UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI

In Re:	**)**	**In Proceedings Under Chapter 11**
	)	
FARMLAND INDUSTRIES, INC.	**)**	**Case No. 02-50557-JWV**
	)	
Debtor.	**)**	

DEBTOR'S APPLICATION FOR ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT OF TRINITY CAPITAL, LLC

Farmland Industries Inc., and Farmland Foods, Inc. debtor and debtor-in-possession herein (collectively, the "Debtors"), submit this application (the "Application") for entry of an order, pursuant to sections 327(a), 328 and 1107(a) of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"), and Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), authorizing the retention and employment of Trinity Capital, LLC as financial advisors and consultants to the Debtors. In support of this Application, the Debtor relies upon the affidavit of Douglas L. Furth (the "Furth Affidavit"), which is attached hereto as **Exhibit A** and incorporated herein by reference, and respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of the Debtor's Chapter 11 case and this Application in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief sought herein are sections 327(a), 328 and 1107(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a), 2016 and 5002.

BACKGROUND

3. On May 31, 2002 (the "Petition Date"), the Debtors filed voluntary petitions in this Court for reorganization relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"). The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

4. Two official committees have been appointed in these proceedings (the "Committees").

5. Debtor Farmland Industries, Inc. ("Farmland"), a Kansas corporation headquartered in Kansas City, Missouri, is organized and operated as a cooperative system of agricultural and food related businesses. Farmland, in conjunction with the debtor subsidiaries and other non-debtor consolidated subsidiaries, (a) manufactures and markets fertilizer, (b) operates a petroleum refinery, (c) operates an integrated food and food processing business, (d) engages in the wholesale and retail farm supply business and (e) engages in the transportation brokerage business (collectively, the "Business").

RELIEF REQUESTED

6. By this Application, the Debtors request authorization to retain and employ Trinity as its financial advisors and consultants in these Chapter 11 cases. Specifically, the Debtors respectfully request entry of an order pursuant to section 327(a) of the Bankruptcy Code authorizing Trinity to perform the following financial and consulting services:

> (a) Trinity shall act as the Company's' advisor in assisting the Company in evaluating the options for the reorganization or disposition of the assets of Farmland Foods, Inc. ("Foods") and Farmland's investment in Farmland National Beef ("NB"). Such services shall include, but shall not be limited to: valuation of Foods and

NB, conducting due diligence of Foods' and NB's operations and assets, identifying and reviewing prospective alliance partners that may enhance the value of the assets, and advising and assisting with business plans and the presentation of such plans.

(b) Trinity shall assist the Company in connection with its plan of reorganization. Such services shall include, but shall not be limited to: preparation of a disclosure statement, plan of reorganization, business plan, negotiation and communication with creditors and other claimants and providing expert testimony as to the value of Foods and its assets.

(c) Trinity shall take such incidental and related actions as requested by the Company and as agreed to by Trinity.

7. Subject to this Court's approval of the Application, Trinity is willing to serve as the Debtor's financial advisors and consultants and to perform the services described above.

DISINTERESTEDNESS OF PROFESSIONALS

8. To the best of the Debtor's knowledge and based upon the Furth Affidavit, Trinity is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code. To the best of the Debtor's knowledge and based upon the Furth Affidavit, Trinity does not hold or represent an interest adverse to the estate that would impair Trinity's ability to objectively perform professional services for the Debtor, in accordance with section 327 of the Bankruptcy Code.

9. To the best of the Debtor's knowledge and based upon the Furth Affidavit, (1) Trinity's connections with the creditors, any other party in interest, or their respective attorney's, if any, are disclosed in the Furth Affidavit; and (2) Trinity and its partners and professionals working on this matter are not relatives of the United States Trustee of the Western District of Missouri or of any known employee in the office thereof, or any United States Bankruptcy Judge of the Western District of Missouri.

10. Trinity has not provided, and will not provide, professional services to any of the creditors, other parties-in-interest, or their attorneys with regard to any matter related to this Chapter 11 case.

PROFESSIONAL COMPENSATION

11. Trinity's requested compensation for professional services rendered will be based upon the fees set forth in the Engagement Letter attached hereto as **Exhibit B**.

12. Trinity will also seek reimbursement for necessary expenses incurred, which shall include travel, photocopying, delivery service, postage, vendor charges and other out-of-pocket expenses incurred in providing professional services.

