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

Form 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2010

or

o 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: 001-11331, 333-06693, 000-50182 and 000-50183

Ferrellgas Partners, L.P.
Ferrellgas Partners Finance Corp.
Ferrellgas, L.P.
Ferrellgas Finance Corp.
(Exact name of registrants as specified in their charters)

Delaware	**43-1698480**
Delaware	**43-1742520**
Delaware	**43-1698481**
Delaware	**14-1866671**
(States or other jurisdictions of incorporation or organization)	(I.R.S. Employer Identification Nos.)
7500 College Boulevard, Suite 1000, Overland Park, Kansas	**66210**
(Address of principal executive office)	(Zip Code)

Registrants' telephone number, including area code:
(913) 661-1500

Indicate by check mark whether the registrants (1) have 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 registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files). Yes o No x*

* The registrants have not yet been phased into the interactive data requirements.

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, or smaller reporting companies. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Ferrellgas Partners, L.P.:

Large accelerated filer x	Accelerated filer o	Non-accelerated filer o (do not check if a smaller reporting company)	Smaller reporting company o

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

Large accelerated filer o	Accelerated filer o	Non-accelerated filer x (do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).

Ferrellgas Partners, L.P. and Ferrellgas, L.P. Yes o No x

Ferrellgas Partners Finance Corp. and Ferrellgas Finance Corp. Yes x No o

At March 8, 2010, the registrants had common units or shares of common stock outstanding as follows:

Ferrellgas Partners, L.P.	69,521,818	Common Units
Ferrellgas Partners Finance Corp.	1,000	Common Stock
Ferrellgas, L.P.	n/a	n/a
Ferrellgas Finance Corp.	1,000	Common Stock

Documents Incorporated by Reference: None

EACH OF FERRELLGAS PARTNERS FINANCE CORP. AND FERRELLGAS FINANCE CORP. MEET THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION I (1)(A) AND (B) OF FORM 10-K AND ARE THEREFORE, WITH RESPECT TO EACH SUCH REGISTRANT, FILING THIS FORM 10-Q WITH THE REDUCED DISCLOSURE FORMAT.

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

For the quarterly period ended January 31, 2010
FORM 10-Q QUARTERLY REPORT

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (unaudited)

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except unit data)
(unaudited)

	January 31, 2010	July 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	$ 25,904	$ 7,066
Accounts and notes receivable, net	213,428	106,910
Inventories	143,976	129,808
Prepaid expenses and other current assets	26,426	15,031
Total current assets	409,734	258,815
Property, plant and equipment (net of accumulated depreciation of $535,614 and $521,044 at 2010 and 2009, respectively)	671,125	666,535
Goodwill	248,939	248,939
Intangible assets (net of accumulated amortization of $270,886 and $263,855 at 2010 and 2009, respectively)	231,757	212,037
Other assets, net	33,990	18,651
Total assets	$ 1,595,545	$ 1,404,977
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable	$ 124,211	$ 49,337
Short-term borrowings	97,150	66,159
Other current liabilities	108,479	108,763
Total current liabilities	329,840	224,259
Long-term debt	1,080,074	1,010,073
Other liabilities	19,803	19,300
Contingencies and commitments (Note I)	—	—
Partners' capital:		
Common unitholders (69,450,318 and 68,236,755 units outstanding at 2010 and 2009, respectively)	211,604	206,255
General partner unitholder (701,518 and 689,260 units outstanding at 2010 and 2009, respectively)	(57,935)	(57,988)
Accumulated other comprehensive income (loss)	7,739	(1,194)
Total Ferrellgas Partners, L.P. partners' capital	161,408	147,073
Noncontrolling interest	4,420	4,272
Total partners' capital	165,828	151,345
Total liabilities and partners' capital	$ 1,595,545	$ 1,404,977

See notes to condensed consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	For the three months ended January 31,		For the six months ended January 31,	
	2010	2009	2010	2009
Revenues:				
Propane and other gas liquids sales	$ 724,348	$ 647,536	$ 1,052,014	$ 1,084,424
Other	53,504	68,089	77,908	111,275
Total revenues	777,852	715,625	1,129,922	1,195,699
Costs and expenses:				
Cost of product sold - propane and other gas liquids sales	503,980	428,527	704,900	746,272
Cost of product sold - other	25,208	43,625	31,388	60,439

Operating expense	104,550	105,710	201,440	201,927
Depreciation and amortization expense	20,647	20,219	41,174	41,535
General and administrative expense	11,346	11,761	25,124	20,847
Equipment lease expense	3,127	4,781	6,901	10,136
Employee stock ownership plan compensation charge	2,261	1,656	4,263	3,405
Loss on disposal of assets and other	1,122	4,019	2,784	6,601
Operating income	105,611	95,327	111,948	104,537
Interest expense	(26,216)	(23,393)	(48,911)	(47,063)
Debt prepayment premiums	—	—	(17,308)	—
Other income (expense), net	(863)	(343)	(556)	(1,161)
Earnings before income taxes	78,532	71,591	45,173	56,313
Income tax expense	674	1,167	252	866
Net earnings	77,858	70,424	44,921	55,447
Net earnings attributable to noncontrolling interest	847	772	575	682
Net earnings attributable to Ferrellgas Partners, L.P.	77,011	69,652	44,346	54,765
Less: General partner's interest in net earnings	12,614	11,633	443	548
Common unitholders' interest in net earnings	$ 64,397	$ 58,019	$ 43,903	$ 54,217
Basic and diluted net earnings per common unitholders' interest	$ 0.93	$ 0.92	$ 0.64	$ 0.86

See notes to condensed consolidated financial statements.

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FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(in thousands)
(unaudited)

	Number of units				Accumulated other comprehensive income (loss)			Total Ferrellgas Partners, L.P. partners' capital	Non-controlling interest	Total partners' capital
	Common unitholders	General partner unitholder	Common unitholders	General partner unitholder	Risk management	Currency translation adjustments	Pension liability			
July 31, 2008	62,961.7	636.0	$ 201,618	$ (58,036)	$ 18,749	$ 26	$ (233)	$ 162,124	$ 4,220	$ 166,344
Contributions in connection with ESOP and stock-based compensation charges	—	—	3,981	40	—	—	—	4,021	41	4,062
Common unit distribution	—	—	(63,077)	(637)	—	—	—	(63,714)	(770)	(64,484)
Common units issued in connection with acquisition	230.8	2.3	4,465	45	—	—	—	4,510	46	4,556
Comprehensive income (loss):										
Net earnings	—	—	54,217	548	—	—	—	54,765	682	55,447
Other comprehensive income (loss):										
Net loss on risk management derivatives	—	—	—	—	(92,203)	—	—		—	
Reclassification of derivatives to earnings	—	—	—	—	(16,703)	—	—		—	
Foreign currency translation adjustment	—	—	—	—	—	(13)	—			
Tax effect on foreign currency translation adjustment	—	—	—	—	—	2	—			
Pension liability adjustment	—	—	—	—	—	—	6	(108,911)		(108,911)
Comprehensive loss								(54,146)	682	(53,464)
January 31, 2009	63,192.5	638.3	$ 201,204	$ (58,040)	$ (90,157)	$ 15	$ (227)	$ 52,795	$ 4,219	$ 57,014
July 31, 2009	68,236.8	689.3	$ 206,255	$ (57,988)	$ (989)	$ 22	$ (227)	$ 147,073	$ 4,272	$ 151,345
Contributions in connection with ESOP and stock-based compensation charges	—	—	7,279	73	—	—	—	7,352	75	7,427
Distributions	—	—	(68,843)	(696)	—	—	—	(69,539)	(829)	(70,368)
Common units issued in connection with acquisition	155.1	1.5	3,061	31	—	—	—	3,092	31	3,123
Common units issued in offering, net of issuance costs	1,058.4	10.7	19,949	202	—	—	—	20,151	204	20,355
Comprehensive income:										
Net earnings	—	—	43,903	443	—	—	—	44,346	575	44,921

Other comprehensive income:										
Net earnings on risk management derivatives	—	—	—	—	13,486	—	—		138	
Reclassification of derivatives to earnings	—	—	—	—	(4,554)	—	—		(46)	
Foreign currency translation adjustment	—	—	—	—	—	1	—	8,933		9,025
Comprehensive income								53,279	667	53,946
January 31, 2010	69,450.3	701.5	$ 211,604	$ (57,935)	$ 7,943	$ 23	$ (227)	$ 161,408	$ 4,420	$ 165,828

See notes to condensed consolidated financial statements.

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FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	For the six months ended January 31, 2010	For the six months ended January 31, 2009
Cash flows from operating activities:		
Net earnings	$ 44,921	$ 55,447
Reconciliation of net earnings to net cash provided by operating activities:		
Depreciation and amortization expense	41,174	41,535
Employee stock ownership plan compensation charge	4,263	3,405
Stock-based compensation charge	3,164	657
Loss on disposal of assets	1,359	3,030
Loss on transfer of accounts receivable related to the accounts receivable securitization	3,968	5,521
Deferred tax expense (benefit)	(24)	129
Other	5,083	3,828
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Accounts and notes receivable, net of securitization	(169,410)	(109,742)
Inventories	(14,168)	35,890
Prepaid expenses and other current assets	(6,783)	(14,240)
Accounts payable	74,769	61,598
Accrued interest expense	2,634	559
Other current liabilities	30	1,030
Other liabilities	545	(464)
Accounts receivable securitization:		
Proceeds from new accounts receivable securitizations	68,000	109,000
Proceeds from collections reinvested in revolving period accounts receivable securitizations	652,229	701,744
Remittances of amounts collected as servicer of accounts receivable securitizations	(661,229)	(725,744)
Net cash provided by operating activities	50,525	173,183
Cash flows from investing activities:		
Business acquisitions, net of cash acquired	(40,879)	(298)
Capital expenditures	(20,489)	(27,545)
Proceeds from sale of assets	3,161	4,905
Other	(1,808)	(2,460)
Net cash used in investing activities	(60,015)	(25,398)
Cash flows from financing activities:		
Distributions	(69,539)	(63,714)
Proceeds from increase in long-term debt	604,952	186,806
Reductions in long-term debt	(541,929)	(168,026)
Net additions to (reductions in) short-term borrowings	30,991	(98,285)
Cash paid for financing costs	(15,674)	(3,191)
Noncontrolling interest activity	(625)	(770)
Proceeds from equity offering, net of issuance costs	19,949	—
Cash contribution from general partner in connection with equity offering	202	—
Net cash provided by (used in) financing activities	28,327	(147,180)
Effect of exchange rate changes on cash	1	(13)
Increase in cash and cash equivalents	18,838	592
Cash and cash equivalents - beginning of period	7,066	16,614
Cash and cash equivalents - end of period	$ 25,904	$ 17,206

See notes to condensed consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2010
(Dollars in thousands, except per unit data, unless otherwise designated)
(unaudited)

A. Partnership organization and formation

Ferrellgas Partners, L.P. ("Ferrellgas Partners") is a publicly traded limited partnership, owning an approximate 99% limited partner interest in Ferrellgas, L.P. (the "operating partnership"). Ferrellgas Partners and the operating partnership are collectively referred to as "Ferrellgas." Ferrellgas, Inc. (the "general partner"), a wholly-owned subsidiary of Ferrell Companies, Inc. ("Ferrell Companies"), has retained a 1% general partner interest in Ferrellgas Partners and also holds an approximate 1% general partner interest in the operating partnership, representing an effective 2% general partner interest in Ferrellgas on a combined basis. As general partner, it performs all management functions required by Ferrellgas. At January 31, 2010, Ferrell Companies beneficially owned 20.3 million of Ferrellgas Partners' outstanding common units.

The condensed consolidated financial statements of Ferrellgas reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the interim periods presented. All adjustments to the condensed consolidated financial statements were of a normal, recurring nature. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with (i) the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and (ii) the consolidated financial statements and accompanying notes, each as set forth in Ferrellgas' Annual Report on Form 10-K for fiscal 2009.

B. Summary of significant accounting policies

(1) Nature of operations:
Ferrellgas Partners is a holding entity that conducts no operations and has two subsidiaries, Ferrellgas Partners Finance Corp. and the operating partnership. Ferrellgas Partners owns a 100% equity interest in Ferrellgas Partners Finance Corp., whose only business activity is to act as the co-issuer and co-obligor of any debt issued by Ferrellgas Partners. The operating partnership is the only operating subsidiary of Ferrellgas Partners.

The operating partnership is engaged primarily in the distribution of propane and related equipment and supplies in the United States. The propane distribution market is seasonal because propane is used primarily for heating in residential and commercial buildings. Therefore, the results of operations for the six months ended January 31, 2010 and 2009 are not necessarily indicative of the results to be expected for a full fiscal year. The operating partnership serves approximately one million residential, industrial/commercial, portable tank exchange, agricultural, wholesale and other customers in all 50 states, the District of Columbia and Puerto Rico.

(2) Accounting estimates:
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("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. Significant estimates impacting the condensed consolidated financial statements include accruals that have been established for contingent liabilities, pending claims and legal actions arising in the normal course of business, useful lives of property, plant and equipment assets, residual values of tanks, capitalization of customer tank installation costs, amortization methods of intangible assets, valuation methods used to value sales returns and allowances, allowance for doubtful accounts, financial derivative contracts and stock and unit-based compensation calculations.

(3) Supplemental cash flow information:
Certain cash flow and significant non-cash activities are presented below:

	For the six months ended January 31, 2010	2009
CASH PAID FOR:		
Interest	$ 41,682	$ 42,774
Income taxes	332	332
NON-CASH INVESTING ACTIVITIES:		
Issuance of common units in connection with acquisitions	$ 3,061	$ 4,515
Issuance of liabilities in connection with acquisitions	5,494	1,002
Property, plant and equipment additions	1,059	1,866

(4) Accounts receivable securitization:
Ferrellgas has agreements to transfer, on an ongoing basis, a portion of its trade accounts receivable through Ferrellgas Receivables, an accounts receivable securitization facility that is a wholly-owned unconsolidated special purpose entity. Ferrellgas retains servicing responsibilities as well as a retained interest in the transferred receivables. Ferrellgas also holds a note receivable from Ferrellgas Receivables to the extent that expected cash proceeds from the sales of accounts receivable to Ferrellgas Receivables have not been received. Ferrellgas has no other continuing involvement with the transferred receivables, other than servicing the receivables. The related receivables are transferred from the condensed consolidated balance sheets and a retained interest and note receivable are recorded for the amount of receivables sold in excess of cash received and a related loss on the transfer is recorded, which represents the discount on the sale. The retained interest and note receivable are included in "Accounts and notes receivable, net" in the condensed consolidated balance sheets.

Ferrellgas determines the fair value of its retained interest and note receivable based on the present value of future expected cash flows using management's best estimates of various factors, including credit loss experience and discount rates commensurate with the risks involved. These assumptions are updated periodically based on actual results; therefore, the estimated credit loss and discount rates utilized are materially consistent with historical performance. Due to the short-term nature of Ferrellgas' trade receivables, variations in the credit and discount assumptions would not significantly impact the fair value of the retained interests and note receivable. Costs associated with the sale of receivables are included in "Loss on disposal of assets and other" in the condensed consolidated statements of earnings. See Note D — Accounts and notes receivable, net and accounts receivable securitization — for further discussion of these transactions.

(5) New accounting standards:

Transfers of Financial Assets
In June 2009, the Financial Accounting Standards Board (the "FASB") issued guidance that amends the previous derecognition guidance to improve the accounting for transfers of financial assets. This guidance is effective for financial asset transfers that occur in annual reporting periods beginning after November 15, 2009. Ferrellgas is currently evaluating the potential impact of this guidance.

Variable Interest Entities
In June 2009, the FASB issued guidance that changes the approach to determining a variable interest entity's primary beneficiary and requires ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. This guidance is effective for annual reporting periods beginning after November 15, 2009. Ferrellgas is currently evaluating the potential impact of this guidance.

FASB Codification
In June 2009, the FASB approved its Accounting Standards Codification ("Codification") as the exclusive authoritative reference for U.S. GAAP for SEC registrants. The Codification, which changes the referencing of accounting standards, is effective for interim and annual reporting periods ending after September 15, 2009. The adoption of the Codification effective August 1, 2009 did not have a significant impact on Ferrellgas' financial position, results of operations or cash flows.

Business Combinations
In December 2007, the FASB issued guidance that establishes principles and requirements for how the acquirer in a business combination recognizes and measures the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree, how the acquirer recognizes and measures goodwill or a gain from a bargain purchase (formerly negative goodwill) and how the acquirer determines what information to disclose. This guidance is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The adoption of this guidance effective August 1, 2009 did not have a significant impact on Ferrellgas' financial position, results of operations or cash flows.

Noncontrolling Interests in Consolidated Financial Statements
In December 2007, the FASB issued guidance that establishes accounting and reporting standards for the noncontrolling interest (formerly minority interest) in a subsidiary and for the deconsolidation of a subsidiary and it clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity. This guidance is effective for annual reporting periods, and interim reporting periods within those annual reporting periods, beginning on or after December 15, 2008. Ferrellgas adopted this guidance effective August 1, 2009 and updated the condensed consolidated financial statements accordingly, including a retrospective application to the prior period presentation of the condensed consolidated statement of partners' capital. This retrospective application did not materially affect the condensed consolidated statement of partners' capital.

Application of the Two-Class Method to Master Limited Partnerships
In March 2008, the FASB issued guidance that addresses the computation of incentive distribution rights and the appropriate allocation of these rights to current period earnings in the computation of earnings per share. This guidance is effective for annual reporting periods beginning on or after December 15, 2008 and interim reporting periods within those annual reporting periods. The adoption of this guidance effective August 1, 2009 did not have a significant impact on Ferrellgas' financial position, results of operations or cash flows.

C. Supplemental financial statement information

Inventories consist of the following:

	January 31, 2010	July 31, 2009
Propane gas and related products	$ 124,062	$ 109,606
Appliances, parts and supplies	19,914	20,202
Inventories	$ 143,976	$ 129,808

In addition to inventories on hand, Ferrellgas enters into contracts primarily to buy propane for supply procurement purposes. Most of these contracts have terms of less than one year and call for payment based on market prices at the date of delivery. All supply procurement fixed price contracts have terms of fewer than 24 months. As of January 31, 2010, Ferrellgas had committed, for supply procurement purposes, to take net delivery of approximately 52.2 million gallons of propane at fixed prices.

Other current liabilities consist of the following:

	January 31, 2010	July 31, 2009
Accrued interest	$ 22,353	$ 19,719
Accrued payroll	19,786	23,395
Customer deposits and advances	21,882	23,115
Other	44,458	42,534
Other current liabilities	$ 108,479	$ 108,763

Loss on disposal of assets and other consists of the following:

	For the three months ended January 31,		For the six months ended January 31,	
	2010	2009	2010	2009
Loss on disposal of assets	$ 483	$ 1,757	$ 1,359	$ 3,030
Loss on transfer of accounts receivable related to the accounts receivable securitization	2,208	3,468	3,968	5,521
Service income related to the accounts receivable securitization	(1,569)	(1,206)	(2,543)	(1,950)
Loss on disposal of assets and other	$ 1,122	$ 4,019	$ 2,784	$ 6,601

Shipping and handling expenses are classified in the following condensed consolidated statements of earnings line items:

	For the three months ended January 31,		For the six months ended January 31,	
	2010	2009	2010	2009
Operating expense	$ 47,586	$ 48,460	$ 91,367	$ 91,612
Depreciation and amortization expense	1,398	1,200	2,701	2,433
Equipment lease expense	3,376	4,371	7,239	9,322
	$ 52,360	$ 54,031	$ 101,307	$ 103,367

D. Accounts and notes receivable, net and accounts receivable securitization

Accounts and notes receivable, net consist of the following:

	January 31, 2010	July 31, 2009
Accounts receivable	$ 77,190	$ 33,903
Note receivable from Ferrellgas Receivables	64,235	52,038
Retained interest	76,556	24,979
Other	312	284
Less: Allowance for doubtful accounts	(4,865)	(4,294)
Accounts and notes receivable, net	$ 213,428	$ 106,910

The operating partnership transfers a portion of its trade accounts receivable to Ferrellgas Receivables, which finances its acquisition of the trade receivable assets by issuing beneficial interests in (securitizing) the receivables to a commercial paper conduit for proceeds of up to $145.0 million. The operating partnership does not provide any guarantee or similar support to the collectability of these receivables. The operating partnership structured the facility using a wholly-owned, unconsolidated special purpose entity in order to facilitate the transaction while complying with Ferrellgas' various debt covenants. If the covenants are compromised, funding from the facility could be restricted or suspended, or its costs could increase. As a servicer, the operating partnership remits daily to this special purpose entity funds collected on the trade receivables held by Ferrellgas Receivables.

The operating partnership transfers a portion of its trade accounts receivable to Ferrellgas Receivables and retains an interest and a note receivable related to these transferred receivables. As these transferred receivables are subsequently collected, the funding from the accounts receivable securitization facility is reduced. Ferrellgas Receivables recorded the following on its balance sheet:

	January 31, 2010	July 31, 2009
Trade accounts receivable transferred from the operating partnership	$ 241,379	$ 118,982
Note payable to the operating partnership	64,235	52,038

The operating partnership's condensed consolidated balance sheets do not include trade accounts receivables transferred, but do include a note receivable from Ferrellgas Receivables which represents expected cash proceeds from the sale of accounts receivable to Ferrellgas Receivables that have not yet been received. As of January 31, 2010, the operating partnership had received proceeds from trade accounts receivable sales of $94.0 million with the ability to receive proceeds of an additional $5.0 million.

