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

Form 10-K/A
(Amendment No. 1)

(Mark One)

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

For the fiscal year ended July 31, 2009

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Units of Ferrellgas Partners, L.P.	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act:

Limited Partner Interests of Ferrellgas, L.P.
Common Stock of Ferrellgas Partners Finance Corp.
Common Stock of Ferrellgas Finance Corp.
(Title of class)

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act.

Ferrellgas Partners, L.P.: Yes o No x
Ferrellgas Partners Finance Corp., Ferrellgas, L.P. and Ferrellgas Finance Corp.: Yes o No x

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

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*

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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

The aggregate market value as of January 30, 2009, of Ferrellgas Partners, L.P.'s common units held by nonaffiliates of Ferrellgas Partners, L.P., based on the reported closing price of such units on the New York Stock Exchange on such date, was approximately $588,374,000. There is no aggregate market value of the common equity of Ferrellgas Partners Finance Corp., Ferrellgas, L.P. and Ferrellgas Finance Corp. as their common equity is not sold or traded.

At August 31, 2009, the registrants had common units or shares of common stock outstanding as follows:

Ferrellgas Partners, L.P.	68,236,755	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-K WITH THE REDUCED DISCLOSURE FORMAT.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (the "Amendment") to the Registrants' Annual Report on Form 10-K for the fiscal year ended July 31, 2009 is being filed by the Registrants solely to correct typographical errors in a) the Reports of Independent Registered Public Accounting Firm for each of Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp., Ferrellgas, L.P. and Ferrellgas Finance Corp. and in b) the Consents of Independent Registered Public Accounting Firm for each of Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp., Ferrellgas, L.P. and Ferrellgas Finance Corp.

Pursuant to Reg. Section 240.12b-15, this Amendment sets forth only the complete text of Item 8 of Part II, Item 9A of Part II and Item 15 of Part IV as amended and the filing of related signature pages and certifications. The remaining text of the Registrants' Annual Report on Form 10-K for the fiscal year ended July 31, 2009 (the "Original Form 10-K") has not changed and is not included in this Amendment. Please refer to the Original Form 10-K filed with the Securities and Exchange Commission on September 28, 2009 for the remaining text.

This Amendment does not reflect events occurring after the filing of the Original Form 10-K, nor does it modify or update disclosures therein in any way other than as required to reflect the amendment set forth below. Among other things, forward-looking statements made in the Original Form 10-K have not been revised to reflect events that occurred or facts that became known to us after the filing of the Original Form 10-K, and such forward-looking statements should be read in their historical context.

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

2009 FORM 10-K/A
(Amendment No. 1)
ANNUAL REPORT

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PART II

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Our consolidated financial statements and the Independent Registered Public Accounting Firm's Reports thereon and the Supplementary Financial Information listed on the accompanying Index to Financial Statements and Financial Statement Schedules are hereby incorporated by reference. See Note O — Quarterly data (unaudited) — to our consolidated financial statements for Selected Quarterly Financial Data.

ITEM 9A. 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 July 31, 2009, that our disclosure controls and procedures are effective in achieving that level of reasonable assurance.

Management's Report on Internal Control Over Financial Reporting

The management of Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp., Ferrellgas, L.P. and Ferrellgas Finance Corp. is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control — Integrated Framework*, our management concluded that our internal control over financial reporting was effective as of July 31, 2009.

The effectiveness of our internal control over financial reporting for Ferrellgas Partners, L.P. and Ferrellgas, L.P., as of July 31, 2009, has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports which are included herein.

During the most recent fiscal quarter ended July 31, 2009, 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.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of
Ferrellgas Partners, L.P. and Subsidiaries
Overland Park, Kansas

We have audited the internal control over financial reporting of Ferrellgas Partners, L.P. and subsidiaries (the "Partnership") as of July 31, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of July 31, 2009, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedules as of and for the year ended July 31, 2009 of the Partnership and our report dated September 28, 2009 expressed an unqualified opinion on those financial statements and financial statement schedules.

/s/ DELOITTE & TOUCHE LLP
Kansas City, Missouri
September 28, 2009

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of
Ferrellgas, L.P. and Subsidiaries
Overland Park, Kansas

We have audited the internal control over financial reporting of Ferrellgas, L.P. and subsidiaries ("Ferrellgas") as of July 31, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Ferrellgas' management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on Ferrellgas' internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Ferrellgas maintained, in all material respects, effective internal control over financial reporting as of July 31, 2009, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended July 31, 2009 of Ferrellgas and our report dated September 28, 2009 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/ DELOITTE & TOUCHE LLP
Kansas City, Missouri
September 28, 2009

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

1. **Financial Statements.**
   See "Index to Financial Statements" set forth on page F-1.
2. **Financial Statement Schedules.**
   See "Index to Financial Statement Schedules" set forth on page S-1.
3. **Exhibits.**
   See "Index to Exhibits" set forth on page E-1.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ferrellgas Partners, L.P.

November 6, 2009

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

Ferrellgas Partners Finance Corp.

November 6, 2009

By: /s/ J. Ryan VanWinkle
Name: J. Ryan VanWinkle
Title: Chief Financial Officer and Sole Director

Ferrellgas, L.P.

November 6, 2009	By:	/s/ J. Ryan VanWinkle
	Name:	J. Ryan VanWinkle
	Title:	Senior Vice President and Chief Financial Officer; Treasurer (Principal Financial and Accounting Officer) of Ferrellgas, Inc., the general partner

Ferrellgas Finance Corp.

November 6, 2009	By:	/s/ J. Ryan VanWinkle
	Name:	J. Ryan VanWinkle
	Title:	Chief Financial Officer and Sole Director

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of
Ferrellgas Partners, L.P. and Subsidiaries
Overland Park, Kansas

We have audited the accompanying consolidated balance sheets of Ferrellgas Partners, L.P. and subsidiaries ("Partnership") as of July 31, 2009 and 2008, and the related consolidated statements of earnings, partners' capital, and cash flows for each of the three years in the period ended July 31, 2009. Our audits also included the financial statement schedules listed in the Index at Item 15. These financial statements and financial statement schedules are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Ferrellgas Partners, L.P. and subsidiaries as of July 31, 2009 and 2008, and the results of their operations and their cash flows for each of the three years in the period ended July 31, 2009, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Partnership's internal control over financial reporting as of July 31, 2009, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated September 28, 2009 expressed an unqualified opinion on the Partnership's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP
Kansas City, Missouri
September 28, 2009

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FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands, except unit data)

	July 31, 2009	July 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,066	$ 16,614
Accounts and notes receivable (net of allowance for doubtful accounts of $4,294 and $5,977 at 2009 and 2008, respectively)	106,910	145,081
Inventories	129,808	152,301
Price risk management assets	3,391	26,086
Prepaid expenses and other current assets	11,640	10,924
Total current assets	258,815	351,006
Property, plant and equipment, net	666,535	685,328
Goodwill	248,939	248,939
Intangible assets, net	212,037	225,273
Other assets, net	18,651	18,685
Total assets	$ 1,404,977	$ 1,529,231
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable	$ 49,337	$ 71,348
Short-term borrowings	66,159	125,729
Other current liabilities	108,763	107,854
Total current liabilities	224,259	304,931
Long-term debt	1,010,073	1,034,719
Other liabilities	19,300	23,237
Contingencies and commitments (Note L)	—	—
Minority interest	4,272	4,220
Partners' capital:		
Common unitholders (68,236,755 and 62,961,674 units outstanding at 2009 and 2008, respectively)	206,255	201,618
General partner unitholder (689,260 and 635,977 units outstanding at 2009 and 2008, respectively)	(57,988)	(58,036)
Accumulated other comprehensive income (loss)	(1,194)	18,542
Total partners' capital	147,073	162,124
Total liabilities and partners' capital	$ 1,404,977	$ 1,529,231

See notes to consolidated financial statements.

