

Exhibit E

EASTERN LIVESTOCK CO., LLC
& SUBSIDIARY
Consolidated Financial Statements
September 30, 2008 and 2007

EASTERN LIVESTOCK CO., LLC
& SUBSIDIARY

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September 30, 2008 and 2007

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Buetow, LeMastus & Dick
LLC

Independent Auditors' Report

The Board of Directors and Members
Eastern Livestock Co., LLC & Subsidiary

We have audited the accompanying consolidated balance sheets of Eastern Livestock Co., LLC & Subsidiary (the Company) as of September 30, 2008 and 2007, and the related consolidated statements of income, members' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Eastern Livestock Co., LLC & Subsidiary as of September 30, 2008 and 2007, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Buetow, LeMastus & Dick LLC

Louisville, Kentucky
January 28, 2009

EASTERN LIVESTOCK CO., LLC
& SUBSIDIARY
Consolidated Balance Sheets
As of September 30, 2008 and 2007

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Current assets		
Cash and cash equivalents	\$ 2,192	\$ 3,178
Trade accounts receivable	43,376,232	45,264,751
Accounts receivable, related party	1,266,873	1,068,947
Securities available for sale	135,000	135,000
Current portion of notes receivable, net	3,147,799	5,359,103
Notes receivable, related party	7,938,889	12,862,589
Inventories	5,728,122	3,637,451
Prepaid cattle	4,383,170	4,060,720
Prepaid expenses and other current assets	<u>391,979</u>	<u>540,127</u>
Total current assets	66,370,256	72,931,866
Property and equipment, net	1,743,599	1,799,526
Investments	3,951,911	3,465,376
Long-term portion of notes receivable, net	173,000	206,000
Goodwill	350,000	350,000
Other assets	<u>206,542</u>	<u>206,542</u>
Total assets	\$ <u>72,795,308</u>	\$ <u>78,959,310</u>

See accompanying notes to consolidated financial statements.

(Continued)

EASTERN LIVESTOCK CO., LLC
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Consolidated Balance Sheets
As of September 30, 2008 and 2007

<u>Liabilities and Members' Equity</u>	<u>2008</u>	<u>2007</u>
Current liabilities		
Checks written in excess of deposits	\$ 24,682,533	\$ 24,243,079
Accounts payable	5,408,765	5,387,789
Accounts payable, related party	33,433	589,741
Advances on cattle sales	1,976,760	3,057,424
Accrued expenses	409,456	402,020
Notes payable	-	2,068,122
Notes payable, related party	8,687	8,687
Current installments of long-term debt	<u>24,962,883</u>	<u>28,829,785</u>
Total current liabilities	<u>57,482,517</u>	<u>64,586,647</u>
 Long-term debt, excluding current installments	 <u>607,647</u>	 <u>651,031</u>
 Total liabilities	 <u>58,090,164</u>	 <u>65,237,678</u>
 Members' equity		
Members' interest	3,407,667	3,407,667
Additional contributed capital	4,219,081	4,219,081
Undistributed earnings	7,053,396	6,069,884
Accumulated other comprehensive income	<u>25,000</u>	<u>25,000</u>
Total members' equity	<u>14,705,144</u>	<u>13,721,632</u>
 Total liabilities and members' equity	 <u>\$ 72,795,308</u>	 <u>\$ 78,959,310</u>

See accompanying notes to consolidated financial statements.

EASTERN LIVESTOCK CO., LLC
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Consolidated Statements of Income
For the Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Net sales	\$ 1,027,580,511	\$ 1,062,012,581
Cost of sales	<u>1,020,189,542</u>	<u>1,056,269,070</u>
Gross profit	7,390,969	5,743,511
Selling, general and administrative expenses	3,300,805	3,419,881
Provisions for doubtful accounts and notes receivable, net of recoveries	<u>1,146,232</u>	<u>(116,221)</u>
Income from operations	<u>2,943,932</u>	<u>2,439,851</u>
Other income (expense)		
Interest income	390,032	458,473
Other income	2,661	6,536
Equity in earnings (loss) of investments	537,063	(257,863)
Gain on disposal of assets	-	499,981
Interest expense	<u>(2,525,023)</u>	<u>(2,738,572)</u>
Other income (expense), net	<u>(1,595,267)</u>	<u>(2,031,445)</u>
Net income	\$ <u>1,348,665</u>	\$ <u>408,406</u>

See accompanying notes to consolidated financial statements.

