UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI

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

NOTICE OF SALE OF MISCELLANEOUS ASSETS

Newport, AR Farm Supply Center

PLEASE TAKE NOTICE that, pursuant to an ORDER APPROVING AMENDED PROCEDURES FOR SALES OF MISCELLANEOUS ASSETS OF DEBTORS, entered April 3, 2003 (the "Order"), SFA, Inc., hereby intends to sell the Newport, AR Farm Supply Center (the "Assets"). In support thereof, the affidavit (the "Affidavit") of Timothy R. Daugherty, Vice President Administration of Farmland Industries, Inc., is hereby submitted.

The Required Groups (as defined in the Order) will have five (5) business days after services of the Notice of Sale to file a written objection to the proposed sale. If an objection is filed, Debtors shall notice the sale for a hearing on the Court's next available hearing docket. If no objections are filed within the objection period, the Debtors will be authorized to sell the Assets at the proposed price as set forth in the Affidavit free and clear of all liens and claims (with any such liens and claims attaching to the proceeds of the sale).

FARMLAND INDUSTRIES, INC., et al.

By: /s/ Laurence M. Frazen

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Attorneys for Debtors and Debtors in Possession

AFFIDAVIT OF TIMOTHY R. DAUGHERTY

STATE of MISSOURI)
) SS.
COUNTY of PLATTE)

The undersigned, Timothy R. Daugherty, being duly sworn upon oath, does hereby state that, to the best of his knowledge SFA, Inc., ("Seller") does intend to sell assets (the "Assets") as follows:

1. Description of assets sold, including the present location and ownership of the assets:

The assets are located in Newport, Arkansas and consist of 5 acres of property, a 1,500 ton dry fertilizer plant and a 2,400 square foot warehouse. The facilities have not been operated for at least 5 years.

2. Asset History

Original Purchase Price:

The assets were brought into Farmland as part of the SFA, Inc. merger in 1998. Since the facilities were not being operated, no value was assigned.

Date of Original Purchase:

1998 – part of the SFA, Inc., merger

Depreciation Life: N/A

Depreciated Value: N/A

Net Book Value: N/A

Age of Assets: Unknown

3. Purchase Price

Amount of Purchase Price: $100,000 ($1,000 deposit in hand)

Methodology to determine purchase price:

Attempts have been made to sell this property for nearly 5 years. The listing price was $150,000. In the fall of 2002, two different parties expressed interest but one party retracted his offer and the other party could not get financing for a facility of this type and condition.

The current bid is for the property "where is, as is," and the buyer will receive a quit claim deed, prorated taxes, and will execute a release document in favor of Farmland (there are no known environmental issues).

4. Purchaser

Name of Purchaser:
Jimmy Walker
7430 Highway 17N
Newport, AR 72112

Any prior miscellaneous sales to Purchaser: No

The Purchaser has no connection with the Debtors, which would otherwise prohibit it from making an arms-length offer to purchase the Assets.

5. If no objections are filed with the Court within the five (5) business day objection period, Debtors will be authorized to sell the Assets at the proposed price pursuant to the Order (as defined in the Notice to which this Affidavit is attached).

6. A copy of the proposed Transfer Document is attached hereto as Exhibit A. Delivery of the Transfer Document to the purchaser shall constitute a certification by the selling Debtor that it has delivered a Notice of Sale in compliance with the Order, that no objections from the Required Groups were received, that the sale falls within the aggregate total sales allowed pursuant to the Order, and that title is being transferred free and clear of liens pursuant to the Order.

/s/ Timothy R. Daugherty
Timothy R. Daugherty

SUBSCRIBED AND SWORN to before me this 9th day of April, 2003.

/s/ Karen Gilliland
Notary Public

[NOTARIAL STAMP]

EXHIBIT A

QUITCLAIM DEED

FOR AND IN CONSIDERATION of the sum of TEN DOLLARS ($10.00), cash in hand paid and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, FARMLAND INDUSTRIES, INC., Debtor in Possession, whose address is 12200 North Ambassador Drive, Kansas City, Missouri 64163, telephone (816) 713-7000 ("Seller") does hereby convey and quitclaim unto JIMMY WALKER, an individual, whose address is 7430 Highway 17N, Newport, AR 72112, telephone #870 523-5103 ("Buyer"), the real property legally described on Exhibit A attached hereto, lying and being situated in Newport, Jackson County, Arkansas (the "Property").

