

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

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

**ORDER APPROVING PROCEDURES FOR SALE OF TRAILERS
PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE**

Upon consideration of the motion filed by the above-captioned Debtors for Motion For Approval of Procedures for the Sale of Trailers and Request for Expedited Hearing (the "Motion"), and after finding that good and sufficient notice has been given, and that no other or further notice is necessary; and the Court having determined that the relief sought in the Motion 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 therein; it is THEREFORE FOUND AND DETERMINED THAT:

1. Debtors have articulated good and sufficient reasons for approving the Sale Procedures, as defined in the Motion, and proposed notice for use in connection with the expected future sales of Trailers of the Debtors;
2. The Sale Procedures are reasonable and appropriate and are designed to maximize the recovery on Debtors' Trailers;
3. The proposed notice provides due and adequate notice of any sales of Debtors' Trailers in accordance with Bankruptcy Rule 2002, the applicable provisions of the Bankruptcy Code and due process;
4. The scope of notice of the proposed sales to be provided by Debtors in the Motion will constitute due, sufficient, and adequate notice to parties in interest of the sale of Debtors' Trailers.

NOW, THEREFORE, IT IS HEREBY:

ORDERED, that this Order constitutes the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052; and

FURTHER ORDERED, that the Sale Procedures as set forth in the Motion are hereby approved in their entirety as reasonable and appropriate for use in Trailer sales; and

FURTHER ORDERED, that all Trailers will be sold free and clear of all liens and claims with any such liens and claims attaching to the proceeds of the sale; and

FURTHER ORDERED that Debtors wishing to sell Trailers using these Sale Procedures shall use the following guidelines:

(A) Debtors shall file and serve a Notice of Sale to Counsel for the Unsecured Creditors' Committee, Counsel for the Bondholders' Committee, Counsel to the Bank Group, the United States Trustee and any party asserting a lien against the respective Trailer(s) (collectively, the "Notice Parties").

(B) The Notice of Sale will provide the following information under oath:

(1) A description of the respective Trailer(s) to be sold including the present location and ownership of the respective Trailer(s);

(2) The original purchase price and date, depreciation life, depreciated value, net book value and the age of the respective Trailer(s) to be sold;

(3) The proposed sales price for the respective Trailer(s) and a description of the manner in which the price was obtained or negotiated including the number of bids received, and any other relevant factors that justify the sales price;

(4) The identity of the purchaser and a statement that the purchaser has no connection with Debtors which would otherwise prohibit it from making an arms-length offer to purchase the respective Trailer(s);

(5) A statement that if no written objections to the Notice of Sale are received within five (5) business days from receipt of the Notice of Sale, Debtors will be authorized to sell the respective Trailer(s) at the proposed price pursuant to the order granting this Motion;

(6) A copy of the proposed Bill of Sale.

(C) The Notice Parties will have five (5) business days after service of the Notice of Sale to file a written objection to the proposed sale to Debtors. If an objection is filed, Debtors will notice the sale for a hearing at the Court's next available hearing docket. If no such objection is filed, and without need for any further notice or hearing, Debtors will be authorized to complete the sale according to the terms described in the Notice of Sale. Debtors shall deliver to the purchaser the Bill of Sale, a copy of the Notice of Sale and a copy of the Order granting the Motion. Each proposed Bill of Sale shall include a statement that delivery of the Bill of Sale to the purchaser constitutes a certification by the selling Debtor that it has delivered a Notice of Sale in compliance with the Order granting this Motion, that no objections from the Notice Parties were received, and that title is being transferred free and clear of liens pursuant to the Order.

(D) All sales pursuant to these Sale Procedures will be for cash, and no Trailer sold pursuant to these Sale Procedures shall be sold for less than \$18,000.

(E) Debtors shall, on or before confirmation of any plan of reorganization, file a report indicating (1) the Trailers sold, (2) the depreciated value and net book value of the Trailers sold, (3) the price obtained, and (4) the identity of the purchasers.

(F) Any remaining Trailers not sold in accordance with the Sale Procedures established by this Order may be sold by the Debtors in accordance with 11 U.S.C. § 363, or the Miscellaneous Asset Sale Procedures approved by this Court's Order of September 27, 2002.

(G) Debtors shall be authorized to deliver certificates of title and to take such other reasonable actions necessary to effectuate a transfer of the Trailers sold pursuant to these Sale Procedures.

FURTHER ORDERED, that this Order shall become effective immediately upon its entry; and

FURTHER ORDERED, that the Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

Dated: February 27, 2003

/s/ Jerry W. Venters
UNITED STATES BANKRUPTCY JUDGE

ORDER SUBMITTED BY:

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cc: Frazen to Serve