13. The Engagement Letter provides for Trinity to be paid on a monthly basis as set forth therein. Nonetheless, Trinity intends to apply to the Court for the allowance of compensation for professional services rendered and reimbursement of expenses incurred in accordance with the applicable provisions of the Bankruptcy Code , the Bankruptcy Rules and Standing Order of this Court. Trinity has agreed to accept as compensation such sums as may be allowed by the Court. Trinity understands that interim and final fee awards are subject to approval by this Court.

14. Trinity is not a prepetition creditor of the Debtor's estate.

No previous request for the relief sought herein has been made to this or any other Court.

15. This Motion is being filed under exigent circumstances. Debtors believe that it is in the best interests of the estates and the parties in interest that the Motion be heard as expeditiously as possible. Debtors respectfully request that a hearing regarding this Motion be set on 12 days notice rather than 20 days, as required by Standing Order No. 1 in these proceedings, such that it will be taken up at the hearing scheduled for December 30, 2002, at 2:30 p.m.

THEREFORE, the Debtor respectfully requests that the Court enter an Order, (i) granting this Application, (ii) authorizing the Debtor to retain and employ Trinity as its financial advisors and consultants to perform the services set forth herein, and (iii) granting such other and further relief as is just and proper.

Dated: December 18, 2002.

FARMLAND INDUSTRIES, INC.

/s/ Laurence M. Frazen

Laurence M. Frazen MO #31309
Cynthia Dillard Parres MO #37826
Robert M. Thompson MO #38156
BRYAN CAVE LLP
3500 One Kansas City Place
1200 Main Street
Kansas City, Missouri 64105
Telephone: (816) 374-3200
Telecopy: (816) 374-3300

Attorneys for Debtor and Debtor in Possession

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Application For Order Authorizing The Retention And Employment Of Trinity Capital LLC was mailed, by first-class mail, postage prepaid, those parties which do not receive electronic notice in these proceedings on the 19th day of December, 2002.

/s/ Laurence M. Frazen

UNITED STATES BANKRUPTCY COURT
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FARMLAND INDUSTRIES, INC.	**)**	**Case No. 02-50557-JWV**
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Debtor.	**)**	

AFFIDAVIT OF DOUGLAS L. FURTH IN SUPPORT OF DEBTOR'S APPLICATION FOR ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT OF TRINITY CAPITAL, LLC INCLUDING DISCLOSURES PURSUANT TO 11 U.S.C. § 329 AND FED. R. BANKR. P. 2014 AND 2016

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

Douglas L. Furth, being duly sworn, deposes and says:

1. I am a Managing Director in the firm of Trinity Capital, LLC. As used herein, "Firm" refers to Trinity Capital, LLC. The Firm maintains its principal offices at 1840 Century Park East, Suite 1010, Los Angeles, California 90067.

2. To the best of my knowledge, after reasonable inquiry described below, and subject to the further disclosures noted below,

(a) neither I, the Firm, nor any member or associate thereof, holds or represents any interests adverse to Debtors' estates or Debtors with respect to the matters upon which the Firm is to be employed; and

(b) Neither I, the Firm, nor any member or associate thereof, has any connection with the Debtors, creditors, their attorneys or accountants, the United States Trustee, or any person employed in the office of the United States Trustee, except as stated below. I understand that there is a continuing duty to disclose

any such adverse interest, and will promptly file a supplement to this Affidavit regarding any material, new information that comes to my attention.

3. The Firm has reviewed certain lists of principal creditors in these cases, all affiliates of Debtors, all professionals for Debtors, and all officers and directors of Debtors. Moreover, I am informed that Debtors have approximately 8,000 employees and approximately 75,000 creditors other than employees, some of whom are unknown at this time. Based on our understanding of the Debtors' businesses and a comparison of the above lists to our database of clients, the Firm has determined that it currently provides, or has previously provided, no legal services to persons and entities, who are, or may be, creditors or parties in interest in these cases.

4. The amount of fees and expenses to be paid to the Firm will be based upon the fees set forth in the Engagement Letter attached to Debtor's Application For Order Authorizing The Retention And Employment Of Trinity Capital LLC, and as determined and allowed by the Court or such other basis as the Court shall authorize.

5. The sole source of compensation to be paid to the Firm is property of the Debtors, whether now or hereafter acquired.

6. The Firm has not shared or agreed to share any of its compensation from the Debtors with any other person, other than a partner or associate of the Firm.