EASTERN LIVESTOCK CO., LLC
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Consolidated Statements of Members' Equity
For the Years Ended September 30, 2008 and 2007

	Members' Interests Class A		Members' Interests Class B		Additional Contributed Capital	Undistributed Earnings	Accumulated Other Comprehensive Income	Total
	LLC Units	Amount	LLC Units	Amount				
Balance, September 30, 2006	1,000	\$ -	136,733	\$ 3,407,667	\$ 4,219,081	\$ 6,241,380	\$ 25,000	\$ 13,893,128
Net income	-	-	-	-	-	408,406	-	408,406
Distributions to members	-	-	-	-	-	(579,902)	-	(579,902)
Balance, September 30, 2007	1,000	-	136,733	3,407,667	4,219,081	6,069,884	25,000	13,721,632
Net income	-	-	-	-	-	1,348,665	-	1,348,665
Distributions to members	-	-	-	-	-	(365,153)	-	(365,153)
Balance, September 30, 2008	1,000	\$ -	136,733	\$ 3,407,667	\$ 4,219,081	\$ 7,053,396	\$ 25,000	\$ 14,705,144

See accompanying notes to consolidated financial statements.

EASTERN LIVESTOCK CO., LLC
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Consolidated Statements of Cash Flows
For the Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Net income	\$ 1,348,665	\$ 408,406
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	82,193	125,524
Bad debt expense (recoveries)	1,146,232	(116,221)
Gain on sale of property and equipment	-	(499,981)
Equity in earnings (loss) of investments	(537,063)	257,863
(Increase) decrease in assets		
Trade accounts receivable	1,888,519	(2,126,418)
Accounts receivable, related party	(197,926)	(365,880)
Notes receivable, net	1,098,072	(3,308,170)
Notes receivable, related party	4,923,700	(4,120,379)
Inventories	(2,090,671)	1,891,546
Prepaid cattle	(322,450)	1,415,020
Prepaid expenses and other current assets	148,148	(55,148)
Other assets	-	(38,631)
Increase (decrease) in liabilities		
Checks written in excess of deposits	439,454	4,121,012
Accounts payable	20,976	(141,396)
Accounts payable, related party	(556,308)	431,532
Advances on cattle sales	(1,080,664)	1,428,944
Accrued expenses	7,436	(34,573)
Net cash provided (used) by operating activities	<u>6,318,313</u>	<u>(726,950)</u>
Cash flows from investing activities		
Purchases of property and equipment	(26,266)	(33,296)
Proceeds from sale of property and equipment	-	646,072
Proceeds from sale of equity securities	-	937,500
Purchases of marketable securities	<u>(100,000)</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>(126,266)</u>	<u>1,550,276</u>
Cash flows from financing activities		
Proceeds from notes payable	-	2,068,122
Payments on notes payable	(2,068,122)	-
Net (payments) proceeds from long-term debt	(3,910,286)	(2,310,559)
Distributions to members	<u>(214,625)</u>	<u>(579,902)</u>
Net cash used by financing activities	<u>(6,193,033)</u>	<u>(822,339)</u>
Net increase (decrease) in cash and cash equivalents	(986)	987
Cash and cash equivalents at beginning of year	<u>3,178</u>	<u>2,191</u>
Cash and cash equivalents at end of year	\$ <u>2,192</u>	\$ <u>3,178</u>
Supplemental cash flow information		
Cash paid for interest	\$ <u>2,534,892</u>	\$ <u>2,695,826</u>
Non-cash financing activities		
Non-cash investment distribution to shareholder	\$ <u>150,528</u>	\$ <u>-</u>

See accompanying notes to consolidated financial statements.