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FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

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

For the year ended July 31,

	2009	2008	2007
Revenues:			
Propane and other gas liquids sales	$ 1,829,653	$ 2,055,281	$ 1,757,423
Other	239,869	235,408	235,017
Total revenues	2,069,522	2,290,689	1,992,440
Costs and expenses:			
Cost of product sold - propane and other gas liquids sales	1,207,368	1,491,918	1,147,169
Cost of product sold - other	152,853	136,478	157,223
Operating expense	400,735	372,078	380,838
Depreciation and amortization expense	82,494	85,521	87,383
General and administrative expense	41,382	45,612	44,870
Equipment lease expense	18,406	24,478	26,142
Employee stock ownership plan compensation charge	6,755	12,413	11,225
Loss on disposal of assets and other	13,042	11,250	10,822
Operating income	146,487	110,941	126,768
Interest expense	(89,519)	(86,712)	(87,953)
Other income (expense), net	(1,321)	1,039	3,145
Earnings before income taxes and minority interest	55,647	25,268	41,960
Income tax expense	2,292	82	6,560
Minority interest	783	497	600
Net earnings	52,572	24,689	34,800
Net earnings available to general partner unitholder	526	247	348
Net earnings available to common unitholders	$ 52,046	$ 24,442	$ 34,452
Basic and diluted net earnings available per common unit	$ 0.79	$ 0.39	$ 0.55

See notes to consolidated financial statements.

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FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(in thousands)

	Number of units				Accumulated other comprehensive income (loss)			
	Common unitholders	General partner unitholder	Common unitholders	General partner unitholder	Risk management	Currency translation adjustments	Pension liability	Total partners' capital
Balance at July 31, 2006	60,885.8	615.0	$ 321,194	$ (56,829)	$ 2,126	$ 21	$ (767)	$ 265,745
Contribution in connection with ESOP and stock-based compensation charges	—	—	11,872	120	—	—	—	11,992
Common unit distributions	—	—	(125,802)	(1,270)	—	—	—	(127,072)
Common units issued in private offering	1,891.9	19.1	43,765	442	—	—	—	44,207
Common unit options exercised	55.5	0.6	1,014	11	—	—	—	1,025
Common units issued in connection with acquisitions, net of issuance costs	124.5	1.2	2,580	24	—	—	—	2,604
Comprehensive income:								
Net earnings	—	—	34,452	348	—	—	—	34,800
Other comprehensive income (loss):								
Net earnings on risk management derivatives	—	—	—	—	5,055	—	—	
Reclassification of derivatives to earnings	—	—	—	—	(2,126)	—	—	
Foreign currency translation adjustment	—	—	—	—	—	14	—	
Tax effect on foreign currency translation adjustment	—	—	—	—	—	(5)	—	
Pension liability adjustment	—	—	—	—	—	—	418	3,356
Comprehensive income								38,156
Balance at July 31, 2007	62,957.7	635.9	289,075	(57,154)	5,055	30	(349)	236,657
Contribution in connection with ESOP and stock-based compensation charges	—	—	13,945	141	—	—	—	14,086
Common unit distributions	—	—	(125,919)	(1,271)	—	—	—	(127,190)
Common unit options exercised	4.0	0.1	75	1	—	—	—	76
Comprehensive income:								
Net earnings	—	—	24,442	247	—	—	—	24,689
Other comprehensive income (loss):								
Net earnings on risk management derivatives	—	—	—	—	18,749	—	—	
Reclassification of derivatives to earnings	—	—	—	—	(5,055)	—	—	
Foreign currency translation adjustment	—	—	—	—	—	(10)	—	
Tax effect on foreign currency translation adjustment	—	—	—	—	—	6	—	
Pension liability adjustment	—	—	—	—	—	—	116	13,806
Comprehensive income								38,495

Balance at July 31, 2008	62,961.7	636.0	201,618	(58,036)	18,749	26	(233)	162,124
Contribution in connection with ESOP and stock-based compensation charges	—	—	8,885	90	—	—	—	8,975
Common unit distributions	—	—	(131,256)	(1,325)	—	—	—	(132,581)
Common units issued in offering	4,985.6	50.4	69,447	702	—	—	—	70,149
Common unit options exercised	—	—	—	—	—	—	—	—
Common units issued in connection with acquisitions, net of issuance costs	289.5	2.9	5,515	55	—	—	—	5,570
Comprehensive income:								
Net earnings	—	—	52,046	526	—	—	—	52,572
Other comprehensive income (loss):								
Net loss on risk management derivatives	—	—	—	—	(186,449)	—	—	
Reclassification of derivatives to earnings	—	—	—	—	166,711	—	—	
Foreign currency translation adjustment	—	—	—	—	—	(7)	—	
Tax effect on foreign currency translation adjustment	—	—	—	—	—	3	—	
Pension liability adjustment	—	—	—	—	—	—	6	(19,736)
Comprehensive income								32,836
Balance at July 31, 2009	68,236.8	689.3	$ 206,255	$ (57,988)	$ (989)	$ 22	$ (227)	$ 147,073

See notes to consolidated financial statements.

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FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the year ended July 31, 2009	2008	2007
Cash flows from operating activities:			
Net earnings	$ 52,572	$ 24,689	$ 34,800
Reconciliation of net earnings to net cash provided by operating activities:			
Depreciation and amortization expense	82,494	85,521	87,383
Employee stock ownership plan compensation charge	6,755	12,413	11,225
Stock-based compensation charge	2,312	1,816	889
Loss on disposal of assets	5,009	4,820	4,232
Loss on transfer of accounts receivable related to the accounts receivable securitization	12,124	10,548	10,384
Minority interest	783	497	600
Deferred tax expense (benefit)	388	(1,650)	3,099
Other	4,714	6,408	4,431
Changes in operating assets and liabilities, net of effects from business acquisitions:			
Accounts and notes receivable, net of securitization	65,466	(48,606)	1,105
Inventories	22,493	(40,920)	40,984
Prepaid expenses and other current assets	(120)	751	1,529
Accounts payable	(21,054)	8,523	(21,295)
Accrued interest expense	(156)	(3,572)	(1,353)
Other current liabilities	5,033	(2,497)	(26,218)
Other liabilities	(1,044)	151	819
Accounts receivable securitization:			
Proceeds from new accounts receivable securitizations	109,000	103,000	100,000
Proceeds from collections reinvested in revolving period accounts receivable securitizations	1,231,336	1,365,655	1,156,214
Remittances of amounts collected as servicer of accounts receivable securitizations	(1,376,336)	(1,456,655)	(1,265,214)
Net cash provided by operating activities	201,769	70,892	143,614
Cash flows from investing activities:			
Business acquisitions, net of cash acquired	(2,701)	(191)	(31,688)
Capital expenditures	(54,085)	(43,823)	(46,667)
Proceeds from sale of assets	8,199	10,874	9,830
Other	(4,643)	(2,991)	(6,540)
Net cash used in investing activities	(53,230)	(36,131)	(75,065)
Cash flows from financing activities:			
Distributions	(132,581)	(127,190)	(127,072)
Issuance of common units, net of issuance costs of $401, $0 and $226, respectively	69,447	—	44,319
Proceeds from increase in long-term debt	208,259	115,249	74,568
Reductions in long-term debt	(239,555)	(92,985)	(60,942)
Net additions to (reductions in) short-term borrowings	(59,570)	67,950	5,132
Cash paid for financing costs	(3,903)	(383)	(367)
Minority interest activity	(879)	(1,539)	(1,536)
Proceeds from exercise of common unit options	—	76	1,025
Cash contribution from general partner	702	—	470
Net cash used in financing activities	(158,080)	(38,822)	(64,403)

Effect of exchange rate changes on cash	(7)	(10)	14
Increase (decrease) in cash and cash equivalents	(9,548)	(4,071)	4,160
Cash and cash equivalents - beginning of year	16,614	20,685	16,525
Cash and cash equivalents - end of year	$ 7,066	$ 16,614	$ 20,685

See notes to consolidated financial statements.

