fulfills its public policy role by offering products and services to the agricultural community through solid business principles. This includes assuming an appropriate level of risk and operating on a financially self-sustaining basis.

FCC is deeply committed to agriculture. This commitment is exhibited by supporting customers with flexible products and services designed to help them effectively manage their way through cyclical fluctuations in commodity supply and demand, price pressure, weather-related issues, disease and other challenges. FCC fulfills its public policy role by supporting agriculture through good times and bad.

When disasters occur in the agricultural industry, FCC proactively contacts customers to develop plans to manage through challenging times. For example, in the past few years, FCC has worked with Western Canadian farmers dealing with severe drought, PEI customers facing the potato embargo and disease, cranberry farmers in BC experiencing low commodity prices, and maple syrup producers experiencing challenges in Quebec.

The May 2003 announcement of a case of Bovine Spongiform Encephalopathy (BSE) has had a significant impact on the Canadian beef industry. FCC believes strongly in the underlying strengths of this sector of Canadian agriculture. FCC is closely following the developments regarding the BSE issue and is monitoring the impact on our 6,600 customers across Canada who may be affected. While there has been some progress in reopening the borders to trade, the ongoing uncertainty around live cattle exports is creating financial difficulties for the industry and for many of our customers.

Shortly after the BSE crisis began, FCC activated its Customer Support Program to assist those customers adversely affected. Account managers were asked to proactively contact customers who may face difficulties, giving them the opportunity to explore flexible solutions such as payment rescheduling or interest-only payments. On December 23, 2003, a single case of BSE was discovered in Washington State, U.S., which has added to the uncertainty in the Canadian beef industry through lower cattle prices and reduced access to markets. Regardless of future BSE developments, FCC remains committed to the beef sector and will continue to work with affected customers to see them through. When assessing

new applications from beef producers, FCC continues to demonstrate its belief in the long-term viability of the sector.

FCC and its customers understand the importance of protecting the environment through good stewardship. FCC's Environmental Policy is focused on prevention and early identification as the cornerstones for success in ensuring sustainable agriculture. With a goal of maintaining a healthy environment for future generations, FCC strongly believes in supporting and promoting well-balanced environmental business practices.

For more than 40 years, FCC has served farmers. Supporting the primary producer has always been the main focus of the corporation and will remain so in the future. FCC also realizes the increasing importance of agribusiness to the overall health of the industry. FCC now finances everything from fertilizer to meat processing with one underlying criterion: everything FCC finances must be directly related to agriculture.

FCC tailors new products and services to help farmers and agribusiness handle the industry's unique and evolving needs. FCC has taken a leadership role in developing products that are driven by customer and sector needs. In some instances, the markets for these products are initially limited. In many cases, other financial institutions have subsequently copied these products, which benefits the agricultural industry.

FCC's public policy role is also fulfilled by the presence maintained in every province, serving more than 47,000 customers in their official language of choice. FCC enhances rural communities through 100 field offices located primarily in rural Canada, (See Appendix 1) and through the financial products and services provided to customers in these and other rural communities across Canada. In addition, FCC's community investment program provides funding and staff time to every community where its employees and customers live and work. Agriculture is integral to rural Canada. FCC's commitment to agriculture is evident in everything we do.

To summarize, FCC's mission statement communicates the corporation's public policy role:

**To enhance rural Canada
by providing specialized financial and business solutions
to farm families and agribusiness.**

Agriculture. It's all we do.

Environmental Responsibility

Our customers' success is clearly connected to sound, sustainable environmental management. FCC understands this connection and is committed to supporting and promoting well-balanced environmental business practices. FCC's Environmental Policy provides a tool for managing environmental risk and a mechanism for integrating environmental sustainability into all aspects of its operations.

FCC uses several tools to help customers manage environmental risk. Customers complete an environmental questionnaire as a component of every new loan. Due diligence is conducted regarding the environmental risk posed by real property offered as lending security. In defined cases, FCC will perform site inspections and seek an environmental assessment report from a qualified environmental consultant. Appropriate lending terms encourage best management practices and further ensure that the applicable federal, provincial, municipal environmental regulations and by-laws are met.

Lending products, like FCC's Enviro-Loan, enable producers and agribusiness owners to improve their operations and adopt sound resource management. Showcasing environmentally innovative solutions developed by FCC customers provides an opportunity to see environmental stewardship in action. Ongoing staff training helps facilitate environmentally sound lending decisions and promotes a climate of awareness between FCC and its customers to encourage environmentally safe farming practices.

As a federal Crown Corporation, FCC has an opportunity to demonstrate a proactive approach to environmental stewardship. On June 11, 2003, Bill C-9, An Act Amending the Environmental Assessment Act, received Royal Assent. Crown Corporations, including FCC, will be subject to the Act following a 3 year time period during which FCC will be developing, in co-operation with the Canadian Environmental Assessment Agency, regulations which will produce the maximum benefit to all Canadians and FCC, while continuing to support well-balanced environmental business practices.

Sound environmental practices make good business sense. FCC's Environment Policy helps customers succeed in this area.

Official Languages

FCC views official languages as more than an obligation. The corporation is committed to creating a true climate of bilingualism for both customers and employees. Through management and employee support, the corporation implemented several best practices that have been recognized by Treasury Board and the Commissioner of Official Languages. Employee commitment to bilingualism, the language training program, and award-winning translation procedures and guidelines allow FCC to serve customers and staff in Canada's two official languages simultaneously.

FCC's President & CEO, John Ryan, won the Leon Leadership award this year from the Commissioner of Official Languages, recognizing the corporation's commitment to bilingualism.

Public Policy Scorecard

| Objectives related to FCC's Public Policy Role | Corporate Strategies and Tactics | Corporate Results 2003-04 |
|--|---|--|
| Provide business and financial solutions to farm families and agribusiness | Provide appropriate products and services that meet the needs of both primary production and value added businesses | Advancer Loan and Capacity Builder loan were introduced to enhance the product suite available. |
| Support agriculture through all cycles | Proactive customer contact during challenging times | National Customer Support Program introduced to help 6,600 beef customers address potential cash flow problems. |
| Appropriate risk management | Implement and maintain integrated risk management processes | Corporate integrated risk management framework developed and progress reports completed. |
| Corporate self-sustainability | Prudent financial management and continuous efficiency improvement | Ten consecutive years of portfolio growth and positive net income; ongoing business process reengineering. |
| Maintain presence in rural areas of every province | Field, district and regional offices operated in each province | Offices maintained in each province; vast majority located in rural areas; annual Member of Parliament visitation program. |
| Conduct business in both official languages | Designated offices; Support for language training | Maintenance of designated English and French offices; provision of immersion programs and tutoring services for FCC employees studying English and French language; award winning translation procedures. |
| Provide visible support to rural Canada | Invest in the communities where our employees and customers live and work | Community investment based on 1.5% of corporate net income – targeted at 4-H scholarships, First Aid on the Farm, United Way, World Food Day, FCC's Employee Volunteer program, and industry sponsorships. |
| Doing business responsibly to safeguard the environment | Support profitable agricultural operations and agribusiness ventures by effectively managing environmental risk | Delivered environmental training for credit risk managers; training module for account managers; review and analysis of current environmental risk management policy; ongoing federal and provincial legislative review; ongoing negotiations with the Canadian Environmental Assessment Agency; assessment of environmental services providers; investigation into corporate environmental management strategy. |

Governance Structure

Board of Directors

FCC's Board of Directors is representative of the Canadian farming and agribusiness community. Their direct involvement and understanding contributes significantly to the vision, leadership and strategy development of the corporation. Committed to serving agriculture, the Board ensures that FCC focuses on customer service, productivity, self-sustainability, cooperation and sound environmental stewardship.

The Governor in Council appoints the Chair as well as the President and CEO. The Minister of Agriculture and Agri-Food Canada appoints Board members who represent Canadian agricultural and financial communities, striving for gender, linguistic, employment equity target group and geographical representation.

Board Responsibilities

The Board is responsible for the corporate governance of the corporation. It ensures that FCC's business activities are in the best interests of the corporation and the long-term interests of the Government of Canada as required by the *Farm Credit Canada Act* and *Financial Administration Act*. Directors exercise a stewardship role, establishing and contributing to a good working relationship with management. The Board participates in FCC's strategic planning process and approves the strategic direction and the corporate plan. The Board also exercises its responsibility to oversee and ensure that principal risks associated with FCC's businesses have been identified and that appropriate systems and policies are implemented to manage these risks.

Members of Board of Directors

ROSEMARY DAVIS, Chair

Owner/Manager
Tri-Country Agromart Ltd.
Trenton, Ontario
Chair, Board of Directors
Appointed Chair June 20, 2000
Reappointed June 20, 2003

JACK C. CHRISTIE

General Manager and CEO,
Northumberland Dairy Co-operative Ltd.
Miramichi, New Brunswick
Appointed November 27, 2003

WARREN ELLIS

President and CEO, O'Leary Potato Packers Ltd.;
Proprietor, Warren Ellis Produce
O'Leary, Prince Edward Island
Chair, Human Resources Committee
Reappointed November 27, 2003

DONNA GRAHAM

Managing Partner
Graham Farms Vulcan Ltd.
Vulcan, Alberta
Reappointed October 21, 2003

DON A. HALIBURTON

General Manager, Exchange-A-Blade Ltd.
Vancouver, BC
Appointed November 4, 2003

MAURICE B. KRAUT

Co-owner and operator of cattle and grain farm
enterprise
Owner and operator of Agriculture Consulting
Winnipeg, Manitoba
Reappointed May 7, 2002

MARIE-ANDRÉE MALLETTE

Farmer, large-scale farming of commercial crops
and beans
Lawyer specializing in agriculture law
Ste-Martine, Quebec
Chair, Audit Committee
Reappointed September 5, 2002

RUSSEL MARCOUX

Chief Executive Officer
Yanke Group of Companies
Owner/operator grain farm
Saskatoon, Saskatchewan
Appointed December 10, 2002

JOAN MEYER

Co-owner/Operator of mixed farming enterprise
Owner/Operator, Swift Administration and
Management Services
Swift Current, Saskatchewan
Chair, Corporate Governance Committee
Reappointed October 21, 2003