EASTERN LIVESTOCK CO., LLC
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Notes to Consolidated Financial Statements

September 30, 2008 and 2007

(1) Description of Business

Eastern Livestock Co., LLC (the Company) brokers cattle throughout the United States, primarily from its base of operations in New Albany, Indiana. Through its network of sorting facilities in the South and Southeast, the Company procures consistent quantities of stocker and feeder cattle to be sold in uniform load lots to its customers. The Company markets its inventory to feedlots and growyards located across the United States.

(2) Basis of Presentation and Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its 100% owned subsidiary, Okie Farms, L.L.C. All significant intercompany balances and transactions have been eliminated in consolidation.

(b) Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

(c) Derivative Instruments

The Company manages market risk through an active risk management program. This program focuses on inventory on hand, purchase commitments and committed sales, and utilizes futures and option contracts to protect against exposures to price risk in the cattle market. The Company acquires futures contracts for feeder and stocker cattle. The contracts are acquired through brokers and are traded on the Chicago Mercantile Exchange (CME). The Commodity Futures Trading Commission regulates all brokers trading on the CME.

As stated above, the Company uses derivatives for the purpose of hedging the fluctuation in the market. The Company uses commodity future and options contracts to reduce the risk of price fluctuation in various commodities used in its business. The commodities contracts are marked-to-market and the Company reflects hedging gains and losses as adjustments to the basis of the underlying commodity. The Company accounts for commodity futures and option contracts in accordance with Statement on Financial Accounting Standard No. 133, *Accounting for Derivative Instruments and Hedging Activities* as amended by Statement on Financial Accounting Standard No. 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities*.

(Continued)

EASTERN LIVESTOCK CO., LLC
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Notes to Consolidated Financial Statements

September 30, 2008 and 2007

(2) Basis of Presentation and Summary of Significant Accounting Policies (Continued)

(d) Accounts Receivable

Accounts receivable are reported net of an allowance for doubtful accounts. The allowance, which was \$0 as of September 30, 2008 and 2007, is based on historical experience, coupled with a review of the current status of existing receivables. Interest is charged on certain accounts receivable after they have been outstanding for a predetermined period. Interest income on accounts receivable is recognized upon collection. Accounts receivable are charged off once they have been outstanding longer than the contractual terms and management determines the remaining amount due exceeds the applicable cost of collection.

(e) Investments

Investments consist of marketable and nonmarketable equity securities.

Marketable equity securities are classified as available-for-sale and are recorded at fair value. Fair value is based upon quoted market prices as of the end of a reporting period. Unrealized gains and losses are excluded from net income and are reported as a separate component of members' equity until realized. Realized gains and losses from the sale of securities are determined by the specific identification method and recognized in other income or expense. Interest and dividend income are recorded when earned.

Nonmarketable securities and investments that the Company owns less than 5% of total outstanding stock are recorded at cost. Cost is reduced for any permanent decline in fair market value and the loss is included in income. Dividends are recorded as other income when received.

Nonmarketable securities and investments in limited liability companies, which the Company owns more than 5% but not a controlling interest, are accounted for using the equity method. Under this method, the initial investment is recorded at cost. Subsequently, the investment's carrying amount is adjusted to reflect the Company's share of net income or loss.

(f) Inventories

Inventories consist of short-term feeder and stocker cattle that are held in sorting facilities for primarily one to seven days, but up to 45 days, from date of purchase before being sold.

Inventories are stated at the lower of cost (first-in, first-out method) or market. Cost of cattle includes commissions, shipping, and unrealized gains and losses on effective open futures contracts.