FERRELLGAS PARTNERS, L.P.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per unit data, unless otherwise designated)

A. Partnership organization and formation

Ferrellgas Partners, L.P. (“Ferrellgas Partners”) was formed on April 19, 1994, and 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, collectively referred to as “Ferrellgas,” are both Delaware limited partnerships and are governed by their respective partnership agreements. Ferrellgas Partners was formed to acquire and hold a limited partner interest in the operating partnership. The operating partnership was formed to acquire, own and operate the propane business and assets of Ferrellgas, Inc. (“general partner”), a wholly-owned subsidiary of Ferrell Companies, Inc. (“Ferrell Companies”). As of July 31, 2009, Ferrell Companies beneficially owns 20.3 million of Ferrellgas Partners’ outstanding common units. The general partner 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.

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.

Ferrell Companies is wholly-owned by a leveraged employee stock ownership trust (“ESOT”) established pursuant to the Ferrell Companies Employee Stock Ownership Plan (“ESOP”). The purpose of the ESOP is to provide employees of the general partner an opportunity for ownership in Ferrell Companies and indirectly in Ferrellgas. As contributions are made by Ferrell Companies to the ESOT in the future, shares of Ferrell Companies are allocated to the employees’ ESOP accounts.

Ferrellgas Partners’ partnership agreement includes an agreement with Ferrell Companies concerning the distribution priority on common units owned by public investors over those owned by Ferrell Companies. This provision extends to April 30, 2010 and allows Ferrellgas Partners to defer distributions on the common units held by Ferrell Companies up to an aggregate outstanding amount of $36.0 million. There have been no deferrals to date.

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. 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. 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 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) Principles of consolidation: The accompanying consolidated financial statements include Ferrellgas Partners’ accounts and those of its wholly-owned subsidiary, Ferrellgas Partners Finance Corp., and the operating partnership, its majority-owned subsidiary, after elimination of all material intercompany accounts and transactions. The accounts of Ferrellgas Partners’ majority-owned subsidiary are included based on the determination that Ferrellgas Partners will absorb a majority of the operating partnership’s expected losses, receive a majority of the operating partnership’s expected residual returns and is the operating partnership’s primary beneficiary. The operating partnership includes the accounts of its wholly-owned subsidiaries. The general partner’s approximate 1% general partner interest in the operating partnership is accounted for as a minority interest. The wholly-owned unconsolidated subsidiary of the operating partnership, Ferrellgas Receivables, LLC (“Ferrellgas Receivables”), is a special purpose entity.

(4) Cash and cash equivalents and non-cash activities: For purposes of the consolidated statements of cash flows, Ferrellgas considers cash equivalents to include all highly liquid debt instruments purchased with an original maturity of three months or less. Significant non-cash activities are presented below:

	For the year ended July 31,		
	2009	2008	2007
CASH PAID FOR:			
Interest	$ 83,107	$ 88,380	$ 87,035
Income taxes	$ 1,512	$ 3,841	$ 3,742
NON-CASH INVESTING ACTIVITIES:			
Issuance of common units in connection with acquisitions	$ 5,465	$ —	$ 2,751
Issuance of liabilities in connection with acquisitions	$ 1,673	$ —	$ 2,426
Property, plant and equipment additions	$ 973	$ 1,970	$ 1,187

(5) **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 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 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

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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 consolidated statements of earnings. See Note F — Accounts and notes receivable, net and accounts receivable securitization — for further discussion of these transactions.

(6) Inventories: Inventories are stated at the lower of cost or market using weighted average cost and actual cost methods.

(7) Property, plant and equipment: Property, plant and equipment are stated at cost less accumulated depreciation. Expenditures for maintenance and routine repairs are expensed as incurred. Ferrellgas capitalizes computer software, equipment replacement and betterment expenditures that upgrade, replace or completely rebuild major mechanical components and extend the original useful life of the equipment. Depreciation is calculated using the straight-line method based on the estimated useful lives of the assets ranging from two to 30 years. Ferrellgas, using its best estimates based on reasonable and supportable assumptions and projections, reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of its assets might not be recoverable. See Note E — Supplemental financial statement information — for further discussion of property, plant and equipment.

(8) Goodwill: Ferrellgas records goodwill as the excess of the cost of acquisitions over the fair value of the related net assets at the date of acquisition. Goodwill is tested for impairment annually on January 31, or more frequently if circumstances dictate, and if impaired, written off against earnings at that time. Ferrellgas has not recognized any impairment losses as a result of these tests. For purposes of Ferrellgas’ goodwill impairment test, Ferrellgas has determined that it has one reporting unit. Ferrellgas assesses the carrying value of goodwill at its reporting unit based on an estimate of the fair value of the reporting unit. Fair value of the reporting unit is estimated using a market value approach taking into consideration the quoted market price of Ferrellgas’ common units.

(9) Intangible assets: Intangible assets with finite useful lives, consisting primarily of customer lists, non-compete agreements and patented technology, are stated at cost, net of accumulated amortization calculated using the straight-line method over periods ranging from two to 15 years. Trade names and trademarks have indefinite lives, are not amortized, and are stated at cost. Ferrellgas tests finite-lived intangible assets for impairment when events or changes in circumstances indicate that the carrying amount of these assets might not be recoverable. Ferrellgas tests indefinite- lived intangible assets for impairment annually on January 31 or more frequently if circumstances dictate. Ferrellgas has not recognized impairment losses as a result of these tests. When necessary, intangible assets’ useful lives are revised and the impact on amortization reflected on a prospective basis. See Note G — Goodwill and intangible assets, net — for further discussion of intangible assets.

(10) Derivatives and hedging activities: Ferrellgas’ overall objective for entering into derivative contracts, including commodity options and swaps, is to hedge a portion of its exposure to market fluctuations in propane prices. These financial instruments are formally designated and documented as a hedge of a specific underlying exposure, as well as the risk management objectives and strategies for undertaking the hedge transaction. Because of the high degree of correlation between the hedging instrument and the underlying exposure being hedged, fluctuations in the value of the derivative instrument are generally offset by changes in the anticipated cash flows of the underlying exposure being hedged. The fair value of these derivatives fluctuates over the length of the contracts. These fair value amounts should not be viewed in isolation, but rather in relation to the anticipated cash flows of the underlying hedged transaction and the overall reduction in our risk relating to adverse fluctuations

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in propane prices. Ferrellgas formally assesses, both at inception and at least quarterly thereafter, whether the financial instruments that are used in hedging transactions are effective at offsetting changes in the anticipated cash flows of the related underlying exposures. Any ineffective portion of a financial instrument's change in fair value is recognized in "Cost of product sold - propane and other gas liquids sales" in the consolidated statements of earnings. Ferrellgas also enters into derivative contracts that qualify for the normal purchases and normal sales exception under Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), as amended. Financial instruments formally designated and documented as a hedge of a specific underlying exposure are recorded gross at fair value as either "Price risk management assets" or "Other current liabilities" on the consolidated balance sheets with changes in fair value reported in other comprehensive income.