JOHN J. RYAN

President and Chief Executive Officer
Farm Credit Canada
Regina, Saskatchewan
Reappointed September 1, 2002

GERMAIN SIMARD

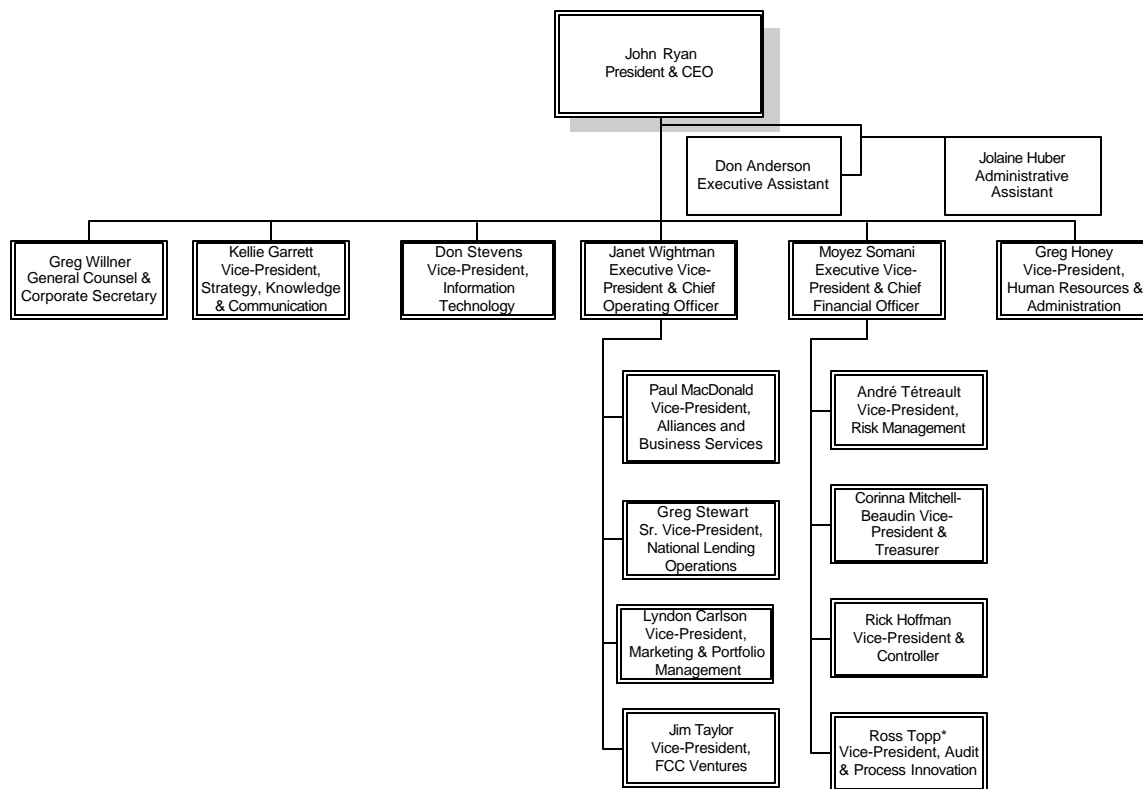
Dairy Farmer
La Baie, Quebec
Reappointed August 28, 2001

DEBORAH S. WHALE

Vice-President and Co-owner/operator
Clovermead Farms
Alma, Ontario
Appointed November 4, 2003

Executive

The President is the Chief Executive Officer (CEO) and is responsible for the supervision of the business of the corporation. With the approval of the Board of Directors and Chief Executive Officer, the corporation's Senior Management team sets corporate priorities and acts to achieve FCC's objectives consistent with the mandate and approved strategic direction. The *Financial Administration Act* serves to guide decision-making and business activities. Bound by the Employee Conduct and Ethics Policy, FCC's Senior Management adheres to the highest ethical standards of business, professional and personal conduct. All executives, with the exception of the CEO are paid within the salary ranges and compensation policies approved by the Board of Directors. The Governor in Council establishes the CEO's salary.



*Marshall Stachniak, Vice-President of Audit and Process Innovation, retired effective December 31, 2003.

Our People

FCC's biggest asset is our staff, with their understanding of the vast agricultural industry and deep commitment to its success. Our employees understand the issues that farmers and agribusiness operators face as most front-line employees still farm or have family members who farm and all share a passion for the industry. FCC offices are located in 100 rural communities across Canada where our employees live and work.

FCC was profiled as one of the 50 best places to work in the December 29, 2003 Report on Business magazine. This achievement was based on FCC's 2003 People Index (Hewitt Employee Opinion Survey, Leadership Team Survey and people practices questionnaire). The report cites many reasons why FCC stands out as an employer of choice, including the company's training and development programs, internal communication practices, employee benefits, the community investment program, commitment to knowledge management and alignment of the leadership team at FCC.

Lending Products

FCC works closely with Canadian producers and agribusiness operators to create financing solutions for each stage of their business life cycle – from start-up to retirement and succession.

As customer needs continue to change, so has the way FCC manages its product line. FCC regularly examines the relevance of each product to maximize the opportunity for field staff to work with each customer in finding the product that best meets their individual situation. This approach allows for more flexibility in product tailoring to address customer needs.

Product Development will continue to focus on delivering new and innovative products that build upon our commitment to all sectors of the agriculture industry. Some of the lending products offered by FCC include:

Advancer Loan – a pre-approved, secured loan that features the ability to re-advance funds at the producer's discretion.

Capacity Builder – financing that is pre-approved for up to one full year, with the option to capitalize interest, for the purchase of quota and breeding livestock

AgriStart – for the transfer of farming operations from one generation to the next, and for assisting developing farmers in starting or expanding their operations.

1-2-3 Grow Loan – allows farmers to use interest-only payments for up to five years to manage cash flow until they see a return on their investment.

Payday Loan – financing for individuals with off-farm employment interested in starting or expanding a farm business.

Transition Loan – helps those wishing to purchase property from someone who is retiring and helps those retiring to receive the equity from their farm without risk.

Cash Flow Optimizer – gives producers the freedom to use money that would normally go towards principal and invest it in other areas of their operation.

First Step – designed to help those with post-secondary education purchase their first farm related asset.

Farm Builder Loan – interim financing for up to 18 months on construction projects such as milking parlours, farrowing barns, or grain storage facilities. Funds are disbursed as needed during construction, but no payments are required until completion.

Enviro-Loan – financing to upgrade manure storage handling facilities, develop buffer zones, or for the sale and leasing of crop areas between watercourses.

Plant Now – Pay Later – horticulture operations can have payments deferred until the new plantings start to generate cash flow.

Performer Loan – rewards the borrower with lower interest rates when their business achieves pre-set financial goals and ratios.

The Opportunity Loan – permits the customer to request principal payment holidays not exceeding (six) 6 months at any one time, allowing those funds to be used for other capital purposes.

American Currency Loan – for agriculture producers who sell a significant portion of their production to the U.S. and are paid in U.S. dollars, this is a loan advanced in U.S. currency.

Spring Break Loan – a financing product that can be used for the acquisition of forestry equipment or the purchase of short-term harvesting rights.

Stop & Grow – targeted towards woodlot owners who plan to operate their woodlot under a Woodlot Management Plan and require funds for the purchase of the woodlot, woodlot improvements or both.

Flexi-Farm Loan – allows producers in all sectors to pause principal payments during the loan. Pauses can be for up to one year in order to ease cash flow during adverse conditions.

Real property loans – for the financing of land or buildings with a variety of terms, amortization periods and prepayment options.

Personal property loans – for the financing of new equipment, quota or livestock, with flexible rates and convenient repayment terms.

Business Services

FCC's Business Services Division delivers programs such as insurance protection, software solutions and educational workshops designed to meet the needs of today's sophisticated farmers and agribusiness operators. Business Services is working on a range of business and educational services to complement FCC's traditional agricultural financing options.

Agri-Assurances was launched in October 2002, allowing an expansion of FCC's group creditor life insurance to include enhanced accident insurance. Customers can choose between individual or joint coverage, and whether to insure the full loan amount or only a portion thereof. The risk reduction features bring the plan in line with industry standards at competitive prices. FCC is also considering a term insurance referral system for larger farms and agribusinesses, as well as a potential partnership with a national insurance carrier that will allow FCC to offer a group benefit and pension plan for Canadian farmers and agribusinesses.

Targeting all stages of the customer life cycle, Business Services is expanding their suite of management training and information sessions called AgriSuccess. The AgriSuccess workshops provide information on topics such as strategic planning, environmental planning and human resource management. The Advanced Farm Manager program provides an in depth review of essential components of strategic business planning and the FCC Business Planning Award is offered to agriculture students attending universities and agricultural colleges across Canada. Participants work with a mentor to create functional business plans that prepare young people for real-world challenges and opportunities.

AgExpert, Canada's leading publisher of farm management software (formerly Settler Agricultural Software) became part of FCC's Business Services Division in October 2002. AgExpert will continue to offer the AgExpert Analyst accounting software and the AgExpert Field Management programs to primary producers. Future considerations for AgExpert include livestock management tools developed through partnerships with current industry leaders wherever possible.

Alliances and Partnerships

Traditionally, FCC has conducted business directly with customers through a network of offices strategically located across Canada. Over the last several years FCC has been working more and more with alliance partners to deliver products and services to producers. Our alliance partners sell a wide variety of products to producers, many of who require financing for their purchases. FCC currently has alliance relationships with over 40 suppliers, financial institutions, and other agricultural groups and co-ops.

Business alliances allow FCC partners to maintain their independence, while adding value to their respective customers and operations through combined resources and expertise. The objective is to improve and expand the products and services available to the agriculture industry & individual producers by encouraging potential partners to complement FCC's service offerings. This is accomplished by sharing the administration, risk and credit decisions for loans advanced to the borrower. While some of the alliance customers are already FCC customers, many are new to our organization. Sales staff and other employees working for the alliance partner act as intermediaries between the alliance partner's customers and FCC, effectively permitting FCC to have a greater presence and access to the agricultural community while at the same time retaining full control of our brand.