Other accounts receivable securitization activity consists of the following:

	For the three months ended January 31,		For the six months ended January 31,	
	2010	2009	2010	2009
Net non-cash activity	$ 639	$ 2,262	$ 1,425	$ 3,571
Bad debt expense	(500)	50	(500)	300

The net non-cash activity reported in "Loss on disposal of assets and other" in the condensed consolidated statements of earnings approximates the financing cost of issuing commercial paper backed by these accounts receivable transferred to Ferrellgas Receivables. See details of the net non-cash activity disclosed in Note C — Supplemental financial statement information — "Loss on transfer of accounts receivable related to the accounts receivable securitization" and "Service income related to the accounts receivable securitization." The weighted average discount rate used to value the retained interest in the transferred receivables was 3.5% and 3.6% as of January 31, 2010 and July 31, 2009, respectively.

E. Debt

Short-term borrowings

Ferrellgas classified a portion of its credit facility borrowings as short-term because it was used to fund working capital needs that management had intended to pay down within the 12 month period following each balance sheet date. As of January 31, 2010, and July 31, 2009, $97.2 million and $66.2 million, respectively, were classified as short-term borrowings. For further discussion see the secured credit facility section below.

Long-term debt

Long-term debt consists of the following:

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	January 31, 2010	July 31, 2009
Senior notes		
Fixed rate, 6.75% due 2014, net of unamortized discount of $24,271 and $26,458 at January 31, 2010 and July 31, 2009, respectively	$ 425,729	$ 423,542
Fixed rate, 9.125%, due 2017, net of unamortized discount of $4,055 and $0 at January 31, 2010 and July 31, 2009, respectively	295,945	—
Fixed rate, 8.75%, due 2012, net of unamortized premium of $902 and $1,091 at January 31, 2010 and July 31, 2009, respectively	268,902	269,091
Fixed rate, Series D-E, ranging from 7.24% to 7.42% due 2010-2013	—	152,000
Fixed rate, Series C, 8.87%, due 2009	—	73,000
Credit facility		
Secured, variable interest rate, expiring 2012 (net of $97.2 million classified as short-term borrowings)	81,950	—
Unsecured, variable interest rate, expiring 2010 (net of $66.2 million classified as short-term borrowings)	—	88,541
Notes payable, 9.5% and 8.4% weighted average interest rate at January 31, 2010 and July 31, 2009, respectively, due 2010 to 2016, net of unamortized discount of $3,388 and $1,301 at January 31, 2010 and July 31, 2009, respectively	9,927	5,321
	1,082,453	1,011,495
Less: current portion, included in other current liabilities on the condensed consolidated balance sheets	2,379	1,422
Long-term debt	$ 1,080,074	$ 1,010,073

Senior notes

During August 2009, Ferrellgas made scheduled principal payments of $73.0 million on the 8.87% Series C senior notes.

During September 2009, Ferrellgas issued $300.0 million in aggregate principal amount of new 9.125% senior notes due 2017 at an offering price equal to 98.6% of par with the proceeds used to fund the October 2009 note payments discussed below and to reduce borrowings on the unsecured credit facility due April 2010.

During October 2009, Ferrellgas prepaid the outstanding principal amount on its $82.0 million 7.24% series D notes due August 1, 2010 and its $70.0 million 7.42% series E notes due August 1, 2013 and the related prepayment premiums of $17.3 million.

Secured credit facility

During November 2009, Ferrellgas closed on a new secured credit facility that provides $400.0 million in revolving credit for loans and has a $200.0 million sublimit for letters of credit. This secured credit facility replaced Ferrellgas' unsecured credit facility due April 2010 and will mature in November 2012.

The secured credit facility contains various affirmative and negative covenants and default provisions, as well as requirements with respect to the maintenance of specified financial ratios and limitations on the making of loans and investments.

As of January 31, 2010, Ferrellgas had total borrowings outstanding under this secured credit facility due November 2012 of $179.1 million, of which $82.0 million was classified as long-term debt.

Borrowings under the secured credit facility due November 2012 had a weighted average interest rate

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of 4.47% at January 31, 2010. All borrowings under the facility bear interest, at Ferrellgas' option, at a rate equal to either:

- for Base Rate Loans or Swing Line Loans, the Base Rate, which is defined as the higher of i) the federal funds rate plus 0.50%, ii) Bank of America's prime rate; or iii) the Eurodollar Rate plus 1%; plus a margin varying from 2.50% to 3.25% (as of January 31, 2010, the margin was 3.00%); or
- for Eurodollar Rate Loans, the Eurodollar Rate, which is defined as the LIBOR Rate plus a margin varying from 3.50% to 4.25% (as of January 31, 2010, the margin was 4.00%).

As of January 31, 2010, the federal funds rate and Bank of America's prime rate were 0.12% and 3.25%, respectively. As of January 31, 2010, the one-month and three-month Eurodollar Rates were 0.28% and 0.40%, respectively.

In addition, an annual commitment fee is payable at a per annum rate of 0.50% times the actual daily amount by which the facility exceeds the sum of (i) the outstanding amount of revolving credit loans and (ii) the outstanding amount of letter of credit obligations.

The obligations under this secured credit facility are secured by substantially all assets of the operating partnership, the general partner and certain subsidiaries of the operating partnership but specifically excluding (a) assets that are subject to the operating partnership's receivables securitization facility, (b) the general partner's equity interest in Ferrellgas Partners and (c) equity interest in certain unrestricted subsidiaries. Such obligations are also guaranteed by the general partner and certain subsidiaries of the operating partnership.

Letters of credit outstanding at January 31, 2010 totaled $47.1 million and were used primarily to secure insurance arrangements and to a lesser extent, product purchases. Letters of credit outstanding at July 31, 2009 totaled $44.4 million and were used primarily to secure insurance arrangements and to a lesser extent, product purchases. At January 31, 2010, Ferrellgas had available letter of credit remaining capacity of $152.9 million. At July 31, 2009, Ferrellgas had available letter of credit remaining capacity of $105.6 million.

F. Partners' capital

Common unit issuances

During October 2009, Ferrellgas completed an offering of 1.1 million common units representing limited partner interests. The net proceeds of $20.0 million were used to reduce borrowings under Ferrellgas' unsecured credit facility. Ferrellgas also issued $3.1 million of common units in connection with the acquisition of propane distribution assets.

Partnership distributions paid

Ferrellgas Partners has paid the following distributions:

	For the three months ended January 31,		For the six months ended January 31,	
	2010	2009	2010	2009
Public common unit holders	$ 22,384	$ 19,266	$ 44,161	$ 38,416
Ferrell Companies (1)	10,040	10,040	20,081	20,081
FCI Trading Corp. (2)	98	98	196	196
Ferrell Propane, Inc. (3)	26	26	51	51
James E. Ferrell (4)	2,177	2,167	4,354	4,333
General partner	351	319	696	637
	$ 35,076	$ 31,916	$ 69,539	$ 63,714

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(1) Ferrell Companies is the owner of the general partner and a 29% beneficial owner of Ferrellgas' common units and thus a related party.
(2) FCI Trading Corp. ("FCI Trading") is an affiliate of the general partner and thus a related party.
(3) Ferrell Propane, Inc. ("Ferrell Propane") is controlled by the general partner and thus a related party.
(4) James E. Ferrell is the Executive Chairman of the general partner and thus a related party.

On February 25, 2010, Ferrellgas Partners declared a cash distribution of $0.50 per common unit for the three months ended January 31, 2010, which is expected to be paid on March 17, 2010.

Included in this cash distribution are the following amounts expected to be paid to related parties:

Ferrell Companies	$ 10,040
FCI Trading Corp.	98
Ferrell Propane, Inc.	26
James E. Ferrell	2,177
General partner	351

See additional discussions about transactions with related parties in Note H — Transactions with related parties.

Other comprehensive income ("OCI")

See Note G — Derivatives — for details regarding changes in fair value on risk management financial derivatives recorded within OCI for the six months ended January 31, 2010.

G. Derivatives

Commodity Price Risk Management

Ferrellgas' risk management activities primarily attempt to mitigate price risks related to the purchase, storage, transport and sale of propane generally in the contract and spot markets from major domestic energy companies on a short-term basis. Ferrellgas attempts to mitigate these price risks through the use of financial derivative instruments and forward propane purchase and sales contracts.

Ferrellgas' risk management strategy involves taking positions in the forward or financial markets that are equal and opposite to Ferrellgas' positions in the physical products market in order to minimize the risk of financial loss from an adverse price change. This risk management strategy is successful when Ferrellgas' gains or losses in the physical product markets are offset by its losses or gains in the forward or financial markets. These financial derivatives are designated as cash flow hedges.

Ferrellgas' risk management activities include the use of financial derivative instruments including, but not limited to, price swaps, options, futures and basis swaps to seek protection from adverse price movements and to minimize potential losses. Ferrellgas enters into these financial derivative instruments directly with third parties in the over-the-counter market and with brokers who are clearing members with the New York Mercantile Exchange. Ferrellgas also enters into forward propane purchase and sales contracts with counterparties. These forward contracts qualify for the normal purchase normal sales exception within GAAP guidance and are therefore not recorded by Ferrellgas prior to settlement.

Cash Flow Hedging Activity

Ferrellgas uses financial derivative instruments for risk management purposes to hedge a portion of its exposure to market fluctuations in propane prices. These financial derivative instruments are designated as cash flow hedging instruments, thus the effective portions of changes in the fair value of the financial derivatives are recorded in OCI prior to settlement and are subsequently recognized in the condensed consolidated statements of earnings in "Cost of goods sold — propane and other gas

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liquids sales" when the forward or forecasted propane sales transaction impacts earnings. The effectiveness of cash flow hedges is evaluated at inception and on an on-going basis. Changes in the fair value of cash flow hedges due to hedge ineffectiveness, if any, are recognized in "Cost of product sold — propane and other gas liquids sales." During the six months ended January 31, 2010 and 2009, Ferrellgas did not recognize any gain or loss in earnings related to hedge ineffectiveness and did not exclude any component of the financial derivative contract gain or loss from the assessment of hedge effectiveness related to these cash flow hedges.

The fair value of the financial derivative instruments below are included within "Prepaid expenses and other current assets" and "Other current liabilities" on the condensed consolidated balance sheets:

	January 31, 2010	July 31, 2009
Derivatives – Price risk management assets	$ 8,574	$ 3,391
Derivatives – Price risk management liabilities	539	4,380

Ferrellgas had the following cash flow hedge activity included in OCI in the condensed consolidated statement of partners' capital:

	For the six months ended January 31, 2010
Fair value gain adjustment classified as OCI with offset in Price risk management assets and Price risk management liabilities	$ 13,624
Reclassification of net gains originally recorded within OCI to Cost of product sold — propane and other gas liquids	4,600

Assuming a minimal change in future market prices, Ferrellgas expects to reclassify net gains of approximately $8.0 million to earnings during the next year. These net gains are expected to be offset by margins on propane sales commitments Ferrellgas has with its customers that qualify for the normal purchase normal sales exception.

During the six months ended January 31, 2010 and 2009, Ferrellgas had no reclassifications to earnings resulting from discontinuance of any cash flow hedges arising from the probability of the original forecasted transactions not occurring within the originally specified period of time defined within the hedging relationship.

As of January 31, 2010, Ferrellgas had financial derivative contracts covering 1.2 million barrels of propane that were entered into as cash flow hedges of forward and forecasted purchases of propane.

During the six months ended January 31, 2010, four counterparties represented 69% of net settled cash flow hedging positions reported in "Cost of goods sold — propane and other gas liquids sales." During the six months ended January 31, 2010, Ferrellgas neither held nor entered into financial derivative contracts that contained credit risk related contingency features.

In accordance with GAAP, Ferrellgas determines the fair value of its assets and liabilities subject to fair value measurement by using the highest possible "Level" as defined within the GAAP hierarchy. The three levels defined by the GAAP hierarchy are as follows:

- Level 1 – Quoted prices available in active markets for identical assets or liabilities.
- Level 2 – Pricing inputs not quoted in active markets but either directly or indirectly observable.
- Level 3 – Significant inputs to pricing that have little or no transparency with inputs requiring significant management judgment or estimation.

Ferrellgas considers over-the-counter derivative instruments entered into directly with third parties as Level 2 valuation since the values of these derivatives are quoted by third party brokers and are on an exchange for similar transactions. The market prices used to value Ferrellgas' derivatives have been determined using independent third party prices, readily available market information, broker quotes, and appropriate valuation techniques.

At January 31, 2010 and July 31, 2009, all derivative assets and liabilities qualified for classification as Level 2 - other observable inputs as defined by the GAAP hierarchy. All financial derivatives assets and liabilities were non-trading positions.

H. Transactions with related parties

Ferrellgas has no employees and is managed and controlled by its general partner. Pursuant to Ferrellgas' partnership agreements, the general partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on behalf of Ferrellgas and all other necessary or appropriate expenses allocable to Ferrellgas or otherwise reasonably incurred by its general partner in connection with operating Ferrellgas' business. These costs primarily include compensation and benefits paid to employees of the general partner who perform services on Ferrellgas' behalf and are reported in the condensed consolidated statements of earnings as follows:

	For the three months ended January 31,		For the six months ended January 31,	
	2010	2009	2010	2009
Operating expense	$ 55,950	$ 59,934	$ 109,262	$ 108,807
General and administrative expense	8,417	6,077	14,872	11,743

During fiscal 2009, Ferrellgas had a subleasing and a shared services agreement with Samson Dental Practice Management, LLC ("Samson"), a company wholly-owned by James E. Ferrell. During the three and six months ended January 31, 2009, Ferrellgas received payments totaling $75 thousand and $120 thousand, respectively, for services provided to and sublease revenue receipts from Samson.

Elizabeth Solberg, a member of the general partner's Board of Directors, serves as the General Manager of Fleishman-Hillard Inc. During the three and six months ended January 31, 2010, Ferrellgas paid Fleishman-Hillard Inc. $50 thousand and $92 thousand, respectively, for marketing and communications services. Ms. Solberg did not serve as the General Manager of Fleishman-Hillard, Inc. in 2009 and thus was not a related party during the three and six months ended January 31, 2009.

See additional discussions about transactions with related parties in Note F – Partners' capital.

I. Contingencies

Ferrellgas' operations are subject to all operating hazards and risks normally incidental to handling, storing, transporting and otherwise providing for use by consumers of combustible liquids such as propane. As a result, at any given time, Ferrellgas is threatened with or named as a defendant in various lawsuits arising in the ordinary course of business. Currently, Ferrellgas is not a party to any legal proceedings other than various claims and lawsuits arising in the ordinary course of business. 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 reasonably expected to have a material adverse effect on the financial condition, results of operations and cash flows of Ferrellgas.

Ferrellgas has been named as a defendant in lawsuits filed in multiple federal and state courts that seek to certify nationwide or statewide classes. The plaintiffs in each case generally allege that

Ferrellgas failed to inform consumers of the amount of propane contained in propane tanks they purchased related to its Blue Rhino branded propane tank exchange activities. The federal cases have been coordinated for multidistrict treatment in the United States District Court for the Western District of Missouri. Based on Ferrellgas' business and consumer notification practices in its Blue Rhino tank exchange operations, Ferrellgas believes that all of these claims are without merit and intends to defend the claims vigorously.

J. Net earnings per common unitholders' interest

Below is a calculation of the basic and diluted net earnings per common unitholders' interest in the condensed consolidated statements of earnings for the periods indicated. In accordance with guidance issued by the FASB regarding participating securities and the two-class method, Ferrellgas calculates net earnings per common unitholders' interest for each period presented according to distributions declared and participation rights in undistributed earnings, as if all of the earnings for the period had been distributed. In periods with undistributed earnings above certain levels, the calculation according to the two-class method results in an increased allocation of undistributed earnings to the general partner and a dilution of the earnings to the limited partners. Due to the seasonality of the propane business, the dilution effect of the guidance on the two-class method typically impacts only the three months ending January 31. The dilutive effect resulting from this guidance on basic and diluted net earnings per common unitholders' interest was $0.17 and $0.18 for the three months ended January 31, 2010 and 2009, respectively. This guidance did not result in a dilutive effect for the six months ended January 31, 2010 and 2009.

In periods with year-to-date net losses, the allocation of the net losses to the limited partners and the general partner will be determined based on the same allocation basis specified in the Ferrellgas Partners' partnership agreement that would apply to periods in which there were no undistributed earnings. Ferrellgas typically incurs net losses in the three month period ended October 31.

	For the three months ended January 31,		For the six months ended January 31,	
	2010	2009	2010	2009

Common unitholders' interest in net earnings	$	64,397	$	58,019	$	43,903	$	54,217
Weighted average common units outstanding *(in thousands)*		69,450.3		63,192.5		68,979.1		63,122.3
Dilutive securities		136.8		58.0		128.3		58.0
Weighted average common units outstanding plus dilutive securities		69,587.1		63,250.5		69,107.4		63,180.3
Basic and diluted net earnings per common unitholders' interest	$	0.93	$	0.92	$	0.64	$	0.86

K. Subsequent events

Ferrellgas has evaluated events and transactions occurring after the balance sheet date through the date Ferrellgas' condensed consolidated financial statements were issued, and concluded that there were no events or transactions occurring during this period that required recognition or disclosure in its financial statements.

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

CONDENSED BALANCE SHEETS
(in dollars)
(unaudited)

		January 31, 2010		July 31, 2009
ASSETS				
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		5,791		5,594
Accumulated deficit		(5,791)		(5,594)
Total stockholder's equity	$	1,000	$	1,000

CONDENSED STATEMENTS OF EARNINGS
(in dollars)
(unaudited)

	For the three months ended January 31,				For the six months ended January 31,			
	2010		2009		2010		2009	
General and administrative expense	$	—	$	—	$	197	$	45
Net loss	$	—	$	—	$	(197)	$	(45)

See note to condensed financial statements.

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

CONDENSED STATEMENTS OF CASH FLOWS
(in dollars)
(unaudited)

	For the six months ended January 31,	
	2010	2009
Cash flows from operating activities:		

Net loss	$ (197)	$ (45)
Cash used in operating activities	(197)	(45)
Cash flows from financing activities:		
Capital contribution	197	45
Cash provided by financing activities	197	45
Change in cash	—	—
Cash – beginning of period	1,000	1,000
Cash – end of period	$ 1,000	$ 1,000

See note to condensed financial statements.

NOTE TO CONDENSED FINANCIAL STATEMENTS
January 31, 2010
(unaudited)

A. Formation

Ferrellgas Partners Finance Corp. (the “Finance Corp.”), a Delaware corporation, was formed on March 28, 1996, and is a wholly-owned subsidiary of Ferrellgas Partners, L.P (the “Partnership”).

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

The Finance Corp. has nominal assets, does not conduct any operations, has no employees and serves as co-issuer and co-obligor for debt securities of the Partnership.

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FERRELLGAS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	January 31, 2010	July 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	$ 25,770	$ 7,050
Accounts and notes receivable, net	213,428	106,910
Inventories	143,976	129,808
Prepaid expenses and other current assets	26,261	14,356
Total current assets	409,435	258,124
Property, plant and equipment (net of accumulated depreciation of $535,614 and $521,044 at 2010 and 2009, respectively)	671,125	666,535
Goodwill	248,939	248,939
Intangible assets (net of accumulated amortization of $270,886 and $263,855 at 2010 and 2009, respectively)	231,757	212,037
Other assets, net	32,559	17,414
Total assets	$ 1,593,815	$ 1,403,049
LIABILITIES AND PARTNERS’ CAPITAL		
Current liabilities:		
Accounts payable	$ 124,211	$ 49,337
Short-term borrowings	97,150	66,159
Other current liabilities	105,252	105,661
Total current liabilities	326,613	221,157
Long-term debt	811,172	740,982
Other liabilities	19,803	19,300
Contingencies and commitments (Note I)	—	—
Partners’ capital		
Limited partner	424,068	418,532
General partner	4,328	4,272
Accumulated other comprehensive income (loss)	7,831	(1,194)
Total partners’ capital	436,227	421,610
Total liabilities and partners’ capital		

	$ 1,593,815	$ 1,403,049

See notes to condensed consolidated financial statements.

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FERRELLGAS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands)
(unaudited)

	For the three months ended January 31, 2010	For the three months ended January 31, 2009	For the six months ended January 31, 2010	For the six months ended January 31, 2009
Revenues:				
Propane and other gas liquids sales	$ 724,348	$ 647,536	$ 1,052,014	$ 1,084,424
Other	53,504	68,089	77,908	111,275
Total revenues	777,852	715,625	1,129,922	1,195,699
Costs and expenses:				
Cost of product sold - propane and other gas liquids sales	503,980	428,527	704,900	746,272
Cost of product sold - other	25,208	43,625	31,388	60,439
Operating expense	104,485	105,647	201,251	201,790
Depreciation and amortization expense	20,647	20,219	41,174	41,535
General and administrative expense	11,346	11,761	25,124	20,847
Equipment lease expense	3,127	4,781	6,901	10,136
Employee stock ownership plan compensation charge	2,261	1,656	4,263	3,405
Loss on disposal of assets and other	1,122	4,019	2,784	6,601
Operating income	105,676	95,390	112,137	104,674
Interest expense	(20,290)	(17,467)	(37,059)	(35,211)
Debt prepayment premiums	—	—	(17,308)	—
Other income (expense), net	(863)	(343)	(556)	(1,161)
Earnings before income taxes	84,523	77,580	57,214	68,302
Income tax expense	674	1,149	252	819
Net earnings	$ 83,849	$ 76,431	$ 56,962	$ 67,483

See notes to condensed consolidated financial statements.

