UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended October 31, 1998

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from __________ to __________

Commission file numbers: 1-11331
333-06693

Ferrellgas Partners, L.P.
Ferrellgas Partners Finance Corp.

(Exact name of registrants as specified in their charters)

Delaware	43-1698480
Delaware	43-1742520
(States or other jurisdictions of incorporation or organization)	(I.R.S. Employer Identification Nos.)

One Liberty Plaza, Liberty, Missouri 64068

(Address of principal executive offices) (Zip Code)

Registrants' telephone number, including area code: (816) 792-1600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

At November 23, 1998, the registrants had units or shares outstanding as follows:

Ferrellgas Partners, L.P.	14,703,298	Common Units
	16,593,721	Subordinated Units
Ferrellgas Partners Finance Corp.	1,000	Common Stock

FERRELLGAS PARTNERS, L.P. and SUBSIDIARIES
FERRELLGAS PARTNERS FINANCE CORP.

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ITEM 1. FINANCIAL STATEMENTS

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands, except unit data)

ASSETS	October 31, 1998 (unaudited)	July 31, 1998
Current Assets:		
Cash and cash equivalents	$ 6,544	$ 16,961
Accounts and notes receivable	60,770	50,097
Inventories	50,615	34,727
Prepaid expenses and other current assets	15,936	8,706
Total Current Assets	133,865	110,491
Property, plant and equipment, net	405,105	395,855
Intangible assets, net	113,382	105,655
Other assets, net	8,627	9,222
Total Assets	$660,979	$621,223

LIABILITIES AND PARTNERS' CAPITAL	October 31, 1998 (unaudited)	July 31, 1998
Current Liabilities:		
Accounts payable	$ 63,140	$ 48,017
Other current liabilities	39,884	41,767
Short-term borrowings	48,691	21,150
Total Current Liabilities	151,715	110,934
Long-term debt	545,588	507,222
Other liabilities	12,465	12,640
Contingencies and commitments		
Minority interest	1,154	1,510
Partners' Capital:		
Common unitholders (14,703,298 and 14,699,678 units outstanding at October 31, 1998 and July 31, 1998, respectively)	9,601	27,985
Subordinated unitholders (16,593,721 units outstanding at both October 31, 1998 and July 31, 1998)	(178)	19,908
General partner	(59,366)	(58,976)
Total Partners' Capital	(49,943)	(11,083)
Total Liabilities and Partners' Capital	$660,979	$621,223

See notes to consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands, except per-unit data)
(unaudited)

	For the three months ended October 31, 1998	For the three months ended October 31, 1997
Revenues:		
Gas liquids and related product sales	$118,002	$143,051
Other	12,337	10,154
Total revenues	130,339	153,205
Cost of product sold (exclusive of depreciation, shown separately below)	58,712	86,616
Gross profit	71,627	66,589
Operating expense	51,712	50,065
Depreciation and amortization expense	11,311	11,537
Employee stock ownership plan compensation charge	890	-
General and administrative expense	4,668	4,421
Vehicle lease and tank expense	2,968	2,312
Operating income (loss)	78	(1,746)
Interest expense	(11,618)	(12,124)
Interest income	158	397
Gain on disposal of assets	86	66
Loss before minority interest and extraordinary item	(11,296)	(13,407)
Minority interest	(75)	(96)
Loss before extraordinary item	(11,221)	(13,311)
Extraordinary loss on early extinguishment of debt, net of minority interest of $130	(12,786)	-
Net loss	(24,007)	(13,311)
General partner's interest in net loss	(240)	(133)
Limited partners' interest in net loss	$(23,767)	$(13,178)
Loss per limited partner unit:		
Loss before extraordinary item	$ (0.35)	$ (0.42)
Extraordinary loss	(0.41)	-
Net loss	$ (0.76)	$ (0.42)
Loss per limited partner unit-assuming dilution:		
Loss before extraordinary item	$ (0.35)	$ (0.42)
Extraordinary loss	(0.41)	-
Net loss	$ (0.76)	$ (0.42)

