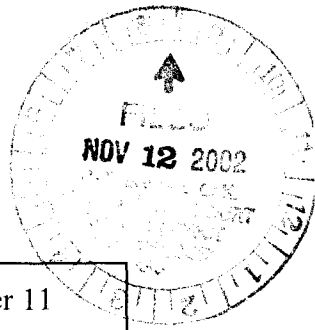


UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI



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

AFFIDAVIT OF JEROLD O. NELSON
AND DISCLOSURE STATEMENT

STATE OF MINNESOTA)
)ss.
COUNTY OF HENNEPIN)

Jerold O. Nelson, being duly sworn, deposes and says:

1. I am an attorney duly authorized to practice law in Minnesota and maintain an office at 1012 Grain Exchange Bldg., 400 South Fourth Street, Minneapolis, Minnesota 55415.
2. Neither I, nor any associate, insofar as I have been able to ascertain, has any connection with the above captioned debtors and debtors in possession (the "Debtors"), its creditors, or any other party in interest, or its attorneys, except as set forth in this affidavit.
3. I and one of my associates, Scott Lundquist has represented and advised the Debtors with respect to a broad range of aspects of the Debtors' businesses.
4. The Debtors have requested, and I have agreed, to continue to represent and advise the Debtors pursuant to section 327(a) of title 11 of the United States Code (the Bankruptcy Code") with respect to such matters. Additionally, the Debtors have requested, and I have proposed, to render the following services to the Debtors:

Legal services to recover approximately \$550,000 loss by Farmland Industries related to the financing of Farmer's Elevator Company of Oslo, Minnesota by a subsidiary company of Farmland Industries, Inc. The source of recovery will be cash collateral still held by the elevator, accounts receivable collateral still owed to the elevator, cooperative patronage equity collateral assigned by the elevator to Farmland-Atwood, litigation against the former elevator manager for wrongful acts covered by a directors and officers liability policy (which action may or may not include the elevator's officers and directors at Farmland Industries, Inc.'s discretion) and an accounting malpractice action against the elevator's accountants for negligence in preparing the elevator's financial statements and not uncovering and disclosing the manager's wrongful acts which rendered the elevator bankrupt.

5. My current customary hourly rates, subject to change from time to time, are \$150.00.

In the normal course of business, I revise my regular hourly rates on January 1st of each year and request that, effective January 1st of each year, the aforementioned rates to be revised to the regular hourly rates which will be in effect at that time.

6. In connection with this case, I have rendered services that have not yet been billed or that have been billed but with respect to which payment has not been received. The value of such services does not exceed \$1,000.

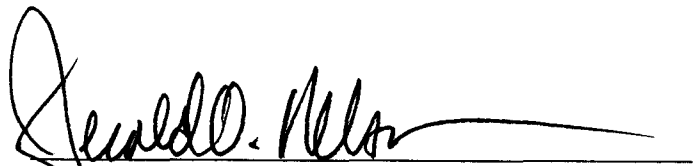
7. Except as set forth herein, no promises have been received by me, my associate(s) or other person as to compensation in connection with these chapter 11 cases other than in accordance with the provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules, orders of this Court, and the Fee Guidelines promulgated by the Executive office of the United States Trustee.

8. I have no agreement with any entity to share with such entity any compensation received by me.

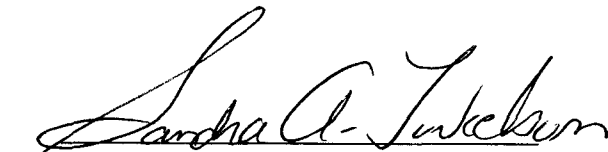
9. I may have in the past represented, currently represent, and may in the future represent entities that are claimants of the Debtors in matters totally unrelated to these pending chapter 11 cases. I do not and will not represent any such entity in connection with these pending chapter 11 cases and do not have any relationship with any such entity, attorneys, or accountants that would be adverse to the Debtors or their estates.

10. Neither I, nor any associate, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors, or their estates in the matters upon which I am to be engaged.

11. The foregoing constitutes the statement of Jerold O. Nelson pursuant to sections 329 and 504 of the Bankruptcy Code and Bankruptcy Rules 2014 and 2016(b).


Jerold O. Nelson

Subscribed and sworn to before me
this 1st day of November, 2002.


NOTARY PUBLIC