This Quitclaim Deed is delivered in accordance with the Order Approving Amended Procedures for Sales of Miscellaneous Assets of Debtors, entered by the U.S. Bankruptcy Court for the Western District of Missouri on April 3, 2003 (the "Order," capitalized terms used herein without definition shall have the meanings ascribed thereto in the Order). The delivery of this Quitclaim Deed to Buyer constitutes a certification by Seller that Seller has delivered a Notice of Sale in compliance with the Order, that no objections from the Required Groups were received, that the sale falls within the aggregate total sales allowed pursuant to the Order, and title to the Property is being transferred hereby free and clear of liens pursuant to the Order.

WITNESS MY SIGNATURE, this ____ day of _____ 2003.

FARMLAND INDUSTRIES, INC.
Debtor in Possession

By: _____
Name: _____
Title: _____

Acknowledgment

STATE OF MISSOURI

COUNTY OF PLATTE

THIS DAY personally appeared before me, the undersigned authority in and for the County and State aforesaid, the within named TIM R. DAUGHERTY, who acknowledged before me that he signed and delivered the above and foregoing instrument on behalf of Farmland Industries, Inc., Debtor in Possession, on the date therein mentioned and for the purposes therein expressed.

GIVEN under my hand and seal of office, this the _____ day of _____, 2003.

_____
NOTARY PUBLIC

(S E A L)

My Commission Expires:

_____

EXHIBIT A TO QUIT CLAIM DEED

Legal Description of Property

Situated in Jackson County, Arkansas

All that part of the Northwest Quarter of the Northeast Quarter of Section Twenty-five (25), Township Twelve (12) North, Range Three (3) West situated North and West of a drainage ditch more particularly described as follows: Begin at the Northwest corner of said Northwest Quarter of the Northeast Quarter, run South along the West line thereof 561 feet to the center of said ditch; thence run Easterly and Northeasterly along the center of said ditch 1056 feet more or less, to the North line of the said Northwest Quarter of the Northeast Quarter; thence run West feet to the point of beginning.

RELEASE AGREEMENT

THIS RELEASE AGREEMENT (this "Agreement") is made and entered into as of the ____ day of March, 2003, by and among **FARMLAND INDUSTRIES, INC.**, Debtor in Possession, a Kansas corporation ("Farmland") and **JIMMY WALKER**, an individual ("Walker").

WITNESSETH:

WHEREAS, Farmland owns certain real property in Newport, Jackson County, Arkansas, more particularly described in Exhibit A attached hereto (the "Real Property");

WHEREAS, Farmland is in possession of its assets as a Debtor in Possession pursuant to Title 11 U.S. Code, in the Chapter 11 administratively consolidated cases of Farmland and its subsidiaries, Case No. 02-50557-JWV (the "Bankruptcy Cases") in the United States Bankruptcy Court for the Western District of Missouri (the "Bankruptcy Court");

WHEREAS, Farmland desires to sell the Real Property to Walker, pursuant to the terms of that certain Order of the Bankruptcy Court dated September 27, 2002, permitting the sale of certain types of property (the "Order");

WHEREAS, under the Order Farmland is required to obtain the consent of certain Required Groups, as that term is defined in the Order, to sell the Real Property to Walker, and as a condition of granting their approval the Required Groups have required Farmland to obtain the release from Walker granted herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

SECTION 1. RELEASE BY WALKER.

Walker hereby releases Farmland and its affiliates, direct and indirect, shareholders, directors and officers, employees and agents (collectively, the "Released Parties") from any and all liabilities, actions, rights of action, contracts, indebtedness, obligations, claims, causes of action, suits, damages, demands, costs, expenses and attorneys' fees whatsoever, of every kind and nature, known or unknown, disclosed or undisclosed, accrued or unaccrued, existing at any time, that Walker, its successors or assigns, have or may have against any of the Released Parties, including, but not limited to, those arising directly or indirectly out of or as a consequence of the actual or suspected use, storage, handling, generation, transportation, manufacture, production, release, discharge, disposal or presence of Hazardous Substances on, in, under or about the Real Property, or the air, soil or groundwater thereof, or the Personal Property, by the Released Parties or any other person or entity, including, without limitation, any and all costs incurred due to any investigation of the Real Property or the Personal Property or any cleanup, remediation, removal or restoration mandated by or pursuant to any

Environmental Laws, and those arising from or related to, or in any way connected with, the Real Property or the Personal Property.

SECTION 2. DEFINITIONS.