See notes to consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
(in thousands)
(unaudited)

	Number of units					
	Common unitholders	Sub-ordinated unitholders	Common unitholders	Sub-ordinated unitholders	General partner	Total partners' capital
July 31, 1998	14,699.7	16,593.7	$27,985	$19,908	$(58,976)	($11,083)
Common units issued in connection with acquisitions	3.6	-	70	0	1	71
Contribution from general partner in connection with ESOP compensation charge	-	-	61	813	7	881
Quarterly distributions	-	-	(7,350)	(8,297)	(158)	(15,805)
Net loss	-	-	(11,165)	(12,602)	(240)	(24,007)
October 31, 1998	14,703.3	16,593.7	$9,601	$ (178)	$(59,366)	$ (49,943)

See notes to consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	For the three months ended	
	October 31, 1998	October 31, 1997
Cash Flows From Operating Activities:		
Net loss	$(24,007)	$(13,311)
Reconciliation of net loss to net cash used in operating activities:		
Depreciation and amortization	11,311	11,537
Extraordinary loss, net of minority interest	12,786	-
Employee stock ownership plan compensation charge	890	-
Other	468	952
Changes in operating assets and liabilities net of effects from business acquisitions:		
Accounts and notes receivable	(10,951)	(15,869)
Inventories	(15,645)	(422)
Prepaid expenses and other current assets	(7,229)	(6,614)
Accounts payable	15,123	23,726
Other current liabilities	(2,679)	(9,840)
Other liabilities	(175)	157
Net cash used in operating activities	(20,108)	(9,684)
Cash Flows From Investing Activities:		
Business acquisitions	(17,844)	(2,744)
Capital expenditures	(7,124)	(4,480)
Other	983	958
Net cash used in investing activities	(23,985)	(6,266)
Cash Flows From Financing Activities:		
Net additions to short-term borrowings	27,541	22,760
Additions to long-term debt	385,110	3,853
Reductions of long-term debt	(350,481)	(234)
Cash paid for call premium and debt issuance costs	(12,528)	-
Distributions	(15,805)	(15,761)
Other	(161)	(120)
Net cash provided by financing activities	33,676	10,498
Decrease in cash and cash equivalents	(10,417)	(5,452)
Cash and cash equivalents - beginning of period	16,961	14,788
Cash and cash equivalents - end of period	$6,544	$9,336
Cash paid for interest	$11,847	$12,923

See notes to consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 1998
(unaudited)

A. The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the interim periods presented. All adjustments to the financial statements were of a normal, recurring nature.

B. The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

C. The propane industry is seasonal in nature with peak activity during the winter months. Therefore, the results of operations for the periods ended October 31, 1998 and October 31, 1997 are not necessarily indicative of the results to be expected for a full year.

D. Inventories consist of:

(in thousands)	October 31, 1998	July 31, 1998
Liquefied propane gas and related products	$41,898	$ 26,316
Appliances, parts and supplies	8,717	8,411
	$50,615	$34,727

In addition to inventories on hand, the Partnership enters into contracts to buy product for supply purposes. Nearly all such contracts have terms of less than one year and most call for payment based on market prices at date of delivery. All fixed price contracts have terms of less than one year. As of October 31, 1998, the Partnership had not committed to take delivery of a material amount of gallons at a fixed price for its estimated future retail propane sales.

Property, plant and equipment, net consist of:

(in thousands)	October 31, 1998	July 31, 1998
Property, plant and equipment	$635,940	$620,783
Less: accumulated depreciation	230,835	224,928
	$405,105	$395,855

Intangible assets, net consist of:

(in thousands)	October 31, 1998	July 31, 1998
Intangible assets	$240,665	$229,186
Less: accumulated amortization	127,283	123,531
	$113,382	$105,655

E. Long-Term Debt

Long-term debt consists of:

