

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

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

**DEBTORS' LIMITED OBJECTION TO MOTION OF
CALHOUN COUNTY APPRAISAL DISTRICT FOR
DISTRIBUTION OF PROCEEDS OF SALE**

COME NOW Farmland Industries, Inc. et al., Debtors and Debtors in Possession ("Debtors"), and for their limited objection to the Motion for Distribution of Proceeds of Sale filed by the Calhoun County Appraisal District ("Claimant"), state as follows:

1. In its Motion, Claimant asserts that it holds a claim against Debtors in the amount of \$23,121.01, for personal property taxes related to certain assets located in Port Lavaca, Texas (the "Port Lavaca Assets"), for the 2002 tax year.

2. Debtors sold the Port Lavaca Assets to Helena Chemical Company. The Court entered an order approving the sale on September 17, 2002. The sale of the Port Lavaca Assets closed on October 3, 2002.

3. Debtors do not dispute the amount of personal property taxes attributable to the Port Lavaca Assets for the 2002 tax year, but contend that Debtors are responsible only for those taxes attributable to that portion of 2002 during which the Port Lavaca Assets were owned by the Debtors. Accordingly, Claimant's lien against the proceeds of the sale of Port Lavaca Assets asserted by Claimant secures only that portion of the 2002 personal property taxes attributable to the portion of the year such assets were owned by Debtors.

4. Further, payment of the 2002 personal property taxes claimed by Claimant are not presently due and owing. Such amounts are not due until January 31, 2003.

WHEREFORE, the Debtors respectfully request that the Court deny Claimant's Motion, and provide such other relief as is just and proper.

Respectfully submitted,

FARMLAND INDUSTRIES, INC., ET AL.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the above referenced Limited Objection was served on those parties listed below and those parties which do not receive electronic notice in these proceedings, via U.S. Mail, postage prepaid, on October 23, 2002.

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