(11) Revenue recognition: Revenues from the distribution of propane and other gas liquids, including revenues from customer deposits and advances, are recognized by Ferrellgas at the time product is delivered to its customers. Other revenues, which include revenue from the sale of propane appliances and equipment is recognized at the time of delivery or installation. Revenues from repairs and maintenance are recognized upon completion of the service. Ferrellgas recognizes shipping and handling revenues and expenses for sales of propane, appliances and equipment at the time of delivery or installation. Shipping and handling revenues are included in the price of propane charged to customers, and are classified as revenue. Revenues from annually billed, non-refundable tank rentals are recognized on a straight-line basis over one year. Cooperative advertising program costs are recorded as a reduction to our revenue.

(12) Shipping and handling expenses: Shipping and handling expenses related to delivery personnel, vehicle repair and maintenance and general liability expenses are classified within "Operating expense" in the consolidated statements of earnings. Depreciation expenses on delivery vehicles Ferrellgas owns are classified within "Depreciation and amortization expense." Delivery vehicles and distribution technology leased by Ferrellgas are classified within "Equipment lease expense." See Note E — Supplemental financial statement information — for the financial statement presentation of shipping and handling expenses.

(13) Cost of product sold: "Cost of product sold — propane and other gas liquids sales" includes all costs to acquire propane and other gas liquids, the costs of storing and transporting inventory prior to delivery to Ferrellgas' customers, the results from risk management activities to hedge related price risk and the costs related to the refurbishment of Ferrellgas' portable propane tanks. "Cost of product sold — other" primarily includes costs related to the sale of propane appliances and equipment.

(14) Operating expenses: "Operating expense" primarily includes the personnel, vehicle, delivery, handling, plant, office, selling, marketing, credit and collections and other expenses related to the retail distribution of propane and related equipment and supplies.

(15) General and administrative expenses: "General and administrative expense" primarily includes personnel and incentive expense related to executives and employees and other overhead expense related to centralized corporate functions.

(16) Unit and stock-based compensation:

Ferrellgas Unit Option Plan ("UOP")

The UOP is authorized to issue options covering up to 1.35 million common units to employees of the general partner or its affiliates. The Compensation Committee of the Board of Directors of the general partner administers the UOP, authorizes grants of unit options thereunder and sets the unit option price and vesting terms of unit options in accordance with the terms of the UOP. No single officer or director

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of the general partner may acquire more than 314,895 common units under the UOP. In general, the options currently outstanding under the UOP vest over a five-year period, and expire on the tenth anniversary of the date of the grant. The fair value of each option award is estimated on the date of grant using a binomial option valuation model. Expected volatility is based on the historical volatility of Ferrellgas' publicly-traded common units. Historical information is used to estimate option exercise and employee termination behavior. Due to the limited number of employees eligible to participate in the UOP, there is only one group of employees. The expected term of options granted is derived from historical exercise patterns and represents the period of time that options are expected to be outstanding. The risk free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. During the year ended July 31, 2009, the portion of the total non-cash compensation charge relating to the UOP was $15 thousand and related to fiscal 2009 grants of unit options to acquire 0.3 million common units. During the years ended July 31, 2008 and 2007, no compensation charge relating to the UOP was recognized as all options outstanding at that time were fully vested.

Ferrell Companies, Inc. Incentive Compensation Plan ("ICP")
The ICP is not a Ferrellgas stock-compensation plan; however, in accordance with Ferrellgas' partnership agreements, all employee-related costs incurred by Ferrell Companies are allocated to Ferrellgas. As a result, Ferrellgas incurs a non-cash compensation charge from Ferrell Companies. During the years ended July 31, 2009, 2008 and 2007, the portion of the total non-cash compensation charge relating to the ICP was $2.3 million, $1.8 million and $0.9 million, respectively.

Ferrell Companies is authorized to issue options covering up to 6.25 million shares of Ferrell Companies common stock under the ICP. The ICP was established by Ferrell Companies to allow upper middle and senior level managers of the general partner to participate in the equity growth of Ferrell Companies. The shares underlying the stock options are common shares of Ferrell Companies; therefore, there is no earnings per share dilution of Ferrellgas. The ICP stock options vest ratably over periods ranging from zero to 12 years or 100% upon a change of control of Ferrell Companies, or upon the death, disability or retirement at the age of 65 of the participant. Vested options are exercisable in increments based on the timing of the retirement of Ferrell Companies' debt, but in no event later than 20 years from the date of issuance. The fair value of each option award is estimated on the date of grant using a binomial option valuation model.

(17) Income taxes: Ferrellgas Partners is a publicly-traded master limited partnership with one subsidiary that is a taxable corporation. The operating partnership is a limited partnership with four subsidiaries that are taxable corporations. Partnerships are generally not subject to federal income tax, although publicly-traded partnerships are treated as corporations for federal income tax purposes and therefore subject to Federal income tax unless a qualifying income test is satisfied. If this qualifying income test is satisfied, the publicly-traded partnership will be treated as a partnership for Federal income tax purposes. Based on Ferrellgas' calculations, Ferrellgas Partners satisfies the qualifying income test. As a result, except for the taxable corporations, Ferrellgas Partners' earnings or losses for Federal income tax purposes are included in the tax returns of the individual partners, Ferrellgas

Partners' unitholders. Accordingly, the accompanying consolidated financial statements of Ferrellgas Partners reflect federal income taxes related to the above mentioned taxable corporations only. Recent legislation in certain states of operation allows for taxation of partnerships. As such, the accompanying consolidated financial statements of Ferrellgas Partners also reflect state income taxes resulting from this legislation. Net earnings for financial statement purposes may differ significantly from taxable income reportable to Ferrellgas Partners unitholders as a result of differences between the tax basis and financial reporting basis of assets and liabilities, the taxable income allocation requirements under Ferrellgas Partners' partnership agreement and differences between Ferrellgas Partners financial reporting year end and its calendar tax year end.

Income tax expense consisted of the following:

	For the year ended July 31, 2009	2008	2007
Current expense	$ 1,904	$ 1,732	$ 3,461
Deferred expense (benefit)	388	(1,650)	3,099
Income tax expense	$ 2,292	$ 82	$ 6,560

Deferred taxes consisted of the following:

	2009	2008
Deferred tax assets	$ 877	$ 4,065
Deferred tax liabilities	(1,889)	(4,689)
Net deferred tax liability	$ (1,012)	$ (624)

On July 12, 2007, the governor of the state of Michigan signed into law a new Michigan Business Tax (the "MBT Act"), which provided a comprehensive restructuring of Michigan's principal business tax regime. The main provision of the MBT Act imposed a new two-part tax on business income and modified gross receipts that is accounted for as an income tax in accordance with SFAS No. 109 "Accounting for Income Taxes" ("SFAS 109"). Although the effective date of the MBT was January 1, 2008, SFAS 109 required all effects of a tax law change be accounted for in the period of the law's enactment. As a result, during the fourth quarter of fiscal 2007 Ferrellgas recognized a one time increase in its deferred tax expense of $2.8 million. During fiscal 2008, the Governor of the State of Michigan signed into law a one-time credit for this Michigan Business Tax law. The passing of this new tax law caused Ferrellgas to recognize a one time deferred tax benefit of $2.8 million during fiscal 2008.