(Continued)

EASTERN LIVESTOCK CO., LLC
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Notes to Consolidated Financial Statements

September 30, 2008 and 2007

(2) Basis of Presentation and Summary of Significant Accounting Policies (Continued)

(g) Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is computed by using the straight-line method over the useful lives of the respective assets. Building and building improvements are depreciated over useful lives of 31.5 to 40 years. Equipment and furniture is depreciated over useful lives of 3 to 20 years.

(h) Revenue Recognition

The Company recognizes revenue when title is transferred to the customer. Shipping and handling are included in cost of sales.

(i) Income Taxes

The Company is a limited liability company and has elected to file as a partnership. Earnings and losses are included in the personal income tax returns of the members. Accordingly, no provision for income taxes has been recorded in the consolidated financial statements.

(j) Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(k) Reclassification

Certain amounts in the 2007 consolidated financial statements have been reclassified to conform to the 2008 basis of presentation.

(Continued)

EASTERN LIVESTOCK CO., LLC
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Notes to Consolidated Financial Statements

September 30, 2008 and 2007

(3) Investments

Investments consist of the following at September 30:

	<u>2008</u>	<u>2007</u>
Marketable securities	\$ <u>135,000</u>	\$ <u>135,000</u>
Non marketable securities	\$ <u>3,951,911</u>	\$ <u>3,465,376</u>

Aggregate cost, aggregate fair value, gross unrealized and realized gain for marketable securities available for sale consist of the following at September 30:

	<u>2008</u>	<u>2007</u>
Aggregate cost	\$ 110,000	\$ 110,000
Gross unrealized gains	<u>25,000</u>	<u>25,000</u>
Aggregate fair value	\$ <u>135,000</u>	\$ <u>135,000</u>
Realized gains (losses)	\$ <u>—</u>	\$ <u>—</u>

The Company's non marketable securities consists of the ownership of 20,000 shares of CBA International, Inc. common stock, which is accounted for under the cost method, and two investments in the following limited liability companies (LLCs):

	<u>Percentage of Company's Ownership</u>
Cattlemen's Feedlot (Cattleman's)	47.93%
BG Stockyards (BG)	11.90% *

* 2007 investment

A summary of the approximate financial position of the LLCs follows:

As of September 30, 2008	<u>Cattlemen's</u>
Total assets	\$ <u>43,574,000</u>
Total liabilities	\$ 35,537,000
Members' equity	<u>8,037,000</u>
Total liabilities and members' equity	\$ <u>43,574,000</u>
Company's investment	\$ <u>3,852,000</u>

(Continued)

EASTERN LIVESTOCK CO., LLC
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Notes to Consolidated Financial Statements
September 30, 2008 and 2007

(3) Investments (Continued)

As of September 30, 2007	<u>Cattlemen's</u>	<u>BG</u>	<u>Total</u>
Total assets	\$ <u>29,314,000</u>	\$ <u>1,438,000</u>	
Total liabilities	\$ 22,397,000	\$ 33,000	
Members' equity	<u>6,917,000</u>	<u>1,405,000</u>	
Total liabilities and members' equity	\$ <u>29,314,000</u>	\$ <u>1,438,000</u>	
Company's investment	\$ <u>3,315,000</u>	\$ <u>150,000</u>	\$ <u>3,465,000</u>

(4) Notes Receivable

Notes receivable consist of the following at September 30:

	<u>2008</u>	<u>2007</u>
Short-term:		
Notes receivable from individuals	\$ <u>3,147,799</u>	\$ <u>5,359,103</u>
Long-term:		
Notes receivable from individuals	\$ <u>173,000</u>	\$ <u>206,000</u>
Notes receivable, related party:		
Notes receivable from member	\$ 4,836,286	\$ 10,118,024
Notes receivable from related entities	<u>3,102,603</u>	<u>2,744,565</u>
	\$ <u>7,938,889</u>	\$ <u>12,862,589</u>

In 2008 the Company wrote off a net of \$1,146,232 of notes receivable. The Company experienced recoveries in excess of bad debt expense of \$116,221 for the year ended September 30, 2007.