Venture Capital

Access to capital is an important issue for producers and agribusiness operators in Canada. As the agricultural industry changes and evolves, they need access to alternate sources of funds.

Drawing upon strong ties to agriculture, a network across rural Canada and a commitment to the development of venture capital within agriculture, FCC realized an opportunity existed for a strong leader to emerge as the impetus for growth and investment in the agriculture industry. FCC Ventures was launched in 2002 with a mandate to meet this need.

FCC Ventures maintains a focus on providing equity and quasi-equity financing to small and medium sized companies, which has allowed them to build a strong reputation within the venture capital industry and to quickly become a recognized investor in agriculture. FCC Ventures has focused on the following sectors: value-added food manufacturing and processing; development and manufacturing of agricultural equipment; commercial processing; commercial-scale farming; businesses that support the agricultural sector and ag-biotech.

Initial investments will range from \$500,000 to \$2,500,000 and will use a variety of investment instruments. Through venture capital funding, FCC is helping to finance strong, well-managed businesses that have the potential to dramatically and positively impact agriculture across Canada.

Integrated Planning Process

The purpose of the integrated planning process is to enhance FCC's ability to develop and execute corporate strategy by engaging the Board of Directors and Senior Management Team in reviewing the current operating environment; establishing FCC's future direction; assessing FCC's current state and developing corporate strategies to move FCC towards its desired future. The balanced scorecard format provides a template for the corporate strategic plan, divisional and business unit planning, and the setting of annual employee performance objectives.

The execution of the corporate strategies is accomplished through strategic projects and initiatives. One of the major additions to the 2004-05 integrated planning process was the development and implementation of Project Portfolio Management (PPM) processes and templates through FCC's new Corporate Project Management Office (CPMO). The Priorities Management Council (PMC), a subset of the Senior Management Team provides the governance structure for PPM with FCC. Through PPM, projects are now prioritized and activated when the strategic priority, sequencing relative to other projects, budget and resources can be aligned.

The corporate plan is an output of FCC's integrated planning process, indicating how the corporation will achieve its vision and mission through serving customers.

The main components of the Corporate Plan include:

Balanced Scorecard framework

Key areas of focus for the next five years that will help FCC realize its vision, based on the balanced scorecard perspective.

Corporate Strategies

The major ways FCC will achieve corporate objectives over the next five years.

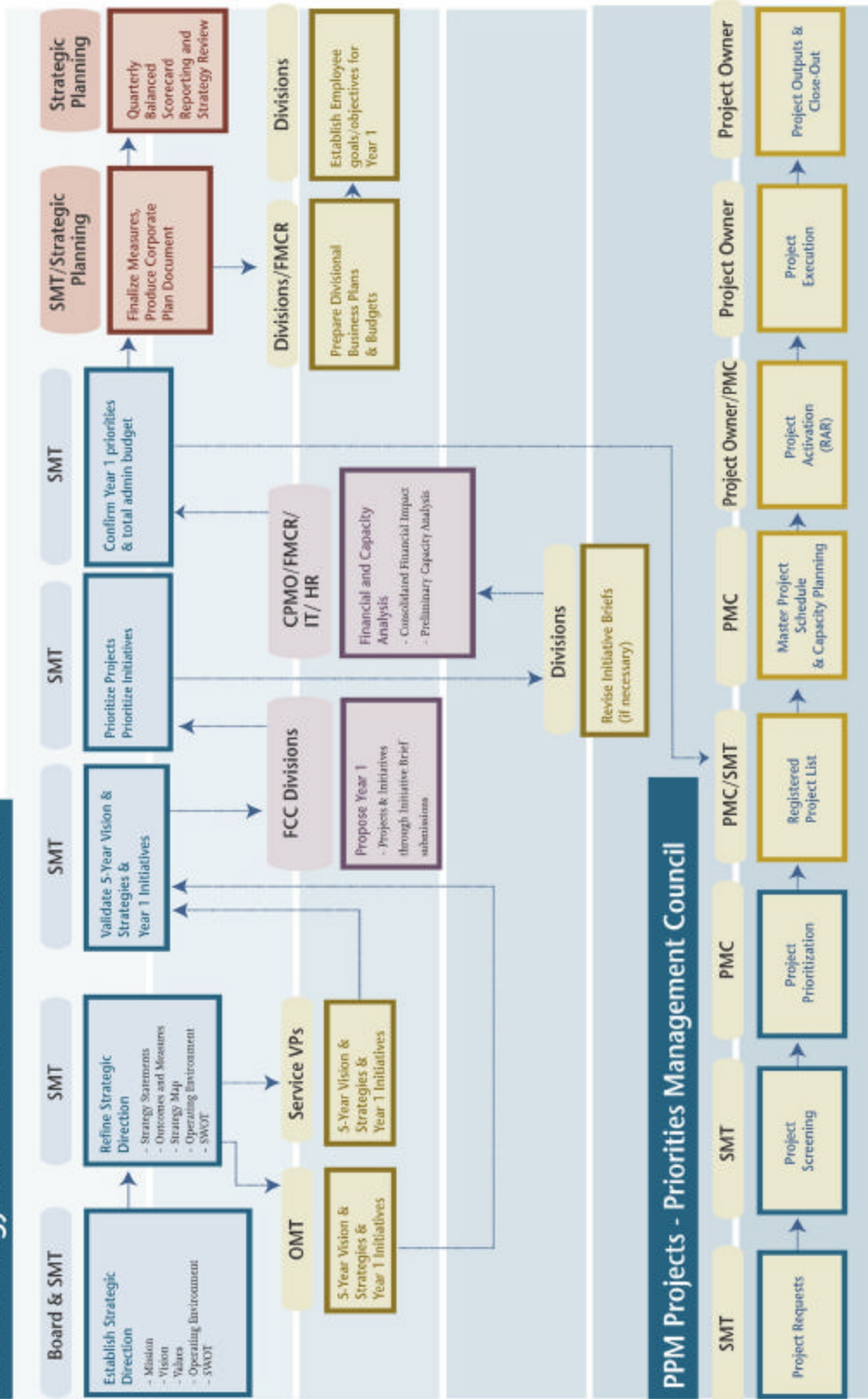
Strategic Initiatives

Projects, recurring and other initiatives that support corporate strategies.

Performance Measures and Targets

Measures demonstrate how FCC will determine successful attainment of the corporate objectives. Targets identify the milestones towards achieving each measure.

FCC Strategy Formulation and Execution



December 15, 2003

STRATEGIC ISSUES FOR THE PLANNING PERIOD

Assessment of Results - Balanced Scorecard 2003-04

In last year's corporate plan, Farm Credit Canada outlined 15 corporate strategies and 20 performance measures and targets to monitor progress towards the implementation of these strategies. The projected results for fiscal year 2003-04 are contained in the following table.

| Measures and Targets | 2003-04 Projected Results |
|---|---|
| Employee engagement score Target of 70% in 2003-04 | ☐ 69% (+1% over 2002-03) |
| Innovation index: benchmark | ☐ Innovation index was benchmarked in June 2003. |
| Corporate policies available on intranet | ☐ Lending Operations and HR policies on my inet |
| Agricultural Communities of Practice – target of 10 in 2003-04 | ☐ Three additional Communities of Practices were launched for a total of 10 |
| Customer Loyalty index: target to maintain CLI at 4.24 for 2004 | ☐ 2002 CLI results at 4.24 and will be measured again in 2004. |
| Disbursements – target for 2003-04: Farm Finance:\$1.56B Agribusiness: \$473M Alliances: \$490M | ☐ Projections: Farm Finance \$1.93B Agribusiness \$439M Alliances \$461M |
| Business Services revenue – target for 2004: AgExpert Management Tools: \$ 2.4M AgriAssurances: \$10.3M Professional Development Programs 2,500 participants | ☐ Ag Expert Management Tools: Behind target* AgriAssurances: On track Professional Development Programs: On track |
| Ag Expert software customer base- target for 2004: 14,400 customers | ☐ On track |

* The integration of AgExpert into FCC is on track. The 3 year targets and outlook remain constant, however the revenue forecast for the first year is proving to be a challenge given the transition processes that are occurring.

| Measures and Targets | 2003-04 Projected Results |
|--|---|
| <p>Venture capital investments by FCC – target for 2004: \$22M cumulative investment</p> <p>Funds co-invested by other institutions – target for 2004: \$25M cumulative investment</p> | <p>☐ On track</p> |
| <p>IT performance index – target for 2004 to be benchmarked</p> | <p>☐ Capability Maturity Model index used as performance index</p> |
| <p>Alternate delivery channels</p> <p>Customer Service Centre – target for 2004: 42,600 customers</p> <p>e-Business – target for 2004: 8,500 customers</p> | <p>☐ On track</p> |
| <p>Corporate efficiency ratio – target of 43.1% for fiscal 2004</p> | <p>☐ On track</p> |
| <p>Installation of CRM software and related processes – target to have Phase 1 installed in fiscal 2004</p> | <p>☐ IBM was selected the CRM implementation partner in June 2003. Assessment phase has been completed.</p> |
| <p>ROE – target of 12.48% for fiscal 2004</p> | <p>☐ On track</p> |
| <p>Debt-to-equity ratio – target of 9.5:1 for fiscal 2004</p> | <p>☐ On track</p> |
| <p>Strategic credit risk score – target of less than 70 for fiscal 2004</p> | <p>On track</p> |
| <p>Major corporate strategies execution and integration – target for 2004: Standardized project management methodology installed</p> | <p>☐ PPM process incorporated into the Integrated Planning Process and templates</p> |
| <p>Brand equity reputation index – target for a benchmark for fiscal 2004</p> | <p>☐ Reputation index is 134*</p> |

**Efficiency ratio measures how well resources are utilized to generate income.

Analysis of External Business Environment

The Board of Directors and senior management of Farm Credit Canada regularly review the corporation's external business environment. Various factors of potential significance for the corporation have been explored and conclusions reached on the likelihood of occurrence and expected impact for each factor.