(18) Sales taxes: Ferrellgas accounts for the collection and remittance of sales tax on a net tax basis. As a result, these amounts are not reflected in the consolidated statements of earnings.

(19) Net earnings per common unit: Net earnings per common unit is computed by dividing net earnings, after deducting the general partner's 1% interest, by the weighted average number of outstanding common units and the dilutive effect, if any, of outstanding unit options. See Note N — Earnings per common unit — for further discussion about these calculations.

(20) Segment information: Ferrellgas is a single reportable operating segment engaging in the distribution of propane and related equipment and supplies to customers primarily in the United States.

(21) New accounting standards: SFAS No. 165, "Subsequent Events" provides guidance on management's assessment of subsequent events and clarifies that management must evaluate, as of each reporting period, events or transactions that occur after the balance sheet date through the date that the financial statements are issued or are available to be issued. The adoption of this statement during fiscal 2009 did not have a significant impact on Ferrellgas' financial position or results of operations. See additional disclosures relating to subsequent events in Note P — Subsequent events.

SFAS No. 166, "Accounting for Transfers of Financial Assets, an Amendment of FASB Statement No. 140" amends the derecognition guidance in SFAS No. 140 to improve the accounting for transfers of financial assets. This statement is effective for financial asset transfers that occur in fiscal years beginning after November 15, 2009. Ferrellgas is currently evaluating the potential impact of this statement.

SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)" amends the consolidation guidance that applies to variable interest entities and will significantly affect the overall consolidation analysis under FASB Interpretation 46(R). This statement is effective for fiscal years beginning after November 15, 2009. Ferrellgas is currently evaluating the potential impact of this statement.

SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a Replacement of FASB Statement No. 162" establishes the authoritative reference for nongovernmental U.S. GAAP and modifies the previous four-level GAAP hierarchy to include only two levels. This statement is effective for interim and annual periods ending after September 15, 2009. Ferrellgas does not expect the adoption of this statement in fiscal 2010 to have a material impact on its financial position or results of operations.

SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an Amendment to FASB Statement No. 133" enhances disclosure requirements for derivative instruments and hedging activities. The adoption of this statement during fiscal 2009 did not have a significant impact on Ferrellgas' financial position or results of operations. See additional disclosures relating to commodity derivative and financial derivative transactions in Note J — Derivatives.

SFAS No. 157, "Fair Value Measurements" defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The adoption of this statement during fiscal 2009 did not have a significant impact on Ferrellgas' financial position or results of operations. See disclosure of Ferrellgas' fair value measurements commodity derivative and financial derivative transactions in Note J — Derivatives.

SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities,” provides entities the irrevocable option to elect to carry most financial assets and liabilities at fair value with changes in fair value recorded in earnings. The adoption of this statement was effective August 1, 2008; however, Ferrellgas has not elected the fair value option for any of its financial assets or liabilities.

SFAS No. 141(R), “Business Combinations” (a replacement of SFAS No. 141, “Business Combinations”) 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 statement 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. Ferrellgas does not expect the adoption of this statement in fiscal 2010 to have a material impact on its financial position or results of operations.

SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements” 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 statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Ferrellgas does not expect the adoption of this statement in fiscal 2010 to have a material impact on its financial position or results of operations.

FASB Staff Position (“FSP”) SFAS 140-4 and FASB Interpretation No. 46R-8 “Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities” improves the transparency of transfers of financial assets and an enterprise’s involvement with variable interest entities, including qualifying special-purpose entities. The adoption of this FSP during fiscal 2009 did not have a significant impact on Ferrellgas’ financial position or results of operations.

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EITF No. 07-4, “Application of the Two-Class Method under FASB Statement No. 128, Earnings per Share, to Master Limited Partnerships” 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 statement is effective for financial statements issued for fiscal years beginning on or after December 15, 2008 and interim periods within those fiscal years. Ferrellgas does not expect the adoption of this statement in fiscal 2010 to have a material impact on its financial position or results of operations.

C. Business combinations

Business combinations are accounted for under the purchase method and the assets acquired and liabilities assumed are recorded at their estimated fair market values as of the acquisition dates. The results of operations are included in the consolidated statements of earnings from the date of acquisition. The pro forma effect of these transactions was not material to Ferrellgas’ results of operations.

During fiscal 2009, Ferrellgas acquired propane distribution assets with an aggregate value of $10.0 million in the following four transactions:

- Lorensen Propane Gas, Inc., based in California, acquired September 2008;
- HBH Gas Systems, LLC — Austin’s Colony Phase 5, based in Texas, acquired September 2008;
- Ottawa Cooperative, based in Kansas, acquired May 2009; and
- Town & Country Propane, Inc, based in Missouri, acquired July 2009.

These acquisitions were funded by $2.7 million in cash payments, the issuances of $1.8 million of liabilities and other costs and considerations, and $5.5 million of common units, net of issuance costs.

The aggregate fair values of these four transactions were allocated as follows:

Customer tanks, buildings, land and other	$	3,031
Non-compete agreements		1,438
Customer lists		5,475
Working capital		6
	$	9,950

The estimated fair values and useful lives of assets acquired are based on a preliminary internal valuation and are subject to final valuation adjustments. Ferrellgas intends to continue its analysis of the net assets of these transactions to determine the final allocation of the total purchase price to the various assets and liabilities acquired.

During fiscal 2008, Ferrellgas had no acquisitions of propane distribution assets.

During fiscal 2007, Ferrellgas acquired propane distribution assets with an aggregate value of $36.2 million in the following nine transactions:

- Pacer-Valley Propane, LLC, based in California, acquired August 2006;
- Lake Propane, based in California, acquired August 2006;
- Pacific Propane Service, Inc., based in California, acquired August 2006;
- Twin Ports Energy, Inc., based in Wisconsin, acquired October 2006;
- Getman’s Gas Company, Inc., based in New York, acquired October 2006;
- Yankee Gas, LLC, based in Massachusetts, acquired October 2006;
- Great Dane Propane, Inc., based in Florida, acquired October 2006;

- Puget Sound Propane, based in Washington, acquired December 2006; and
- Reliance Bottle Gas, Inc., based in Ohio, acquired June 2007.

These acquisitions were funded by $31.7 million in cash payments, the issuances of $2.5 million of liabilities and other costs and considerations, and $2.0 million of common units, net of issuance costs.

The aggregate fair values of these nine transactions were allocated as follows:

Customer tanks, buildings, land and other	$	11,567
Non-compete agreements		2,072
Customer lists		18,178
Goodwill		3,649
Working capital		712
	$	36,178

The fair values and useful lives of assets acquired are based on an internal valuation and included only minor final valuation adjustments during the 12 month period after the date of acquisition.

D. Quarterly distributions of available cash

Ferrellgas Partners makes quarterly cash distributions of all of its "available cash." Available cash is defined in the partnership agreement of Ferrellgas Partners as, generally, the sum of its consolidated cash receipts less consolidated cash disbursements and net changes in reserves established by the general partner for future requirements. Reserves are retained in order to provide for the proper conduct of Ferrellgas Partners' business, or to provide funds for distributions with respect to any one or more of the next four fiscal quarters. Distributions are made within 45 days after the end of each fiscal quarter ending October, January, April and July to holders of record on the applicable record date.