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FERRELLGAS, L.P. AND SUBSIDIARIES

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

	Limited partner	General partner	Accumulated other comprehensive income (loss): Risk management	Currency translation adjustments	Pension liability	Total partners' capital
July 31, 2009	$ 418,532	$ 4,272	$ (989)	$ 22	$ (227)	$ 421,610
Contributions in connection with ESOP and stock-based compensation charges	7,352	75	—	—	—	7,427
Contributions in connection with acquisitions	3,061	31	—	—	—	3,092
Cash contributed by Ferrellgas Partners and general partner	20,000	204	—	—	—	20,204
Quarterly distributions	(81,264)	(829)	—	—	—	(82,093)

Comprehensive income:						
Net earnings	56,387	575	—	—	—	56,962
Other comprehensive income:						
Net earnings on risk management derivatives	—	—	13,624	—	—	
Reclassification of derivatives to earnings	—	—	(4,600)	—	—	
Foreign currency translation adjustment	—	—	—	1	—	9,025
Comprehensive income						65,987
January 31, 2010	$ 424,068	$ 4,328	$ 8,035	$ 23	$ (227)	$ 436,227

See notes to condensed consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES

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

	For the six months ended January 31, 2010	For the six months ended January 31, 2009
Cash flows from operating activities:		
Net earnings	$ 56,962	$ 67,483
Reconciliation of net earnings to net cash provided by operating activities:		
Depreciation and amortization expense	41,174	41,535
Employee stock ownership plan compensation charge	4,263	3,405
Stock-based compensation charge	3,164	657
Loss on disposal of assets	1,359	3,030
Loss on transfer of accounts receivable related to the accounts receivable securitization	3,968	5,521
Deferred tax expense (benefit)	(24)	129
Other	4,957	3,800
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Accounts and notes receivable, net of securitization	(169,410)	(109,742)
Inventories	(14,168)	35,890
Prepaid expenses and other current assets	(6,783)	(14,240)
Accounts payable	74,769	61,598
Accrued interest expense	2,634	559
Other current liabilities	(95)	768
Other liabilities	544	(464)
Accounts receivable securitization:		
Proceeds from new accounts receivable securitizations	68,000	109,000
Proceeds from collections reinvested in revolving period accounts receivable securitizations	652,229	701,744
Remittances of amounts collected as servicer of accounts receivable securitizations	(661,229)	(725,744)
Net cash provided by operating activities	62,314	184,929
Cash flows from investing activities:		
Business acquisitions, net of cash acquired	(40,910)	(298)
Capital expenditures	(20,489)	(27,545)
Proceeds from sale of assets	3,161	4,905
Other	(1,808)	(2,460)
Net cash used in investing activities	(60,046)	(25,398)
Cash flows from financing activities:		
Distributions	(82,093)	(76,209)
Proceeds from increase in long-term debt	604,952	186,806
Reductions in long-term debt	(541,929)	(168,026)
Net additions to (reductions in) short-term borrowings	30,991	(98,285)
Contributions from partners	20,204	—
Cash paid for financing costs	(15,674)	(3,191)
Net cash provided by (used in) financing activities	16,451	(158,905)
Effect of exchange rate changes on cash	1	(13)
Increase in cash and cash equivalents	18,720	613
Cash and cash equivalents - beginning of period	7,050	16,545
Cash and cash equivalents - end of period	$ 25,770	$ 17,158

See notes to condensed consolidated financial statements.

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FERRELLGAS, L.P. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2010
(Dollars in thousands, unless otherwise designated)
(unaudited)

A. Partnership organization and formation

Ferrellgas, L.P. is a limited partnership that owns and operates propane distribution and related assets. Ferrellgas Partners, L.P. ("Ferrellgas Partners"), a publicly traded limited partnership, owns an approximate 99% limited partner interest in, and consolidates, Ferrellgas, L.P. Ferrellgas, Inc. (the "general partner"), a wholly-owned subsidiary of Ferrell Companies, Inc. ("Ferrell Companies"), holds an approximate 1% general partner interest in Ferrellgas, L.P. and performs all management functions required by Ferrellgas, L.P.

Ferrellgas, L.P. owns a 100% equity interest in Ferrellgas Finance Corp., whose only business activity is to act as the co-issuer and co-obligor of any debt issued by Ferrellgas, L.P.

The condensed consolidated financial statements of Ferrellgas, L.P. and subsidiaries reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the interim periods presented. All adjustments to the condensed consolidated financial statements were of a normal, recurring nature. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with (i) the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and (ii) the consolidated financial statements and accompanying notes, each as set forth in Ferrellgas, L.P.'s Annual Report on Form 10-K for fiscal 2009.

B. Summary of significant accounting policies

(1) Nature of operations:
Ferrellgas, L.P. is engaged primarily in the distribution of propane and related equipment and supplies in the United States. The propane distribution market is seasonal because propane is used primarily for heating in residential and commercial buildings. Therefore, the results of operations for the six months ended January 31, 2010 and 2009 are not necessarily indicative of the results to be expected for a full fiscal year. We serve approximately one million residential, industrial/commercial, portable tank exchange, agricultural, wholesale and other customers in all 50 states, the District of Columbia and Puerto Rico.

(2) Accounting estimates:
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("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. Significant estimates impacting the condensed consolidated financial statements include accruals that have been established for contingent liabilities, pending claims and legal actions arising in the normal course of business, useful lives of property, plant and equipment assets, residual values of tanks, capitalization of customer tank installation costs, amortization methods of intangible assets, valuation methods used to value sales returns and allowances, allowance for doubtful accounts, financial derivative contracts and stock and unit-based compensation calculations.

(3) Supplemental cash flow information:
Certain cash flow and significant non-cash activities are presented below**:**

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	For the six months ended January 31, 2010	2009
CASH PAID FOR:		
Interest	$ 29,956	$ 31,048
Income taxes	332	284
NON-CASH INVESTING ACTIVITIES:		
Assets contributed from Ferrellgas Partners in connection with acquisitions	$ 3,061	$ 4,515
Issuance of liabilities in connection with acquisitions	5,494	1,002
Property, plant and equipment additions	1,059	1,866

(4) Accounts receivable securitization:
Ferrellgas, L.P. has agreements to transfer, on an ongoing basis, a portion of its trade accounts receivable through Ferrellgas Receivables, an accounts receivable securitization facility that is a wholly-owned unconsolidated special purpose entity. Ferrellgas, L.P. retains servicing responsibilities as well as a retained interest in the transferred receivables. Ferrellgas, L.P. also holds a note receivable from Ferrellgas Receivables to the extent that expected cash proceeds from the sales of accounts receivable to Ferrellgas Receivables have not been received. Ferrellgas, L.P. has no other continuing involvement with the transferred receivables, other than servicing the receivables. The related receivables are transferred from the condensed consolidated balance sheets and a retained interest and note receivable are recorded for the amount of receivables sold in excess of cash received and a related loss on the transfer is recorded, which represents the discount on the sale. The retained interest and note receivable are included in "Accounts and notes receivable, net" in the condensed consolidated balance sheets.

Ferrellgas, L.P. determines the fair value of its retained interest and note receivable based on the present value of future expected cash flows using management's best estimates of various factors, including credit loss experience and discount rates commensurate with the risks involved. These assumptions are updated periodically based on actual results; therefore, the estimated credit loss and discount rates utilized are materially consistent with historical performance. Due to the short-term nature of Ferrellgas, L.P.'s trade receivables, variations in the credit and discount assumptions would not significantly impact the fair value of the retained interests and note receivable. Costs associated with the sale of receivables are included in "Loss on disposal of assets and other" in the condensed consolidated statements of earnings. See Note D — Accounts and notes receivable, net and accounts receivable securitization — for further discussion of these transactions.

(5) New accounting standards:

Transfers of Financial Assets

In June 2009, the Financial Accounting Standards Board (the "FASB") issued guidance that amends the previous derecognition guidance to improve the accounting for transfers of financial assets. This guidance is effective for financial asset transfers that occur in annual reporting periods beginning after November 15, 2009. Ferrellgas, L.P. is currently evaluating the potential impact of this guidance.

Variable Interest Entities

In June 2009, the FASB issued guidance that changes the approach to determining a variable interest entity's primary beneficiary and requires ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. This guidance is effective for annual reporting periods beginning after November 15, 2009. Ferrellgas, L.P. is currently evaluating the potential impact of this guidance.

FASB Codification

In June 2009, the FASB approved its Accounting Standards Codification ("Codification") as the

exclusive authoritative reference for U.S. GAAP for SEC registrants. The Codification, which changes the referencing of accounting standards, is effective for interim and annual reporting periods ending after September 15, 2009. The adoption of the Codification effective August 1, 2009 did not have a significant impact on Ferrellgas, L.P.'s financial position, results of operations or cash flows.

Business Combinations

In December 2007, the FASB issued guidance that establishes principles and requirements for how the acquirer in a business combination recognizes and measures the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree, how the acquirer recognizes and measures goodwill or a gain from a bargain purchase (formerly negative goodwill) and how the acquirer determines what information to disclose. This guidance is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The adoption of this guidance effective August 1, 2009 did not have a significant impact on Ferrellgas, L.P.'s financial position, results of operations or cash flows.

C. Supplemental financial statement information

Inventories consist of the following:

	January 31, 2010	July 31, 2009
Propane gas and related products	$ 124,062	$ 109,606
Appliances, parts and supplies	19,914	20,202
Inventories	$ 143,976	$ 129,808

In addition to inventories on hand, Ferrellgas, L.P. enters into contracts primarily to buy propane for supply procurement purposes. Most of these contracts have terms of less than one year and call for payment based on market prices at the date of delivery. All supply procurement fixed price contracts have terms of fewer than 24 months. As of January 31, 2010, Ferrellgas, L.P. had committed, for supply procurement purposes, to take net delivery of approximately 52.2 million gallons of propane at fixed prices.

Other current liabilities consist of the following:

	January 31, 2010	July 31, 2009
Accrued interest	$ 19,357	$ 16,723
Accrued payroll	19,786	23,395
Customer deposits and advances	21,882	23,115
Other	44,227	42,428
Other current liabilities	$ 105,252	$ 105,661

Loss on disposal of assets and other consists of the following:

	For the three months ended January 31,		For the six months ended January 31,	
	2010	2009	2010	2009
Loss on disposal of assets	$ 483	$ 1,757	$ 1,359	$ 3,030
Loss on transfer of accounts receivable related to the accounts receivable securitization	2,208	3,468	3,968	5,521
Service income related to the accounts receivable securitization	(1,569)	(1,206)	(2,543)	(1,950)
Loss on disposal of assets and other	$ 1,122	$ 4,019	$ 2,784	$ 6,601

Shipping and handling expenses are classified in the following condensed consolidated statements of

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earnings line items:

	For the three months ended January 31,		For the six months ended January 31,	
	2010	2009	2010	2009
Operating expense	$ 47,586	$ 48,460	$ 91,367	$ 91,612
Depreciation and amortization expense	1,398	1,200	2,701	2,433
Equipment lease expense	3,376	4,371	7,239	9,322
	$ 52,360	$ 54,031	$ 101,307	$ 103,367

D. Accounts and notes receivable, net and accounts receivable securitization

Accounts and notes receivable, net consist of the following:

	January 31, 2010	July 31, 2009
Accounts receivable	$ 77,190	$ 33,903
Note receivable from Ferrellgas Receivables	64,235	52,038
Retained interest	76,556	24,979
Other	312	284
Less: Allowance for doubtful accounts	(4,865)	(4,294)
Accounts and notes receivable, net	$ 213,428	$ 106,910

Ferrellgas, L.P. transfers a portion of its trade accounts receivable to Ferrellgas Receivables, which finances its acquisition of the trade receivable assets by issuing beneficial interests in (securitizing) the receivables to a commercial paper conduit for proceeds of up to $145.0 million. Ferrellgas, L.P. does not provide any guarantee or similar support to the collectability of these receivables. Ferrellgas, L.P. structured the facility using a wholly-owned, unconsolidated special purpose entity in order to facilitate the transaction while complying with Ferrellgas, L.P.'s various debt covenants. If the covenants are compromised, funding from the facility could be restricted or suspended, or its costs could increase. As a servicer, Ferrellgas, L.P. remits daily to this special purpose entity funds collected on the trade receivables held by Ferrellgas Receivables.

Ferrellgas, L.P. transfers a portion of its trade accounts receivable to Ferrellgas Receivables and retains an interest and a note receivable related to these transferred receivables. As these transferred receivables are subsequently collected, the funding from the accounts receivable securitization facility is reduced. Ferrellgas Receivables recorded the following on its balance sheet:

	January 31, 2010	July 31, 2009
Trade accounts receivable transferred from Ferrellgas, L.P.	$ 241,379	$ 118,982
Note payable to Ferrellgas, L.P.	64,235	52,038

Ferrellgas, L.P.'s condensed consolidated balance sheets do not include trade accounts receivables transferred, but do include a note receivable from Ferrellgas Receivables which represents expected cash proceeds from the sale of accounts receivable to Ferrellgas Receivables that have not yet been received. As of January 31, 2010, Ferrellgas, L.P. had received proceeds from trade accounts receivable sales of $94.0 million with the ability to receive proceeds of an additional $5.0 million.

Other accounts receivable securitization activity consists of the following:

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	For the three months ended January 31,		For the six months ended January 31,	
	2010	2009	2010	2009
Net non-cash activity	$ 639	$ 2,262	$ 1,425	$ 3,571
Bad debt expense	(500)	50	(500)	300

The net non-cash activity reported in "Loss on disposal of assets and other" in the condensed consolidated statements of earnings approximates the financing cost of issuing commercial paper backed by these accounts receivable transferred to Ferrellgas Receivables. See details of the net non-cash activity disclosed in Note C — Supplemental financial statement information — "Loss on transfer of accounts receivable related to the accounts receivable securitization" and "Service income related to the accounts receivable securitization." The weighted average discount rate used to value the retained interest in the transferred receivables was 3.5% and 3.6% as of January 31, 2010 and July 31, 2009, respectively.

E. Debt

Short-term borrowings

Ferrellgas, L.P. classified a portion of its credit facility borrowings as short-term because it was used to fund working capital needs that management had intended to pay down within the 12 month period following each balance sheet date. As of January 31, 2010 and July 31, 2009, $97.2 million and $66.2 million, respectively, were classified as short-term borrowings. For further discussion see the secured credit facility section below.

Long-term debt

Long-term debt consists of the following:

		January 31, 2010		July 31, 2009
Senior notes				
Fixed rate, 6.75% due 2014, net of unamortized discount of $24,271 and $26,458 at January 31, 2010 and July 31, 2009, respectively	$	425,729	$	423,542
Fixed rate, 9.125%, due 2017, net of unamortized discount of $4,055 and $0 at January 31, 2010 and July 31, 2009, respectively		295,945		—
Fixed rate, Series D-E, ranging from 7.24% to 7.42% due 2010-2013		—		152,000
Fixed rate, Series C, 8.87%, due 2009		—		73,000
Credit facility				
Secured, variable interest rate, expiring 2012 (net of $97.2 million classified as short-term borrowings)		81,950		—
Unsecured, variable interest rate, expiring 2010 (net of $66.2 million classified as short-term borrowings)		—		88,541
Notes payable, 9.5% and 8.4% weighted average interest rate at January 31, 2010 and July 31, 2009, respectively, due 2010 to 2016, net of unamortized discount of $3,388 and $1,301 at January 31, 2010 and July 31, 2009, respectively		9,927		5,321
		813,551		742,404
Less: current portion, included in other current liabilities on the condensed consolidated balance sheets		2,379		1,422
Long-term debt	$	811,172	$	740,982

Senior notes

During August 2009, Ferrellgas, L.P. made scheduled principal payments of $73.0 million on the

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8.87% Series C senior notes.

During September 2009, Ferrellgas, L.P. issued $300.0 million in aggregate principal amount of new 9.125% senior notes due 2017 at an offering price equal to 98.6% of par with the proceeds used to fund the October 2009 note payments discussed below and to reduce borrowings on the unsecured credit facility due April 2010.

During October 2009, Ferrellgas, L.P. prepaid the outstanding principal amount on its $82.0 million 7.24% series D notes due August 1, 2010 and its $70.0 million 7.42% series E notes due August 1, 2013 and the related prepayment premiums of $17.3 million.

Secured credit facility

During November 2009, Ferrellgas, L.P. closed on a new secured credit facility that provides $400.0 million in revolving credit for loans and has a $200.0 million sublimit for letters of credit. This secured credit facility replaced Ferrellgas, L.P.'s unsecured credit facility due April 2010 and will mature in November 2012.

The secured credit facility contains various affirmative and negative covenants and default provisions, as well as requirements with respect to the maintenance of specified financial ratios and limitations on the making of loans and investments.

As of January 31, 2010, Ferrellgas, L.P. had total borrowings outstanding under this secured credit facility due November 2012 of $179.1 million, of which $82.0 million was classified as long-term debt.

Borrowings under the secured credit facility due November 2012 had a weighted average interest rate of 4.47% at January 31, 2010. All borrowings under the facility bear interest, at Ferrellgas, L.P.'s option, at a rate equal to either:

- for Base Rate Loans or Swing Line Loans, the Base Rate, which is defined as the higher of i) the federal funds rate plus 0.50%, ii) Bank of America's prime rate; or iii) the Eurodollar Rate plus 1%; plus a margin varying from 2.50% to 3.25% (as of January 31, 2010, the margin was 3.00%); or
- for Eurodollar Rate Loans, the Eurodollar Rate, which is defined as the LIBOR Rate plus a margin varying from 3.50% to 4.25% (as of January 31, 2010, the margin was 4.00%).

As of January 31, 2010, the federal funds rate and Bank of America's prime rate were 0.12% and 3.25%, respectively. As of January 31, 2010, the one-month and three-month Eurodollar Rates were 0.28% and 0.40%, respectively).

In addition, an annual commitment fee is payable at a per annum rate of 0.50% times the actual daily amount by which the facility exceeds the sum of (i) the outstanding amount of revolving credit loans and (ii) the outstanding amount of letter of credit obligations.

The obligations under this secured credit facility are secured by substantially all assets of Ferrellgas, L.P., the general partner and certain subsidiaries of Ferrellgas, L.P. but specifically excluding (a) assets that are subject to Ferrellgas, L.P.'s receivables securitization facility, (b) the general partner's equity interest in Ferrellgas Partners and (c) equity interest in certain unrestricted subsidiaries. Such obligations are also guaranteed by the general partner and certain subsidiaries of Ferrellgas, L.P.

Letters of credit outstanding at January 31, 2010 totaled $47.1 million and were used primarily to secure insurance arrangements and to a lesser extent, product purchases. Letters of credit outstanding at July 31, 2009 totaled $44.4 million and were used primarily to secure insurance arrangements and to a lesser extent, product purchases. At January 31, 2010, Ferrellgas, L.P. had available letter of credit remaining capacity of $152.9 million. At July 31, 2009, Ferrellgas, L.P. had available letter of credit remaining capacity of $105.6 million.

F. Partners' capital

Partnership contributions

During October 2009, Ferrellgas, L.P. received cash contributions of $20.0 million and $0.2 million from Ferrellgas Partners and the general partner, respectively. The proceeds were used to reduce borrowings outstanding under the unsecured credit facility. Ferrellgas, L.P. also received asset contributions of $3.1 million in connection with the acquisition of propane distribution assets**.**

Partnership distributions paid

Ferrellgas, L.P. has paid the following distributions:

	For the three months ended January 31,		For the six months ended January 31,	
	2010	2009	2010	2009
Ferrellgas Partners	$ 46,801	$ 43,640	$ 81,264	$ 75,439
General partner	477	446	829	770
	$ 47,278	$ 44,086	$ 82,093	$ 76,209

On February 25, 2010, Ferrellgas, L.P. declared distributions for the three months ended January 31, 2010 to Ferrellgas Partners and the general partner of $35.1 million and $0.4 million, respectively, which is expected to be paid on March 17, 2010.

See additional discussions about transactions with related parties in Note H — Transactions with related parties.

Other comprehensive income ("OCI")

See Note G — Derivatives — for details regarding changes in fair value on risk management financial derivatives recorded within OCI for the six months ended January 31, 2010.

G. Derivatives

Commodity Price Risk Management

Ferrellgas, L.P.'s risk management activities primarily attempt to mitigate price risks related to the purchase, storage, transport and sale of propane generally in the contract and spot markets from major domestic energy companies on a short-term basis. Ferrellgas, L.P. attempts to mitigate these price risks through the use of financial derivative instruments and forward propane purchase and sales contracts.

Ferrellgas, L.P.'s risk management strategy involves taking positions in the forward or financial markets that are equal and opposite to Ferrellgas, L.P.'s positions in the physical products market in order to minimize the risk of financial loss from an adverse price change. This risk management strategy is successful when Ferrellgas, L.P.'s gains or losses in the physical product markets are offset by its losses or gains in the forward or financial markets. These financial derivatives are designated as cash flow hedges.