Specific elements of the external environment and the potential relevance to FCC are as follows:

Bovine Spongiform Encephalopathy (BSE)

The May 20, 2003 announcement of a case of Bovine Spongiform Encephalopathy (BSE) significantly impacted the Canadian beef industry. BSE is a progressive, fatal disease of the nervous system of cattle. In an immediate response to the announcement, thirty-four countries banned Canadian beef imports, and the Canadian government stopped all export shipments of beef.

FCC has many customers that are involved in the beef cattle industry. Over 6,600 customers, representing about 8% of FCC's portfolio, have beef cattle as their primary enterprise. Nearly the same number of customers, representing another 8% of FCC's portfolio, lists beef cattle as their secondary enterprise. A third segment, which represents about 1.5% of FCC's portfolio, is beef cattle customers who have loans through FCC alliance partners.

On December 23, 2003, a single case of BSE in a dairy cow was discovered in Washington state. Most countries have since closed their borders to imports of U.S. cattle and beef. Canada has implemented a partial ban. It has since been confirmed that the infected cow originally came from Canada. This confirmation could result in the U.S. regaining BSE-free status, restoring its export markets and continuing to provide a market for Canadian boxed beef. The BSE case in the U.S. adds more uncertainty to the Canadian beef industry through lower cattle prices and reduced access to markets.

International Considerations

United States Farm Bill

The United States Farm Bill will be in effect from 2002-08. This bill is a significant move away from the previous market-oriented Freedom to Farm Bill, and contains both target prices and loan deficiency payments. The enhanced support for U.S. agricultural production is expected to result in greater production, higher U.S. exports, and lower world prices.

International Trade

Global trade issues continue to place pressure on Canadian producers to increase competitiveness. The current round of WTO negotiations, scheduled to be complete by 2005, could have major implications for producers.

FCC continuously monitors international issues to ensure a proactive response if necessary.

Canadian Agriculture

According to Statistics Canada, net cash income, the difference between a farmer's cash receipts and operating expenses, dropped 11% to \$7.2 billion in 2002. ¹ Cash receipts fell for the first time since 1998 in the wake of consecutive droughts, while higher feed grain prices drove operating expenses upward. In 2002, Western farmers experienced one of the poorest growing seasons of the past quarter-century. In spite of this, net cash income was 12.4% higher than the previous five-year average from 1997 to 2001.

Total farm cash receipts from the sale of agricultural commodities and program payments fell 0.8% in 2002 to \$36.0 billion. Operating expenses rose 2.1% to \$28.8 billion, the smallest gain since 1998.

Structural change in agriculture is resulting in fewer, but larger farms, with an increase in the average loan size. This is resulting in an increased need for financing. While profitability increases with farm size, profitability is harder to maintain over time. In this environment, sound business (including financial) management is a core competency that will distinguish successful producers.

'Environmental protection' and 'environmental management' are terms that are being used with increasing frequency in Canadian governance and Canadian business – including the agricultural sectors.

FCC's unique position as a federal crown corporation makes it accountable to promote sound environmental management. To that end, FCC is working with customers and with entities like the Canadian Environmental Assessment Agency to ensure that it continues to have a sound and beneficial environmental policy and environmental due diligence processes.

Financial Services Industry

¹ Statistics Canada, Net Farm Income, 2002 revised

Change in the financial services industry is being driven by global competition, product innovation, demographics and technology. Competition will intensify as the full effect of Bill C8, reforming Canada's financial service sector, is felt in the marketplace. An increase in the number of small businesses and self-employed individuals has increased demand for more specialized financial products. Meanwhile, the baby-boom generation has adopted a savings-oriented financial focus, leading to the growth of the wealth management sector.

Technology is shaping consumer demand and business models. Financial institutions provide customers with access to information and services 24 hours a day, seven days a week – in person, by phone, or through the Internet.

With a new regulatory framework and the expected economic recovery in North America, the financial services industry will likely see continued expansion. Increased focus on larger and international markets by many financial institutions could result in reduced access to services in rural regions. This emphasizes the continued importance of FCC in rural Canada in years to come.

Assessment of Corporate Strengths, Weaknesses, Opportunities and Threats

FCC's Strengths

- ❑ FCC is 100 per cent focused on agriculture.
- ❑ FCC possesses strong brand recognition, a solid reputation for customer relationship building and management, and a history of working in the customers' best interests.
- ❑ FCC's model for providing solutions to customers through business partners is proven and effective.
- ❑ FCC's workforce has great expertise in primary agriculture.
- ❑ The corporation's strong equity position and access to debt capital provides the capacity to grow.
- ❑ FCC's sound enabling infrastructure and leadership will ensure managed growth.
- ❑ The functionality of FCC's strategic technology applications enables customer-focused service delivery.
- ❑ FCC's culture is customer service and results-oriented.
- ❑ The corporation enjoys strong stakeholder support.

These strengths enable the corporation to:

- ❑ Increase access to capital for primary producers and agribusiness through new financial solutions;
- ❑ Innovate to deliver solutions, by using FCC's expertise and through partnership with industry experts;
- ❑ Expand FCC's existing brand and customer loyalty beyond primary producers to agribusiness and others directly supporting agriculture;
- ❑ Raise the profile of the importance of agricultural knowledge management in Canada.

Opportunities for the Future

- ❑ FCC can take a lead role in expanding a sense of pride in agriculture to help attract new entrants, and enhance the understanding among Canadians of the importance of agriculture.
- ❑ Producers with strong management skills are better equipped to achieve long-term success. FCC has a role to play in helping producers enhance their management skills.

Threats

- ❑ Bovine Spongiform Encephalopathy (BSE) and other major agriculture crises. At the time of printing, all impacts of these are being monitored.
- ❑ Competitors proactively targeting FCC customers.
- ❑ International World Trade Organization (WTO) rulings and the U.S. Farm Bill.
- ❑ Stronger Canadian dollar makes Canada less price competitive for exports of commodities and other products.
- ❑ Weak and fluctuating prices, particularly for crops, beef and hogs.
- ❑ Amount of farm debt is increasing faster than value of farm assets. Increased debt servicing requirements accompany this increase in farm debt.

Weaknesses

- ❑ Attracting sufficient skilled employees to support business growth, retirement and turnover.
- ❑ Although respectable, corporate reputation with non-customers is far less than with FCC customers.

Assessment of Strategic Issues and Key Planning Assumptions

FCC's Strategic Issues

FCC has focused on specific strategic issues and customer needs in developing its response to the current environment. The following key issues, challenges and assumptions remain virtually the same as one year ago:

- ❑ FCC sees a need for increased access to business and financial solutions necessary to enhance management sophistication in small and medium-sized primary producers.
- ❑ Business Planning is necessary for primary producers to increase their chance for success through understanding risks and challenges of the marketplace.
- ❑ Succession Planning is crucial given demographics, and many producers want to put strategies in place to ensure a return on investment for the retiring farmer and to encourage new entrants.
- ❑ The role of value-added activities and agribusiness is increasingly important for the viability of Canadian agriculture.
- ❑ The evolution of distribution channels for new and existing financial solutions is necessary to meet the needs of producers.
- ❑ Successful brand positioning in new markets is key to ensuring that those who may benefit from FCC's services are aware of them.

FCC's Key Planning Assumptions

- ❑ FCC will continue to provide long and short-term lending, venture capital and business services to primary producers and agribusiness operators who will remain the core of our business.
- ❑ FCC will provide new financial solutions for primary producers and agribusiness through expanded delivery channels.
- ❑ FCC will retain its emphasis on building long-term relationships with customers, offering superior agricultural knowledge through dedicated staff.
- ❑ FCC will offer wider access to its business services through new and existing alliance partners.
- ❑ FCC will be visibly supportive of the federal Agricultural Policy Framework.
- ❑ FCC's ability to provide a financial return adequate to fund future growth will be a key measure of financial success.

OBJECTIVES, STRATEGIES AND PERFORMANCE MEASURES



FCC believes in helping customers realize their potential. At the core of decisions undertaken at FCC is the question, *How does this benefit the customer?* FCC is focused on creating products and services for each phase of a customer's business life cycle. This strategic intent is called "Customer for Life".

FCC measures progress through its Balanced Scorecard, which translates FCC's vision into measurable strategic initiatives. From the corporate to the individual level, initiatives and measures are established for key performance areas.

The balanced scorecard divides FCC's business strategy into four areas: People, Customer, Service and Financial Success.

This year's corporate plan calls for continued expansion of FCC's financing and business solutions. This section outlines FCC's intentions over the five-year planning period.

FCC Strategy Map

FCC's strategy map is designed to identify and communicate the strategic thrusts, enabling thrusts and strategies that FCC has chosen to pursue over the five-year planning period to achieve the corporate mission. The map is presented on the following two pages.

The five vertical columns of this map show FCC's "Strategic Thrusts":

- ❑ Optimize Performance
- ❑ Customer Focus
- ❑ Innovative Culture
- ❑ Serve Full Ag Industry
- ❑ Visibility

The four horizontal sections show the four perspectives of the balanced scorecard.