(in thousands)	October 31, 1998	July 31, 1998
Senior Notes		
Fixed rate, 7.16%, due 2005-2013	$350,000	
Fixed rate, 10%, due 2001 (1)	-	$200,000
Fixed rate, 9.375%, due 2006	160,000	160,000
Credit Agreement		
Term loan, 8.5%, due 2001	-	50,000
Revolving credit loans, 6.1% and 8.5%, due 2001	20,959	85,850
Notes payable, 8.3% and 6.7% weighted average interest rates, respectively, due 1998 to 2007	17,453	13,558
	548,412	509,408
Less: current portion	2,824	2,186
	$545,588	$507,222

(1) The OLP fixed rate Senior Notes, issued in June 1994, were redeemed at the option of the OLP on August 5, 1998 with a 5% premium payable concurrent with the issuance of $350,000,000 of new unsecured OLP Senior Notes ("New Senior Notes").

On July 1, 1998, the OLP entered into an agreement for the issuance of $350 million of privately placed fixed rate senior notes ("New Senior Notes") funded August 4, 1998 in five series with maturities ranging from year 2005 through 2013. The proceeds of the offering were used to redeem the OLP fixed rate Senior Notes issued in June 1994, and to repay outstanding indebtedness under the Credit Facility.

The OLP also entered into an agreement on July 2, 1998 with the lenders under the existing Credit Facility for a New Credit Facility effective August 4, 1998. The New Credit Facility provides for (i) a $40,000,000 unsecured working capital facility subject to an annual reduction in borrowings to zero for thirty consecutive days, (ii) a $50,000,000 unsecured working capital and general corporate facility, including a letter of credit facility, and (iii) a $55,000,000 unsecured general corporate and acquisition facility. The New Credit Facility matures July 2, 2001.

F. The Partnership is threatened with or named as a defendant in various lawsuits which, among other items, claim damages for product liability. It is not possible to determine the ultimate disposition of these matters; however, management is of the opinion that there are no known claims or contingent claims that are likely to have a material adverse effect on the results of operations or financial condition of the Partnership.

G. On September 14, 1998, the Partnership paid a cash distribution of $0.50 per Common and Subordinated Unit for the quarter ended July 31, 1998. On November 19, 1998, the Partnership declared its first-quarter cash distribution of $0.50 per Common and Subordinated Unit, payable December 15, 1998.

FERRELLGAS PARTNERS FINANCE CORP.
(a wholly owned subsidiary of Ferrellgas Partners, L.P.)

BALANCE SHEETS

ASSETS	October 31, 1998 (unaudited)	July 31, 1998
Cash	$1,000	$1,000
Total Assets	$1,000	$1,000
STOCKHOLDER'S EQUITY		
Common stock, $1.00 par value; 2,000 shares authorized; 1,000 shares issued and outstanding	$1,000	$1,000
Additional paid in capital	593	548
Accumulated deficit	(593)	(548)
Total Stockholder's Equity	$1,000	$1,000

STATEMENTS OF EARNINGS
(unaudited)

	Three Months Ended	
	October 31, 1998	October 31, 1997
General and administrative expense	$ 45	$ 0
Net loss	$(45)	$ 0

See notes to financial statements.

FERRELLGAS PARTNERS FINANCE CORP.
(A wholly owned subsidiary of Ferrellgas Partners, L.P.)

STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended	
	October 31, 1998	October 31, 1997
Cash Flows From Operating Activities:		
Net loss	$(45)	$ 0
Cash used in operating activities	(45)	0
Cash Flows From Financing Activities:		
Capital contribution	45	0
Cash provided by financing activities	45	0
Increase in cash	-	-
Cash - beginning of period	1,000	1,000
Cash - end of period	$1,000	$1,000

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1998
(unaudited)

A. Ferrellgas Partners Finance Corp., a Delaware corporation, was formed on March 28, 1996, and is a wholly-owned subsidiary of Ferrellgas Partners, L.P.

B. The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the interim periods presented. All adjustments to the financial statements were of a normal, recurring nature.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the results of operations and liquidity and capital resources of Ferrellgas Partners, L.P. (the "Partnership" or "MLP"). Except for the $160,000,000 of 9 3/8% Senior Secured Notes issued in April 1996 by the MLP and the related interest expense, Ferrellgas, L.P. (the "Operating Partnership" or "OLP") accounts for nearly all of the consolidated assets, liabilities, sales and earnings of the MLP. When the discussion refers to the consolidated MLP, the term Partnership will be used.