Ferrellgas, L.P.'s risk management activities include the use of financial derivative instruments including, but not limited to, price swaps, options, futures and basis swaps to seek protection from adverse price movements and to minimize potential losses. Ferrellgas, L.P. enters into these financial derivative instruments directly with third parties in the over-the-counter market and with brokers who are clearing members with the New York Mercantile Exchange. Ferrellgas, L.P. also enters into

forward propane purchase and sales contracts with counterparties. These forward contracts qualify for the normal purchase normal sales exception within GAAP guidance and are therefore not recorded by Ferrellgas, L.P. prior to settlement.

Cash Flow Hedging Activity

Ferrellgas, L.P. uses financial derivative instruments for risk management purposes to hedge a portion of its exposure to market fluctuations in propane prices. These financial derivative instruments are designated as cash flow hedging instruments, thus the effective portions of changes in the fair value of the financial derivatives are recorded in OCI prior to settlement and are subsequently recognized in the condensed consolidated statements of earnings in "Cost of goods sold — propane and other gas liquids sales" when the forward or forecasted propane sales transaction impacts earnings. The effectiveness of cash flow hedges is evaluated at inception and on an on-going basis. Changes in the fair value of cash flow hedges due to hedge ineffectiveness, if any, are recognized in "Cost of product sold — propane and other gas liquids sales." During the six months ended January 31, 2010 and 2009, Ferrellgas, L.P. did not recognize any gain or loss in earnings related to hedge ineffectiveness and did not exclude any component of the financial derivative contract gain or loss from the assessment of hedge effectiveness related to these cash flow hedges.

The fair value of the financial derivative instruments below are included within "Prepaid expenses and other current assets" and "Other current liabilities" on the condensed consolidated balance sheets:

		January 31, 2010		July 31, 2009
Derivatives – Price risk management assets	$	8,574	$	3,391
Derivatives – Price risk management liabilities		539		4,380

Ferrellgas, L.P. had the following cash flow hedge activity included in OCI in the condensed consolidated statement of partners' capital:

		For the six months ended January 31, 2010
Fair value gain adjustment classified as OCI with offset in Price risk management assets and Price risk management liabilities	$	13,624
Reclassification of net gains originally recorded within OCI to Cost of product sold – propane and other gas liquids		4,600

Assuming a minimal change in future market prices, Ferrellgas, L.P. expects to reclassify net gains of approximately $8.0 million to earnings during the next year. These net gains are expected to be offset by margins on propane sales commitments Ferrellgas, L.P. has with its customers that qualify for the normal purchase normal sales exception.

During the six months ended January 31, 2010 and 2009, Ferrellgas, L.P. had no reclassifications to earnings resulting from discontinuance of any cash flow hedges arising from the probability of the original forecasted transactions not occurring within the originally specified period of time defined within the hedging relationship.

As of January 31, 2010, Ferrellgas, L.P. had financial derivative contracts covering 1.2 million barrels of propane that were entered into as cash flow hedges of forward and forecasted purchases of propane.

During the six months ended January 31, 2010, four counterparties represented 69% of net settled cash flow hedging positions reported in "Cost of goods sold — propane and other gas liquids sales."

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During the six months ended January 31, 2010, Ferrellgas, L.P. neither held nor entered into financial derivative contracts that contained credit risk related contingency features.

In accordance with GAAP, Ferrellgas, L.P. determines the fair value of its assets and liabilities subject to fair value measurement by using the highest possible "Level" as defined within the GAAP hierarchy. The three levels defined by the GAAP hierarchy are as follows:

- Level 1 – Quoted prices available in active markets for identical assets or liabilities.
- Level 2 – Pricing inputs not quoted in active markets but either directly or indirectly observable.
- Level 3 – Significant inputs to pricing that have little or no transparency with inputs requiring significant management judgment or estimation.

Ferrellgas, L.P. considers over-the-counter derivative instruments entered into directly with third parties as Level 2 valuation since the values of these derivatives are quoted by third party brokers and are on an exchange for similar transactions. The market prices used to value Ferrellgas, L.P.'s derivatives have been determined using independent third party prices, readily available market information, broker quotes, and appropriate valuation techniques.

At January 31, 2010 and July 31, 2009, all derivative assets and liabilities qualified for classification as Level 2 - other observable inputs as defined by the GAAP hierarchy. All financial derivatives assets and liabilities were non-trading positions.

H. Transactions with related parties

Ferrellgas, L.P. has no employees and is managed and controlled by its general partner. Pursuant to Ferrellgas, L.P.'s partnership agreement, the general partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on behalf of Ferrellgas, L.P., and all other necessary or appropriate expenses allocable to Ferrellgas, L.P. or otherwise reasonably incurred by its general partner in connection with operating Ferrellgas, L.P.'s business. These costs primarily include compensation and benefits paid to employees of the general partner who perform services on Ferrellgas, L.P.'s behalf and are reported in the condensed consolidated statements of earnings as follows:

	For the three months ended January 31,				For the six months ended January 31,			
	2010		2009		2010		2009	
Operating expense	$	55,950	$	59,934	$	109,262	$	108,807
General and administrative expense		8,417		6,077		14,872		11,743

During fiscal 2009, Ferrellgas, L.P. had a subleasing and a shared services agreement with Samson Dental Practice Management, LLC ("Samson"), a company wholly-owned by James E. Ferrell. During the three and six months ended January 31, 2009, Ferrellgas, L.P. received payments totaling $75 thousand and $120 thousand, respectively, for services provided to and sublease revenue receipts from Samson.

Elizabeth Solberg, a member of the general partner's Board of Directors, serves as the General Manager of Fleishman—Hillard Inc. During the three and six months ended January 31, 2010, Ferrellgas, L.P. paid Fleishman-Hillard Inc. $50 thousand and $92 thousand, respectively, for marketing and communications services. Ms. Solberg did not serve as the General Manager of Fleishman-Hillard Inc. in 2009 and thus was not a related party during the three and six months ended January 31, 2009.

See additional discussions about transactions with related parties in Note F — Partners' capital.

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I. Contingencies

Ferrellgas, L.P.'s operations are subject to all operating hazards and risks normally incidental to handling, storing, transporting and otherwise providing for use by consumers of combustible liquids such as propane. As a result, at any given time, Ferrellgas, L.P. is threatened with or named as a defendant in various lawsuits arising in the ordinary course of business. Currently, Ferrellgas, L.P. is not a party to any legal proceedings other than various claims and lawsuits arising in the ordinary course of business. 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 reasonably expected to have a material adverse effect on the financial condition, results of operations and cash flows of Ferrellgas, L.P.

Ferrellgas, L.P. has been named as a defendant in lawsuits filed in multiple federal and state courts that seek to certify nationwide or statewide classes. The plaintiffs in each case generally allege that Ferrellgas, L.P. failed to inform consumers of the amount of propane contained in propane tanks they purchased related to its Blue Rhino branded propane tank exchange activities. The federal cases have been coordinated for multidistrict treatment in the United States District Court for the Western District of Missouri. Based on Ferrellgas, L.P.'s business and consumer notification practices in its Blue Rhino tank exchange operations, Ferrellgas, L.P. believes that all of these claims are without merit and intends to defend the claims vigorously.

J. Subsequent events

Ferrellgas, L.P. has evaluated events and transactions occurring after the balance sheet date through the date Ferrellgas, L.P.'s condensed consolidated financial statements were issued, and concluded that there were no events or transactions occurring during this period that required recognition or disclosure in its financial statements.

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

CONDENSED BALANCE SHEETS
(in dollars)
(unaudited)

	January 31, 2010	July 31, 2009
ASSETS		
Cash	$ 1,100	$ 1,100
Total assets	$ 1,100	$ 1,100
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	9,929	6,757
Accumulated deficit	(9,829)	(6,657)
Total stockholder's equity	$ 1,100	$ 1,100

CONDENSED STATEMENTS OF EARNINGS
(in dollars)
(unaudited)

	For the three months ended January 31,		For the six months ended January 31,	
	2010	2009	2010	2009
General and administrative expense	$ 20	$ 3,000	$ 3,172	$ 3,000
Net loss	$ (20)	$ (3,000)	$ (3,172)	$ (3,000)

See note to condensed financial statements.

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

CONDENSED STATEMENTS OF CASH FLOWS
(in dollars)
(unaudited)

	For the six months ended January 31, 2010	2009
Cash flows from operating activities:		
Net loss	$ (3,172)	$ (3,000)
Cash used in operating activities	(3,172)	(3,000)
Cash flows from financing activities:		
Capital contribution	3,172	3,000
Cash provided by financing activities	3,172	3,000
Change in cash	—	—
Cash – beginning of period	1,100	1,100
Cash – end of period	$ 1,100	$ 1,100

See note to condensed financial statements.

NOTE TO CONDENSED FINANCIAL STATEMENTS
January 31, 2010
(unaudited)

A. Formation

Ferrellgas Finance Corp. (the "Finance Corp."), a Delaware corporation, was formed on January 16, 2003 and is a wholly-owned subsidiary of Ferrellgas, L.P (the "Partnership").

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

The Finance Corp. has nominal assets, does not conduct any operations, has no employees and serves as co-issuer and co-obligor for debt securities of the Partnership.

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

Our management's discussion and analysis of financial condition and results of operations relates to Ferrellgas Partners, L.P. and Ferrellgas, L.P.

Ferrellgas Partners Finance Corp. and Ferrellgas Finance Corp. have nominal assets, do not conduct any operations and have no employees other than officers. Ferrellgas Partners Finance Corp. serves as co-issuer and co-obligor for debt securities of Ferrellgas Partners, L.P. and Ferrellgas Finance Corp. serves as co-issuer and co-obligor for debt securities of Ferrellgas, L.P. Accordingly, and due to the reduced disclosure format, a discussion of the results of operations, liquidity and capital resources of Ferrellgas Partners Finance Corp. and Ferrellgas Finance Corp. is not presented in this section.

In this Quarterly Report on Form 10-Q, unless the context indicates otherwise:

· "us," "we," "our," "ours," or "consolidated" are references exclusively to Ferrellgas Partners, L.P. together with its consolidated subsidiaries, including Ferrellgas Partners Finance Corp., Ferrellgas, L.P. and Ferrellgas Finance Corp., except when used in connection with "common units," in which case these terms refer to Ferrellgas Partners, L.P. without its consolidated subsidiaries;

· "Ferrellgas Partners" refers to Ferrellgas Partners, L.P. itself, without its consolidated subsidiaries;

· the "operating partnership" refers to Ferrellgas, L.P., together with its consolidated subsidiaries, including Ferrellgas Finance Corp.;

· our "general partner" refers to Ferrellgas, Inc.;

· "Ferrell Companies" refers to Ferrell Companies, Inc., the sole shareholder of our general partner;

· "unitholders" refers to holders of common units of Ferrellgas Partners;

· "customers" refers to customers other than our wholesale customers or our other bulk propane distributors or marketers;

· "retail sales" refers to Propane and other gas liquid sales: Retail — Sales to End Users or the volume of propane sold primarily to our residential, industrial/commercial and agricultural customers;

· "wholesale sales" refers to Propane and other gas liquid sales: Wholesale — Sales to Resellers or the volume of propane sold primarily to our portable tank exchange customers and bulk propane sold to wholesale customers;

- “other gas sales” refers to Propane and other gas liquid sales: Other Gas Sales or the volume of bulk propane sold to other third party propane distributors or marketers and refined fuel volumes sold;

- “propane sales volume” refers to the volume of propane sold to our retail sales and wholesale sales customers; and

- “Notes” refers to the notes of the condensed consolidated financial statements of Ferrellgas Partners or the operating partnership, as applicable.

Ferrellgas Partners is a holding entity that conducts no operations and has two direct subsidiaries, Ferrellgas Partners Finance Corp. and the operating partnership. Ferrellgas Partners’ only significant assets are its approximate 99% limited partnership interest in the operating partnership and its 100% equity interest in Ferrellgas Partners Finance Corp. The common units of Ferrellgas Partners are listed on the New York Stock Exchange and our activities are primarily conducted through the operating

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partnership.

The operating partnership was formed on April 22, 1994, and accounts for substantially all of our consolidated assets, sales and operating earnings, except for interest expense related to $268.0 million in the aggregate principal amount of 8.75% senior notes due 2012 co-issued by Ferrellgas Partners and Ferrellgas Partners Finance Corp.

Our general partner performs all management functions for us and our subsidiaries and holds a 1% general partner interest in Ferrellgas Partners and an approximate 1% general partner interest in the operating partnership. The parent company of our general partner, Ferrell Companies, beneficially owns approximately 29% of our outstanding common units. Ferrell Companies is owned 100% by an employee stock ownership trust.

We file annual, quarterly, and other reports and information with the SEC. You may read and download our SEC filings over the Internet from several commercial document retrieval services as well as at the SEC’s website at www.sec.gov. You may also read and copy our SEC filings at the SEC’s Public Reference Room located at 100 F Street, NE, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information concerning the Public Reference Room and any applicable copy charges. Because our common units are traded on the New York Stock Exchange, under the ticker symbol of “FGP,” we also provide our SEC filings and particular other information to the New York Stock Exchange. You may obtain copies of these filings and such other information at the offices of the New York Stock Exchange located at 11 Wall Street, New York, New York 10005. In addition, our SEC filings are available on our website at www.ferrellgas.com at no cost as soon as reasonably practicable after our electronic filing or furnishing thereof with the SEC. Please note that any Internet addresses provided in this Quarterly Report on Form 10-Q are for informational purposes only and are not intended to be hyperlinks. Accordingly, no information found and/or provided at such Internet addresses is intended or deemed to be incorporated by reference herein.

The following is a discussion of our historical financial condition and results of operations and should be read in conjunction with our historical condensed consolidated financial statements and accompanying Notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

The discussions set forth in the “Results of Operations” and “Liquidity and Capital Resources” sections generally refer to Ferrellgas Partners and its consolidated subsidiaries. However, in these discussions there exist two material differences between Ferrellgas Partners and the operating partnership. Those material differences are:

- because Ferrellgas Partners has issued $268.0 million in aggregate principal amount of 8.75% senior notes due fiscal 2012, the two partnerships incur different amounts of interest expense on their outstanding indebtedness; see the statements of earnings in their respective condensed consolidated financial statements and Note E — Debt in the respective notes to their condensed consolidated financial statements; and

- Ferrellgas Partners issued common units during both fiscal 2009 and fiscal 2010.

Overview

We are a leading distributor of propane and related equipment and supplies to customers primarily in the United States and conduct our business as a single reportable operating segment. We believe that we are the second largest retail marketer of propane in the United States, and the largest national provider of propane by portable tank exchange, as measured by our propane sales volumes in fiscal 2009.

We serve approximately one million residential, industrial/commercial, portable tank exchange, agricultural, wholesale and other customers in all 50 states, the District of Columbia and Puerto Rico. Our operations primarily include the distribution and sale of propane and related equipment and supplies with concentrations in the Midwest, Southeast, Southwest and Northwest regions of the United States. Our

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propane distribution business consists principally of transporting propane purchased from third parties to propane distribution locations and then to tanks on customers’ premises or to portable propane tanks delivered to nationwide and local retailers. Our portable tank exchange operations, nationally branded under the name Blue Rhino, are conducted through a network of independent and partnership-owned distribution outlets. Our market areas for our residential and agricultural customers are generally rural, but also include urban areas for industrial applications. Our market area for our industrial/commercial and portable tank exchange customers is generally urban.

In the residential and industrial/commercial markets, propane is primarily used for space heating, water heating, cooking and other propane fueled appliances. In the portable tank exchange market, propane is used primarily for outdoor cooking using gas grills. In the agricultural market, propane is primarily used for crop drying, space heating, irrigation and weed control. In addition, propane is used for a variety of industrial applications, including as an engine fuel which is burned in internal combustion engines that power vehicles and forklifts, and as a heating or energy source in manufacturing and drying processes.

The market for propane is seasonal because of increased demand during the months of November through March (the “winter heating season”) primarily for the purpose of providing heating in residential and commercial buildings. Consequently, sales and operating profits are concentrated in our second and third fiscal quarters, which are during the winter heating season. However, our propane by portable tank exchanges sales volume provides us increased operating profits during our first and fourth fiscal quarters due to its counter-seasonal business activities. These sales also provide us the ability to better utilize our seasonal resources at our propane distribution locations. Other factors affecting our results of operations include competitive conditions, volatility in energy commodity prices, demand for propane, timing of acquisitions and general economic conditions in the United States.

We use information on temperatures to understand how our results of operations are affected by temperatures that are warmer or colder than normal. We use the definition of “normal” temperatures based on information published by the National Oceanic and Atmospheric Administration (“NOAA”). Based on this information we calculate a ratio of actual heating degree days to normal heating degree days. Heating degree days are a general indicator of weather impacting propane usage.

Weather conditions have a significant impact on demand for propane for heating purposes during the winter heating season. Accordingly, the volume of propane used by our customers for this purpose is directly affected by the severity of the winter weather in the regions we serve and can vary substantially from year to year. In any given region, sustained warmer-than-normal temperatures will tend to result in reduced propane usage, while sustained colder-than-normal temperatures will tend to result in greater usage. Although there is a direct correlation between weather and customer usage, there is a natural time lag between the onset of cold weather and increased sales to customers.

Our gross margin from the retail distribution of propane is primarily based on the cents-per-gallon difference between the sale price we charge our customers and our costs to purchase and deliver propane to our propane distribution locations. Our residential customers and portable tank exchange customers typically provide us a greater cents-per-gallon margin than our industrial/commercial, agricultural, wholesale and other customers. We track “Propane sales volumes,” “Revenues — Propane and other gas liquids sales” and “Gross margin — Propane and other gas liquids sales” by customer; however, we are not able to specifically allocate operating and other costs in a manner that would determine their specific profitability with a high degree of accuracy. The wholesale propane price per gallon is subject to various market conditions and may fluctuate based on changes in demand, supply and other energy commodity prices, primarily crude oil and natural gas, as propane prices tend to correlate with the fluctuations of these underlying commodities.

We employ risk management activities that attempt to mitigate price risks related to the purchase, storage, transport and sale of propane. We enter into propane sales commitments with a portion of our customers that provide for a contracted price agreement for a specified period of time. These commitments can expose us to product price risk if not immediately hedged with an offsetting propane

purchase commitment.

Our open financial derivative purchase commitments are designated as hedges primarily for fiscal 2010 sales commitments and, as of January 31, 2010, have experienced a net mark to market gain of approximately $8.0 million. Because these financial derivative purchase commitments qualify for hedge accounting treatment, the resulting asset, liability and related net mark to market gains are recorded on the balance sheet as prepaid and other current assets, other current liabilities and accumulated other comprehensive income (loss), respectively, until settled. Upon settlement, realized gains or losses on these contracts will be reclassified to “Cost of product sold-propane and other gas liquid sales” in the condensed consolidated statements of earnings. These financial derivative purchase commitment net gains are expected to be offset by reduced margins on propane sales commitments that qualify for the normal purchase normal sale exception. At January 31, 2010 we estimate 95% of currently open financial derivative purchase commitments, the related propane sales commitments, and the resulting gross margin will be realized into earnings during the remainder of fiscal 2010.

Our business strategy is to:

- expand our operations through disciplined acquisitions and internal growth;
- capitalize on our national presence and economies of scale;
- maximize operating efficiencies through utilization of our technology platform; and
- align employee interests with our investors through significant employee ownership.

Forward-looking Statements

Statements included in this report include forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. These statements often use words such as “anticipate,” “believe,” “intend,” “plan,” “projection,” “forecast,” “strategy,” “position,” “continue,” “estimate,” “expect,” “may,” “will,” or the negative of those terms or other variations of them or comparable terminology. These statements often discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future and are based upon the beliefs and assumptions of our management and on the information currently available to them. In particular, statements, express or implied, concerning our future operating results or our ability to generate sales, income or cash flow are forward-looking statements.

Forward-looking statements are not guarantees of performance. You should not put undue reliance on any forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause our actual results to differ materially from those expressed in or implied by these forward-looking statements. Many of the factors that will affect our future results are beyond our ability to control or predict.

Some of our forward-looking statements include the following:

- whether the operating partnership will have sufficient funds to meet its obligations, including its obligations under its debt securities, and to enable it to distribute to Ferrellgas Partners sufficient funds to permit Ferrellgas Partners to meet its obligations with respect to its existing debt and equity securities;

- whether Ferrellgas Partners and the operating partnership will continue to meet all of the quarterly financial tests required by the agreements governing their indebtedness; and

- our expectation that “Operating income” and “Net earnings” during the remainder of fiscal 2010 will be higher than the same period during fiscal 2009.

When considering any forward-looking statement, you should also keep in mind the risk factors set forth in "Item 1A. Risk Factors" of our fiscal 2009 Annual Report on Form 10-K. Any of these risks could

impair our business, financial condition or results of operations. Any such impairment may affect our ability to make distributions to our unitholders or pay interest on the principal of any of our debt securities. In addition, the trading price, if any, of our securities could decline as a result of any such impairment.

Except for our ongoing obligations to disclose material information as required by federal securities laws, we undertake no obligation to update any forward-looking statements or risk factors after the date of this Quarterly Report on Form 10-Q.