(Continued)

EASTERN LIVESTOCK CO., LLC
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Notes to Consolidated Financial Statements

September 30, 2008 and 2007

(5) Inventories

Inventories of \$5,728,122 and \$3,637,451 at September 30, 2008 and 2007, respectively, consist primarily of cattle purchased through one of the Company's several branches. These cattle are purchased from auctions or by company brokers. The cattle remain in inventory until shipped to the customer. Shipment generally occurs within 48 hours after the purchase.

(6) Property and Equipment

Property and equipment consist of the following at September 30:

	<u>2008</u>	<u>2007</u>
Land	\$ 1,070,714	\$ 1,070,714
Building and improvements	1,142,592	1,142,592
Equipment and furniture	<u>380,701</u>	<u>354,435</u>
	2,594,007	2,567,741
Accumulated depreciation	<u>850,408</u>	<u>768,215</u>
	<u>\$ 1,743,599</u>	<u>\$ 1,799,526</u>

Depreciation expense was \$82,193 and \$125,524 for the years ended September 30, 2008 and 2007, respectively.

(7) Notes Payable

Notes payable consist of the following at September 30:

	<u>2008</u>	<u>2007</u>
Note payable dated September 4, 2007. Interest rate of 8.25%. Note due in full on October 31, 2007.	\$ -	\$ 2,000,000
Note payable, other	<u>-</u>	<u>68,122</u>
	<u>\$ -</u>	<u>\$ 2,068,122</u>
Notes payable to members, relatives, and related companies due on demand. Interest rate of prime plus 1%.	<u>\$ 8,687</u>	<u>\$ 8,687</u>

(Continued)

EASTERN LIVESTOCK CO., LLC
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Notes to Consolidated Financial Statements
September 30, 2008 and 2007

(8) Long-Term Debt

Long-term debt is as follows as of September 30:

	<u>2008</u>	<u>2007</u>
Revolving credit note due to Fifth Third Bank, maximum borrowing under the line of credit of \$32,500,000, interest payable monthly at variable rates based on prime plus applicable margin or LIBOR (\$24,921,518 at 9% as of September 30, 2008, \$8,811,828 at 8.75%, \$10,000,000 at 8.36%, \$5,000,000 at 8.17% and \$5,000,000 at 8.20% as of September 30, 2007), due October 31, 2008. The maturity date of this note was extended through March 2, 2009. This line of credit is secured by substantially all assets of the company, restricts the payments of distributions, and is personally guaranteed by the Company's members. The Company did not meet certain quarterly debt covenant requirements for the years ended September 30, 2008 and 2007. A debt covenant waiver was not obtained as of the date of the audit report.	\$ 24,921,518	\$ 28,811,828
Mortgage payable to Republic Bank dated October 16, 2006, payable in monthly installments of \$5,240, including interest at the rate of .5% above the prime rate, due October 16, 2016.	630,423	646,670
Other long-term debt	<u>18,589</u>	<u>22,318</u>
	25,570,530	29,480,816
Less current installments of long-term debt	<u>24,962,883</u>	<u>28,829,785</u>
	<u>\$ 607,647</u>	<u>\$ 651,031</u>

(Continued)

EASTERN LIVESTOCK CO., LLC
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Notes to Consolidated Financial Statements

September 30, 2008 and 2007

(8) Long-Term Debt (Continued)

Aggregate maturities required on long-term debt as of September 30, 2008 are:

<u>Year ending September 30</u>	
2009	\$ 24,962,883
2010	40,545
2011	42,599
2012	43,789
2013	41,297
Thereafter	<u>439,417</u>
Total	\$ <u>25,570,530</u>

(9) Members' Equity

The total number of all classes of membership units at September 30, 2008 and 2007 is 137,733, consisting of 1,000 Class A units and 136,733 Class B units. The respective rights, preferences and privileges of each class are defined in the Company's operating agreement and amendments thereto. The primary difference is that Class A units have voting rights and Class B units do not have voting rights.