Ferrellgas Partners Finance Corp. has nominal assets and does not conduct any operations. Accordingly, a discussion of the results of operations and liquidity and capital resources is not presented.

Forward-looking statements

Statements included in this report that are not historical facts, including statements concerning the Partnership's belief that the OLP will have sufficient funds to meet its obligations to enable it to distribute to the MLP sufficient funds to permit the MLP to meet its obligations with respect to the MLP Senior Notes issued in April 1996, and to enable it to distribute the Minimum Quarterly Distribution ($0.50 per Unit) on all Common Units and Subordinated Units, are forward-looking statements.

Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements. The risks and uncertainties include but are not limited to the following and their effect on the Partnership's operations: a) the effect of weather conditions on demand for propane, b) price and availability of propane supplies, c) the availability of capacity to transport propane to market areas, d) competition from other energy sources and within the propane industry, e) operating risks incidental to transporting, storing, and distributing propane, f) changes in interest rates, g) governmental legislation and regulations, h) energy efficiency and technology trends, i) Year 2000 compliance and j) other factors that are discussed in the Partnership's filings with the Securities and Exchange Commission.

Year 2000 Compliance

Many computer systems and applications in use throughout the world today may not be able to appropriately interpret dates beginning in the year 2000 ("Year 2000" issue). As a result, this problem could have adverse consequences on the operations of companies and the integrity of information processing.

The Partnership began the process in 1997 of identifying and correcting its computer systems and applications that were exposed to the Year 2000 issue. The Partnership initially focused on the systems and applications that were considered critical to its operations and services for supplying propane to its customers and to its ability to account for those business services accurately. These critical areas include the retail propane accounting and operations system, financial accounting and reporting system, local area network and electronic mail systems. The Partnership expects that these critical areas will be Year 2000 compliant by December 31, 1999.

The Partnership has also taken steps to identify other non-critical applications that may have exposure to the Year 2000 issue. It has established a test lab for the independent testing of these applications to ensure Year 2000 compatibility. To date, no material Year 2000 issues have been identified as a result of this testing.

The Partnership conducts business with several hundred outside suppliers. While no single supplier is considered material to the Partnership, a combined number could constitute a material amount to the Partnership. The Partnership is currently reviewing their largest suppliers to obtain appropriate assurances that they are, or will be, Year 2000 compliant. If compliance by the Partnership's suppliers is not achieved in a timely manner, it is unknown what effect, if any, the Year 2000 issue could have on the Partnership's operations.

The Partnership has evaluated its Year 2000 issues and does not expect that the total cost of related modifications and conversions will have a material effect on its financial position, results of operations or cash flows. Such costs are being expensed as incurred. To date, the Partnership has incurred approximately $100,000 to identify and correct its Year 2000 issues. This expense has been primarily related to its critical systems and applications. It is estimated that the Partnership will incur an additional $300,000 to $500,000 during the current fiscal year to identify and correct its Year 2000 issues. The Partnership does not anticipate significant purchases of computer software or hardware as a result of its Year 2000 issue and does not believe that the correction of its Year 2000 issues will delay or eliminate other scheduled computer upgrades and replacements.

Results of Operations

The propane industry is seasonal in nature with peak activity during the winter months. Due to the seasonality of the business, results of operations for the three months ended October 31, 1998 and 1997, are not necessarily indicative of the results to be expected for a full year. Other factors affecting the results of operations include competitive conditions, demand for product, variations in weather and fluctuations in propane prices. As the Partnership has grown through acquisitions, fixed costs such as personnel costs, depreciation and interest expense have increased. Over time, these fixed cost increases have caused losses in the first and fourth quarters and net income in the second and third quarters to be more pronounced.