/s/ Douglas L. Furth
Douglas L. Furth

Subscribed and sworn to before me this
18th day of December, 2002.

Donna J. Martin
Notary Public

My Commission Expires: August 5, 2003

Exhibit B

PERSONAL & CONFIDENTIAL

December 13, 2002
Dennis M. Alt
Vice President, Strategic Projects
Farmland Industries, Inc.
12200 North Ambassador Drive
Kansas City, Missouri 64163-1244

Dear Dennis

We are pleased to confirm the arrangements under which Trinity Capital, LLC ("Trinity") has been engaged by Farmland Industries, Inc. and Farmland Foods, Inc. (collectively "Farmland" or "the Company") to provide strategic and financial advisory and consulting services in connection with the evaluation of Farmland's Refrigerated Foods and Livestock Production Group ("Refrigerated"), Farmland's efforts to reorganize pursuant to chapter 11 of title 11 of the United States Code and Farmland's investment in Farmland National Beef ("NB").

Services that Trinity shall provide the Company during the engagement include:

1. Trinity shall act as the Company's' advisor in assisting the Company in evaluating the options for the reorganization or disposition of the assets of Farmland Foods, Inc. ("Foods") and Farmland's investment in NB. Such services shall include, but shall not be limited to: valuation of Foods and NB, conducting due diligence of Foods' and NB's operations and assets, identifying and reviewing prospective alliance partners that may enhance the value of the assets, and advising and assisting with business plans and the presentation of such plans.

2. Trinity shall assist the Company in connection with its plan of reorganization. Such services shall include, but shall not be limited to: preparation of a disclosure statement, plan of reorganization, business plan, negotiation and communication with creditors and other claimants and providing expert testimony as to the value of Foods and its assets.

3. Trinity shall take such incidental and related actions as requested by the Company and as agreed to by Trinity.

Consideration for Services

Monthly Fee The Company shall pay to Trinity by wire transfer within two business days of approval of this letter the sum of $150,000 and thereafter shall pay to Trinity $100,000 on the 15th day of each month until the earlier of (x) the date that a chapter 11 plan of reorganization for the Company becomes effective and (y) the date on which this agreement is terminated by the Company; it being agreed that notwithstanding the foregoing, the Company shall pay to Trinity at least $550,000 in the aggregate according to the schedule set forth in this paragraph regardless of when a plan of reorganization becomes effective or this agreement is terminated.

Expenses. The Company shall reimburse Trinity for all of its reasonable out-of-pocket expenses not later than ten days after receipt by the Company of an invoice therefor from Trinity; it being agreed that Trinity shall under no circumstances be entitled to reimbursement for first-class air travel.

Other Provisions

The term "Trinity Party" means Trinity or its principals, members, officers, directors, employees, agents, attorneys or representatives. The term "Farmland Party means Farmland, Foods or any of their principals, members, officers, directors, employees, agents, attorneys or representatives. The Companies hereby agree to indemnify, defend and hold harmless the applicable Trinity Party for any loss, claims, damage, liability or cost (including reasonable legal fees and expenses as and when the same are incurred by Trinity) resulting from any act or omission of any Farmland Party in connection with Trinity's retention that constitutes negligence, willful misconduct or a violation of applicable law or this letter agreement; provided, however, in no event shall any Trinity Party be entitled to any indemnification, reimbursement or other compensation for punitive damages, special damages, lost profits, consequential damages or any other recovery not measured by the indemnified party's actual, prevailing out-of-pocket damages, and each Trinity Party hereby waives and releases any claim for any such indemnification, reimbursement or other compensation other than for actual, prevailing out-of-pocket damages.

The indemnification obligations of the Company and Trinity contained in the preceding paragraph shall be binding upon and inure to the benefit of the successors and assigns of the Company and Trinity and shall survive the effectiveness of a chapter 11 plan for the Company or its affiliates.

Farmland may terminate this letter agreement with or without cause at any time upon receipt by Trinity of written notice from the Company to Trinity to that effect. Upon termination of the agreement, neither party will have any liability or continuing obligation to the other, except that (i) the indemnity and waiver provisions of this letter agreement will survive any such termination and (ii) if the letter agreement is terminated by the Company, the Company will remain liable for Trinity's Monthly Fees in an aggregate amount of at least $550,000 as set forth above and Expenses incurred up to the time of termination in accordance with the terms hereof.