In addition, the classification of Ferrellgas Partners and the operating partnership as partnerships for federal income tax purposes means that we do not generally pay federal income taxes. We do, however, pay taxes on the income of our subsidiaries that are corporations. We rely on a legal opinion from our counsel, and not a ruling from the Internal Revenue Service, as to our proper classification for federal income tax purposes. See the section in our Annual Report on Form 10-K for our fiscal 2009 entitled "Item 1A. Risk Factors — Tax Risks." The IRS could treat us as a corporation for tax purposes or changes in federal or state laws could subject us to entity-level taxation, which would substantially reduce the cash available for distribution to our unitholders.

Results of Operations

Three months ended January 31, 2010 compared to January 31, 2009

(amounts in thousands)

Three months ended January 31,	2010	2009	Favorable (Unfavorable) Variance	
Propane sales volumes (gallons):				
Retail — Sales to End Users	269,801	245,862	23,939	10%
Wholesale — Sales to Resellers	83,882	68,094	15,788	23%
	353,683	313,956	39,727	13%
Revenues -				
Propane and other gas liquids sales:				
Retail — Sales to End Users	$ 502,235	$ 508,588	$ (6,353)	(1)%
Wholesale — Sales to Resellers	144,725	123,946	20,779	17%
Other Gas Sales	77,388	15,002	62,386	416%
	$ 724,348	$ 647,536	$ 76,812	12%
Gross margin —				
Propane and other gas liquids sales: (a)				
Retail — Sales to End Users	$ 170,298	$ 189,074	$ (18,776)	(10)%
Wholesale — Sales to Resellers	40,297	29,545	10,752	36%
Other Gas Sales	9,773	390	9,383	NM
	$ 220,368	$ 219,009	$ 1,359	1%
Operating income	$ 105,611	$ 95,327	$ 10,284	11%
Interest expense	26,216	23,393	(2,823)	(12)%
Interest expense - operating partnership	20,290	17,467	(2,823)	(16)%

(a) Gross margin from propane and other gas liquids sales represents "Propane and other gas liquids sales" less "Cost of product sold — propane and other gas liquids sales."

NM- Not meaningful

Propane sales volumes during the three months ended January 31, 2010 increased 39.7 million gallons from that of the prior year period due to 23.9 million of increased gallon sales to our retail customers and 15.8 million increased gallon sales to our wholesale customers.

Retail sales volumes increased 11.3 million gallons through acquisitions completed during the last twelve months and due to gallons gained from our focus on expanding our operations through an internal growth strategy. These gallon gains were somewhat offset by the impact of weather in the more highly concentrated geographic areas we serve that was 5% warmer than those of the prior year period.

We believe wholesale sales volumes increased due to our emphasis on expanding this portion of our business.

The wholesale market price at one of the major supply points, Mt. Belvieu, Texas, during the three months ended January 31, 2010, averaged 74% higher than the prior year period. The wholesale market price averaged $1.20 and $0.69 per gallon during the three months ended January 31, 2010 and 2009, respectively.

Revenues - Propane and other gas liquids sales

Retail sales decreased $6.4 million compared to the prior year period. This decrease resulted primarily from a $50.9 million decrease in sales price per gallon primarily due to a competitive pricing environment, offset by a $27.0 million increase from greater propane sales volumes due to the internal growth strategy, which was somewhat offset by decreased volumes due to weather and $17.6 million from gallons gained through acquisitions, each as discussed above.

Wholesale sales increased $20.8 million compared to the prior year period. This increase resulted primarily from a $27.2 million increase due to greater propane sales volumes as discussed above, partially offset by a $6.5 million decrease in sales price per gallon.

Other gas sales increased $62.4 million compared to the prior year period. This increase resulted primarily from a $45.4 million increase due to greater propane sales volumes and a $16.9 million increase in sales price per gallon.

Gross margin - Propane and other gas liquids sales

Retail sales gross margin decreased $18.8 million compared to the prior year period. This decrease resulted primarily from a $33.9 million decrease in gross margin per gallon primarily due to a competitive pricing environment, partially offset by a $9.6 million increase from greater propane sales volumes due to the internal growth strategy, which was somewhat offset by decreased volumes due to weather and $5.5 million from gallons gained through acquisitions, each as discussed above.

Wholesale sales gross margin increased $10.8 million compared to the prior year period. This increase resulted primarily from a $7.6 million increase due to greater propane sales volumes as discussed above.

Other gas sales gross margin increased $9.4 million compared to the prior year period due to increased volumes of sales of excess inventory to other third-party customers.

Operating income

Operating income increased $10.3 million compared to the prior year period primarily due to a $3.8 million increase in gross margin from “Revenues: Other”, a decrease of $2.9 million in “Loss on disposal of assets and other”, a $1.7 million decrease in “Equipment lease expense” and a $1.2 million decrease in “Operating Expense”. “Revenues: Other” increased primarily due to a $5.7 million increase in miscellaneous fees, partially offset by a $1.3 million decrease in gross margin on appliance sales. “Loss on disposal of assets and other” decreased primarily due to a $1.3 million decrease resulting from the timing of the disposal of field related assets and a $1.3 million decrease in losses on sales to the accounts receivable securitization facility. “Equipment lease expense” decreased primarily due to a $1.2 million decrease in computer related lease expense. “Operating expense” decreased due to $5.7 million of

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reduced performance based incentive expenses which was somewhat offset by increases of $2.1 million in operating costs associated with acquisitions, $1.8 million of personnel related costs and $1.1 million of insurance related costs.

Interest expense - consolidated

Interest expense increased $2.8 million primarily due to a $2.3 million increase due to the issuance of new senior debt at higher interest rates than the debt retired and due to higher interest rates on borrowings on our secured credit facility.

Interest expense - operating partnership

Interest expense increased $2.8 million primarily due to a $2.3 million increase due to the issuance of new senior debt at higher interest rates than the debt retired and due to the higher interest rates on borrowings on our secured credit facility.

Six months ended January 31, 2010 compared to January 31, 2009

(amounts in thousands)

Six months ended January 31,	2010	2009	Favorable (Unfavorable) Variance	
Propane sales volumes (gallons):				
Retail — Sales to End Users	402,275	372,395	29,880	8%
Wholesale — Sales to Resellers	130,956	113,770	17,186	15%
	533,231	486,165	47,066	10%
Revenues -				
Propane and other gas liquids sales:				
Retail — Sales to End Users	$ 707,662	$ 806,257	$ (98,595)	(12)%
Wholesale — Sales to Resellers	238,728	242,508	(3,780)	(2)%
Other Gas Sales	105,624	35,659	69,965	196%
	$ 1,052,014	$ 1,084,424	$ (32,410)	(3)%
Gross margin —				
Propane and other gas liquids sales: (a)				
Retail — Sales to End Users	$ 255,246	$ 278,805	$ (23,559)	(8)%

Wholesale — Sales to Resellers	81,701	59,341	22,360	38%
Other Gas Sales	10,167	6	10,161	NM
	$ 347,114	$ 338,152	$ 8,962	3%
Operating income	$ 111,948	$ 104,537	$ 7,411	7%
Interest expense	48,911	47,063	(1,848)	(4)%
Interest expense - operating partnership	37,059	35,211	(1,848)	(5)%
Debt prepayment premiums	17,308	—	(17,308)	NM

(a) Gross margin from propane and other gas liquids sales represents “Propane and other gas liquids sales” less “Cost of product sold — propane and other gas liquids sales.”

NM- Not meaningful

Propane sales volumes during the six months ended January 31, 2010 increased 47.1 million gallons from that of the prior year period due to 29.9 million of increased gallon sales to our retail customers and 17.2 million of increased gallon sales to our wholesale customers.

Retail sales volumes increased 15.5 million gallons through acquisitions completed during the last twelve months and due to gallons gained from our focus on expanding our operations through an internal growth strategy. These gallon gains were somewhat offset by the impact of weather in the more highly concentrated geographic areas we serve that was 1% warmer than those of the prior year period.

We believe wholesale sales volumes increased due to our emphasis on expanding this portion of our business.

The wholesale market price at one of the major supply points, Mt. Belvieu, Texas, during the six months ended January 31, 2010 averaged 1% more than the prior year period. The wholesale market price averaged $1.07 and $1.06 per gallon during the six months ended January 31, 2010 and 2009, respectively. While the average price did not change significantly between the two periods, the movement in prices within those periods was different. The wholesale market price at Mt. Belvieu averaged $1.40 during the three months ended October 31, 2008 and $0.69 during the three months ended January 31, 2009. During that six month period, we decreased our sales price at a slower rate than the wholesale market price. Conversely, the wholesale market price at Mt. Belvieu averaged $0.95 during the three months ended October 31, 2009 and $1.20 during the three months ended January 31, 2010. During this six month period a competitive pricing environment did not allow us to increase our sales price at a similar rate as the wholesale market price increased.

Revenues - Propane and other gas liquids sales

Retail sales decreased $98.6 million compared to the prior year period. This decrease resulted primarily from a $151.2 million decrease in sales price per gallon primarily due to a competitive pricing environment and volatility experienced in the wholesale market price of propane, each as discussed above. These decreases were partially offset by a $29.4 million increase from greater propane sales volumes due to the internal growth strategy, which was somewhat offset by decreased volumes due to weather and $23.2 million from gallons gained through acquisitions, each as discussed above.

Wholesale sales decreased $3.8 million compared to the prior year period. This decrease resulted from a $35.1 million decrease in sales price per gallon, offset by a $31.3 million increase due to greater propane sales volumes as discussed above.

Other gas sales increased $70.0 million compared to the prior year period primarily due to a $73.0 million increase in propane sales volumes.

Gross margin - Propane and other gas liquids sales

Retail sales gross margin decreased $23.6 million compared to the prior year period. This decrease resulted primarily from a $42.5 million decrease in gross margin per gallon primarily due to a competitive pricing environment and volatility experienced in the wholesale market price of propane, each as discussed above. These decreases were partially offset by an $11.9 million increase in propane sales volumes due to the internal growth strategy, which was somewhat offset by decreased volumes due to weather and $7.0 million from gallons gained through acquisitions, each as discussed above.

Wholesale sales gross margin increased $22.4 million compared to the prior year period. This increase resulted from both an $11.6 million increase in gross margin per gallon and a $10.7 million increase due to greater propane sales volumes as discussed above.

Other gas sales gross margin increased $10.2 million compared to the prior year period due to sales of excess inventory to other third-party customers.

Operating income

Operating income increased $7.4 million compared to the prior year period primarily due to the $9.0 million increase in “Gross margin — Propane and other gas liquids sales” as discussed above, a decrease

of $3.8 million in “Loss on disposal of assets and other” and a $3.2 million decrease in “Equipment lease expense”, partially offset by a $4.3 million decrease in gross margin from “Revenues: Other” and a $4.3 million increase in “General and administrative expense.” “Loss on disposal of assets and other” decreased primarily due to $1.7 million from the timing of the disposal of field related assets and a $1.6 million decrease in losses on sales to the accounts receivable securitization facility. “Equipment lease expense” decreased primarily due to a $2.3 million decrease in computer related lease expense.

“Revenues: Other” decreased primarily due to a $2.7 million decrease in margins on sales of appliances and a $0.7 million decrease in miscellaneous fees. “General and administrative expense” increased primarily due to a $1.9 million increase in performance based incentive expenses and $1.8 million non-cash stock option issuance expense allocated from Ferrell Companies. “Operating expense” decreased due to $4.8 million of reduced performance based incentive expense, $1.8 million of reduced corporate support related expenses and $1.2 million of vehicle maintenance and fuel related costs, which was somewhat offset by increases of $4.2 million of personnel related costs and $3.3 million in operating costs associated with acquisitions.

Interest expense - consolidated

Interest expense increased $1.8 million primarily due to a $2.4 million increase due to the issuance of new senior debt at higher interest rates than the debt retired and due to higher interest rates on borrowings on our secured credit facility. These increases were partially offset by a $0.8 million reduction in expense due to decreased borrowings on our secured credit facility.

Interest expense - operating partnership

Interest expense increased $1.8 million primarily due to a $2.4 million increase due to the issuance of new senior debt at higher interest rates than the debt retired and due to higher interest rates on borrowings on our secured credit facility. These increases were partially offset by a $0.8 million reduction in expense due to decreased borrowings on our secured credit facility.

Debt prepayment premiums

During October 2009, we prepaid the outstanding principal amount on our $82.0 million 7.24% series D notes due August 1, 2010 and our $70.0 million 7.42% series E notes due August 1, 2013, and the related prepayment premiums of $17.3 million.

Forward looking statements

We expect increases during the remainder of fiscal 2010 for “Operating income” and “Net earnings” as compared to the same period in fiscal 2009 primarily due to our assumption that investments in acquisitions and internal growth will improve gross margins during the remainder of fiscal 2010.

Liquidity and Capital Resources

General

Our liquidity and capital resources enable us to fund our working capital requirements, letter of credit requirements, debt service payments, acquisition and capital expenditures and distributions to our unitholders. Our liquidity may be affected by an inability to access the capital markets or by unforeseen demands on cash, or other events beyond our control, such as the general market disruption experienced during fiscal 2009.

During fiscal 2010, we completed a $300.0 million debt offering, made scheduled principal payments of $73.0 million on the series C senior notes, prepaid the outstanding principal amount of $152.0 million of our series D and E notes and entered into a new secured Credit Agreement (“secured credit facility”). The secured credit facility replaces our unsecured credit facility and provides for a $400.0 million revolving credit facility with the entire amount available for loans and with a sublimit of $200.0 million for letters of

credit. Additionally, we issued $20.0 million of common units for which the proceeds were used to reduce borrowings on our credit facility. With these financings and the application of the proceeds, we have addressed all of our significant outstanding debt maturities through 2011 and increased our liquidity to finance ongoing business strategies.

Currently, we believe we will continue to have sufficient access to capital markets at yields acceptable to us to support our expected growth expenditures and refinancing of debt maturities. Our disciplined approach to fund necessary capital spending and other partnership needs, combined with sufficient trade credit to operate our business efficiently and available credit under our secured credit facility and our accounts receivable securitization facility should provide us the means to meet our anticipated liquidity and capital resource requirements.

During periods of high volatility our risk management activities expose us to the risk of counterparty margin calls in amounts greater than we have the capacity to fund. Likewise our counterparties may not be able to fulfill their margin calls to us or may default on the settlement of positions with us.

Our working capital requirements are subject to, among other things, the price of propane, delays in the collection of receivables, volatility in energy commodity prices, liquidity imposed by insurance providers, downgrades in our credit ratings, decreased trade credit, significant acquisitions, the weather and other changes in the demand for propane. Relatively colder weather or higher propane prices during the winter heating season are factors that could significantly increase our working capital requirements.

Our ability to satisfy our obligations is dependent upon our future performance, which will be subject to prevailing economic, financial, business and weather conditions and other factors, many of which are beyond our control. Due to the seasonality of the retail propane distribution business, a significant portion of our cash flow from operations is generated during the winter heating season. Our net cash provided by operating activities primarily reflects earnings from our business activities adjusted for depreciation and amortization and changes in our working capital accounts. Historically, we generate significantly lower net cash from operating activities in our first and fourth fiscal quarters as compared to the second and third fiscal quarters due to the seasonality of our business. Subject to meeting the financial tests discussed below, our general partner believes that the operating partnership will have sufficient funds available to meet its obligations, and to distribute to Ferrellgas Partners sufficient funds to permit Ferrellgas Partners to meet its obligations in the remainder of fiscal 2010.

Subject to the risk factors identified in “Item 1A. Risk Factors” of our Annual Report on Form 10-K, our general partner believes the operating partnership will have sufficient funds available to distribute to Ferrellgas Partners sufficient cash to pay the minimum quarterly distribution on all of its common units in the remainder of fiscal 2010. A quarterly distribution of $0.50 is expected to be paid on March 17, 2010, to all common units that were outstanding on March 10, 2010. This represents the sixty-second consecutive minimum quarterly distribution paid to our common unitholders dating back to October 1994.

Our secured credit facility, public debt, private debt and accounts receivable securitization facility contain several financial tests and covenants restricting our ability to pay distributions, incur debt and engage in certain other business transactions. In general, these tests are based on our debt-to-cash flow ratio and cash flow-to-interest expense ratio. Our general partner currently believes that the most restrictive of these tests are debt incurrence limitations under the terms of our credit and accounts receivable securitization facilities and limitations on the payment of distributions within our 8.75% senior notes due 2012. The credit and accounts receivable securitization facilities generally limit the operating partnership's ability to incur debt if it exceeds prescribed ratios of either debt to cash flow or cash flow to interest expense. Our 8.75% senior notes restrict payments if a minimum ratio of cash flow to interest expense is not met, assuming certain exceptions to this ratio limit have previously been exhausted. This restriction places limitations on our ability to make restricted payments such as the payment of cash distributions to our unitholders. The cash flow used to determine these financial tests generally is based upon our most recent cash flow performance giving pro forma effect for acquisitions and divestitures made during the test period. Our secured credit facility, public debt, private debt and accounts receivable

securitization facility do not contain early repayment provisions related to a potential decline in our credit rating.

As of January 31, 2010, we met all the required quarterly financial tests and covenants. Based upon current estimates of our cash flow, our general partner believes that we will be able to continue to meet all of the required quarterly financial tests and covenants during the remainder of fiscal 2010. However, we may not meet the applicable financial tests in future quarters if we were to experience:

- significantly warmer than normal winter temperatures;
- a continued volatile energy commodity cost environment;
- an unexpected downturn in business operations;
- a continuance of the current economic downturn in the United States; or
- a material downturn in the credit and/or equity markets.

Failure to meet applicable financial tests could have a materially adverse effect on our operating capacity and cash flows and could restrict our ability to incur debt or to make cash distributions to our unitholders, even if sufficient funds were available. Depending on the circumstances, we may consider alternatives to permit the incurrence of debt or the continued payment of the quarterly cash distribution to our unitholders. No assurances can be given, however, that such alternatives can or will be implemented with respect to any given quarter.

We expect our future capital expenditures and working capital needs to be provided by a combination of cash generated from future operations, existing cash balances, the secured credit facility or the accounts receivable securitization facility. See additional information about the accounts receivable securitization facility in "Operating Activities — Accounts receivable securitization." In order to reduce existing indebtedness, fund future acquisitions and expansive capital projects, we may obtain funds from our facilities, we may issue additional debt to the extent permitted under existing financing arrangements or we may issue additional equity securities, including, among others, common units.

Toward this purpose, the following registration statements were effective upon filing or declared effective by the SEC:

- a shelf registration statement for the periodic sale of up to $750.0 million in common units, debt securities and/or other securities; Ferrellgas Partners Finance Corp. may, at our election, be the co-issuer and co-obligor on any debt securities issued by Ferrellgas Partners under this shelf registration statement; as of January 31, 2010, we had $730.0 million available under this shelf registration statement; and

- an "acquisition" shelf registration statement for the periodic sale of up to $250.0 million in common units to fund acquisitions; as of January 31, 2010 we had $231.5 million available under this shelf agreement.

During December 2009, a shelf registration statement with availability of $200.0 million in common units in connection with Ferrellgas Partners direct purchase and distribution reinvestment plan expired and was not renewed. We believe the availability remaining under our other shelf registration statements will provide us with adequate access to liquidity and capital resources.

Operating Activities

Net cash provided by operating activities was $50.5 million for the six months ended January 31, 2010, compared to net cash provided by operating activities of $173.2 million for the prior year period. This decrease in cash provided by operating activities was primarily due to an $88.0 million increase in working capital requirements, a $26.0 million decrease in net funding from our accounts receivable securitization facility and a $9.6 million decrease in cash flow from operations. The increase in working capital requirements was primarily due to $59.7 million from the impact of increased sales volumes during the second quarter as well as the timing of billings and collections on accounts receivable and $50.1 million

from the timing of inventory purchases. These increases in working capital requirements were somewhat offset by $13.2 million due to the timing of accounts payable disbursements. The decrease in cash flow from operations is primarily due to a decrease in net earnings resulting from the debt prepayment premiums of $17.3 million on the early redemption of our series D and E notes. The $26.0 million decrease in net funding from our accounts receivable securitization facility is primarily due to a decrease in accounts receivable available for sale to the facility.

Accounts receivable securitization

Cash flows from our accounts receivable securitization facility decreased $26.0 million. We received net funding of $59.0 million from this facility during the six months ended January 31, 2010 as compared to receiving net funding of $85.0 million from this facility in the prior year period.

Our strategy is to maximize liquidity by utilizing the accounts receivable securitization facility along with borrowings under the operating partnership's credit facility. See additional discussion about the operating partnership's credit facility in "Financing Activities — Secured credit facility." Our utilization of the accounts receivable securitization facility is limited by the amount of accounts receivable that we are permitted to transfer according to the facility agreement. This arrangement allows for the proceeds of up to $145.0 million from the sale of accounts receivable, depending on the available undivided interests in our accounts receivable from certain customers. We renewed this facility effective April 20, 2009, for a 364-day commitment with JPMorgan Chase Bank, N.A., JS Siloed Trust and Fifth Third Bank. At January 31, 2010, we had received cash proceeds of $94.0 million related to the transfer of our trade accounts receivable to the accounts receivable securitization facility with the ability to receive cash proceeds, at our option, of an additional $5.0 million. As our trade accounts receivable increase during the winter heating season, the securitization facility permits us to receive greater proceeds as eligible trade accounts receivable increases, thereby providing additional cash for working capital needs. This transaction is reflected in our condensed consolidated financial statements as a sale of accounts receivable and a retained interest in transferred accounts receivable.