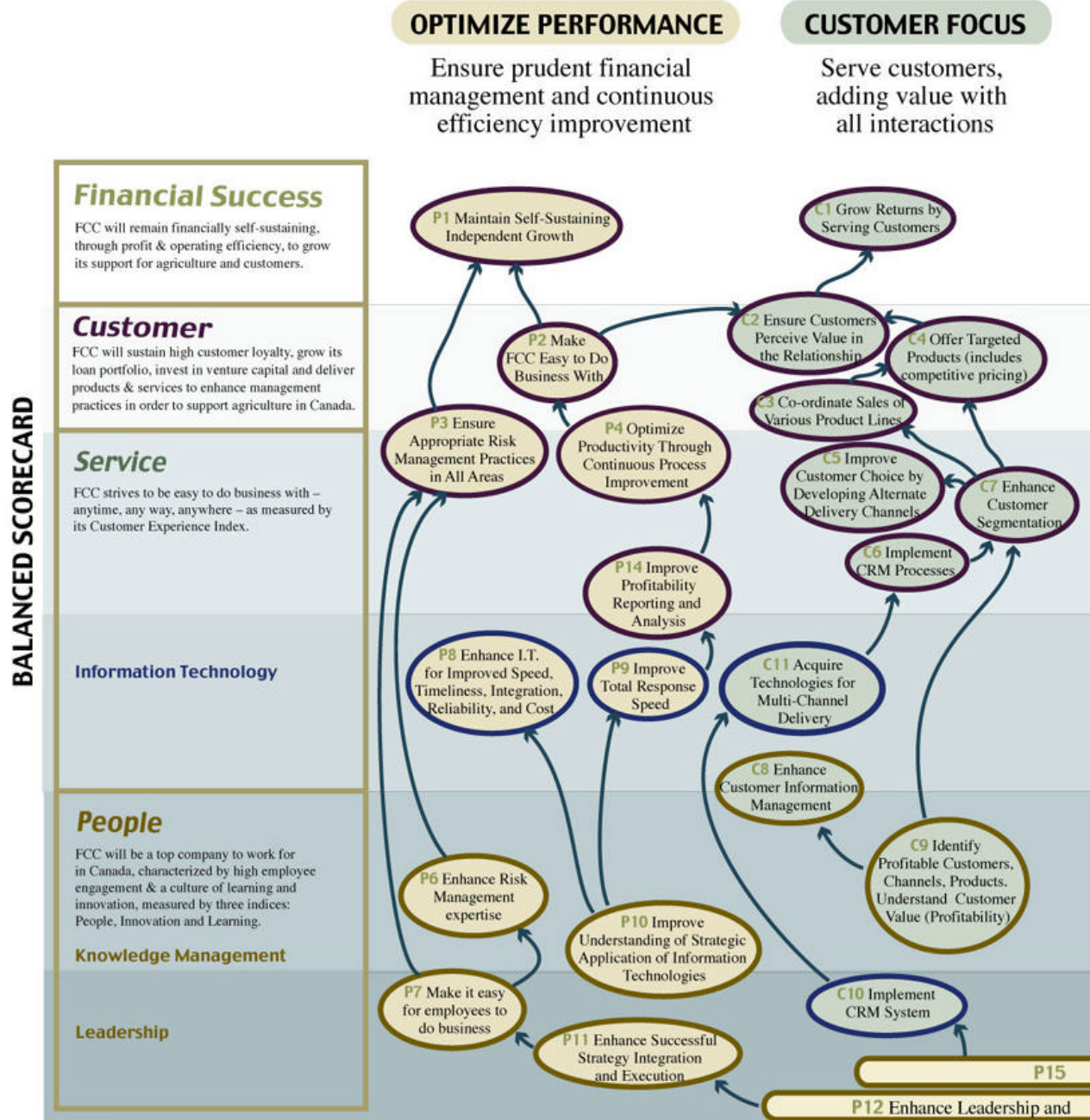
Displayed within the service and people perspectives, are the "Enabling Thrusts": Knowledge Management, Information Technology and Leadership.

The circles on the map indicate various business strategies that FCC will pursue over the next five years. The arrows between the strategies indicate the dependencies for timing the completion of these strategies.

Further information on these strategies is provided on the pages following the strategy map.

FCC's Vision : Visionary leaders and trusted partners –
to work for farm families and agribusiness

FCC's Mission : To enhance rural Canada by providing
FCC fulfills its public policy role by offering products and



FCC is committed to primary producers and agribusiness, through good times and

November 6, 2003

*SMT updated this map

putting the power of our people's specialized knowledge and innovation across Canada.

business and financial solutions to farm families and agribusiness

services to the agricultural community, utilizing solid business principles.

INNOVATIVE CULTURE

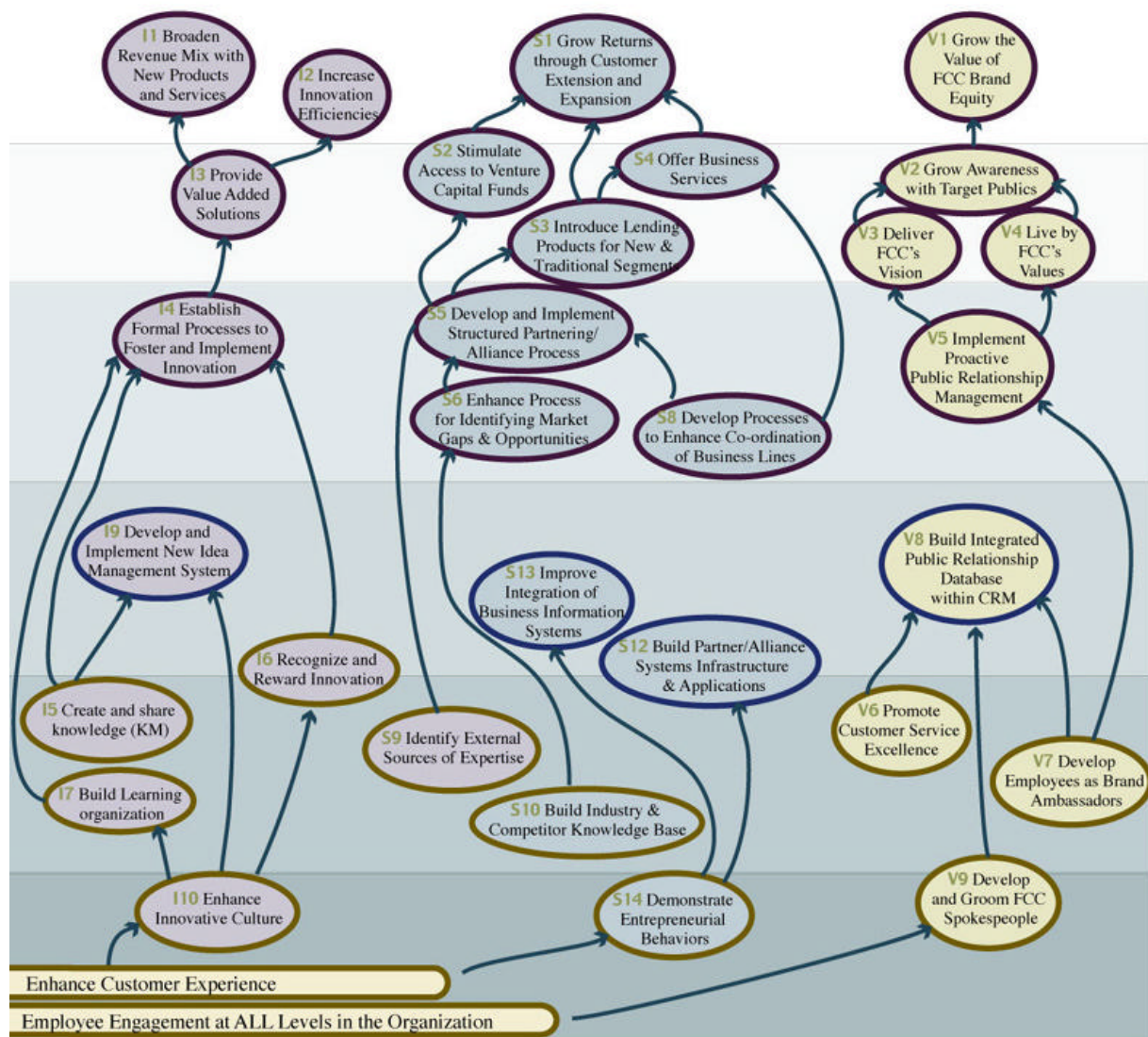
Develop, package and deliver new solutions in new ways

SERVE FULL AG INDUSTRY

Offer products and services tailored to agriculture – from inputs to processing

VISIBILITY

Be well known, understood and respected



bad. We base our success on the success of our customers. Agriculture. It's all we do.

as part of 2004–05 IPP process

November 6, 2003

OBJECTIVE: UNIQUE PEOPLE LEADING OUR SUCCESS

For more than four decades, Farm Credit Canada has been solely focused on agriculture. The corporation has a reputation for building strong, lasting relationships with customers, providing service based on knowledge, understanding and trust. FCC's commitment to agriculture is based on deeply held values, from dedicated employees. This is one of the reasons FCC invests in the people who come to work every day. Building and sustaining strong customer relationships requires a workforce that is dedicated, motivated and innovative.

| Balanced Scorecard Perspective: People – Unique people leading our success | | |
|--|--|--|
| Corporate Strategy Statement FCC will be a top company to work for in Canada, with high employee engagement and a culture of innovation and learning as measured by the People Index | | Corporate Measure The People Index (annual Employee Engagement Survey administered by Hewitt). Employee Engagement Score will move from 69% (2003-04) to 76% in 2008-09. |
| Corporate Strategies 2004-09 | Strategic Initiatives 2004-05 | Measures and Targets |
| Enhance leadership and employee engagement* at all levels in the organization and Build a learning organization | <input type="checkbox"/> Enhance the workforce plan, including career paths, diagnostic tools & employee development plans <input type="checkbox"/> Implement integrated and improved internal communication strategy | <input type="checkbox"/> 2004-05: Identify 10 additional candidates for Leadership Development; Complete workforce plan <input type="checkbox"/> 2004-05: Increase Employee Engagement to 70% <input type="checkbox"/> 2008-09 Increase Employee Engagement to 76% |
| Create and Share Knowledge | <input type="checkbox"/> Foster a learning environment that helps employees to excel as leaders in future business practices & technologies <input type="checkbox"/> Measure & share output from 10 Communities of Practice** (CoPs) <input type="checkbox"/> Keep KM my inet content fresh & responsive to user needs | <input type="checkbox"/> 2004-05: Implement "Building Future Leaders" initiative <input type="checkbox"/> 2004-05: Launch new CoP re: additional agricultural sector Launch new CoP in Credit Risk/Commercial Lending |
| Enhance Risk Management expertise | <input type="checkbox"/> Enhance Credit Risk knowledge, tools & processes | <input type="checkbox"/> 2004-05: Produce 4 agribusiness enterprise guides |
| Make it easy for employees to do business | <input type="checkbox"/> Align corporate capacity with business growth requirements | <input type="checkbox"/> 2004-05: Implement corporate capacity planning |

*Employee engagement is the degree to which employees say positive things about FCC, are loyal and plan to stay with FCC, and strive to go above and beyond their normal responsibilities in serving customers.