Three Months Ended October 31, 1998 vs. October 31, 1997

Total Revenues. Total revenues decreased 14.9% to $130,339,000 as compared to $153,205,000 in the first quarter of fiscal 1998, primarily due to decreased sales price per gallon, decreased retail propane volumes and a decrease in revenues from other operations (wholesale marketing, chemical feedstocks marketing and net trading operations).

Sales price per gallon decreased due to the effect of the decrease in the wholesale cost of propane as compared to the prior period. Retail volumes decreased 6.4% to 144,682,000 gallons as compared to 154,495,000 gallons for the prior period, primarily due to a delay in deliveries of retail gallons caused by a lack of sustained cold weather, a reduction in demand for crop drying volumes compared to the same quarter last year and crop damage in the southeast United States. Revenues from other operations decreased by $7,911,000 primarily due to decreased wholesale marketing volumes related to a weaker demand for agricultural gallons and decreased sales price per gallon as compared to the same quarter as last year .

Gross Profit. Gross profit increased 7.6% to $71,627,000 as compared to $66,589,000 in the first quarter of fiscal 1998, primarily due to the effect of increased retail margins related to favorable wholesale propane costs and increased trading profits, partially offset by the effect of decreased retail and wholesale marketing propane volumes.

Operating Expenses. Operating expenses increased 3.3% to $51,712,000 as compared to $50,065,000 in the first quarter of fiscal 1998 primarily due to merit salary increases and acquisition related increases in personnel costs, plant and office expenses, and vehicle and other expenses.

Vehicle and Tank Lease Expense. Vehicle and tank lease expense increased by $656,000 due to the utilization of operating lease financing to fund fleet upgrades and replacements.

Interest expense and extraordinary loss. Interest expense decreased 4.2% to $11,618,000 as compared to $12,124,000 in the first quarter of fiscal 1998. This decrease is primarily the result of a decrease in the overall average interest rate paid by the Partnership on its borrowings resulting from the refinancing of the Partnership's debt (see Financing Activities below), partially offset by the effect of increased borrowings related to the financing of acquisitions.

The extraordinary charge is due primarily to the payment of a $10,000,000 call premium related to the refinancing of $200,000,000 of fixed rate debt on August 5, 1998. The remaining costs relate to the write off of unamortized debt issuance costs related to refinancing of the fixed rate debt and existing revolving credit facility balances. (see Financing Activities below).

Liquidity and Capital Resources

The ability of the MLP to satisfy its obligations is dependent upon future performance, which will be subject to prevailing economic, financial, business and weather conditions and other factors, many of which are beyond its control. For the fiscal year ending July 31, 1999, the General Partner believes that the OLP will have sufficient funds to meet its obligations and enable it to distribute to the MLP sufficient funds to permit the MLP to meet its obligations with respect to the $160,000,000 senior secured notes issued in April 1996 ("MLP Senior Secured Notes").

The MLP Senior Secured Notes, the $350,000,000 OLP senior notes ("New Senior Notes") and the amended and restated OLP credit facility ("New Credit Facility") agreements contain several financial tests which restrict the Partnership's ability to pay distributions, incur indebtedness and engage in certain other business transactions (See Financing Activities below). These tests, in general, are based on the ratio of the MLP's and OLP's consolidated cash flow to fixed charges, primarily interest expense. Because the Partnership is more highly leveraged at the MLP than at the OLP, the tests related to the MLP Senior Secured Notes are more sensitive to fluctuations in consolidated cash flows and fixed charges. The most sensitive of the MLP related tests restricts the Partnership's ability to make certain Restricted Payments which includes, but is not limited to, the payment of the Minimum Quarterly Distribution ("MQD") to unitholders.

Although the MLP's financial performance during fiscal 1998 was adversely impacted by the El Nino weather pattern and associated unseasonably warmer temperatures, the Partnership believes it will continue to meet the MLP Senior Secured Notes Restricted Payment test during fiscal 1999, in addition to meeting the other financial tests in the MLP Senior Secured Notes, New Senior Notes and New Credit Facility. However, if the Partnership were to encounter any unexpected downturns in business operations, it could result in the Partnership not meeting certain financial tests in future quarters, including but not limited to, the MLP Senior Secured Notes Restricted Payment test. Depending on the circumstances, the Partnership would pursue alternatives to permit the continued payment of MQD to its Common Unitholders. No assurances can be given, however, that such alternatives will be successful with respect to any given quarter.