Distributions by Ferrellgas Partners in an amount equal to 100% of its available cash, as defined in its partnership agreement, will be made to the common unitholders and the general partner. Additionally, the payment of incentive distributions to the holders of incentive distribution rights will be made to the extent that certain target levels of cash distributions are achieved.

The publicly held common units have certain distribution preference rights over the common units held by Ferrell Companies. Ferrell Companies has granted Ferrellgas Partners the ability to defer future distributions on the common units held by it up to an aggregate outstanding amount of $36.0 million. This distribution deferral agreement, which has not been utilized, expires April 30, 2010. The ability to defer distributions to Ferrell Companies provides Ferrellgas Partners' public common unitholders distribution support. This distribution support is available if Ferrellgas Partners' available cash for any fiscal quarter is insufficient to pay all of the common unitholders their quarterly distribution. Ferrellgas Partners would first pay a distribution to the publicly-held common units. Any remaining available cash would then be used to pay a distribution on the common units held by Ferrell Companies. Any quarterly distribution paid per unit to the publicly-held common units that is not able to be paid on the Ferrell Companies-owned common units would be deferred, within certain limits, and paid to Ferrell Companies in future quarters when available cash is sufficient. If insufficient available cash should exist for a particular quarter, or any previous deferred distributions to Ferrell Companies remain outstanding, the distribution declared per common unit may not be more than the highest quarterly distribution paid on the common units for any of the immediately preceding four fiscal quarters. If the cumulative amount of deferred quarterly distributions to Ferrell Companies were to reach $36.0 million, the common units held by Ferrell Companies would then be paid in the same priority as the publicly-held common units. After payment of all required distributions for any subsequent period, Ferrellgas Partners would use any remaining available cash to reduce any amount previously deferred on the

common units held by Ferrell Companies. Reductions in amounts previously deferred, if any, would then again be available for future deferrals to Ferrell Companies through April 30, 2010.

E. Supplemental financial statement information

Inventories consist of the following:

		2009		2008
Propane gas and related products	$	109,606	$	128,776
Appliances, parts and supplies		20,202		23,525
Inventories	$	129,808	$	152,301

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 July 31, 2009, Ferrellgas had committed, for supply procurement purposes, to take net delivery of approximately 87.9 million gallons of propane at fixed prices.

Property, plant and equipment, net consist of the following:

	Estimated useful lives		2009		2008
Land	Indefinite	$	30,414	$	30,840
Land improvements	2-20		10,858		10,585
Buildings and improvements	20		64,392		63,777

Vehicles, including transport trailers	8-20	92,914	96,351
Bulk equipment and district facilities	5-30	100,123	97,489
Tanks, cylinders and customer equipment	2-30	767,682	761,065
Computer and office equipment	2-5	115,343	116,873
Construction in progress	n/a	5,853	9,575
		1,187,579	1,186,555
Less: accumulated depreciation		521,044	501,227
Property, plant and equipment, net		$ 666,535	$ 685,328

Depreciation expense totaled $62.3 million, $64.6 million, and $64.8 million for fiscal 2009, 2008 and 2007, respectively.

Other current liabilities consist of the following:

	2009	2008
Accrued interest	$ 19,719	$ 19,875
Accrued payroll	23,395	12,621
Customer deposits and advances	23,115	25,065
Other	42,534	50,293
Other current liabilities	$ 108,763	$ 107,854

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

	For the year ended July 31,		
	2009	2008	2007
Loss on disposal of assets	$ 5,009	$ 4,820	$ 4,232
Loss on transfer of accounts receivable related to the accounts receivable securitization	12,124	10,548	10,384
Service income related to the accounts receivable securitization	(4,091)	(4,118)	(3,794)
Loss on disposal of assets and other	$ 13,042	$ 11,250	$ 10,822

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

	For the year ended July 31,		
	2009	2008	2007
Operating expense	$ 178,218	$ 171,938	$ 163,193
Depreciation and amortization expense	4,915	5,096	5,308
Equipment lease expense	17,541	22,703	23,465
	$ 200,674	$ 199,737	$ 191,966

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

Accounts and notes receivable, net consist of the following:

	2009	2008
Accounts receivable	$ 33,903	$ 127,975
Note receivable from Ferrellgas Receivables	52,038	—
Retained interest	24,979	22,753
Other	284	330
Less: allowance for doubtful accounts	(4,294)	(5,977)
Accounts and notes receivable, net	$ 106,910	$ 145,081

During April 2009, Ferrellgas renewed its accounts receivable securitization facility with JPMorgan Chase Bank, N.A., JS Siloed Trust and Fifth Third Bank for an additional 364-day commitment. As part of this renewed facility, 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:

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	2009	2008
Trade accounts receivable transferred from the operating partnership	$ 118,982	$ 97,333

Note payable to the operating partnership	$	52,038	$	—

The operating partnership's 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 July 31, 2009, the operating partnership had received proceeds from trade accounts receivable sales of $37.0 million with the ability to receive proceeds of an additional $4.0 million.

Other accounts receivable securitization activity consists of the following:

	For the year ended July 31,					
	2009		2008		2007	
Net non-cash activity	$	8,033	$	6,430	$	2,964
Bad debt expense	$	600	$	—	$	202

The net non-cash activity reported in "Loss on disposal of assets and other" in the 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 E — 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 3.6% and 4.65% as of July 31, 2009 and 2008, respectively.

G. Goodwill and intangible assets, net

Goodwill and intangible assets, net consist of:

	July 31, 2009			July 31, 2008		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
Goodwill, net	$ 248,939	$ —	$ 248,939	$ 248,939	$ —	$ 248,939
Intangible Assets, net Amortized intangible assets						
Customer lists	$ 368,716	$ (225,038)	$ 143,678	$ 363,242	$ (207,107)	$ 156,135
Non-compete agreements	44,481	(36,957)	7,524	43,042	(35,081)	7,961
Other	3,584	(1,860)	1,724	3,572	(1,502)	2,070
	416,781	(263,855)	152,926	409,856	(243,690)	166,166
Unamortized intangible assets						
Trade names & trademarks	59,111	—	59,111	59,107	—	59,107
Total intangible assets, net	$ 475,892	$ (263,855)	$ 212,037	$ 468,963	$ (243,690)	$ 225,273

Customer lists have estimated lives of 15 years, while non-compete agreements and other intangible assets have estimated lives ranging from two to ten years. Ferrellgas intends to utilize all acquired trademarks and trade names and does not believe there are any legal, regulatory, contractual,

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competitive, economical or other factors that would limit their useful lives. Therefore, trademarks and trade names have indefinite useful lives.

Aggregate amortization expense:

For the year ended July 31,

2009	$	20,166
2008		20,970
2007		22,553

Estimated amortization expense:

For the year ended July 31,

2010	$	19,298
2011		19,141
2012		18,693
2013		18,142
2014		14,874

H. Debt

Short-term borrowings

Ferrellgas classified a portion of its unsecured credit facility due April 2010 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 July 31, 2009 and 2008, $66.2 million and $125.7 million, respectively, were classified as short-term borrowings. For further discussion see the unsecured credit facility section below.