** Communities of Practice (CoPs) are groups of internal experts in a given ag sector who meet regularly to exchange knowledge and research information.

OBJECTIVE: CREATE SOLUTIONS FOR CUSTOMER SUCCESS

Canada's agricultural industry is built on a solid foundation of members of rural communities across Canada working together. FCC is committed to helping Canada's agricultural industry flourish.

FCC is recognized for specialized agricultural expertise and an emphasis on relationships. FCC leverages its trademark knowledge to deliver solutions tailored to the unique needs of primary producers and agribusiness. FCC will strive to be a leader in devising innovative solutions that serve each customer life phase. The corporation also makes connections with various stakeholders to strengthen the agricultural community, from strategic alliances and partnerships to community investment.

| Balanced Scorecard Perspective: Customer – Create solutions for customer success | | |
|--|---|---|
| Corporate Strategy Statement FCC will sustain high customer loyalty, grow its loan portfolio, invest in venture capital and deliver products and services to enhance producer and agribusiness management practices in order to support agriculture in Canada. | | Corporate Measure Customer Loyalty Index: Minimum of 4.24* Loan Portfolio Growth: Average annual growth rate of 7.8% over five years Venture Capital investments: \$78 M invested through 2008-09 Business Services Growth Overall Reputation Index: Maintain at 134** |
| Corporate Strategies 2004-09 | Strategic Initiatives 2004-05 | Measures and Targets |
| Grow returns by serving customers | <input type="checkbox"/> Targeted Agribusiness & Farm Finance*** portfolio growth | <input type="checkbox"/> Disbursement targets: 2004-05: \$2.17B 2008-09: \$3.11B |
| Stimulate Access to Venture Capital Funds | <input type="checkbox"/> Established VC fund with an active portfolio. FCC will allocate additional capital based on performance of the portfolio | <input type="checkbox"/> 50% of investments will carry a current yield; for every dollar invested by FCC Ventures, an additional \$1.3 will be attracted to the industry Cash disbursed for capital invested: 2004-05: \$25.0M 2005-06: \$16.5M 2006-07: \$16.5M 2007-08: \$10.0M 2008-09 ² : \$10.0M Interest & Fee Revenues: 2004-05: \$1.8M 2005-06: \$2.4M 2006-07: \$3.0M 2007-08: \$3.4M 2008-09: \$3.4M |

*Customer Loyalty Index (CLI) includes customer satisfaction and perception of value obtained from FCC services. The maximum possible score is 5.77.

**FCC's reputation index is very good at 134, which the corporation seeks to maintain.

***Targets for 2004-05 to 2008-09 were established based on historical disbursement levels prior to recent market distortions such as BSE and may need to be adjusted accordingly in the coming year.

² Allocated funds for the current Venture Capital business plan end in 2008-09.

| Balanced Scorecard Perspective: Customer – Create solutions for customer success | | |
|--|--|--|
| Corporate Strategy Statement FCC will sustain high customer loyalty, grow its loan portfolio, invest in venture capital and deliver products and services to enhance producer and agribusiness management practices in order to support agriculture in Canada. | | Corporate Measure Customer Loyalty Index: Minimum of 4.24* Loan Portfolio Growth: Average annual growth rate of 7.8% over five years Venture Capital investments: \$78M invested through 2008-09 Business Services Growth Overall Reputation Index: Maintain at 134** |
| Corporate Strategies 2004-09 | Strategic Initiatives 2004-05 | Measures and Targets |
| Develop Processes to Enhance Coordination of Business Lines Improve customer choice by developing alternate delivery channels | <input type="checkbox"/> Strengthen the National Business Plan <input type="checkbox"/> Targeted, diversified Alliance*** portfolio growth <input type="checkbox"/> Customer Service Centre firmly established as an alternate channel with direct lending | <input type="checkbox"/> 2004-05: Clearly defined sales & marketing roles Integration of all business lines Geographic & sector strategies <input type="checkbox"/> Alliance Disbursements: 2004-05: \$558M 2008-09: \$1B <input type="checkbox"/> CSC Alliance Loan Processing: 2004-05: \$558M 2008-09: \$1B CSC Dealer & Retail Lending: 2004-05: \$120M 2008-09: \$240M CSC Inbound Calls: 2004-05: 50,000 2008-09: 55,000 CSC Outbound Calls: 2004-05: 15,000 2008-09 : 20,000 |

*Customer Loyalty Index (CLI) includes customer satisfaction and perception of value obtained from FCC services. The maximum possible score is 5.77.

**FCC's reputation index is very good at 134, which the corporation seeks to maintain.

***Targets for 2004-05 to 2008-09 were established based on historical disbursement levels prior to recent market distortions such as BSE and may need to be adjusted accordingly in the coming year.

**FCC's reputation index is very good at 134, which the corporation seeks to maintain.

43

| Balanced Scorecard Perspective: Customer – Create solutions for customer success | | |
|--|---|--|
| Corporate Strategy Statement FCC will sustain high customer loyalty, grow its loan portfolio, invest in venture capital and deliver products and services to enhance producer and agribusiness management practices in order to support agriculture in Canada. | | Corporate Measure Customer Loyalty Index: Minimum of 4.24* Loan Portfolio Growth: Average annual growth rate of 7.8% over five years Venture Capital investments: \$78M invested through 2008-09 Business Services Growth Overall Reputation Index: Maintain at 134** |
| Corporate Strategies 2004-09 | Strategic Initiatives 2004-05 | Measures and Targets |
| Broaden revenue mix with new products and services | <input type="checkbox"/> AgriSuccess: A comprehensive suite of training & management information offerings to enhance producer & agribusiness management practices | <input type="checkbox"/> AgriSuccess Participants: 2004-05: 1,500 2008-09: 2,000 AgExpert Training Participants: 2004-05: 1,700 2008-09: 3,000 Advanced Farm Mgr. Training: 2004-09: 100 participants annually AgExpert Newsletter Distribution: 2004-05: 15,000 2008-09: 30,000 AgriSuccess Journal Distribution: 2004-05: 12,000 2008-09: 30,000 |
| Introduce lending products for new & traditional segments | <input type="checkbox"/> Insurance: Full suite of insurance products to complement FCC's core business product suite <input type="checkbox"/> Innovative and actively managed product suite | <input type="checkbox"/> Life & Accident Insurance Sales: 2004-05: \$9.92M 2004-05: Develop & launch 3 new insurance offerings: Insurance for Advancer Loan; Term Insurance (referral); Group Benefit Plan 2008-09: \$13.34M <input type="checkbox"/> Product Suite: 2004-05: Product pricing strategy implemented as per plan New product penetration business plan targets achieved |

*Customer Loyalty Index (CLI) includes customer satisfaction and perception of value obtained from FCC services. The maximum possible score is 5.77.

**FCC's reputation index is very good at 134, which the corporation seeks to maintain.

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OBJECTIVE: MAKE IT EASY FOR CUSTOMERS TO DO BUSINESS WITH US

Technology and globalization have impacted how customers can obtain products and services, and the financial industry is no exception. Timely access to knowledge, solutions and connections is necessary. Customers can now access financial services virtually anywhere, anytime.

FCC recognizes that relationship building service and quality are key to earning sustained customer loyalty. FCC is dedicated to retaining its trademark personal touch, while recognizing that each customer has unique needs. Some prefer face-to-face discussion, while others like to work via telephone or online.

| Balanced Scorecard Perspective: Service - Make it easy for customers to do business with us | | |
|--|---|--|
| Corporate Strategy Statement FCC strives to be easy to do business with – as measured by its Customer Experience Index | | Corporate Measure Customer Experience Index = Service Provision Index + Customer Turnover Measure |
| Corporate Strategies 2004-09 | Strategic Initiatives 2004-05 | Measures and Targets |
| Ensure appropriate risk management practices in all areas | <input type="checkbox"/> Comprehensive suite of portfolio risk management tools that reflect leading edge practices, including: improvement of credit risk tools & processes; update audit programs for consistency with changing environment/industry standards Improve service levels & capacity with customer focus | <input type="checkbox"/> 2004-05: Initial implementation of Portfolio Risk Management tools |
| Improve integration of business information systems | <input type="checkbox"/> Implement core systems integration to ensure seamless installation of major systems <input type="checkbox"/> Replace loan servicing system | <input type="checkbox"/> 2004-05: Establish high level project sequencing Assess internal versus external resource requirements <input type="checkbox"/> 2004-05: Initiate project based on outcome of high level project sequencing and resource capacity |

| Balanced Scorecard Perspective: Service - Make it easy for customers to do business with us | | |
|--|---|---|
| Corporate Strategy Statement FCC strives to be easy to do business with – as measured by its Customer Experience Index | | Corporate Measure Customer Experience Index = Service Provision Index + Customer Turnover Measure |
| Corporate Strategies 2004-09 | Strategic Initiatives 2004-05 | Measures and Targets |
| Enhance successful strategy integration and execution | <input type="checkbox"/> Fully implement project portfolio management <input type="checkbox"/> Align corporate capacity with business growth requirements <input type="checkbox"/> Align IT system development & implementation with corporate prioritized project list | <input type="checkbox"/> 2004-05: Master corporate project plan Implement revised activation process Implement capacity planning tool |
| Optimize productivity through continuous process improvement | <input type="checkbox"/> Broaden BPR* to encompass continuous improvement & innovation | <input type="checkbox"/> Implement BPR recommendations 2004-08: Loan Maintenance, 2004-05: Translation & Official Languages, Administration |
| Build partner/alliance systems infrastructure and applications | <input type="checkbox"/> Expand/refine service delivery model for partners | <input type="checkbox"/> 2004-05: Develop Alliance e-solutions (online portal) Develop online transactional capability |

* Business Process Reengineering

OBJECTIVE: FINANCIAL SUCCESS – THE FOUNDATION OF CUSTOMER SUPPORT

Financial viability is key to FCC's ability to serve its customers well and to provide support during all economic cycles. FCC must generate an adequate rate of return on its operations to be self-sustaining and provide for future growth.