On August 1, 1999, the subordination period will end and the Subordinated Units will convert to Common Units, provided that certain remaining financial tests, which are related to making the MQD on all Common and Subordinated Units, are satisfied for each of the three consecutive four quarter periods ending on July 31, 1999. The Partnership met such financial tests for the four quarter periods ended July 31, 1997 and July 31, 1998, respectively. There can be no assurance that the Partnership will meet the remaining financial tests in the subsequent four quarter period and that the Subordinated Units will convert to Common Units on August 1, 1999.

Future maintenance and working capital needs of the Partnership are expected to be provided by cash generated from future operations, existing cash balances and the working capital borrowing facility. In order to fund expansive capital projects and future acquisitions, the OLP may borrow on existing bank lines, the MLP or OLP may issue additional debt or the MLP may issue additional

Common Units. Toward this purpose the MLP maintains a shelf registration statement with the Securities and Exchange Commission for 1,800,322 Common Units representing limited partner interests in the MLP. The Common Units may be issued from time to time by the MLP in connection with the OLP's acquisition of other businesses, properties or securities in business combination transactions.

Operating Activities. Cash used in operating activities was $20,108,000 for the three months ended October 31, 1998, compared to cash used in operating activities of $9,684,000 for the prior period. This increased use in cash is primarily due to the timing of payments for purchases of inventory and a decrease in wholesale cost of product and the related decrease in the retail prices to customers and its affect on accounts receivable and accounts payable.

Investing Activities. During the three months ended October 31, 1998, the Partnership made total acquisition capital expenditures of $22,190,000. This amount was funded by $17,844,000 cash payments, $4,116,000 of noncompete notes, $71,000 of common units issued and $159,000 of other costs and consideration.

During the three months ended October 31, 1998, the Partnership made growth and maintenance capital expenditures of $7,124,000 consisting primarily of the following: 1) relocating and upgrading district plant facilities, 2) additions to Partnership-owned customer tanks and cylinders, 3) vehicle lease buyouts, and 4) upgrading computer equipment and software. Capital requirements for repair and maintenance of property, plant and equipment are relatively low since technological change is limited and the useful lives of propane tanks and cylinders, the Partnership's principal physical assets, are generally long.

The Partnership meets its vehicle and transportation equipment fleet needs by leasing light and medium duty trucks and tractors. The General Partner believes vehicle leasing is a cost effective method for meeting the Partnership's transportation equipment needs. The Partnership continues seeking to expand its operations through strategic acquisitions of smaller retail propane operations located throughout the United States. These acquisitions will be funded through internal cash flow, external borrowings or the issuance of additional Partnership interests. The Partnership does not have any material commitments of funds for capital expenditures other than to support the current level of operations. In fiscal 1999, the Partnership expects growth and maintenance capital expenditures to increase slightly over fiscal 1998 levels.

Financing Activities. On August 4, 1998, the OLP issued $350,000,000 of new privately placed unsecured senior notes ("New Senior Notes") and entered into a $145,000,000 revolving credit facility ("New Credit Facility") with its existing banks. The proceeds of the New Senior Notes, which include five series with maturities ranging from year 2005 through 2013 at an average fixed interest rate of 7.16%, were used to redeem $200,000,000 of OLP fixed rate Senior Notes ("Senior Notes") issued in July 1994, including a 5% call premium, and to repay outstanding indebtedness under the existing OLP revolving credit facility ("Credit Facility"). As a result of these financings, the Partnership expects to realize a decrease in interest expense during fiscal 1999.

