

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

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

**NOTICE OF SUBMISSION OF FEES AND EXPENSES
OF CROSSROADS, LLC FOR THE PERIOD
SEPTEMBER 1, 2002 THROUGH SEPTEMBER 30, 2002**

COMES NOW Crossroads, LLC, Turnaround Consultants to Farmland Industries, Inc., et al., Debtors and Debtors in Possession (“Debtors”), and pursuant to 11 U.S.C. § 330, the Order Authorizing Debtors and Debtors In Possession to Employ Crossroads, LLC, and the Standing Order Establishing Procedures for Interim Compensation and Establishing Fee and Expense Guidelines (“Standing Order”), submits its statement for services rendered and expenses advanced for the period of September 1, 2002 through September 30, 2002. A true and accurate copy of the Statement of Account is available upon request.

Crossroads’ work performed during September was done at the specific request of Farmland and, in addition on various instances, also at the request of the DIP Lenders, the Official Committee of Unsecured Creditors, the Official Committee of Bondholders or their respective legal counsel and financial advisors (the “Farmland Constituencies”).

As an overview, Crossroads professional fees incurred in September 2002 may be allocated by these general project categories:

1. Creditor Communications

- Served as the primary interface between Farmland and the DIP Lenders and the financial advisors for the DIP Lenders, Bondholder Committee and Unsecured Creditor Committee with respect to all information requests.

- Managed, tracked and communicated all information requests from the respective bank groups, bondholder committee, unsecured creditor committee and their financial advisors and legal counsel.
- Prepared for and participated in three weekly calls with the Agent for the DIP Lenders, the DIP Lenders and their financial advisors and the financial advisors to the Creditor Committees, the purpose for which was to provided weekly updates on cash forecasts, cash variance reporting, asset sales, and other issues of interest to the creditor constituencies.
- Assisted in coordinating and participate in the on-site bank group, bondholder committee professionals, unsecured creditor committee meetings on September 4th and 6th and the bondholder committee meeting in Chicago on September 27th.

368 Hours; \$131,936 Fees

2. Fertilizer Profitability Improvement Assessment

- Farmland requested Crossroads to perform an independent profitability improvement assessment. Crossroads examined the overall fertilizer operations including transportation, storage costs, operating statistics, market trends and the impact of the sales accord with Agriliance.
- Crossroads' completed its review of the transportation and storage cost of the fertilizer division and identified earnings improvement opportunities in the FTI brokerage business and in the rail operations.

269 Hours; \$98,072 Fees

3. Natural Gas Hedging Program

- Crossroads developed and commenced implementation of a comprehensive natural gas hedging strategy for the fertilizer division.

223 Hours; \$78,915 Fees

4. Asset Sales

- Crossroads' assisted in managing the process of selling Farmland's non-core assets and in obtaining constituency approval for non-core assets.
- Crossroads' assisted in obtaining approval for non-core assets generating proceeds of more than \$9 million.
- Assisted in preparing a comprehensive analysis and economic justification for approving Farmland Hydro sale.
- Assisted in uncovering underpayments to Farmland by Norsk Hydro.
- Analyzed and revised timelines for non-core and fertilizer asset sales requested by the creditor groups as to the status of the divestiture of non-core assets.

147 Hours; \$55,939 Fees

5. Shutdown Analysis

- The DIP Lenders and Committees requested Farmland to provide a shutdown analysis of the fertilizer and refinery facilities. Farmland's management subsequently requested Crossroads' assistance in preparing this analysis under a variety of scenarios.
- Crossroads' completed a draft of the shutdown analysis examining several options for idling the fertilizer plants including restart costs.

131 Hours; \$50,167 Fees

6. Key Employee Retention Plan (KERP)

- Crossroads assisted the Company in providing information and analysis requested by the DIP Lenders, Unsecured Creditor Committee and Bondholder Committee and their respective financial advisors with respect to Farmland's KERP proposal.

98 Hours; \$38,714 Fees

7. Foods Profitability Improvement Assessment

- Conducted an independent assessment of the Wichita and Springfield processing plants noting their respective income/loss conditions through July YTD and examining the achievability of the cost savings initiatives identified by plant management.
- Analyzed fiscal 2002 budget variances to identify cost centers with significant potential for improvement.
- Examined the Pork division's EBITDA and gross margin 2003 budget from fiscal 2002 results.

85 Hours; \$31,862 Fees

8. Cash Projections/Variance Analysis/Monthly Financials

- Reviewed and revised weekly cash projections, variance analyses and associated supporting documents.
- Produced the summary schedules and descriptive memorandum for the weekly cash projections and variance reports.
- Arranged and participated weekly in the conferences with the Agent for the DIP Lenders, the DIP Lenders, the Creditor Committees and their respective financial advisors.
- Finalized and issued the July Monthly Reporting Package.

91 Hours; \$31,291 Fees

9. Restructuring Planning and Strategies

- Crossroads' assisted Farmland in developing and implementing an initial restructuring strategy.
- Assisted in the preparation of and participated in the early September meetings with the DIP Lenders and the Committees and their respective legal counsel and financial advisors to present the Company's restructuring strategy.

76 Hours; \$29,580 Fees

10. Overhead Rationalization

- Farmland requested Crossroads' assistance in developing an overhead rationalization plan.
- Reviewed the budget for all Corporate Cost Centers and analyzed the cash impact of each of the budgets, including GAAP (non cash items) and cash accrual reversals.
- Prepared an initial draft of a corporate wind down budget including all related restructuring issues such as asset sales and employee terminations.

74 Hours; \$28,400 Fees

11. Coffeyville Fertilizer Operational Assessment

- Crossroads finalized the operational assessment on Coffeyville fertilizer plant requested by Farmland in July.

44 Hours; \$15,891 Fees

12. Executory Contracts

- Completed the categorization of executory contracts.

35 Hours; \$13,535 Fees

13. Miscellaneous Activities

Farmland requested Crossroads' assistance in numerous issues pertaining to its restructuring efforts, some of which were:

- Equity Cancellation.
- Analysis of Enid and MissChem motions and supporting documentation.
- Review of critical vendor issues.
- DIP financing alternatives.
- Consultation on miscellaneous bankruptcy issues.

116 Hours; \$43,540 Fees

Pursuant to the Standing Order, Crossroads, LLC hereby seeks the payment of its fees and expenses in the following amounts:

Professional Fees	\$ 647,842.00
Expenses	<u>54,813.49</u>
Total	<u>\$ 702,655.49</u>

Dated: October 23, 2002

Respectfully submitted,
Crossroads, LLC

By: /s/ Thomas S. Avila
Thomas S. Avila (Principal)

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Turnaround Consultants for Debtors and
Debtors in Possession

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing, along with a true and accurate copy of the Statement of Account, was served this 23rd day of October, 2002, by regular U.S. Mail, postage prepaid, to:

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By Hand Delivery, to:

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/s/ Nicole Jackson
Nicole Jackson