The operating partnership

Net cash provided by operating activities was $62.3 million for the six months ended January 31, 2010, compared to net cash provided by operating activities of $184.9 million for the prior year period. This decrease in cash provided by operating activities was primarily due to an $87.9 million increase in working capital requirements, a $26.0 million decrease in net funding from our accounts receivable securitization facility and a $9.7 million decrease in cash flow from operations. The increase in working capital requirements was primarily due to $59.7 million from the impact of increased sales volumes during the second quarter as well as the timing of billings and collections on accounts receivable and a $50.1 million increase from the timing of inventory purchases. These increases in working capital requirements were somewhat offset by $13.2 million due to the timing of accounts payable disbursements. The decrease in cash flow from operations is primarily due to a decrease in net earnings resulting from the debt prepayment premiums of $17.3 million on the early redemption of our series D and E notes. The $26.0 million decrease in net funding from our accounts receivable securitization facility is primarily due to a decrease in accounts receivable available for sale to the facility.

Investing Activities

Net cash used in investing activities was $60.0 million for the six months ended January 31, 2010, compared to net cash used in investing activities of $25.4 million for the prior year period. This increase in net cash used in investing activities is primarily due to increased capital expenditures related to the acquisition of propane distribution assets.

Acquisition expenditures

During the six months ended January 31, 2010, we used $40.9 million in cash for costs associated with the acquisition of propane distribution assets as compared to $0.3 million in the prior year period.

Financing Activities

During the six months ended January 31, 2010, net cash provided by financing activities was $28.3 million compared to net cash used in financing activities of $147.2 million for the prior year period. The increase in net cash provided by financing activities was primarily due to a $129.3 million increase in the need for short term borrowings to fund working capital requirements, a $44.2 million net increase in long-term borrowings and $20.0 million of proceeds from the issuance of common units. These cash increases were somewhat offset by a $12.5 million use of cash to fund transaction costs associated with the issuance of new term debt and secured credit facility.

Distributions

Ferrellgas Partners paid a $0.50 per unit quarterly distribution on all common units, as well as the related general partner distributions, totaling $70.4 million during the six months ended January 31, 2010 in connection with the distributions declared for the three months ended July 31, 2009 and October 31, 2009. The quarterly distribution on all common units and the related general partner distributions for the three months ended January 31, 2010 of $35.5 million is expected to be paid on March 17, 2010 to holders of record on March 10, 2010.

Secured credit facility

During November 2009, we closed on a new secured credit facility that provides $400.0 million in revolving credit for loans and has a $200.0 million sublimit for letters of credit. This secured credit facility replaced our unsecured credit facility due April 2010 and will mature in November 2012.

The secured credit facility contains various affirmative and negative covenants and default provisions, as well as requirements with respect to the maintenance of specified financial ratios and limitations on the making of loans and investments.

As of January 31, 2010, we had total borrowings outstanding under this secured credit facility due November 2012 of $179.1 million, of which $82.0 million was classified as long-term debt.

Borrowings under the secured credit facility had a weighted average interest rate of 4.47% at January 31, 2010. All borrowings under the secured credit facility bear interest, at Ferrellgas, L.P.'s option, at a rate equal to either:

- for Base Rate Loans or Swing Line Loans, the Base Rate, which is defined as the higher of i) the federal funds rate plus 0.50%, ii) Bank of America's prime rate; or iii) the Eurodollar Rate plus 1%; plus a margin varying from 2.50% to 3.25% (as of January 31, 2010, the margin was 3.00%); or
- for Eurodollar Rate Loans, the Eurodollar Rate, which is defined as the LIBOR Rate plus a margin varying from 3.50% to 4.25% (as of January 31, 2010, the margin was 4.00%).

As of January 31, 2010, the federal funds rate and Bank of America's prime rate were 0.12% and 3.25%, respectively. As of January 31, 2010, the one-month and three-month Eurodollar Rates were 0.28% and 0.40%, respectively.

In addition, an annual commitment fee is payable at a per annum rate of 0.50% times the actual daily amount by which the facility exceeds the sum of (i) the outstanding amount of revolving credit loans and (ii) the outstanding amount of letter of credit obligations.

All standby letter of credit commitments under our secured credit facility bear a per annum rate varying from 3.5% to 4.25% (as of January 31, 2010, the rate was 4.00%) times the daily maximum amount available to be drawn under such letter of credit. Letter of credit fees are computed on a quarterly basis in arrears.

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The obligations under this secured credit facility are secured by substantially all assets of the operating partnership, the general partner and certain subsidiaries of the operating partnership but specifically excluding (a) assets that are subject to the operating partnership's accounts receivable securitization facility, (b) the general partner's equity interest in Ferrellgas Partners and (c) equity interest in certain unrestricted subsidiaries. Such obligations are also guaranteed by the general partner and certain subsidiaries of the operating partnership.

Availability under our secured and unsecured credit facilities are shown below:

	Secured Credit Facility January 31, 2010	Unsecured Credit Facility July 31, 2009
Total borrowing capacity	$ 400,000	$ 448,000
Less: Letters of credit outstanding	(47,077)	(44,444)
Cash borrowings outstanding	(179,100)	(154,700)
Credit facility availability	$ 173,823	$ 248,856

Debt issuances and repayments

During August 2009, the operating partnership made scheduled principal payments of $73.0 million on the 8.87% Series C senior notes.

During September 2009, the operating partnership issued $300.0 million in aggregate principal amount of new 9.125% senior notes due 2017 at an offering price equal to 98.6% of par. The proceeds from this transaction were used to fund the October 2009 note payments discussed below and to reduce credit facility borrowings.

During October 2009, the operating partnership prepaid the outstanding principal amount on its $82.0 million 7.24% series D notes due August 1, 2010 and its $70.0 million 7.42% series E notes due August 1, 2013 and the related prepayment premiums of $17.3 million.

We believe that the liquidity available from our secured credit facility and the accounts receivable securitization facility will be sufficient to meet our capital expenditure, working capital and letter of credit requirements for the remainder of fiscal 2010. Additionally, we have redeemed all significant outstanding debt maturities through 2011. See "Operating Activities" for discussion about our accounts receivable securitization facility. However, if we were to experience an unexpected significant increase in these requirements, our needs could exceed our immediately available resources. Events that could cause increases in these requirements include, but are not limited to the following:

- a significant increase in the wholesale cost of propane;
- a significant delay in the collections of accounts receivable;
- increased volatility in energy commodity prices related to risk management activities;
- increased liquidity requirements imposed by insurance providers;
- a significant downgrade in our credit rating leading to decreased trade credit; or
- a significant acquisition.

If one or more of these or other events caused a significant use of available funding, we may consider alternatives to provide increased liquidity and capital funding. No assurances can be given, however, that such alternatives would be available, or, if available, could be implemented. See discussion of related risk factors in "Item 1A. Risk Factors" in our Annual Report on Form 10-K.

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The operating partnership

The financing activities discussed above also apply to the operating partnership except for cash flows related to distributions and contributions received, as discussed below.

Distributions

The operating partnership paid cash distributions of $82.1 million during the six months ended January 31, 2010. The operating partnership expects to pay cash distributions of $35.5 million on March 17, 2010.

Disclosures about Effects of Transactions with Related Parties

We have no employees and are managed and controlled by our general partner. Pursuant to our partnership agreement, our general partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on our behalf, and all other necessary or appropriate expenses allocable to us or otherwise reasonably incurred by our general partner in connection with operating our business. These reimbursable costs, which totaled $124.1 million for the six months ended January 31, 2010, include operating expenses such as compensation and benefits paid to employees of our general partner who perform services on our behalf, as well as related general and administrative expenses.

Related party common unitholder information consisted of the following:

	Common unit ownership at January 31, 2010	Distributions paid during the six months ended January 31, 2010
Ferrell Companies (1)	20,080,776	$ 20,080,776
FCI Trading Corp. (2)	195,686	195,686
Ferrell Propane, Inc. (3)	51,204	51,204
James E. Ferrell (4)	4,353,475	4,353,475

(1) Ferrell Companies is the sole shareholder of our general partner.
(2) FCI Trading Corp. is an affiliate of the general partner and is wholly-owned by Ferrell Companies.
(3) Ferrell Propane, Inc. is wholly-owned by our general partner.
(4) James E. Ferrell is the Executive Chairman and Chairman of the Board of Directors of our general partner.

During the six months ended January 31, 2010, Ferrellgas Partners and the operating partnership together paid the general partner distributions of $1.5 million.

On March 17, 2010 Ferrellgas Partners expects to pay distributions to Ferrell Companies, FCI Trading Corp., Ferrell Propane, Inc., James E. Ferrell (indirectly) and the general partner of $10.0 million, $0.1 million, $26 thousand, $2.2 million and $0.7 million, respectively.

During the six months ended January 31, 2010, we paid Fleishman-Hillard Inc. $92 thousand for marketing and communications services. Elizabeth Solberg, a member of our general partner’s Board of Directors, serves as the General Manager of Fleishman-Hillard Inc.

See Note H — Transactions with related parties — and Note F — Partners’ capital — to our condensed consolidated financial statements for additional discussion regarding the effects of transactions with related parties.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We did not enter into any risk management trading activities during the six months ended January 31, 2010. Our remaining market risk sensitive instruments and positions have been determined to be “other than trading.”

Commodity Price Risk Management

Our risk management activities primarily attempt to mitigate price risks related to the purchase, storage, transport and sale of propane generally in the contract and spot markets from major domestic energy companies on a short-term basis. We attempt to mitigate these price risks through the use of financial derivative instruments and forward propane purchase and sales contracts.

Our risk management strategy involves taking positions in the forward or financial markets that are equal and opposite to our positions in the physical products market in order to minimize the risk of financial loss from an adverse price change. This risk management strategy is successful when our gains or losses in the physical product markets are offset by our losses or gains in the forward or financial markets. These financial derivatives are designated as cash flow hedges.

Our risk management activities include the use of financial derivative instruments including, but not limited to, price swaps, options, futures and basis swaps to seek protection from adverse price movements and to minimize potential losses. We enter into these financial derivative instruments directly with third parties in the over-the-counter market and with brokers who are clearing members with the New York Mercantile Exchange. We also enter into forward propane purchase and sales contracts with counterparties. These forward contracts qualify for the normal purchase normal sales exception within GAAP guidance and are therefore not recorded prior to settlement on our financial statements.

Market risks associated with energy commodities are monitored daily by senior management for compliance with our commodity risk management policy. This policy includes an aggregate dollar loss limit and limits on the term of various contracts. We also utilize volume limits for various energy commodities and review our positions daily where we remain exposed to market risk, so as to manage exposures to changing market prices.

We have prepared a sensitivity analysis to estimate the exposure to market risk of our energy commodity positions. Forward contracts, futures, swaps and options outstanding as of January 31, 2010 and July 31, 2009, that were used in our risk management activities were analyzed assuming a hypothetical 10% adverse change in prices for the delivery month for all energy commodities. The potential loss in future earnings from these positions due to a 10% adverse movement in market prices of the underlying energy commodities was estimated at $6.3 million and $7.2 million as of January 31, 2010 and July 31, 2009, respectively. The preceding hypothetical analysis is limited because changes in prices may or may not equal 10%, thus actual results may differ.

Our sensitivity analysis includes designated hedging and the anticipated transactions associated with these hedging transactions. These hedging transactions are anticipated to be 100% effective; therefore, there is no effect on our sensitivity analysis from these hedging transactions. To the extent option contracts are used as hedging instruments for anticipated transactions we have included the offsetting effect of the anticipated transactions, only to the extent the option contracts are in the money, or would become in the money as a result of the 10% hypothetical movement in prices. All other anticipated transactions for risk management activities have been excluded from our sensitivity analysis.

Credit Risk

We maintain credit policies with regard to our counterparties for propane procurement that we believe significantly minimize overall credit risk. These policies include an evaluation of counterparties' financial condition (including credit ratings), and entering into agreements with counterparties that govern credit guidelines.

These counterparties consist of major energy companies who are suppliers, wholesalers, retailers, end users and financial institutions. The overall impact due to certain changes in economic, regulatory and other events may impact our overall exposure to credit risk, either positively or negatively in that counterparties may be similarly impacted. Based on our policies, exposures, credit and other reserves, management does not anticipate a material adverse effect on financial position or results of operations as a result of counterparty performance.

Interest Rate Risk

At January 31, 2010 and July 31, 2009, we had $179.1 million and $154.7 million, respectively, in variable rate credit facility borrowings. Thus, assuming a one percent increase in our variable interest rate, our interest rate risk related to the borrowings on our variable rate credit facility would result in a loss in future earnings of $1.8 million for the twelve months ending January 31, 2011. The preceding hypothetical analysis is limited because changes in interest rates may or may not equal one percent, thus actual results may differ.

ITEM 4. CONTROLS AND PROCEDURES.

An evaluation was performed by the management of Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp., Ferrellgas, L.P., and Ferrellgas Finance Corp., with the participation of the principal executive officer and principal financial officer of our general partner, of the effectiveness of our disclosure controls and procedures. Based on that evaluation, our management, including our principal executive officer and principal financial officer, concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act, were effective.

The management of Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp., Ferrellgas, L.P., and Ferrellgas Finance Corp. does not expect that our disclosure controls and procedures will prevent all errors and all fraud. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Based on the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the above mentioned Partnerships and Corporations have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events. Therefore, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Our disclosure controls and procedures are designed to provide such reasonable assurances of achieving our desired control objectives, and the principal executive officer and principal financial officer of our general partner have concluded, as of January 31, 2010, that our disclosure controls and procedures are effective in achieving that level of reasonable assurance.

During the most recent fiscal quarter ended January 31, 2010, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) or Rule 15d-15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Our operations are subject to all operating hazards and risks normally incidental to handling, storing, transporting and otherwise providing for use by consumers of combustible liquids such as propane. As a result, at any given time, we are threatened with or named as a defendant in various lawsuits arising in the

ordinary course of business. Currently, we are not a party to any legal proceedings other than various claims and lawsuits arising in the ordinary course of business. 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 reasonably expected to have a material adverse effect on our financial condition, results of operations and cash flows.

We have been named as a defendant in lawsuits filed in multiple federal and state courts that seek to certify nationwide or statewide classes. The plaintiffs in each case generally allege that we failed to inform consumers of the amount of propane contained in propane tanks they purchased related to our Blue Rhino branded propane tank exchange activities. The federal cases have been coordinated for multidistrict treatment in the United States District Court for the Western District of Missouri. Based on our business and consumer notification practices in our Blue Rhino tank exchange operations, we believe that all of these claims are without merit and intend to defend the claims vigorously.

ITEM 1A. RISK FACTORS.

None.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. RESERVED.

ITEM 5. OTHER INFORMATION.

None.

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ITEM 6. EXHIBITS.

The exhibits listed below are furnished as part of this Quarterly Report on Form 10-Q. Exhibits required by Item 601 of Regulation S-K of the Securities Act, which are not listed, are not applicable.

Exhibit Number	Description
3.1	Fourth Amended and Restated Agreement of Limited Partnership of Ferrellgas Partners, L.P. dated as of February 18, 2003. Incorporated by reference to Exhibit 3.1 to our registration statement on Form S-3 filed March 6, 2009.
3.2	First Amendment to Fourth Amended and Restated Agreement of Limited Partnership of Ferrellgas Partners, L.P. dated as of March 8, 2005. Incorporated by reference to Exhibit 3.2 to our registration statement on Form S-3 filed March 6, 2009.
3.3	Second Amendment to Fourth Amended and Restated Agreement of Limited Partnership of Ferrellgas Partners, L.P. dated as of June 29, 2005. Incorporated by reference to Exhibit 3.3 to our registration statement on Form S-3 filed March 6, 2009.
3.4	Third Amendment to Fourth Amended and Restated Agreement of Limited Partnership of Ferrellgas Partners, L.P. dated as of October 11, 2006. Incorporated by reference to Exhibit 3.4 to our registration statement on Form S-3 filed March 6, 2009.
3.5	Certificate of Incorporation of Ferrellgas Partners Finance Corp. filed with the Delaware Division of Corporations on March 28, 1996. Incorporated by reference to Exhibit 3.6 to our registration statement on Form S-3 filed March 6, 2009.
3.6	Bylaws of Ferrellgas Partners Finance Corp. Incorporated by reference to Exhibit 3.7 to our registration statement on Form S-3 filed March 6, 2009.
3.7	Third Amended and Restated Agreement of Limited Partnership of Ferrellgas, L.P. dated as of April 7, 2004. Incorporated by reference to Exhibit 3.5 to our registration statement on Form S-3 filed March 6, 2009.
3.8	Certificate of Incorporation of Ferrellgas Finance Corp. filed with the Delaware Division of Corporations on January 16, 2003. Incorporated by reference to Exhibit 3.8 to our registration statement on Form S-3 filed March 6, 2009.
3.9	Bylaws of Ferrellgas Finance Corp. adopted as of January 16, 2003. Incorporated by reference to Exhibit 3.9 to our registration statement on Form S-3 filed March 6, 2009.
4.1	Specimen Certificate evidencing Common Units representing Limited Partner Interests. Incorporated by reference to Exhibit A of Exhibit 3.1 to our registration statement on Form S-3 filed March 6, 2009.
4.2	Indenture dated as of September 24, 2002, with form of Note attached, among Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp. and U.S. Bank National Association, as trustee, relating to $170,000,000 aggregate principal amount of the Registrant's 8 ¾% Senior Notes due 2012. Incorporated by reference to Exhibit 4.2 to our Quarterly Report on Form 10-Q filed March 10, 2009.

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4.3	Indenture dated as of April 20, 2004, with form of Note attached, among Ferrellgas Escrow LLC, Ferrellgas Finance Escrow Corporation and U.S. Bank National Association, as trustee, relating to 6 ¾% Senior Notes due 2014. Incorporated by reference to Exhibit 4.3 to our Quarterly Report on Form 10-Q filed March 10, 2009.
4.4	Ferrellgas, L.P. Note Purchase Agreement dated as of July 1, 1998, relating to: $109,000,000 6.99% Senior Notes, Series A, due August 1, 2005, $37,000,000 7.08% Senior Notes, Series B, due August 1, 2006, $52,000,000 7.12% Senior Notes, Series C, due August 1, 2008, $82,000,000 7.24% Senior Notes, Series D, due August 1, 2010, and $70,000,000 7.42% Senior Notes, Series E, due August 1, 2013. Incorporated by reference to Exhibit 4.4 to our Quarterly Report on Form 10-Q filed March 10, 2009.
4.5	Ferrellgas, L.P. Note Purchase Agreement dated as of February 1, 2000, relating to: $21,000,000 8.68% Senior Notes,

	Series A, due August 1, 2006, $90,000,000 8.78% Senior Notes, Series B, due August 1, 2007, and $73,000,000 8.87% Senior Notes, Series C, due August 1, 2009. Incorporated by reference to Exhibit 4.5 to our Quarterly Report on Form 10-Q filed March 10, 2009.
4.6	Indenture dated as of August 4, 2008, with form of Note attached, among Ferrellgas, L.P., Ferrellgas Finance Corp. and U.S. Bank National Association, as trustee, relating to 6 ¾% Senior Notes due 2014. Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed August 5, 2008.
4.7	Indenture dated as of September 14, 2009 with form of Note attached, among Ferrellgas, L.P., Ferrellgas Finance Corp. and U.S. Bank National Association, as trustee, relating to 9 1/8% Senior Notes due 2017. Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed September 14, 2009.
4.8	Registration Rights Agreement dated as of September 14, 2009, by and among Ferrellgas, L.P., Ferrellgas Finance Corp. and the initial purchasers named therein. Incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed September 14, 2009.
4.9	Registration Rights Agreement dated as of August 4, 2008, by and among Ferrellgas, L.P., Ferrellgas Finance Corp. and the initial purchasers named therein. Incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed August 5, 2008.
4.10	Registration Rights Agreement dated as of December 17, 1999, by and between Ferrellgas Partners, L.P. and Williams Natural Gas Liquids, Inc. Incorporated by reference to Exhibit 4.8 to our Quarterly Report on Form 10-Q filed March 10, 2009.
4.11	First Amendment to Registration Rights Agreement dated as of March 14, 2000, by and between Ferrellgas Partners, L.P. and Williams Natural Gas Liquids, Inc. Incorporated by reference to Exhibit 4.9 to our Quarterly Report on Form 10-Q filed March 10, 2009.

