

**IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI**

In re:)	In Proceedings Under Chapter 11
)	
FARMLAND INDUSTRIES, INC., et al.,)	Case No. 02-50557-jwv
)	Joint Administration
Debtors.)	

**ORDER AUTHORIZING SALE
OF CERTAIN FURNITURE, EQUIPMENT AND MACHINERY
LOCATED IN KANSAS CITY, MISSOURI, FREE AND CLEAR OF
LIENS, CLAIMS AND INTERESTS, PURSUANT TO 11 U.S.C. § 363**

Upon consideration of the Debtors’ Motion for Order Authorizing Sale of Office Furniture, Equipment, and Machinery Located in Kansas City, Missouri, Free and Clear of Liens, Claims and Interests, Pursuant to 11 U.S.C. § 363 (the “Motion”), and after finding that good and sufficient notice has been given; and the Court having determined that the relief sought in the Motion, pursuant to Sections 105(a) and 363 of the Bankruptcy Code and Rules 2002, 6004 and 9006 of the Federal Rules of Bankruptcy Procedure, is an appropriate exercise of the Debtors’ business judgment and is in the best interest of Debtors, their estates, their creditors and all parties-in-interest; and after due deliberation and sufficient cause appearing therefore, the Court therefore GRANTS the Motion in its entirety for the reasons set forth in the Motion.

IT IS HEREBY ORDERED AS FOLLOWS:

- A. The relief requested in the Motion is granted in all respects and transactions contemplated thereby are approved in all respects.

- B. The sale of certain office furniture, equipment and machinery (the “Assets”) owned by Farmland Industries, Inc. (“Farmland”) and located at Farmland’s headquarters in Kansas City, Missouri, is authorized under Sections 105 and 363(b) of the Bankruptcy Code and Farmland is authorized and directed to sell the Assets upon the terms and subject to the conditions set forth in the Motion and the April 3, 2003 Order Approving Amended Procedures for Sales of Miscellaneous Assets.

- C. The sale of the Assets shall be free and clear of liens and all other claims whatsoever pursuant to section 363(f) of the Bankruptcy Code, whether known or unknown, including, but not limited to, any existing right(s) of first refusal or similar protective right alleged by any party, except as specifically referenced herein, any liens and claims of any of the Debtors’ creditors, vendors, suppliers, employees or lessors, and the buyers shall not be liable in any way for any claims that any of the foregoing or any other third party may have against the Debtors or the Assets. Any and all alleged liens and claims on such Assets shall be transferred, affixed, and attached to the proceeds of such sale, with the same validity, priority, force, and effect as such liens had been upon the Assets immediately prior to the sale.

D. After payment of the Auctioneer's commission and expenses, the net proceeds of the sale of the Assets shall be applied as Net Asset Sale Proceeds pursuant to the provisions of the First Amended Debtor-in-Possession Credit Agreement and Adequate Protection Stipulation dated June 5, 2002, as amended, and the liens granted in favor of the Lenders thereunder will attach to the net sale proceeds, to the extent such claims have not been fully satisfied. The remaining proceeds of the sale of the Assets shall be distributed by the Debtors only through a plan of reorganization.

E. Subject to the payment by the buyer(s) to Debtors of the purchase price for the Assets, the sale of the Assets by Farmland to the buyer(s) shall constitute a legal, valid and effective transfer of the Assets and shall vest buyer(s) with all right, title, and interest of Farmland and the Debtors in and to the Assets, free and clear of all liens pursuant to section 363(f) of the Bankruptcy Code.

F. The buyers shall be entitled to the protections provided to a good-faith purchaser under section 363(m) of the Bankruptcy Code.

G. Pursuant to Bankruptcy Rule 7062, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing.

H. Farmland is hereby authorized and directed to execute and deliver any and all instruments as may be required to effectuate the transactions contemplated by the Motion or the terms of this Order, including the execution of Bills of Sale or Certificates of Title for the Assets sold.

I. Pursuant to Fed. R. Bankr. Proc. 6004(g), this Order shall not be stayed, and in the absence of any entity obtaining a stay pending appeal, the buyers shall be entitled to the protection of section 363(m) of the Bankruptcy Code as to all aspects of the transaction if this Order or any authorization contained herein is reversed or modified on appeal.

Dated: December 16, 2003

/s/ Jerry W. Venters
UNITED STATES BANKRUPTCY JUDGE

ORDER SUBMITTED BY:

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