



Apache Farmers Cooperative

Happy Holidays!

Happy New Year from your employees at the Apache Farmers Cooperative

Chickasha 405-224-5810

Ron Cannon, Mark Lutonsky, Tim Schmidt, Jim Pruitt

Chickasha expansion plans are going forward. Permits are in hand. Construction will proceed as soon as the weather allows. Dirt work has been completed for the fertilizer house. Warehouse elevations are ¾ complete. Chickasha Country Store, dry and liquid fertilizer, grain storage and merchandizing, feed (bag and bulk, from cat to llama), veterinary supplies, and propane are just some of the things we will have for you.

Wheat Market

Erratic and unstable can best describe the wheat market as another calendar year comes to a close. Our highest close of the season was \$4.68 per bushel on September 9. With low stocks but new export competitors the market does not know where to go or how fast. Volatility will be the norm at least through the spring. For your marketing plans be aware of market factors as they happen and keep track of the new crop bids. Every tool available to you needs to be utilized with care and efficiency.

PO Box 332
 Apache, Ok 73006
Elevator 580-588-3351
Fax 580-588-9277
www.apachecoop.com

Some of the things that have happened here at your company are worth repeating. Your feed prices except for the fact that they are at a higher level than a year ago are some of the most competitive in the region. You have a web site where you can get all the information you need for your operation. You have an updated liquid applicator at Fort Cobb. You have new, longer socks on our bulk bins at Apache. You are in the propane business. You have Interstate batteries at the station and Elgin. Take a look at your warehouses and grounds. Notice the

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	Call Co-op Propane for	
	fast, dependable service	
	and competitive prices	
	Apache 580-588-3300	
	Charles Jones, Lowanna Sawyer,	
	Anadarko 405-247-3600	
	Ira Sawyer, Tonya Summers,	
	Neil Leighton	
	Carnegie 580-654-1322	
	Allin Hill, Roberta Hawkins	
 =====

Fort Cobb 405-643-2177 Alvin Beene,
 Jennie Harrison, Clint Courtney, Barry Parker,
 Earl Nance, Walter Opitz, Heath Hull, Jack
 Claborn

order and cleanliness. We are proud of what we have and want you to be also. This is your cooperative. If there is something we need to know please tell us. We are here to serve you.

Elgin 580-492-4830 Scott Weber,
 Bobby Baxter, Scott Pinion, David Dennington

Auction Items

The following items are offered for sale by sealed bid. Sealed bids will be received until 4:30 pm, January 15, 2002. All items are "**as is, where is.**" We reserve the right to refuse any or all bids. Bids should be mailed, emailed, or delivered to company headquarters in Apache. Items at Apache location unless otherwise identified in parenthesis. No verbal bids will be accepted. Winning bids will be paid within 5 days of notification and picked up within 7 days.

ITEM #	ITEM DESCRIPTION
123	* 1993 F-250, service bed, crane, welder, air compressor, reel *
124	Tandem axles with spoke wheels, off van trailer, no tires
125	643 Bobcat skid loader
126	Micron Microfiche, model RP-700
127	Toledo 500 gram Scale, model 3111
128	Executive chairs w/casters, cloth (all or individually)

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Station 580-588-3346
 Jerry McClure, Nathan Thiessen, Charley Love, Clifton "Pete" Toonahipah are ready to provide you with tires, fuel, on farm service, lubricants, and services at competitive prices.

Farmland Bankruptcy Update

Farmland Announces Fiscal 2002 Financial Results, Files Plan of Reorganization
Refrigerated Foods' 72 percent profit increase supports Farmland's focus on the meat business.

KANSAS CITY, Mo. (Nov. 27, 2002) - Farmland Industries Inc. reported financial results for its fiscal year 2002, which ended Aug. 31. Reflecting the difficulties that led the company to file for protection under Chapter 11 of the U.S. Bankruptcy Code on May 31, Farmland reported a loss of \$182.6 million, before taxes, one-time restructuring and reorganization expenses and losses from discontinued operations. Including these charges and taxes, the loss for the fiscal year was \$346.7 million.

Earnings from the company's Refrigerated Foods businesses increased 72 percent, to \$59.7 million in fiscal 2002, despite challenging market conditions. Sales in that segment rose 3 percent, with a 9 percent rise in unit sales. Increased plant efficiencies enabled the company to process more animals, while its focus on further processed meat products, including CaseReadyO meats, strengthened margins.

Farmland announced earlier this year that it would focus on its meat business. The growth in both sales and earnings from the Refrigerated Foods segment validates that strategy. "We're pleased with the sales and earnings gains in our meat businesses. These results strengthen our belief that our

focus on these businesses will maximize the company's value for the benefit of all stakeholders," said Farmland President and CEO Bob Terry.

Local Effects - The Farmland Bankruptcy will have an effect on your co-op's audit statements this year. Our fiscal year ends February 28, 2003. There will be a reduction in our assets by the amount of Farmland stock we own which is approximately \$1,600,000. There will not be any action taken until Farmland, with the approval of the court, announces an allocation. An allocation is the percentage of stock they are writing down. Trade estimates this amount to be a minimum of 50% to as much as 100%

depending on the outcome of the bankruptcy proceedings. At this time the percentage of stock writedown for each member would be 38.778% if 100% of Farmland stock is allocated.

The tax advantages to you, the member, can be carried back 5 years and/or carried forward as many as 20 years if the tax laws are not rewritten in the meantime. Please consult your accountant or tax advisor for how this is going to affect you.

Below are the current regional cooperatives and alliances presented for your information. Subject to change without notice.

Regional Cooperatives and Marketing Joint Ventures



Agriliance is a true partnership of producer-owners, local cooperatives and regional cooperatives. They offer crop nutrients, crop protection products,

seeds, information management and crop technical services to producers and ranchers in all 50 states as well as Canada and Mexico. Agriliance, LLC was formed on February 3, 2000, as an agronomy marketing joint venture between Land O'Lakes, Inc., CHS Cooperatives and Farmland Industries, Inc.



CHS Cooperatives is an integrated agricultural cooperative whose operations cover the farm-to-market spectrum, boosting the value of its members' commodities. Its products and services include agronomy, petroleum, grain marketing, feeds, wheat milling, oilseed processing and refining, business services, and food manufacturing and distribution.



CROPLAN GENETICS offers an extensive product line, including alfalfa, canola, corn, soybeans, sunflower, sugarbeets and other crop seeds. CROPLAN GENETICS offers the latest conventional and biotechnology traits to match your crop management practices.



Land O'Lakes, Inc., is a national food and agricultural cooperative serving family farmers across the United States. Land O'Lakes processes 12 billion pounds of milk annually and markets more than 600 dairy products worldwide.