On July 17, 1998, all of the outstanding common stock of Ferrell Companies, Inc. ("Ferrell") was purchased by a newly established Employee Stock Ownership Trust. As a result of this change in control in the ownership of Ferrell and indirectly in the General Partner, the MLP, pursuant to the MLP Senior Secured Note Indenture, was required to offer to purchase the outstanding notes at a price of 101% of the principal amount thereof. The offer to purchase was made on July 27, 1998 and expired August 26, 1998. Upon the expiration of the offer, the MLP accepted for purchase $65,000 of the notes which were all of the notes tendered pursuant to the offer. The MLP assigned its right to purchase the notes to a third party.

During the three months ended October 31, 1998, the Partnership borrowed $27,541,000 from its Credit Facility to fund working capital, business acquisitions, and capital expenditure needs. At October 31, 1998, $69,650,000 of borrowings were outstanding under the revolving portion of the Credit Facility. Letters of credit outstanding, used primarily to secure obligations under certain insurance arrangements, totaled $22,915,000. At October 31, 1998, the Operating Partnership had $52,435,000 available for general corporate, acquisition and working capital purposes under the Credit Facility. On November 19, 1998, the Partnership declared a cash distribution of $0.50 per Common and Subordinated Unit, payable December 15, 1998.

Adoption of New Accounting Standards. The Financial Accounting Standards Board recently issued the following new accounting standards: SFAS No. 130 "Reporting Comprehensive Income", SFAS No. 131 "Disclosures About Segments of an Enterprise and Related Information", SFAS No. 132 "Employers' Disclosures about Pensions and Other Postretirement Benefits" and SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities". SFAS Nos. 130, 131 and 132 are required to be adopted by the Partnership for the fiscal year ended July 31, 1999. The adoption of SFAS Nos. 130 and 132 are not expected to have a material effect on the Partnership's financial position or results of operations. The Partnership is currently assessing the impact of SFAS No. 131 on disclosure requirements for the next year. SFAS No. 133 is required to be adopted by the Partnership for the fiscal year ended July 31, 2000. The Partnership is currently assessing its impact on the Partnership's financial position and results of operations.

Quantitative and Qualitative Disclosures About Market Risk

The market risk inherent in the Partnership's market risk sensitive instruments and positions is the potential loss arising from adverse changes in commodity prices. Additionally, the Partnership seeks to mitigate its interest rate risk exposure on variable rate debt by entering into interest rate collar agreements. As of October 31, 1998, the Partnership had only $25,000,000 notional amount of interest rate collar agreements effectively outstanding. Thus, assuming a material change in the variable interest rate to the Partnership, the interest rate risk related to the variable rate debt and the associated interest rate collar agreements is not material to the financial statements.

The Partnership's trading activities utilize certain types of energy commodity forward contracts and swaps traded on the over-the-counter financial markets and futures traded on the New York Mercantile Exchange ("NYMEX" or "Exchange") to anticipate market movements, manage and hedge its exposure to the volatility of floating commodity prices and to protect its inventory positions. The Partnership's non-trading activities utilize certain over-the-counter energy commodity options to limit overall price risk and to hedge its exposure to inventory price movements.

Market risks associated with energy commodities are monitored daily for compliance with the Partnership's trading policy. This policy includes specific dollar exposure limits, limits on the term of various contracts and volume limits for various energy commodities. The Partnership also utilizes loss limits and daily review of open positions to manage exposures to changing market prices.

Market and Credit Risk. NYMEX traded futures are guaranteed by the Exchange and have nominal credit risk. The Partnership is exposed to credit risk associated with forwards, futures, swaps and option transactions in the event of nonperformance by counterparties. For each counterparty, the Partnership analyzes the financial condition prior to entering into an agreement, establishes credit limits and monitors the appropriateness of each limit. The change in market value of Exchange-traded futures contracts requires daily cash settlement in margin accounts with brokers. Forwards and most other over-the-counter instruments are generally settled at the expiration of the contract term.

Sensitivity Analysis. The Partnership has prepared a sensitivity analysis to estimate the exposure to market risk of its energy commodity positions. Forward contracts, futures, swaps and options were analyzed assuming a hypothetical 10% change in forward prices for the delivery month for all energy commodities. The potential loss in future earnings from these positions from a 10% adverse movement in market prices of the underlying energy commodities is estimated at $1,900,000 as of October 31, 1998. Actual results may differ.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.
None.