For purposes of this Agreement, the term "Hazardous Substances" means any chemical, compound, material, mixture, living organism or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any Environmental Laws as a "hazardous substance," "hazardous material," "hazardous waste," "extremely hazardous waste," "infectious waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity or toxicity, including any petroleum, polychlorinated biphenyls ("PCBs"), asbestos, radon, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). The term "Environmental Laws" means any and all present and future federal, state and local laws (whether under common law, statute, rule, regulation or otherwise), requirements under permits issued with respect thereto, and other requirements of any appropriate governmental authorities relating to the environment, or to any Hazardous Substance or to any activity involving Hazardous Substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq. (CERCLA), the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., the Clean Water Act, 33 U.S.C. 1251 et seq., the Clean Air Act, 42 U.S.C. 7401 et seq., the Toxic Substance Control Act, 15 U.S.C. 2601 et seq., and the Safe Drinking Water Act, 42 U.S.C. 300f through 300j, as all of the foregoing may be amended from time to time.

SECTION 3. ADDITIONAL PROVISIONS.

3.1 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Missouri applicable to agreements made and to be performed entirely within such state, including all matters of construction, validity and performance.

3.2 Amendment and Modification. Farmland and Walker may amend, modify and supplement this Agreement only in such manner as may be mutually agreed by them in writing; provided that no such amendment shall in any manner impair or limit the release granted herein.

3.3 Entire Agreement. This Agreement cancels, merges and supersedes all prior and contemporaneous understandings and agreements relating to the subject matter of this Agreement, written or oral, between the parties hereto and contains the entire agreement of the parties hereto, and the parties hereto have no agreements, representations or warranties relating to the subject matter of this Agreement which are not set forth herein.

3.4 Successors. This Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto and to their respective successors and permitted

assigns. In the event that a Chapter 11 trustee should be appointed for Farmland, or in the event that Farmland's Chapter 11 case should be converted to a case under Chapter 7, the obligations of Farmland hereunder shall be binding upon such trustee or successor Chapter 7 estate.

3.5 Counterparts. This Agreement may be executed in one or more counterparts each of which shall be deemed an original but all of which together shall constitute but one and the same instrument.

3.6 Headings. The headings used in this Agreement are for convenience only and shall not constitute a part of this Agreement.

3.7 Schedules. All of the exhibits and schedules attached hereto are incorporated herein and made a part of this Agreement by reference.

3.8 Severability. The invalidity of any provision of this Agreement shall in no way impair or affect the remaining provisions hereof.

3.9 Jurisdiction. During Farmland's Bankruptcy Cases, any suit, action or proceeding between the parties hereto relating to this Agreement or to any agreement, document or instrument delivered pursuant hereto or in connection with the transactions contemplated hereby, or in any other manner arising out of or relating to the transactions contemplated by or referenced in this Agreement shall be commenced and maintained exclusively in the Bankruptcy Court. The parties hereto submit themselves unconditionally and irrevocably to the personal jurisdiction of such court. Subsequent to Farmland's Bankruptcy Cases, any suit, action or proceeding between the parties hereto relating to this Agreement or to any agreement, document or instrument delivered pursuant hereto or in connection with the transactions contemplated hereby, or in any other manner arising out of or relating to the transactions contemplated by or referenced in this Agreement shall be commenced and maintained exclusively in the United States District Court for the Western District of Missouri, or if that court lacks jurisdiction over the subject matter, in a state court of competent subject matter jurisdiction sitting in Platte County, Missouri. The parties hereto submit themselves unconditionally and irrevocably to the personal jurisdiction of such courts, as applicable. The parties further agree that venue shall be in the Western District of Missouri. The parties hereto irrevocably waive any objection to such personal jurisdiction or venue, including, but not limited to, the objection that any suit, action or proceeding brought in Western District of Missouri, has been brought in an inconvenient forum.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

FARMLAND INDUSTRIES, INC.
Debtor in Possession

By: _____
Name: _____
Title: _____

JIMMY WALKER

_____
Jimmy Walker

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

Situated in Jackson County, Arkansas

All that part of the Northwest Quarter of the Northeast Quarter of Section Twenty-five (25), Township Twelve (12) North, Range Three (3) West situated North and West of a drainage ditch more particularly described as follows: Begin at the Northwest corner of said Northwest Quarter of the Northeast Quarter, run South along the West line thereof 561 feet to the center of said ditch; thence run Easterly and Northeasterly along the center of said ditch 1056 feet more or less, to the North line of the said Northwest Quarter of the Northeast Quarter; thence run West feet to the point of beginning.