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4.12	Second Amendment to Registration Rights Agreement dated as of April 6, 2001, by and between Ferrellgas Partners, L.P. and The Williams Companies, Inc. Incorporated by reference to Exhibit 4.10 to our Quarterly Report on Form 10-Q filed March 10, 2009.
4.13	Third Amendment to Registration Rights Agreement dated as of June 29, 2005, by and between Ferrellgas Partners, L.P. and JEF Capital Management, Inc. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed June 30, 2005.
10.1	Credit Agreement dated as of November 2, 2009, among Ferrellgas, L.P. as the borrower, Ferrellgas, Inc. as the general partner of the borrower, Bank of America, N.A. as administrative agent, swing line lender and L/C issuer, and the lenders party hereto. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed November 4, 2009.
10.2	Amended and Restated Receivable Interest Sale Agreement dated as of June 7, 2005 between Ferrellgas, L.P., as originator, and Ferrellgas Receivables, LLC, as buyer. Incorporated by reference to Exhibit 10.9 to our Quarterly Report on Form 10-Q filed June 8, 2005.
10.3	Amendment No. 1 to Amended and Restated Receivable Interest Sale Agreement and Subordinated Note dated as of June 6, 2006 between Ferrellgas, L.P., as originator, and Ferrellgas Receivables, LLC, as buyer. Incorporated by reference to Exhibit 10.11 to our Quarterly Report on Form 10-Q filed on June 8, 2006.
10.4	Amendment No. 2 to Amended and Restated Receivable Interest Sale Agreement dated as of August 16, 2006 between Ferrellgas, L.P., as originator, and Ferrellgas Receivables, LLC, as buyer. Incorporated by reference to Exhibit 10.6 to our Annual Report on Form 10-K filed October 12, 2006.
10.5	Amendment No. 3 to Amended and Restated Receivable Interest Sale Agreement dated as of May 31, 2007 between Ferrellgas, L.P., as originator, and Ferrellgas Receivables, LLC, as buyer. Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K Filed June 1, 2007.
10.6	Amendment No. 4 to Amended and Restated Receivable Interest Sale Agreement dated as of May 5, 2008 between Ferrellgas, L.P., as originator, and Ferrellgas Receivables, LLC, as buyer. Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K Filed May 6, 2008.
10.7	Second Amended and Restated Receivable Sale Agreement dated as of April 15, 2009 between Ferrellgas, L.P., as originator, and Ferrellgas Receivables, LLC, as buyer. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K Filed April 20, 2009.
10.8	Second Amended and Restated Receivables Purchase Agreement dated as of June 6, 2006, among Ferrellgas Receivables, LLC, as seller, Ferrellgas, L.P., as servicer, Jupiter Securitization Corporation, the financial institutions from time to time party hereto, Fifth Third Bank and JPMorgan Chase Bank, NA, as agent. Incorporated by reference to Exhibit 10.19 to our Quarterly Report on Form 10-Q filed June 8, 2006.

		10.9	Amendment No. 1 to Second Amended and Restated Receivables Purchase Agreement dated as of August 16, 2006, by and among Ferrellgas Receivables, LLC, as seller, Ferrellgas, L.P., as servicer, JP Morgan Chase Bank, N.A., Jupiter Securitization Company, LLC, Fifth Third Bank and JPMorgan Chase Bank, N.A., as agent. Incorporated by reference to Exhibit 99.2 to our Current Report on Form 8-K filed August 18, 2006.
		10.10	Amendment No. 2 to Second Amended and Restated Receivables Purchase Agreement dated as of May 31, 2007, by and among Ferrellgas Receivables, LLC, as seller, Ferrellgas, L.P., as servicer, JP Morgan Chase Bank, N.A., Jupiter Securitization Company, LLC, Fifth Third Bank and JPMorgan Chase Bank, N.A., as agent. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed June 1, 2007.
		10.11	Amendment No. 3 to Second Amended and Restated Receivables Purchase Agreement dated as of May 5, 2008, by and among Ferrellgas Receivables, LLC, as seller, Ferrellgas, L.P., as servicer, JP Morgan Chase Bank, N.A., Falcon Asset Securitization Company, LLC, as assignee of Jupiter Securitization Company, LLC, Fifth Third Bank and JPMorgan Chase Bank, N.A,. as agent. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed May 6, 2008.
		10.12	Third Amended and Restated Receivables Purchase Agreement dated as of April 15, 2009, among Ferrellgas Receivables, LLC, as seller, Ferrellgas, L.P., as servicer, Falcon Asset Securitization Company, LLC, the financial institutions from time to time party hereto, Fifth Third Bank and JPMorgan Chase Bank, N.A., as agent. Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed April 20, 2009.
		10.13	Assignment and Amendment Agreement dated as of May 20, 2009, by and between Falcon Asset Securitization Company, LLC as assignor and JS Siloed Trust as assignee. Incorporated by reference to Exhibit 10.19 to our Annual Report on Form 10-K filed September 28, 2009.
#	*	10.14	Ferrell Companies, Inc. Supplemental Savings Plan, as amended and restated effective January 1, 2010.
#		10.15	Amended and Restated Ferrellgas Unit Option Plan. Incorporated by reference to Exhibit 10.17 to our Quarterly Report on Form 10-Q filed March 10, 2009.
#		10.16	Ferrell Companies, Inc. 1998 Incentive Compensation Plan, as amended and restated effective October 11, 2004. Incorporated by reference to Exhibit 10.22 to our Annual Report on Form 10-K filed September 28, 2009.
#		10.17	Employment, Confidentiality, and Noncompete Agreement dated as of July 17, 1998 by and among Ferrell Companies, Inc. as the company, Ferrellgas, Inc. as the company, James E. Ferrell as the executive and LaSalle National Bank as trustee of the Ferrell Companies, Inc. Employee Stock Ownership Trust. Incorporated by reference to Exhibit 10.19 to our Quarterly Report on Form 10-Q filed March 10, 2009.

#		10.18	Waiver to Employment, Confidentiality, and Noncompete Agreement dated as of December 19, 2006 by and among Ferrell Companies, Inc. as the company, Ferrellgas, Inc. as the company, James E. Ferrell as the executive and Greatbanc Trust Company as successor trustee to LaSalle National Bank. Incorporated by reference to Exhibit 10.19 to our Quarterly Report on Form 10-Q filed March 9, 2007.
#		10.19	Amended and Restated Change In Control Agreement dated as of March 5, 2008 by and between Ferrellgas, Inc. as the company and Patrick J. Walsh as the executive. Incorporated by reference to exhibit 10.25 to our Quarterly Report on Form 10-Q filed March 7, 2008.
#		10.20	Change In Control Agreement dated as of March 5, 2008 by and between Ferrellgas, Inc. as the company and Richard V. Mayberry as the executive. Incorporated by reference to exhibit 10.28 to our Quarterly Report on Form 10-Q filed March 7, 2008.
#		10.21	Change In Control Agreement dated as of October 9, 2006 by and between Ferrellgas, Inc. as the company and James E. Ferrell as the executive. Incorporated by reference to Exhibit 10.30 to our Annual Report on Form 10-K filed October 12, 2006.
#		10.22	Employment Agreement dated as of August 10, 2009 by and between Ferrellgas, Inc. as the company and Stephen L. Wambold as the executive. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed August 10, 2009.
#		10.23	Employment Agreement dated as of August 10, 2009 by and between Ferrellgas, Inc. as the company and James R. VanWinkle as the executive. Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed August 10, 2009.
#		10.24	Employment Agreement dated as of August 10, 2009 by and between Ferrellgas, Inc. as the company and Jennifer Boren as the executive. Incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed August 10, 2009.
#		10.25	Employment Agreement dated as of August 10, 2009 by and between Ferrellgas, Inc. as the company and Tod Brown as

		the executive. Incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K filed August 10, 2009.
#	10.26	Employment Agreement dated as of August 10, 2009 by and between Ferrellgas, Inc. as the company and Eugene D. Caresia as the executive. Incorporated by reference to Exhibit 10.5 to our Current Report on Form 8-K filed August 10, 2009.
#	10.27	Employment Agreement dated as of August 10, 2009 by and between Ferrellgas, Inc. as the company and George L. Koloroutis as the executive. Incorporated by reference to Exhibit 10.6 to our Current Report on Form 8-K filed August 10, 2009.
#	10.28	Agreement and release dated as of December 4, 2007 by and among Ferrell Companies, Inc., Ferrellgas, Inc., Ferrellgas Partners L.P., Ferrellgas L.P. and Brian J. Kline as the employee. Incorporated by reference to Exhibit 10.33 to our Quarterly Report on Form 10-Q filed December 6, 2007.

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#	10.29	Agreement and release dated as of March 28, 2008 by and among Ferrell Companies, Inc., Ferrellgas, Inc., Ferrellgas Partners L.P., Ferrellgas, L.P. and Kevin T. Kelly as the employee. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed March 28, 2008.
#	10.30	Services Agreement dated as of September 26, 2008 between Samson Dental Practice Management, LLC as the client and Ferrellgas, L.P. as the provider. Incorporated by reference to Exhibit 10.33 to our Annual Report on Form 10-K filed September 29, 2008.
#	10.31	Amendment No. 1 to Services Agreement dated as of May 1, 2009 between Samson Dental Practice Management, LLC as the client and Ferrellgas, L.P. as the provider. Incorporated by reference to Exhibit 99.1 to our Current Report on Form 8-K filed May 4, 2009.
*	31.1	Certification of Ferrellgas Partners, L.P. pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
*	31.2	Certification of Ferrellgas Partners Finance Corp. pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
*	31.3	Certification of Ferrellgas, L.P. pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
*	31.4	Certification of Ferrellgas Finance Corp. pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
*	32.1	Certification of Ferrellgas Partners, L.P. pursuant to 18 U.S.C. Section 1350.
*	32.2	Certification of Ferrellgas Partners Finance Corp. pursuant to 18 U.S.C. Section 1350.
*	32.3	Certification of Ferrellgas, L.P. pursuant to 18 U.S.C. Section 1350.
*	32.4	Certification of Ferrellgas Finance Corp. pursuant to 18 U.S.C. Section 1350.

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* Filed herewith
\# Management contracts or compensatory plans.

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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: March 10, 2010

By /s/ J. Ryan VanWinkle
J. Ryan VanWinkle
Senior Vice President and Chief Financial Officer;
Treasurer (Principal Financial and Accounting Officer)

FERRELLGAS PARTNERS FINANCE CORP.

Date:	March 10, 2010	By	/s/ J. Ryan VanWinkle J. Ryan VanWinkle Chief Financial Officer and Sole Director

FERRELLGAS, L.P.

By Ferrellgas, Inc. (General Partner)

Date:	March 10, 2010	By	/s/ J. Ryan VanWinkle J. Ryan VanWinkle Senior Vice President and Chief Financial Officer; Treasurer (Principal Financial and Accounting Officer)

FERRELLGAS FINANCE CORP.

Date:	March 10, 2010	By	/s/ J. Ryan VanWinkle J. Ryan VanWinkle Chief Financial Officer and Sole Director

Exhibit 10.14

FERRELL COMPANIES, INC.
SUPPLEMENTAL SAVINGS PLAN

AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2010

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(continued)

FERRELL COMPANIES, INC.
SUPPLEMENTAL SAVINGS PLAN

INTRODUCTION

ARTICLE I
GENERAL

1.1 **History, Purpose and Effective Date**. Ferrell Companies, Inc. (the "Company"), has heretofore established the Ferrell Companies, Inc. 401(k) Investment Plan (the "Savings Plan") for its eligible employees. The Company has also heretofore established this Ferrell Companies, Inc. Supplemental Savings Plan (the "Plan") to provide certain highly compensated employees of the Company with the opportunity to defer the receipt of compensation and to receive additional retirement income from the Company. The Plan was amended, restated and continued to comply with section 409A of the Internal Revenue Code of 1986, as amended (the "Code") effective as of January 1, 2009. The following provisions constitute an amendment, restatement and continuation of the Plan as in effect immediately prior to January 1, 2010, the "Effective Date" of the Plan as set forth herein. The Plan is not intended to qualify under section 401(a) of the Code, or to be subject to Part 2, 3 or 4 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). It is intended that the provisions of the Plan conform to the requirements of section 409A of the Code and the Plan will be interpreted in all respects in accordance with such requirements. The provisions of the Plan as set forth herein shall apply from and after the Effective Date with respect to distributions commencing on or after the Effective Date.

1.2 **Definitions.** Capitalized terms not otherwise defined in the Plan shall have the meanings set forth in Article II, unless the context plainly requires a different meaning:

1.3 **Source of Benefits.** The amount of any benefit payable under the Plan will be paid in cash from the general assets of the Company. The Company's obligation under the Plan shall be reduced to the extent that any amounts due under the Plan are paid from one or more trusts, the assets of which are subject to the claims of the general creditors of the Company; provided, however, that nothing in this Plan shall require the Company to establish any trust to provide benefits under the Plan. All amounts payable under the Plan shall be reflected on the accounting records of the Company. No employee or other individual entitled to benefits under the Plan shall have any right, title or interest whatsoever in any assets of the Company or any of its affiliates or to any investment reserves, accounts or funds that the Company may purchase, establish or accumulate to aid in providing the benefits under the Plan. Neither an employee nor a beneficiary of an employee shall acquire any interest greater than that of an unsecured creditor of the Company.

1.4 **Notices.** Any notice or document required to be given to or filed with the Company, the Administrator or the Committee shall be considered to be given or filed if mailed by registered or certified mail, postage prepaid, to the Secretary of the Company, at the Company's principal executive offices. Each Participant and each beneficiary shall file with the Administrator, from time to time, in writing, the post office address of the Participant, the post office address of each of his Beneficiary, and each change of post office address. Any communication, statement or notice addressed to the last post office address filed with the Administrator (or if no such address was filed with the Administrator, then to the last post office address of the Participant or Beneficiary as shown on the Company's records) shall be binding on the Participant and each Beneficiary for all purposes of the Plan, and neither the Administrator nor the Company shall be obligated to search for or ascertain the whereabouts of any Participant or Beneficiary.

1.5 **Applicable Law.** The Plan shall be construed and administered in accordance with the internal laws of the State of Missouri to the extent not superseded by the laws of the United States of America..

1.6 **Gender and Number.** Where the context admits, words in any gender shall include any other gender, words in the singular shall include the plural and the plural shall include the singular.

1.7 **Action by Company.** Any action required or permitted to be taken under the Plan by the Company shall be by resolution of its board of directors or by a person or persons authorized by its board of directors.

1.8 **Severability**. If any provision of the Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan, but the Plan shall be construed and enforced as if such illegal or invalid provision had never been included herein.

1.9 **Nonassignment**. No Participant shall have the power to pledge, transfer, assign, anticipate, mortgage or otherwise encumber or dispose of in advance any interest in amounts payable hereunder or any of the payments provided for herein, nor shall any interest in amounts payable hereunder or in any payments be subject to seizure for payment of any Participant's debts, judgments, alimony or separate maintenance, or be reached or transferred by operation of law in the event of any Participant's bankruptcy, insolvency or otherwise.

ARTICLE II
DEFINITIONS

Wherever used in the Plan, the following words and phrases shall have the meaning set forth below, unless the context plainly requires a different meaning:

(a) **"Account"** means the hypothetical account established on behalf of the Participant, as described in Section 5.1.

(b) **"Administrator"** means the person or persons described in Article VII.

(c) **"Beneficiary"** means the legal or natural person or persons to whom a Participant's benefits under the Plan are to be paid if the Participant dies before he receives all of his benefits. A Participant shall designate the Beneficiary(ies) (which can be designated successively or contingently) and the portion of the Participant's Vested Account Balance to be paid to each of them by filing a signed beneficiary designation form with the Administrator. The beneficiary designation form will be effective only when it is filed with the Administrator while the Participant is alive and will cancel all beneficiary designation form filed earlier. If a deceased Participant failed to designate a beneficiary as provided above, or if the designated beneficiary of a deceased Participant died before him, his benefits shall be paid in accordance with beneficiary designation form then on file for him under the Savings Plan or, if there is no such beneficiary designation form on file (or if all beneficiaries designated under the Savings Plan have died before the Participant), in the following order of priority: (i) to the Participant's surviving spouse; or if none, (ii) to the Participant's children, *per stirpes*; or if none, (iii) to the Participant's estate.

(d) **"Board"** means the governing body of the Company.

(e) **"Bonus Compensation"** means any incentive compensation payable under the Company's annual bonus plan.

(f) **"Bonus Deferral Election"** means an election filed by an eligible employee or Participant pursuant to which the Participant elects to defer receipt of a specified amount of his Bonus Compensation for a Fiscal Year and to have such amount contributed to the Plan as a Deferral Contribution.

(g) **"Code"** means the Internal Revenue Code of 1986, as amended from time to time.

(h) **"Committee"** means the executive compensation committee of the Board, if any, otherwise, the Board or its designee.

(i) **"Company"** means Ferrell Companies, Inc. and any successor thereto.

(j) **"Compensation"** means an eligible employee's base salary, excluding expense reimbursements, fringe benefits, non-cash amounts and any Bonus Compensation.

(k) **"Deferral Contribution"** means the amount contributed to the Plan on behalf of a Participant pursuant to his Deferral Election and/or Bonus Deferral Election.

(l) **"Deferral Election"** means an election filed by an eligible employee or Participant pursuant to which the Participant elects to defer receipt of a specified amount of his Compensation for a Plan Year and to have such amount contributed to the Plan as a Deferral Contribution.

(m) **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended from time to time.

(n) **"Fiscal Year"** means the Company's fiscal year, which shall be the period commencing on August 1 and ending on the following July 31.

(o) **"Participant"** means an eligible employee of the Company who is participating in the Plan in accordance with Article III.

(p) **"Plan"** means the Ferrell Companies, Inc. Supplemental Savings Plan, as set forth herein.

(q) **"Plan Year"** means the calendar year.

(r) **"Savings Plan"** means the Ferrell Companies, Inc. 401(k) Investment Plan.

(s) **"Separation from Service"** means a Participant's termination of employment from the Company and its affiliates which constitutes a "separation from service" within the meaning of Code Section 409A or applicable guidance or regulations thereunder by applying the default provisions thereof.

(t) **"Specified Employee"** shall be as defined in accordance with Section 409A and applicable regulations thereunder.

(u) **"Unforeseeable Emergency"** means an unforeseeable, severe financial hardship to a Participant resulting from:

(i) a sudden and unexpected illness or accident of the Participant or his dependent (as defined in Code Section 152(a), without regard to Code Sections 152(b)(1), (b)(2) and (d)(1)(B));

(ii) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to the home not otherwise covered by insurance); or

(iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

Neither the need to send a child to college nor the purchase of a home shall constitute an Unforseeable Emergency. Whether a Participant has an Unforeseeable Emergency shall be determined based on the relevant facts and circumstances of the applicable situation but, in any case, a distribution shall not be considered to be on account of an Unforeseeable Emergency to the extent that the emergency is or may be relieved through reimbursement or compensation from insurance or otherwise or by liquidation of the Participant's assets (to the extent that the liquidation of such assets would not cause severe financial hardship). Distributions on account of an Unforeseeable Emergency shall be limited to the amount reasonably necessary to satisfy the emergency need (including amounts necessary to pay any federal, state, local or foreign income taxes or penalties reasonably anticipated to result from the distribution).

(v) **"Valuation Date"** means the last business day of each calendar quarter, the date as of which a Participant's benefits under the Plan are to be determined and such other dates as determined from time to time by the Administrator.

(w) **"Vested Account Balance"** means that portion, if any, of a Participant's Account that is vested, determined as follows: (i) the portion of a Participant's Account attributable to Deferral Contributions shall at all times be 100% vested, (ii) the portion of a Participant's Account attributable to Company Contributions shall be vested as if such contributions were matching contributions that had been made under the provisions of the Savings Plan, and (iii) the portion of a Participant's Account attributable to Discretionary Contributions shall be vested as determined by the Committee and communicated to the Participant under procedures established by the Administrator at the time such contributions are made. Notwithstanding any other provision of the Plan to the contrary, if a Participant's Separation from Service is the result of termination "for cause," no benefits shall be payable to the Participant under the Plan and his Vested Account Balance shall be zero. A Participant shall be deemed to have been terminated "for cause" if his Separation from Service occurs as a result of the Participant's fraud, misappropriation or embezzlement of funds or property of the Company or any of its affiliates. The Committee shall determine whether a Participant's Separation from Service is "for cause." Unless otherwise determined by the Committee, the following vesting schedule shall apply to Company Contributions and Discretionary Contributions:

Years of Service	Percentage Vested
Less than 1	0%
1 but less than 2	20%
2 but less than 3	40%
3 but less than 4	60%
4 but less than 5	80%
5 or more	100%

ARTICLE III
ELIGIBILITY AND PARTICIPATION

3.1 <u>**Eligibility**</u>. The Committee shall designate from time to time those employees of the Company who shall participate in the Plan for any Plan Year (or, with respect to deferrals of Bonus Compensation, any Fiscal Year); provided, however, that such employees must be eligible to make pre-tax contributions to the Savings Plan for the Plan Year or Fiscal Year, as applicable, and must be members of a select group of management or highly compensated employees, as such group is described in Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA.

3.2 <u>**Participation**</u>. An eligible employee of the Company shall become a "Participant" in the Plan on the first day of the first Plan Year (or, with respect to Bonus Compensation, the Fiscal Year) following the date that he is first designated as an eligible employee by the Committee and for which the Participant has in effect a Deferral Election or Bonus Deferral Election, as applicable, or, if earlier, the date on which Discretionary Contributions are credited to his Account under the Plan. The participation of any Participant may be suspended or terminated by the Committee at any time, but no such suspension or termination shall become effective prior to the first day of the next Plan Year (or, with respect to deferrals of Bonus Compensation, the first day of the next Fiscal Year) or shall operate to reduce the balance in the Participant's Account as of the Valuation Date that preceded or coincides with the date of such suspension or termination without such Participant's consent. An employee shall cease to be a Participant when he has a Separation from Service and the balance in his Account has been distributed under the terms of the Plan.

3.3 <u>**Plan Not Contract of Employment**</u>**.** The Plan does not constitute a contract of employment, and nothing in the Plan will give any Participant either the right to be retained in the employ of the Company or any of its affiliates, or any right or claim to any benefit under the Plan, except to the extent specifically provided under the terms of the Plan.