(10) Employee Benefit Plan

The Company has a 401(k) employee benefit plan that covers substantially all employees. The Company may elect to make a discretionary contribution to the plan. The Company made contributions totaling \$45,039 and \$28,700 for the years ended September 30, 2008 and 2007, respectively.

(Continued)

EASTERN LIVESTOCK CO., LLC
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Notes to Consolidated Financial Statements

September 30, 2008 and 2007

(11) Related Party Transactions

The Company is involved in various transactions with its members, relatives of the members, and companies controlled by its members. These transactions include buying and selling of cattle with its members and paying commissions to related parties who act as agents for the Company.

The Company and the members make weekly payments to settle accounts receivable and accounts payable balances.

Related party balances as of September 30 are as follows:

	<u>2008</u>	<u>2007</u>
Notes receivable, member	\$ 4,836,286	\$ 10,118,024
Notes receivable, related companies	3,102,603	2,744,565
Accounts receivable	1,266,873	1,068,947
Accounts payable	33,433	589,741
Notes payable	8,687	8,687

Related party activity is as follows for the years ended September 30:

	<u>2008</u>	<u>2007</u>
Sales	\$ 42,511,774	\$ 62,945,554
Purchases of cattle	34,351,520	41,617,518
Commission expense	627,740	1,422,816

(12) Concentrations of Credit Risk

The Company maintains its cash and cash equivalents in various financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures the cash and cash equivalent balances up to \$100,000 per institution. In October 2008, the FDIC increased this insured amount to \$250,000. At times, balances at these financial institutions may exceed the FDIC insurance level.

Substantially all of the Company's customers are involved in the cattle industry. Four significant customers represent 36% of sales for the year ended September 30, 2008. Accounts receivable from the same customers represented 22% of accounts receivable as of September 30, 2008. Two significant customers represent 20% of sales for the year ended September 30, 2007. Accounts receivable from the same customers represented 11% of accounts receivable as of September 30, 2007.

A significant portion of the Company's business is located in Indiana, the South and the Southeast. Accordingly, the occurrence of any adverse economic conditions or an adverse regulatory climate in any of these locations could have a material adverse effect on the Company's business.

(Continued)

EASTERN LIVESTOCK CO., LLC
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Notes to Consolidated Financial Statements

September 30, 2008 and 2007

(13) Fair Value of Financial Instruments

The Company's financial instruments include cash, accounts receivable, notes receivable, equity securities, accounts payable and notes payable. The Company estimates that the fair value of all financial instruments at September 30, 2008 and 2007 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying consolidated balance sheets.

The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. The carrying amount of cash, accounts receivable and accounts payable approximates fair value because of the short maturity of these instruments. The carrying amount of notes payable approximates fair value as interest rates approximate current rates for loans with similar terms and remaining maturities. The carrying amount of notes receivable approximates fair value as such receivables are payable upon demand. The equity securities available-for-sale are reported at estimated market value determined by quoted market prices or prevailing sale prices on the consolidated balance sheet date.

(14) Commodity Contracts

The Company recognized hedging losses as a component of cost of sales of \$12,106 and \$21,684 for the years ended September 30, 2008 and 2007, respectively. The Company measures the effectiveness of derivative use by assessing the reduction of risk of exposure in the market. If a hedge is determined to be ineffective, it is immediately recognized in the statement of income.

(15) Commitments and Contingencies

In the normal course of business, the Company is a party to several legal proceedings. Management, after consultation with counsel, intends to pursue these matters. The Company's opinion is that the ultimate resolution of these matters will not have a material adverse effect on the financial position or results of operations.

(16) Goodwill

In 2002, the Company acquired its cattle brokerage business. In connection with this acquisition, the Company recorded \$350,000 of goodwill. Management analyzes this intangible annually to determine if impairment has occurred. There was no impairment to this asset for the years ended September 30, 2008 and 2007.