A financial framework has been established to indicate an adequate rate of return for FCC that takes into account the following key elements of sustainability: capital adequacy, net interest income, return on equity, and an internal efficiency ratio. A number of initiatives have been implemented over the last few years to build a sound financial foundation. Over the planning period, FCC will continue to ensure its financial viability through financial management, risk management, and innovative financial solutions for customers.

| Balanced Scorecard Perspective: Financial Success – the foundation of customer support | | |
|---|--|--|
| Corporate Strategy Statement FCC will remain financially self-sustaining, through profit and operating efficiency, in order to grow its support for agriculture and customers | | Corporate Measure Return on Equity (ROE): 2004: 10.74% 2008: 12.49% Debt-to-Equity Ratio: 10:1 or better Efficiency Ratio: under 45 cents |
| Corporate Strategies 2004-09 | Strategic Initiatives 2004-05 | Measures and Targets |
| Maintain self-sustaining independent growth | <input type="checkbox"/> Implement systems & processes to improve profitability reporting & analysis <input type="checkbox"/> Diversify investors & funding sources <input type="checkbox"/> Maintain Corporate Efficiency Ratio by seeking internal efficiencies and rewarding them | <input type="checkbox"/> 2004-05: Improvements in profitability reporting & analysis <input type="checkbox"/> 2004-05: Maximize margins <input type="checkbox"/> 2004-05: Efficiency ratio: under 45 cents |

Operating Budget Summary

The Operating Budget provides details of FCC's forecasted revenues and expenses for the fiscal year ended March 31, 2005.

Key Financial Targets for 2004-05

(\$ millions – except where noted by *)

| | |
|---------------------------------------|---------|
| Net Interest Income | \$327.3 |
| Net Interest Income Margin* | 3.06% |
| New Lending Margin* | 2.58% |
| Income before Administration Expenses | \$249.4 |
| Administration Expenses | \$141.6 |
| Efficiency Ratio* | 42.0% |
| Net Income | \$107.8 |

Operating and Capital Budgets - Schedule 1

Farm Credit Canada

Balance Sheet
(\$ millions)

| | | 2002-03 Actual | 2003-04 Forecast | 2004-05 Plan |
|---|----|-------------------|---------------------|-----------------|
| Assets | | | | |
| Cash and cash equivalents | \$ | 146.7 | 225.0 | 275.0 |
| Temporary investments | | 256.8 | 225.0 | 275.0 |
| Accounts receivable | | 83.8 | 80.0 | 82.0 |
| | | <u>487.3</u> | <u>530.0</u> | <u>632.0</u> |
| Loans receivable | | 8,812.6 | 10,087.4 | 10,737.5 |
| Allowance for credit losses | | <u>(345.5)</u> | <u>(402.8)</u> | <u>(459.4)</u> |
| Loans receivable (net) | | <u>8,467.1</u> | <u>9,684.6</u> | <u>10,278.1</u> |
| Venture capital investments | | 2.0 | 13.2 | 34.5 |
| Real estate acquired in settlement of loans | | 3.5 | 1.0 | 1.0 |
| Equipment and leasehold improvements | | 27.0 | 32.3 | 33.0 |
| Other Assets | | <u>4.3</u> | <u>5.0</u> | <u>5.0</u> |
| | | <u>36.8</u> | <u>51.5</u> | <u>73.5</u> |
| Total Assets | \$ | <u>8,991.2</u> | <u>10,266.1</u> | <u>10,983.6</u> |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ | 25.6 | 25.0 | 27.0 |
| Accrued interest on borrowings | | <u>75.2</u> | <u>73.1</u> | <u>71.0</u> |
| | | <u>100.8</u> | <u>98.1</u> | <u>98.0</u> |
| Borrowings | | | | |
| Short-term debt | | 1,512.4 | 3,445.3 | 3,960.0 |
| Long-term debt | | <u>6,494.5</u> | <u>5,737.7</u> | <u>5,823.0</u> |
| | | <u>8,006.9</u> | <u>9,183.0</u> | <u>9,783.0</u> |
| Other Liabilities and deferred fees | | <u>40.8</u> | <u>40.0</u> | <u>40.0</u> |
| | | <u>8,148.5</u> | <u>9,321.1</u> | <u>9,921.0</u> |
| Equity | | | | |
| Capital * | | 507.7 | 507.7 | 527.7 |
| Retained Earnings | | <u>335.0</u> | <u>437.3</u> | <u>534.9</u> |
| | | <u>842.7</u> | <u>945.0</u> | <u>1,062.6</u> |
| Total Liabilities and Shareholder's Equity | \$ | <u>8,991.2</u> | <u>10,266.1</u> | <u>10,983.6</u> |

* Reflects receipt of \$20 million equity injection by the Government of Canada in 2004-05

Operating and Capital Budgets - Schedule 2

Farm Credit Canada
Statement of Operations and Retained Earnings
(\$ millions)

| | 2002-03 | 2003-04 | 2004-05 |
|--|-----------------|-----------------|----------------|
| | Actual | Forecast | Plan |
| Interest Income | | | |
| Loans receivable | \$ 545.4 | 603.1 | 654.3 |
| Investment income | 12.8 | 11.6 | 15.7 |
| | <u>558.2</u> | <u>614.7</u> | <u>670.0</u> |
| Interest Expense | | | |
| Short-term debt | 52.1 | 57.0 | 123.4 |
| Long-term debt | 236.8 | 255.5 | 219.3 |
| | <u>288.9</u> | <u>312.5</u> | <u>342.7</u> |
| Net interest income | 269.3 | 302.2 | 327.3 |
| Provision for credit loss | 67.2 | 79.6 | 88.1 |
| NII after provision for credit loss | <u>202.1</u> | <u>222.6</u> | <u>239.2</u> |
| Other Fees and Income | <u>14.0</u> | <u>10.9</u> | <u>10.2</u> |
| Income before Administration Expenses | 216.1 | 233.5 | 249.4 |
| Administrative expenses | 119.3 | 131.2 | 141.6 |
| Net Income | 96.8 | 102.3 | 107.8 |
| Retained earnings, beginning | 238.2 | 335.0 | 437.3 |
| Dividends | 0.00 | 0.00 | 10.2 |
| Retained earnings, ending | <u>\$ 335.0</u> | <u>437.3</u> | <u>534.9</u> |

Operating and Capital Budgets - Schedule 3

Farm Credit Canada
Statement of Cash Flow
(\$ millions)

| | 2002-03 | 2003-04 | 2004-05 |
|--|--------------|-----------|-----------|
| | Actual | Forecast | Plan |
| Operating Activities | | | |
| Net Income | \$ 96.8 | 102.3 | 107.8 |
| Items not involving cash and cash equivalents: | - | - | - |
| Provision for credit losses | 67.2 | 79.6 | 88.1 |
| Amortization of bond premiums/discounts | 39.4 | - | - |
| Change in accrued interest receivable | 7.2 | (11.2) | (8.2) |
| Change in accrued interest payable | (20.1) | (2.1) | (2.1) |
| Other | (10.6) | (18.9) | (27.8) |
| Cash provided by operating activities | \$ 179.9 | 149.7 | 157.8 |
| Investing Activities | | | |
| Loans receivable disbursed | (2,854.3) | (3,103.4) | (2,968.0) |
| Loans receivable repaid | 1,742.2 | 1,911.4 | 2,330.5 |
| Change in temporary investments | (97.2) | 31.8 | (50.0) |
| Venture capital investments disbursed | (2.0) | (13.0) | (25.0) |
| Venture capital investments repaid | - | - | - |
| Change in real estate held | 6.6 | 2.5 | - |
| Other | 15.7 | (76.8) | (5.1) |
| Cash used in investing activities | \$ (1,189.0) | (1,247.5) | (717.6) |
| Financing Activities | | | |
| Long-term debt from capital markets | 2,812.1 | 2,725.6 | 2,406.4 |
| Long-term debt repaid to capital markets | (1,305.2) | (3,482.4) | (2,321.1) |
| Change in short-term debt | (541.1) | 1,932.9 | 514.7 |
| Capital contribution | - | - | 20.0 |
| Dividends paid | - | - | (10.2) |
| Cash provided by financing activities | \$ 965.8 | 1,176.1 | 609.8 |
| Increase/(Decrease) in cash and cash equivalents | (43.3) | 78.3 | 50.0 |
| Cash and cash equivalents, beginning of year | 190.0 | 146.7 | 225.0 |
| Cash and cash equivalents, end of year | \$ 146.7 | 225.0 | 275.0 |

Discussion of Expected Results

2003-04 Forecast versus 2004-05 Financial Plan

Balance Sheet

Loans receivable are projected to grow by 6.4 percent increasing from \$10.1 billion forecast for 2003-04 to \$10.7 billion in 2004-05. The increase in loans receivable reflects continued initiatives for farm finance lending and Agribusiness lending and additional lending through alliance arrangements.

Disbursements (net of FCC refinancings) are the primary drivers of portfolio growth and are expected to decrease slightly from the forecast of \$2.8 billion in 2003-04 to \$2.7 billion in 2004-05. Alliance lending is expected to increase by \$0.1 billion, but is more than offset by a decrease of \$0.2 billion in Farm Finance lending. Agribusiness lending remains constant at \$0.4 billion. Lending to primary producers represents 85 percent of total net disbursements in 2004-05.

Renewals are expected to be 95 percent, which is consistent with prior years.

Prepayments are expected to be 8 percent of loans receivable in both 2003-04 and 2004-05. This equates to \$695.5 million in 2003-04 and increases to \$792.2 million in 2004-05.

Impaired loans are expected to be 2.0 percent of loans receivable or \$214.8 million in 2004-05, an increase of \$13.1 million over the forecast for 2003-04 of \$201.7 million. This increase is due primarily to the larger portfolio in 2004-05 versus 2003-04.

The **Allowance for credit losses** represents management's best estimate of credit losses on loans receivable. The allowance is made up of three parts:

- ❑ Specific – for loans known to be impaired
- ❑ General allocated – for probable losses that exist in the portfolio, but have not yet been identified as impaired.
- ❑ General unallocated – to reflect probable losses due to macro economic conditions and events that are not captured in the specific or general allocated allowance.

The allowance for credit losses is projected to grow from the forecast of \$402.8 million in 2003-04 to \$459.4 million at the end of 2004-05. The allowance as a percentage of opening loans receivable is projected to decrease slightly from 4.57 percent in 2003-04 to 4.55 percent in 2004-05.