ARTICLE IV
CONTRIBUTIONS

4.1 <u>**Deferral Election and Bonus Deferral Election Procedures**</u>.

(a) Each eligible employee or Participant may file a Deferral Election for the portion of the Participant's Compensation (not to exceed 25 percent unless otherwise provided by the Administrator) that shall be credited to his Account in accordance with Article V for any Plan Year. Each eligible employee or Participant may file a Bonus Deferral Election for the portion of the Participant's Bonus Compensation (not to exceed 25 percent unless otherwise provided by the Administrator) that shall be credited to his Account in accordance with Article V for any Fiscal Year.

(b) A Deferral Election shall be properly completed, executed and delivered to the Administrator prior to the first day of the Plan Year for which the Deferral Election is to be effective and shall be irrevocable as of the December 31 of the year prior to the Plan Year for which it is to be effective (or such earlier date specified by the Administrator). No Deferral Elections for a Plan Year will be accepted after December 31 of the preceding Plan Year. No more than one Deferral Election may be entered into with respect to a Plan Year.

(c) A Bonus Deferral Election shall be properly completed, executed and delivered to the Administrator prior to the first day of the Fiscal Year for which the Bonus Deferral Election is to be effective and shall be irrevocable as of the last day of the Fiscal Year preceding the Fiscal Year for which it is to be effective (or such earlier date specified by the Administrator). No Bonus Deferral Elections for a Fiscal Year will be accepted after the last day of the preceding Fiscal Year. No more than one Bonus Deferral Election may be entered into with respect to a Fiscal Year.

(d) Each Deferral Election shall expire as of the last day of the Plan Year to which it relates and a new Deferral Election will be required for each Plan Year. Each Bonus Deferral Election shall expire as of the last day of the Fiscal Year to which it relates and a new Bonus Deferral Election will be required for each Fiscal Year. Once a Deferral Election has become effective and irrevocable for a Plan Year, any modification or revocation thereof shall not become effective until the first day of the first Plan Year following the date of such modification or revocation except as otherwise specifically provided in the Plan, and (ii) once a Bonus Deferral Election has become effective and irrevocable for a Fiscal Year, any modification or revocation thereof shall not become effective until the first day of the first Fiscal Year following the date of such modification or revocation except as otherwise specifically provided in the Plan.

4.2 **<u>Company Contributions</u>**. Subject to such limitations as the Committee may from time to time impose, if a Participant has filed (i) a Deferral Election under the Plan for a Plan Year or (ii) a Bonus Deferral Election under the Plan for the Fiscal Year that ends with or within a Plan Year, the, for such Plan Year, the Participant's Account shall be credited with a "Company Contribution" equal to:

(a) 50% of the sum of the Participant's salary deferrals under the Savings Plan for such Plan Year <u>plus</u> the Participant's Deferral Contributions for such Plan Year (including Deferral Contributions attributable to the Participant's Bonus Deferral Election for the Fiscal Year that ends with or within such Plan Year) under the Plan that, in the aggregate, do not exceed eight percent of the sum of the Participant's Compensation and Bonus Compensation for such Plan Year (with the Bonus Compensation being equal to the Bonus Compensation payable to the Participant for the Fiscal Year that ends with or within the Plan Year);

<u>MINUS</u>

(b) the amount of matching contributions made on the Participant's behalf under the Savings Plan for such Plan Year.

Notwithstanding the foregoing provisions of this Section 4.2, in no event will a Participant be entitled to Company Contributions under the Plan for a Plan Year unless the Participant has made the maximum permitted salary deferrals to the Savings Plan for such Plan Year.

4.3 **<u>Discretionary Contributions</u>**. The Company, in its sole discretion, may cause the Administrator to credit an additional amount (a "Discretionary Contribution") to a Participant's Account for any Plan Year. Notwithstanding the foregoing, in no event shall a Discretionary Contribution be an offset to or in lieu of any other payment or benefit to which the Participant already has a legally binding right at the time of such contribution and, to the extent that the Discretionary Contribution is to be made only if the Participant made contributions to the Savings Plan, such contribution shall be made for a Plan Year only if the Participant has made the maximum permitted salary deferrals to the Savings Plan for such Plan Year.

ARTICLE V
ACCOUNTS AND ACCOUNTING

5.1 **<u>Accounts</u>**. The Administrator shall establish and maintain one or more Accounts for each Participant, consisting of Deferral Contributions, Company Contributions and Discretionary Contributions made on behalf of the Participant in accordance with Article IV. All amounts credited to a Participant's Account shall be credited solely for purposes of accounting and computation, and they shall remain assets of the Company subject to the claims of the Company's general creditors. A Participant shall have no interest in or right to such Account at any time.

5.2 **<u>Valuation of Accounts</u>**. The value of a Participant's Account shall be determined as of each Valuation Date by the Administrator in the following manner:

(a) <u>first</u>, adjust the Account balance for the applicable gains, losses, earnings and expenses, in accordance with Section 5.3;

(b) <u>then</u>, the Participant's Account shall be credited with the amount of any Deferral Contributions to be credited in accordance with Section 4.1, the amount of Company Contributions to be credited in accordance with Section 4.2 and the amount of any Discretionary Contributions to be credited in accordance with Section 4.3, in each case that have not previously been credited; and

(c) <u>then</u>, the Participant's Account shall be charged with the amount of any distributions under the Plan with respect to that Account that have not previously been charged.

All allocations to, adjustments of and deductions from a Participant's Account under this Section 5.2 shall be deemed to have been made on the applicable Valuation Date, in the order of priority set forth in this Section 5.2, even though actually determined at a later date.

5.3 **Adjustment of Accounts for Earnings.** The amounts credited to a Participant's Account in accordance with Section 5.2 shall be adjusted as of each Valuation Date to reflect the value of an investment equal to the Participant's Account balance in one or more assumed investments that the Committee offers from time to time, and which the Participant directs the Committee to use for purposes of adjusting his Account. The Committee shall retain overriding discretion over the selection of investment vehicles, and the Committee may change, alter or modify its investment policy as it deems appropriate from time to time.

ARTICLE VI
PAYMENT OF BENEFITS

6.1 **Entitlement to Benefit Payments**. Upon a Participant's Separation from Service, the Participant shall be entitled to payment of his Vested Account Balance, payable by the Company in the form set forth in Section 6.2. Any portion of the Participant's Account that is not vested as of the date of his Separation from Service shall be forfeited and neither the Participant nor any other person shall have any right thereto.

6.2 **Payment of Benefits**. Subject to the terms and conditions of the Plan. payment of a Participant's Vested Account Balance shall be paid to him in a lump sum within ninety (90) days following his Separation from Service. If the Participant's Separation from Service occurs on account of his death, payment of his Vested Account Balance shall be made to his Beneficiary in a lump sum within ninety (90) days following the Participant's death.

6.3 **Hardship Withdrawals**. The Administrator may, pursuant to rules adopted by it and applied in a uniform manner, accelerate the date of distribution of a Participant's Vested Account Balance because of an Unforeseeable Emergency at any time. Distributions on account of an Unforeseeable Emergency shall be limited to the amount reasonably necessary to satisfy the emergency need (including amounts necessary to pay any federal, state, local or foreign income taxes or penalties reasonably anticipated to result from the distribution). Distribution pursuant to this Section 6.3 of less than the Participant's entire Vested Account Balance shall be made pro rata from his assumed investments according to the balances in such investments. Subject to the foregoing, payment of any amount with respect to which a Participant has filed a request under this Section 6.3 shall be made in a lump sum as soon as practicable (but in no event more than ninety (90) days) after approval of such request by the Administrator.

6.4 **Specified Employees.** If a Participant is a Specified Employee at the time of his separation from service, payment of the Participant's Vested Account Balance shall be made on the earlier of (a) on the later of (i) the date otherwise scheduled for such payment or (ii) the first day of the seventh month following such separation from service or (b) the date of the Participant's death. Any payment under this Section 6.4 shall be made as soon as practicable after the date specified but in no later than ninety (90) days after such date.

6.5 **Accelerated Distribution.** If the Plan fails to meet the requirements of Code Section 409A with respect to any Participant, the Participant will receive a distribution equal to the amount required to be included in income as a result of the failure but in no event greater than his Vested Account Balance.

6.6 **Withholding for Tax Liability**. The Company may withhold or cause to be withheld from any payment of benefits made pursuant to the Plan or any Deferral

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Contributions to be credited under the Plan any taxes required to be withheld with regard to such payment or contribution. Notwithstanding the foregoing, withholding of Deferral Contributions under the Plan shall be limited to (a) the amount required to pay the tax imposed by the Federal Insurance Contributions Act ("FICA") under sections 3101, 3121(a) and 3121(v) on compensation deferred under the Plan (the "FICA Amount"), and (b) income tax imposed under section 3401 or the corresponding withholding provisions of applicable state, local or foreign tax laws as a result of the payment of the FICA Amount and to pay the additional income tax attributable to the pyramiding of wages under section 3401 and taxes. Notwithstanding the foregoing, the total amount of withholding pursuant to the preceding sentence shall not exceed the aggregate FICA Amount and the income tax withholding related to such FICA Amount.

6.7 **Incapacity**. If any person to whom a benefit is payable under the Plan is an infant, or if the Administrator determines that any person to whom such benefit is payable is incompetent by reason of physical or mental disability, the Administrator may cause the payments becoming due to such person to be made to another for his benefit. Payments made pursuant to this Section 6.7 shall, as to such payment, operate as a complete discharge of the Plan, the Company, the Committee and the Administrator.

ARTICLE VII
ADMINISTRATION

7.1 **General**. The Administrator shall be the Committee, or such other person or persons as designated by the Board. Except as otherwise specifically provided in the Plan, the Administrator shall be responsible for the administration of the Plan. The Administrator shall be the "named fiduciary," within the meaning of Section 402(c)(2) of ERISA.

7.2 **Administrative Rules**. The Administrator may adopt such rules of procedure as it deems desirable for the conduct of its affairs, except to the extent that such rules conflict with the provisions of the Plan.

7.3 **Duties**. The Administrator shall have the following rights, powers and duties:

(a) The decision of the Administrator in matters within its jurisdiction shall be final, binding and conclusive upon each Participant and upon any other person affected by such decision, subject to the claims procedure hereinafter set forth.

(b) The Administrator shall have the duty and authority to conclusively interpret and construe the provisions of the Plan; to decide any question which may arise regarding the rights of employees, Participants and beneficiaries, and the amounts of their respective interests; to adopt such rules and to exercise such powers as the Administrator may deem necessary for the administration of the Plan; and to exercise any other rights, powers or privileges granted to the Administrator by the terms of the Plan.

(c) The Administrator shall maintain full and complete records of its decisions. Its records shall contain all relevant data pertaining to the Participants and their rights and duties under the Plan. The Administrator shall have the duty to maintain Account records of all Participants.

(d) The Administrator shall cause the principal provisions of the Plan to be communicated to the Participants, and a copy of the Plan and other documents shall be available at the principal office of the Company for inspection by the Participants at reasonable times determined by the Administrator.

(e) The Administrator shall periodically report to the Committee with respect to the status of the Plan.

ARTICLE VIII
CLAIMS PROCEDURE

8.1 **General**. Any claim for benefits under the Plan shall be filed with the Administrator by a Participant or beneficiary (a "claimant") on the form prescribed for such purpose by the Administrator.

8.2 **Denials**. If a claim for benefits under the Plan is wholly or partially denied, notice of the decision shall be furnished to the claimant by the Administrator within a reasonable period of time after receipt of the claim by the Administrator (but in no event more than ninety (90) days thereafter).

8.3 **Notice**. Any claimant who is denied a claim for benefits shall be furnished written notice setting forth:

(a) The specific reason or reasons for the denial;

(b) Specific reference to the pertinent provision of the Plan upon which the denial is based;

(c) A description of any additional material or information necessary for the claimant to perfect the claim; and

(d) An explanation of the claim review procedure under the Plan.

8.4 **Appeals Procedure**. In order that a claimant may appeal a denial of a claim, the claimant or the claimant's duly authorized representative may:

(a) Request a review by written application to the Administrator, or its designee, no latex than sixty (60) days after receipt by the claimant of written notification of denial of a claim;

(b) Review pertinent documents; and

(c) Submit issues and comments in writing.

8.5 **Review**. A decision on review of a denied claim shall be made not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered within a reasonable period of time, but not later than one hundred and twenty (120) days after receipt of a request for review. The decision on review shall be in writing and shall include the specific reasons for the decision and specific references to the pertinent provisions of the Plan on which the decision is based.

ARTICLE IX
MISCELLANEOUS PROVISIONS

9.1 **Amendment**. The Company reserves the right to amend the Plan, in any manner that it deems advisable, by a resolution of the Board. No amendment shall, without a Participant's consent, adversely affect the amount of that Participant's Vested Account Balance at the time the amendment becomes effective or the right of that Participant to receive a distribution of his Vested Account Balance.

9.2 **Termination**. The Company reserves the right to terminate the Plan at any time. No termination shall, without a Participant's consent, adversely affect the amount of that Participant's Vested Account Balance prior to the termination or the right of that Participant to receive a distribution of his Vested Account Balance. No termination of the Plan shall result in an acceleration of distribution of a Participant's benefits under the Plan except to the extent permitted under Code Section 409A.

9.3 **Successors and Assigns**. The provisions of the Plan are binding upon and inure to the benefit of the Company and its successors and assigns, and to each Participant and his beneficiaries, heirs, legal representatives and assigns.

CERTIFICATIONS
FERRELLGAS PARTNERS, L.P.

I, Stephen L. Wambold, certify that:

1. I have reviewed this report on Form 10-Q for the three months ended January 31, 2010 of Ferrellgas Partners, L.P. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 10, 2010

/s/ Stephen L. Wambold
Stephen L. Wambold
Chief Executive Officer and President of Ferrellgas, Inc.,
general partner of the Registrant

CERTIFICATIONS
FERRELLGAS PARTNERS, L.P.

I, J. Ryan VanWinkle, certify that:

1. I have reviewed this report on Form 10-Q for the three months ended January 31, 2010 of Ferrellgas Partners, L.P. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 10, 2010

/s/ J. Ryan VanWinkle
J. Ryan VanWinkle
Senior Vice President and Chief Financial Officer;
Treasurer (Principal Financial and Accounting Officer) of
Ferrellgas, Inc., general partner of the Registrant

CERTIFICATIONS
FERRELLGAS PARTNERS FINANCE CORP.

I, Stephen L. Wambold, certify that:

1. I have reviewed this report on Form 10-Q for the three months ended January 31, 2010 of Ferrellgas Partners Finance Corp. (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: March 10, 2010

/s/ Stephen L. Wambold
Stephen L. Wambold
Chief Executive Officer and President

CERTIFICATIONS
FERRELLGAS PARTNERS FINANCE CORP.

I, J. Ryan VanWinkle, certify that:

1. I have reviewed this report on Form 10-Q for the three months ended January 31, 2010 of Ferrellgas Partners Finance Corp. (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 10, 2010

/s/ J. Ryan VanWinkle

J. Ryan VanWinkle
Chief Financial Officer and Sole Director

Exhibit 31.3

CERTIFICATIONS
FERRELLGAS, L.P.

I, Stephen L. Wambold, certify that:

1. I have reviewed this report on Form 10-Q for the three months ended January 31, 2010 of Ferrellgas, L.P. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 10, 2010

/s/ Stephen L. Wambold
Stephen L. Wambold
Chief Executive Officer and
President of Ferrellgas, Inc., general
partner of the Registrant

CERTIFICATIONS
FERRELLGAS, L.P.

I, J. Ryan VanWinkle, certify that:

1. I have reviewed this report on Form 10-Q for the three months ended January 31, 2010 of Ferrellgas, L.P. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 10, 2010

/s/ J. Ryan VanWinkle
J. Ryan VanWinkle
Senior Vice President and Chief Financial Officer;
Treasurer (Principal Financial and Accounting Officer) of Ferrellgas, Inc.,
general partner of the Registrant

Exhibit 31.4

CERTIFICATIONS
FERRELLGAS FINANCE CORP.

I, Stephen L. Wambold, certify that:

1. I have reviewed this report on Form 10-Q for the three months ended January 31, 2010 of Ferrellgas Finance Corp. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 10, 2010

/s/ Stephen L. Wambold
Stephen L. Wambold
Chief Executive Officer and President

CERTIFICATIONS
FERRELLGAS FINANCE CORP.

I, J. Ryan VanWinkle certify that:

1. I have reviewed this report on Form 10-Q for the three months ended January 31, 2010 of Ferrellgas Finance Corp. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 10, 2010

/s/ J. Ryan VanWinkle
J. Ryan VanWinkle
Chief Financial Officer and Sole Director

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. 1350,
AS ADOPTED PURSUANT TO
SECTION 906
OF THE
SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas Partners, L.P. (the “Partnership”) for the three months ended January 31, 2010, as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership at the dates and for the periods indicated within the Report.

The foregoing certification is made solely for purposes of 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is subject to the “knowledge” and “willfulness” qualifications contained in 18 U.S.C. 1350(c).

This certification is being furnished to the SEC and is not to be deemed “filed” with the SEC for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18. In addition, this certification is not to be incorporated by reference into any registration statement of the Partnership or other filing of the Partnership made pursuant to the Exchange Act or Securities Act of 1933, as amended, unless specifically identified as being incorporated therein by reference.

Dated: March 10, 2010

/s/ Stephen L. Wambold
Stephen L. Wambold
Chief Executive Officer and President of Ferrellgas, Inc.,
the Partnership’s general partner

/s/ J. Ryan VanWinkle
J. Ryan VanWinkle
Senior Vice President and Chief Financial Officer;
Treasurer (Principal Financial and Accounting Officer) of Ferrellgas, Inc., the Partnership’s general partner

***As required by 18 U.S.C. 1350, a signed original of this written statement has been provided to the Partnership.**

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. 1350,
AS ADOPTED PURSUANT TO
SECTION 906
OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas Partners Finance Corp. for the three months ended January 31, 2010, as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Ferrellgas Partners Finance Corp. at the dates and for the periods indicated within the Report.

The foregoing certification is made solely for purposes of 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is subject to the “knowledge” and “willfulness” qualifications contained in 18 U.S.C. 1350(c).

This certification is being furnished to the SEC and is not to be deemed “filed” with the SEC for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18. In addition, this certification is not to be incorporated by reference into any registration statement of Ferrellgas Partners Finance Corp. or other filing of Ferrellgas Partners Finance Corp. made pursuant to the Exchange Act or Securities Act of 1933, as amended, unless specifically identified as being incorporated therein by reference.

Dated: March 10, 2010

/s/ Stephen L. Wambold
Stephen L. Wambold
Chief Executive Officer and President

/s/ J. Ryan VanWinkle
J. Ryan VanWinkle
Chief Financial Officer and Sole Director

***As required by 18 U.S.C. 1350, a signed original of this written statement has been provided to Ferrellgas Partners Finance Corp.**

**CERTIFICATION PURSUANT TO
18 U.S.C. 1350,
AS ADOPTED PURSUANT TO
SECTION 906
OF THE
SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas, L.P. (“the Partnership”) for the three months ended January 31, 2010, as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Ferrellgas, L.P. at the dates and for the periods indicated within the Report.

The foregoing certification is made solely for purposes of 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is subject to the “knowledge” and “willfulness” qualifications contained in 18 U.S.C. 1350(c).

This certification is being furnished to the SEC and is not to be deemed “filed” with the SEC for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18. In addition, this certification is not to be incorporated by reference into any registration statement of the Partnership or other filing of the Partnership made pursuant to the Exchange Act or Securities Act of 1933, as amended, unless specifically identified as being incorporated therein by reference.

Dated: March 10, 2010

/s/ Stephen L. Wambold
Stephen L. Wambold
Chief Executive Officer and President of Ferrellgas, Inc., the Partnership’s general partner

/s/ J. Ryan VanWinkle
J. Ryan VanWinkle
Senior Vice President and Chief Financial Officer;
Treasurer (Principal Financial and Accounting Officer) of Ferrellgas, Inc., the Partnership’s general partner

***As required by 18 U.S.C. 1350, a signed original of this written statement has been provided to the Partnership**

Exhibit 32.4

CERTIFICATION PURSUANT TO
18 U.S.C. 1350,
AS ADOPTED PURSUANT TO
SECTION 906
OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas Finance Corp. for the three months ended January 31, 2010, as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Ferrellgas Finance Corp. at the dates and for the periods indicated within the Report.

The foregoing certification is made solely for purposes of 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is subject to the “knowledge” and “willfulness” qualifications contained in 18 U.S.C. 1350(c).

This certification is being furnished to the SEC and is not to be deemed “filed” with the SEC for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18. In addition, this certification is not to be incorporated by reference into any registration statement of Ferrellgas Finance Corp. or other filing of Ferrellgas Finance Corp. made pursuant to the Exchange Act or Securities Act of 1933, as amended, unless specifically identified as being incorporated therein by reference.

Dated: March 10, 2010

/s/ Stephen L. Wambold
Stephen L. Wambold
Chief Executive Officer and President

/s/ J. Ryan VanWinkle
J. Ryan VanWinkle
Chief Financial Officer and Sole Director

***As required by 18 U.S.C. 1350, a signed original of this written statement has been provided to Ferrellgas Finance Corp.**