UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI

In Re:

FARMLAND INDUSTRIES, INC., et al

Debtor.
_____/

Case No. 02-50557-JWV

Chapter 11

Jointly Administered

RESPONSE OF THE STATE OF MICHIGAN,
DEPARTMENT OF TREASURY TO DEBTOR'S
NINTH OMNIBUS OBJECTION TO INVALID CLAIMS

Now comes the State of Michigan, Department of Treasury by and through its attorneys, Michael A. Cox, Attorney General and Peggy A. Housner, Assistant Attorney General and responds to Debtor's Ninth Omnibus Objection as follows:

1. The Debtor has listed the Michigan Department of Treasury's Administrative Expense Claim in Exhibit A stating that the State's claim is invalid for the reason that the Debtor states that they have received documentation from the State indicating no liability.

2. The Michigan Department of Treasury filed this Administrative Expense claim on or about July 8, 2003. The claim includes post-petition tax liabilities unpaid sales, use and withholding taxes and Single Business taxes. The sales, use and withholding taxes have been resolved. The claim remains for the unpaid and non-filed Single Business taxes.

3. The Michigan Department of Treasury is now in the process of reviewing the Administrative Expense Claim and will amend the claim to reflect the corrections. The Claim will continue to assert the post petition period of Single Business taxes for the tax year of September 1, 2001 through August 31, 2002. The post petition liability includes the period of May 31, 2002 through August 31, 2002. The Michigan Department of Treasury further reports

that this tax amount is estimated as the debtor has failed to file the required Michigan Single Business Tax return for the tax period in question.

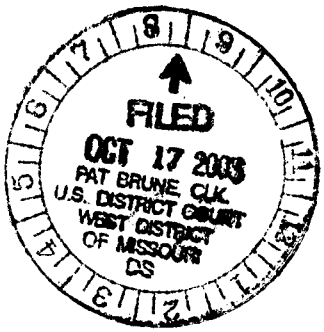
Wherefore, the State of Michigan, Department of Treasury respectfully request that its claim be allowed as filed and/or amended as there continues to be unpaid single business tax liability for the post-petition tax period.

Respectfully submitted,

Michael A. Cox
Attorney General

Peggy A. Housner (P47207)
Assistant Attorney General
Revenue Division
First Floor Treasury Building
Lansing, MI 48922
Telephone: (517) 373-1142

Dated: October 14, 2003
ba/02/ph farmland.resp to obj



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PROOF OF SERVICE

STATE OF MICHIGAN)
)
COUNTY OF INGHAM)

Sharon M. Pavlik, being duly sworn, deposes and says that on October 14, 2003, she served a true copy of **Response of the State of Michigan, Department of Treasury to Debtor's Ninth Omnibus Objection to Invalid Claims** upon the below listed parties by depositing the same in a receptacle of the United States Post Office in the City of Lansing, Michigan, enclosed in an envelope bearing postage fully prepaid, plainly addressed as follows:

Laurence M. Frazen
Bryan Cave LLP
1200 Main Street, Suite 3500
Kansas City, MI 64105

Sharon M. Pavlik

Subscribed and sworn to before me
this 14th day of October, 2003.

Phyllis I. Ried

Phyllis I. Ried, Notary Public
Ingham County, Michigan
My Commission expires: 10/24/07
ba/02/ph farmland industries.ps