The Company will provide Trinity with all information concerning the Company that Trinity reasonably deems appropriate in connection with its engagement and will provide Trinity with reasonable access to the Company's officers, directors and advisors. All such information concerning the Company will be, to the best of the Company's knowledge, true and accurate in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in light of the circumstances under which such statements are made. The Company acknowledges that Trinity will be using and relying upon the accuracy and completeness of the information supplied by the Company and its officers in connection with its engagement.

Trinity represents and warrants that it is a sophisticated and experienced financial advisor, generally familiar with livestock production and meat processing, the risks inherent therein, the laws and regulations and accounting standards and principles generally applicable thereto, and the lending, equity and other financial markets related thereto.

Trinity and all of its officers, directors, employees, agents and other representatives acting in connection with the matters subject to this letter agreement shall at all times act in compliance with the standards of care, diligence and competence of similarly-situated parties in the financial services industry, and shall at all times comply with all applicable laws, regulations and other binding governmental or legal requirements.

The Company agrees that all representations and warranties made by it in any purchase agreement, indenture, or other agreement or instrument entered into by the Company in connection with the Companies' Chapter 11 cases shall be deemed to be made by the Company to Trinity and shall be incorporated into this letter agreement by reference, and that any opinions of counsel for the Company and/or comfort or similar letters of the Company's accountants, if any, required to be delivered by any investor also shall be addressed to Trinity.

Trinity is not and has not been employed by any entity other than the Company's in connection with the Chapter 11 case. Trinity has not provided and will not provide services to any entity (other than the Company's) in any matter related to the Company's on this case.

Trinity understands that certain information provided to it by Farmland may be proprietary and confidential. Trinity agrees that it will not disclose and will maintain in strict confidence all non-public information provided to it by the Company or any related entity unless: (i) legally compelled to do so, provided, however, that in such circumstances, Trinity shall first notify Company of the request, demand or other action compelling such disclosure and will cooperate with Farmland in all reasonable respects to protect such confidentiality; or (ii) authorized in writing by Farmland. Trinity further agrees that such information shall not be used for purposes other than those contemplated by this letter agreement.

This agreement may be executed in two or more counterparts including facsimile counterparts, each of which shall be deemed an original.

All section headings are for convenience only and shall in no way modify or restrict any of the terms or provisions. No amendment or modification of this letter agreement shall be valid or binding upon the Company or Trinity unless made in writing and signed by a duly authorized officer of the Company and Trinity. The undersigned represent and warrant that the execution and delivery of this letter agreement and the performance of all obligations hereunder has been duly authorized. Each party hereto disclaims any intention to impose any fiduciary or other similar obligation on the other by virtue of the engagement contemplated by this letter agreement. No fee payable to any other financial advisor by the Company or any other person or entity in connection with the subject matter of this engagement shall reduce or otherwise affect any fee payable hereunder to Trinity. This agreement shall be governed by the internal laws of the State of Missouri.

Court Approval

This letter agreement shall be subject to approval by the Court and the Company agrees to seek such approval as soon as reasonably possible but in any event prior to December 16, 2002 and the Company shall seek such approval *nunc pro tunc* to December 13, 2002.

Notices

(a) Any notice required or permitted hereunder shall be made in writing either by:

1. Actual delivery of the notice into the hands of the party there under entitled, or
2. The mailing via recognized overnight delivery service addressed to the party to whom the notice is to be given at the party's respective address set forth below, or such other address as the parties may from time to time designate by written notice as herein provided.

The notice shall be deemed received in case (1) on the date of its actual receipt by the party entitled thereto, and in case (2) on the date delivered.

(b) Notice addressed to Trinity shall be addressed to it as follows:

Mr. Kevin T. Burke
Trinity Capital, LLC.
1840 Century Park East
Suite 1010
Los Angeles, California 90067

Notices addressed to the Company shall be sent to:
Robert B. Terry
Chief Executive Officer
Farmland Industries, Inc.
12200 North Ambassador Drive
Kansas City, Missouri 64163

If this letter agreement accurately sets forth the understanding between us, please sign below the enclosed copy of the letter and return it to Trinity, at which time this letter agreement will become a mutually binding obligation.

Sincerely,

Timothy H. Turner
Managing Director

AGREED and ACCEPTED

FARMLAND INDUSTRIES, INC.

By:_____
Its

FARMLAND FOODS, INC.

By:_____
Its