Long-term debt

Long-term debt consisted of the following:

	2009	2008
Senior notes		
Fixed rate, Series D-E, ranging from 7.24% to 7.42% due 2010-2013 (1)	$ 152,000	$ 204,000
Fixed rate, 8.75%, due 2012, net of unamortized premium of $1,091 and $1,471 at July 31, 2009 and 2008, respectively (2)	269,091	269,471
Fixed rate, Series C, 8.87%, due 2009 (3)	73,000	73,000
Fixed rate, 6.75% due 2014, net of unamortized discount of $26,458 and $518 at July 31, 2009 and 2008, respectively (4)	423,542	249,482
Credit facility, variable interest rate, expiring 2010 (net of $66.2 million and $125.7 million classified as short-term borrowings at July 31, 2009 and 2008, respectively)	88,541	235,270
Notes payable, 8.4% and 7.9% weighted average interest rate in 2009 and 2008, respectively, due 2009 to 2016, net of unamortized discount of $1,301 and $1,160 at July 31, 2009 and 2008, respectively	5,321	5,864
Capital lease obligations	—	29
	1,011,495	1,037,116
Less: current portion, included in other current liabilities on the consolidated balance sheets	1,422	2,397
Long-term debt	$ 1,010,073	$ 1,034,719

(1) The operating partnership's fixed rate senior notes issued in August 1998 are general unsecured obligations of the operating partnership and rank on an equal basis in right of payment with all senior indebtedness of the operating partnership and are senior to all subordinated indebtedness of the operating partnership. The outstanding principal amount of the series D and E notes are due on August 1, 2010 and 2013, respectively. In general, the operating partnership does not have the option to prepay the notes prior to maturity without incurring prepayment penalties.

(2) On September 24, 2002, Ferrellgas Partners issued $170.0 million of its fixed rate senior notes. On December 18, 2002, Ferrellgas Partners issued $48.0 million of its fixed rate senior notes with a debt premium of $1.7 million that will be amortized to interest expense through 2012. On June 10, 2004 Ferrellgas Partners issued $50.0 million of its fixed rate senior notes with a debt premium of $1.6 million that will be amortized to interest expense through 2012. The senior notes bear interest from the date of issuance, payable semi-annually in arrears on June 15 and December 15 of each year.

(3) The operating partnership's fixed rate senior notes issued in February 2000 are general unsecured obligations of the operating partnership and rank on an equal basis in right of payment with all senior indebtedness of the operating partnership and are senior to all subordinated indebtedness of the operating partnership. The outstanding principal amount of the series C notes is due on August 1, 2009.

(4) On April 20, 2004, the operating partnership issued $250.0 million of its fixed rate senior notes with a debt discount of $0.9 million that will be amortized to interest expense through 2014. On August 4, 2008, the operating partnership issued $200.0 million of its fixed rate senior notes with a debt discount of $30.0 million that will be amortized to interest expense through 2014. These notes are general unsecured obligations of the operating partnership and rank on an equal basis in right of payment with all senior indebtedness of the operating partnership and are senior to all subordinated indebtedness of the operating partnership. The outstanding principal amount is due on May 1, 2014. In general, the operating partnership does not have the option to prepay the notes prior to maturity without incurring prepayment penalties.

Senior notes

During August 2007, Ferrellgas made a scheduled principal payment of $90.0 million of the 8.78% Series B senior notes using proceeds from borrowings on the unsecured credit facility due April 2010.

During August 2008, Ferrellgas made scheduled principal payments of $52.0 million on the 7.12% Series C senior notes using proceeds from borrowings on the unsecured credit facility due April 2010.

During August 2008, Ferrellgas issued $200.0 million in aggregate principal amount of its 6.75% senior notes due 2014 at an offering price equal to 85% of par. The proceeds from this transaction were used to reduce outstanding indebtedness under the unsecured credit facility due April 2010.

See Note P — Subsequent events for a discussion on senior note principal payments and new long term debt issuances.

Unsecured credit facility

Ferrellgas' $448.0 million unsecured credit facility matures April 22, 2010. Borrowings under this facility are available for working capital, acquisition, capital expenditure, long-term debt repayment, and general partnership purposes. The credit facility has a letter of credit sub-facility with availability of up to $150.0 million.

As of July 31, 2009 and 2008, Ferrellgas had total borrowings outstanding under this unsecured credit facility due April 2010 of $154.7 million and $361.0 million, respectively, of which $88.5 million and $235.3 million, respectively, were classified as long-term debt. See footnote P — Subsequent events for a discussion of the classification of this portion of the unsecured credit facility as long term.

Borrowings under the unsecured credit facility due April 2010 had a weighed average interest rate of 2.19% and 4.72% at July 31, 2009 and 2008, respectively. These borrowings bear interest, at Ferrellgas' option, at a rate equal to either:

- the base rate, which is defined as the higher of the federal funds rate plus 0.50% or Bank of America's prime rate (as of July 31, 2009, the federal funds rate and Bank of America's prime rate were 0.18% and 3.25%, respectively); or
- the Eurodollar Rate plus a margin varying from 1.50% to 2.50% (as of July 31, 2009, the one-month and three-month Eurodollar Rates were 0.45% and 0.75%, respectively).

In addition, an annual commitment fee is payable on the daily unused portion of the unsecured credit facility due April 2010 at a per annum rate varying from 0.375% to 0.500% (as of July 31, 2009, the commitment fee per annum rate was 0.375%).

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. Letters of credit outstanding at July 31, 2008 totaled $42.3 million and were used primarily for insurance arrangements. At July 31, 2009, Ferrellgas had available letter of credit remaining capacity of $105.6 million. Ferrellgas incurred commitment fees of $0.9 million, $0.4 million and $0.6 million in fiscal 2009, 2008 and 2007, respectively.

During May 2007, the operating partnership entered into a new unsecured credit facility with additional borrowing capacity of up to $150.0 million, which was scheduled to mature on August 1, 2009. During April 2009, Ferrellgas terminated this facility and paid down its total borrowings outstanding of $95.0 million using borrowing capacity available under the unsecured credit facility due April 2010.

During April 2008, Ferrellgas amended its unsecured credit facility due April 2010, increasing its borrowing capacity by $73.0 million and bringing its total borrowing capacity to $448.0 million.

During October 2008, Ferrellgas amended its unsecured credit facility due April 2010 increasing the letter of credit sublimit from $90.0 million to $200.0 million through February 28, 2009 and to $150.0 million thereafter. The letter of credit sublimit is part of, and not in addition to, the aggregate credit facility commitment. The amendment also requires Ferrellgas to cash collateralize any outstanding letter of credit obligations in an amount equal to the pro rata share of any defaulting lender.

See Note P — Subsequent events for further discussion about the unsecured credit facility due April 2010 and its replacement with a new secured credit facility.

Covenants

The senior notes and the unsecured credit facility due April 2010 agreement contain various restrictive covenants applicable to Ferrellgas and its subsidiaries, the most restrictive relating to additional indebtedness. In addition, Ferrellgas Partners is prohibited from making cash distributions of the

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minimum quarterly distribution if a default or event of default exists or would exist upon making such distribution, or if Ferrellgas fails to meet certain coverage tests. As of July 31, 2009, Ferrellgas is in compliance with all requirements, tests, limitations and covenants related to these debt agreements.

The scheduled annual principal payments on long-term debt are as follows:

For the year ended July 31,	Scheduled annual principal payments
2010	$ 1,422
2011	1,271
2012	269,191
2013	25,131
2014	450,621
Thereafter	290,527
Total	$ 1,038,163

See Note P — Subsequent events for discussion about the classification of long-term debt maturities.