ITEM 2. CHANGES IN SECURITIES.
On October 14, 1998, the Partnership issued 3,620 Common Units with a fair market value of $71,265 to Ferrellgas Acquisition Company, LLC ("FAC") in exchange for assets of an acquired propane business. FAC is a Kansas limited liability company of which Ferrellgas, Inc. the Partnership's general partner, is the sole member. This issuance of Common Units was exempt from registration under Section 4(2) of the Securities Act of 1933.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.
None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.
None.

ITEM 5. OTHER INFORMATION.
None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits

3.1 Agreement of Limited Partnership of Ferrellgas Partners, L.P. (Incorporated by reference to the same numbered Exhibit to the Partnership's Current Report on Form 8-K filed August 15, 1994.)

3.2 Articles of Incorporation for Ferrellgas Partners Finance Corp. (Incorporated by reference to the same numbered Exhibit to the Partnership's Current Report on Form 8-K filed August 15, 1994.)

3.3 Bylaws of Ferrellgas Partners Finance Corp. (Incorporated by reference to the same numbered Exhibit to the Partnership's Quarterly Report on Form 10-Q filed June 13, 1997.)

27.1 Financial Data Schedule - Ferrellgas Partners, L.P. (filed in electronic format only)

27.2 Financial Data Schedule - Ferrellgas Partners Finance Corp. (filed in electronic format only)

(b) Reports on Form 8-K

The Partnership filed one Form 8-K during the quarter ended October 31, 1998.

Form 8-K dated August 5, 1998 reporting that on August 4, 1998, Ferrellgas L.P. issued $350 million of fixed rate Senior Notes in five series with maturities ranging from 2005 through 2013 (the Senior Notes) in a private placement to qualified institutional investors. Proceeds of the offering were used to redeem Ferrellgas, L.P.'s outstanding 10 % Series A Fixed Rate Senior Notes on August 5, 1998, and to repay outstanding indebtedness under Ferrellgas, L.P.'s bank credit lines. Also on August 4, 1998, Ferrellgas L.P.'s

Second Amended and Restated Credit Agreement was declared effective. This agreement provides Ferrellgas L.P. with $145 million of bank credit lines.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FERRELLGAS PARTNERS, L.P.

By Ferrellgas, Inc. (General Partner)

Date: December 15, 1998 By /s/ Kevin T. Kelly

Kevin T. Kelly
Vice President and Chief
Financial Officer (Principal
Financial and Accounting Officer)

FERRELLGAS PARTNERS FINANCE CORP.

Date: December 15, 1998 By /s/ Kevin T. Kelly

Kevin T. Kelly
Chief Financial Officer (Principal
Financial and Accounting Officer)

(THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY BALANCE SHEET ON OCTOBER 31, 1998 AND THE STATEMENT OF EARNINGS ENDING OCTOBER 31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS)

0000922358
Ferrellgas Partners, L.P.
1,000
U.S. Dollars

3-MOS
JUL-31-1999
AUG-01-1998
OCT-31-1998
1
6,544
0
60,770
0
50,615
133,865
635,940
230,835
660,979
151,715
545,588
9,423
0
0
(59,366)
660,979
118,002
130,339
58,712
125,953
0
0
11,618
(11,221)
0
(11,221)
0
(12,786)
0
(24,007)
(0.76)
(0.76)

(THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
FERRELLGAS PARTNERS FINANCE, CORP. BALANCE SHEET ON OCTOBER 31, 1998
AND THE STATEMENT OF EARNINGS ENDING OCTOBER 31, 1998 AND IS QUALIFIED IN
ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS)

001012493
Ferrellgas Partners Finance, L.P.
1
U.S. Dollars

3-MOS
JUL-31-1999
AUG-01-1998
OCT-31-1998
1
1,000
0
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0
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1,000
0
0
1,000
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