Venture Capital investments are expected to increase from the 2003-04 forecasted amount of \$13.2 million to \$34.5 million in 2004-05. This increase reflects growth in Venture Capital as a business line and the anticipated investment in agricultural businesses.

Borrowings are expected to increase from \$9.2 billion forecast for the 2003-04 to \$9.8 billion in 2004-05. This increase is the direct result of borrowing requirements to fund the growth in the loan portfolio.

Statement of Operations

Net Interest Income is the difference between interest earned on assets, such as loans and securities, and interest expense on borrowings. Net interest income is required to cover risk of credit losses and administration expenses, as well as to yield a sufficient profit to enable the corporation to remain financially viable and fulfill its role in supporting agriculture.

Net interest income increases from \$302.2 million forecast for 2003-04 to \$327.3 million for 2004-05. This increase is primarily driven by the increase in the loan portfolio and an increase in margins on new and renewed lending from 2.53 percent in 2003-04 to 2.58 percent in 2004-05.

Net interest income margin is the net interest income expressed as a percentage of average total assets. The net interest income margin is projected to decrease from 3.12 percent forecast in 2003-04 to 3.06 percent in 2004-05. The higher margin in 2003-04 is mainly due to lower than planned hedging expenses for the year.

The provision for credit loss is the charge to the income statement of the amount necessary to bring the allowance for credit losses to a level determined appropriate by management. The provision for credit losses of \$88.1 million in 2004-05 is an increase from the forecast of \$79.6 million for 2003-04. This increase reflects economic uncertainty in certain sectors of the agricultural economy, as well as normal risks associated with a larger loan portfolio.

Other income for 2004-05 is planned to decrease to \$10.2 million from \$10.9 million forecasted for 2003-04. This decrease reflects write-offs in Venture Capital, partly offset by increased fees associated with higher disbursement levels and new lines of business in AgExpert.

Administration expenses for 2004-05 are planned to increase to \$141.6 million from the 2003-04 forecast level of \$131.2 million. This reflects increased resources required to fund non-discretionary administration expense increases, infrastructure to support the growing business and funding for corporate strategic initiatives.

Permanent Corporate staff levels expressed as full-time equivalents (FTE's) are expected to increase to 1,093 FTE's in 2004-05 from the forecasted 1,037 FTE's in 2003-04 due to the aforementioned business growth.

The **efficiency ratio** measures how well resources are utilized to generate income. It represents administration expenses expressed as a percentage of income before administration expenses, gains on sale of real estate and provision for credit losses. The efficiency ratio is expected to remain relatively constant, moving slightly from 41.9 percent forecast for 2003-04 to 42.0 percent in 2004-05. This represents increases in administration expenses at a rate equivalent to the growth rate in income.

Net Income is projected to increase from the 2003-04 forecast of \$102.3 million to \$107.8 million in 2004-05. This results from the aforementioned increases in net interest income and other income, partly offset by a corresponding increase in provision for credit losses and administration expenses.

Financial Ratios

Return on assets is net income expressed as a percentage of average total assets. It measures how well the corporation is utilizing assets to generate income. The return on assets is projected to be 1.01 percent in 2004-05, slightly lower than the 1.06 percent forecasted in 2003-04. This decrease is the result of the higher provision for credit losses, higher administration expenses, the expected lag in realizing returns on venture capital initiatives.

Return on equity is net income expressed as a percentage of average equity. It measures the return the corporation is earning on its equity, which represents the investment the Government of Canada has made in the corporation. Return on equity is projected to decrease from 11.4 percent forecast for 2003-04 to 10.7 percent in 2004-05. This decrease is the result of the higher provision for credit losses, higher administration expenses, the expected lag in realizing returns on venture capital initiatives, and the \$20 million equity injection by the Government of Canada in 2004-05.

Debt to equity ratio represents how many dollars of debt the corporation is carrying for each dollar of equity on the balance sheet. This ratio measures the financial strength of the corporation. The projected debt to equity ratio is 9.7:1 for 2003-04 and improves to 9.2:1 for 2004-05. The improvement reflects anticipated funding of a larger portion of the loans receivable growth through equity. This ratio is projected to remain well below the maximum 12:1 debt to equity ratio set under *The Farm Credit Canada Act*.

Statement of Cash Flow

Cash Provided by Operating Activities

After adjusting net income for non-cash items, FCC expects to realize \$157.8 million from operating activities in 2004-05. This is an increase of \$8.1 million from forecasted 2003-04 cash from operations of \$149.7 million. The increase is primarily the result from differences in non-cash items, primarily an \$8.5 million increase in provision and other small changes in accrued interest receivable and payables.

Cash Provided by (Used in) Investing Activities

Loans Receivable Disbursed - \$(2,968.0) million

Loans receivable disbursed to customers are expected to total \$2,968.0 million in 2004-05.

Loans Receivable Repaid - \$2,330.5 million

A total of \$2,330.5 million in principal repayments from borrowers is anticipated.

Change in Temporary Investments - \$50.0 million

FCC anticipates temporary investments of \$275.0 million in 2004-05. This is an increase of \$50.0 million from forecasted temporary investments of \$225.0 million in 2003-04.

Venture Capital Disbursed (\$25.0) million

FCC expects to disburse \$25 million for venture capital investments in 2004-05 up from \$13 million in 2003-04. FCC has no plans to invest in long term marketable securities and would do so only within stated Policy limits and guidelines.

Cash Provided By (Used in) Financing Activities

Long Term Debt From Capital Markets - \$2,406.4 million

FCC anticipates long term funding of \$2,406.4 million in 2004-05. This is down \$319.2 million from the \$2,725.6 million forecasted for long-term funding in 2003-04. Forecasted funding for 2003-04 includes existing structured notes that have long final maturities, but include a call option for short-term repayment. These notes are classified as long-term debt for accounting purposes. The structured notes that may be called in 2004-05 (approximately \$1.2 billion) could be replaced partially by long term or short term debt. For financial statement purposes, they are assumed to be replaced by short-term promissory notes resulting in an increase to short term funding requirements on the cash flow statement (see change in short-term debt below).

Long Term Debt Repaid to Capital Markets - \$(2,321.1) million

Principal payments to the capital markets are expected to be \$2,321.1 million.

Short Term Debt - \$514.7 million

FCC anticipates short-term debt of \$3,960.0 million in 2004-05. This is an increase of \$514.7 million from forecasted short-term debt of \$3,445.3 million in 2003-04 and reflects expected refinancing of long term structured notes.

Dividend Paid to Government of Canada - \$(10.2) million

A dividend of \$10.2 million is expected to the Government of Canada in 2004-05.

Capital Budget Summary

Capital spending is planned at \$12.6 million in 2004-05, including \$8.8 million for computer system related projects. The development plans for information technology include normal hardware and software purchases, improvements to the corporation's business systems, progress towards the replacement of the current loan receivable system and continued development of the e-business strategy and the Customer Relationship Management (CRM) initiative. The remainder of capital spending relates to regular furniture, fixtures, and equipment replacements as well as additional purchases of these items and related leasehold improvements resulting from the forecasted increase in staff levels.

Borrowing Plan Summary

Farm Credit Canada requests authority:

Short-Term

a) to borrow short-term funds from the domestic and international money markets, stand-by revolving credit facilities or bank lines of credit or loan agreement for liquidity purposes and the financing of short-term assets and investments. The maximum short-term debt outstanding at any time will not exceed \$4.0 billion;

Long-Term

- b) to borrow up to \$2.5 billion of long-term funds from the capital markets to fund loans under the *Farm Credit Canada Act* (FCCA) and to repay maturing debt;
- c) in addition to (b), to borrow up to \$1.5 billion of long-term funds from the capital markets as a contingency request relating to 10 per cent (\$1,073 million) of expected year-end 2004-05 loans receivable outstanding to meet general contingencies and approximately \$500 million to repay FCC's callable debt in the event it is called;
- d) to provide standing approval to issue debt obligations under the following:
 - ❑ Domestic Medium and Long-Term Note Program;
 - ❑ Euro Medium Term Note Program;
 - ❑ Japanese Retail Debt Program;
 - ❑ Any other Canadian or international private or public markets.

The aggregate amount of borrowings issued under the aforementioned standing long-term approvals should not exceed \$4.0 billion in 2004-05.

FCC Office Locations

British Columbia

Abbotsford, Dawson Creek, Duncan, Kelowna

Alberta

Barrhead, Brooks, Calgary, Camrose, Drumheller, Edmonton, Falher, Grande Prairie, Leduc, Lethbridge, Medicine Hat, Olds, Red Deer, Stettler, St. Paul, Stony Plain, Vegreville, Vermilion, Westlock

Saskatchewan

Assiniboia, Carlyle, Humboldt, Kindersly, Moose Jaw, North Battleford, Prince Albert, Regina, Rosetown, Saskatoon, Swift Current, Tisdale, Weyburn, Wynyard, Yorkton

Manitoba

Arborg, Brandon, Carman, Dauphin, Killarney, Melita, Morden, Morris, Neepawa, Portage la Prairie, Shoal Lake, Steinbach, Stonewall, Swan River, Virden

Ontario

Barrie, Campbellford, Chatham, Clinton, Embrun, Essex, Guelph, Kanata, Kingston, Lindsay, Listowel, London, North Bay, Owen Sound, Simcoe, Stratford, Vineland, Walkerton, Woodstock, Wyoming

Quebec

Alma, Drummondville, Gatineau, Granby, Joliette, Rivière-du-Loup, Saint-Hyacinthe, Saint-Jean-sur-Richelieu, Saint-Jérôme, Sainte-Foy, Sherbrooke, Trois-Rivières, Valleyfield, Victoriaville

New Brunswick

Grand Falls, Moncton, St. George, Sussex, Woodstock

Newfoundland and Labrador

St. John's

Nova Scotia

Kentville, Truro

Prince Edward Island

Charlottetown, Summerside

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Customer toll-free number:

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Reference Information

If you require more information about FCC's Corporate Plan, or wish to provide feedback, please contact:

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