The carrying amount of short-term financial instruments approximates fair value because of the short maturity of these instruments. The estimated fair value of Ferrellgas' long-term debt was $1,045.9 million and $1,098.4 million as of July 31, 2009 and 2008, respectively. The fair value is estimated based on quoted market prices.

I. Partners' capital

As of July 31, 2009 and 2008, limited partner units were beneficially owned by the following:

	2009	2008
Third parties (1)	43,555,614	38,300,533

Ferrell Companies (2)	20,080,776	20,080,776
FCI Trading Corp. (3)	195,686	195,686
Ferrell Propane, Inc. (4)	51,204	51,204
James E. Ferrell (5)	4,353,475	4,333,475

(1) These common units are listed on the New York Stock Exchange under the symbol "FGP."
(2) Ferrell Companies is the owner of the general partner and a 29% owner of Ferrellgas' common units and thus a related party.
(3) FCI Trading Corp. ("FCI Trading") is an affiliate of the general partner and thus a related party.
(4) Ferrell Propane, Inc. ("Ferrell Propane") is controlled by the general partner and thus a related party.
(5) James E. Ferrell ("Mr. Ferrell") is the Chairman and Chief Executive Officer of the general partner and thus a related party.

Together these limited partner units represent Ferrellgas Partner's limited partners' interest and an effective 98% economic interest in Ferrellgas Partners, exclusive of the general partners' incentive distribution rights. The general partner has an effective 2% interest in Ferrellgas Partners, excluding incentive distribution rights. Since ongoing distributions have not yet reached the levels required to commence payment of incentive distribution rights to the general partner, distributions to the partners from operations or interim capital transactions will generally be made in accordance with the above percentages. In liquidation, allocations and distributions will be made in accordance with each common unitholder's positive capital account.

The common units of Ferrellgas Partners represent limited partner interests in Ferrellgas Partners, which give the holders thereof the right to participate in distributions made by Ferrellgas Partners and to

exercise the other rights or privileges available to such holders under the Fourth Amended and Restated Agreement of Limited Partnership of Ferrellgas Partners, L.P. dated February 18, 2003 (the "Partnership Agreement"). Under the terms of the Partnership Agreement, holders of common units have limited voting rights on matters affecting the business of Ferrellgas Partners. Generally, persons owning 20% or more of Ferrellgas Partners' outstanding common units cannot vote; however, this limitation does not apply to those common units owned by the general partner or its "affiliates," as such term is defined in the Partnership Agreement.

Ferrellgas maintains shelf registration statements for the issuance of common units, and other securities that may include deferred participation units, warrants and debt securities. The Partnership Agreement allows the general partner to issue an unlimited number of additional Ferrellgas general and limited partner interests and other equity securities of Ferrellgas Partners for such consideration and on such terms and conditions as shall be established by the general partner without the approval of any unitholders.

Common unit and general partner distributions

Ferrellgas Partners has paid the following distributions:

	For the year ended July 31, 2009	2008	2007
Third parties	$ 81,922	$ 76,646	$ 76,562
Ferrell Companies	40,160	40,160	40,162
FCI Trading	392	392	391
Ferrell Propane	104	104	102
Mr. Ferrell	8,678	8,616	8,584
General partner	1,325	1,272	1,271
	$ 132,581	$ 127,190	$ 127,072

On August 28, 2009, Ferrellgas declared a cash distribution of $0.50 per common unit for the three months ended July 31, 2009, which was paid on September 14, 2009. Included in this cash distribution were the following amounts paid to related parties:

Ferrell Companies	$ 10,040
FCI Trading	98
Ferrell Propane	26
Mr. Ferrell	2,177
General partner	345

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

Common unit issuances

In February 2009, Ferrellgas completed a registered public offering of 5.0 million common units representing limited partner interests. This transaction was comprised of both an original offering of 4.5 million common units and an over allotment offering of 0.5 million common units. The net proceeds received from this offering of $69.4 million were used to reduce long term borrowings under Ferrellgas' unsecured credit facility.

During fiscal 2009, Ferrellgas issued 0.3 million common units valued at $5.5 million in connection with acquisitions.

Other comprehensive income ("OCI")

See Note J — Derivatives — for details regarding changes in fair value on risk management financial derivatives recorded within OCI for the year ended July 31, 2009.

J. 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 SFAS 133 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 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 years ended July 31, 2009, 2008 and 2007, 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 financial derivative instruments are classified gross on the consolidated balance sheets as "Price risk management assets" and "Other current liabilities" as follows:

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	2009	2008
Derivatives — Price risk management assets	$ 3,391	$ 26,086
Derivatives — Price risk management liabilities	$ 4,380	$ 7,337

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

	For the year ended July 31, 2009
Fair value loss adjustment classified as OCI with offset in Price risk management assets and Price risk management liabilities	$ (186,449)
Reclassification of net losses originally recorded within OCI to Cost of product sold — propane and other gas liquids	$ (166,711)

The fair value losses reported above relate to the significant decrease in wholesale propane prices that occurred during fiscal 2009. Assuming a minimal change in future market prices, Ferrellgas expects to reclassify net losses of approximately $1.0 million to earnings during the next year. These net losses 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 under SFAS 133.

During the years ended July 31, 2009, 2008 and 2007, 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 July 31, 2009, Ferrellgas had financial derivative contracts covering 0.7 million barrels of propane that were entered into as cash flow hedges of forward and forecasted purchases of propane.

During the year ended July 31, 2009, four counterparties represented 85% of net settled cash flow hedging positions reported in "Cost of goods sold — propane and other gas liquids sales." During the year ended July 31, 2009, Ferrellgas neither held nor entered into financial derivative contracts that contained credit risk related contingency features.

In accordance with SFAS 157, Ferrellgas determines the fair value of its assets and liabilities subject to fair value measurement by using the highest possible "Level" as defined within SFAS 157. The three levels defined by the SFAS 157 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 July 31, 2009 and 2008, all derivative assets and liabilities qualified for classification as Level 2 - other observable inputs as defined within SFAS 157. All financial derivatives assets and liabilities were non-trading positions.

K. 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 consolidated statements of earnings as follows:

	For the year ended July 31,		
	2009	2008	2007
Operating expense	$ 217,374	$ 185,576	$ 202,824
General and administrative expense	$ 23,801	$ 27,203	$ 26,542

Ferrellgas has a subleasing and a shared services agreement with Samson Dental Practice Management, LLC ("Samson"), a company wholly-owned by Mr. Ferrell. During the year ended July 31, 2009, Ferrellgas received payments totaling $0.3 million for services provided to and sublease revenue receipts from Samson. No payments were received from Samson during the years ended July 31, 2008 and 2007.

During fiscal 2009, Ferrellgas paid Fleishman-Hillard Inc. $0.2 million for marketing and communications services. Elizabeth Solberg, a member of the general partner's board of directors, serves as the General Manager of Fleishman-Hillard Inc.

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

L. Contingencies and commitments

Litigation

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 consolidated 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 cases have generally been stayed until motions are heard regarding coordination for multidistrict treatment in a single court prior to trial. 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.

Long-term debt-related commitments

Ferrellgas has long and short-term payment obligations under agreements such as senior notes and its unsecured credit facility. See Note H — Debt — for a description of these debt obligations and a schedule of future maturities.

Operating lease commitments and buyouts

Ferrellgas leases certain property, plant and equipment under non-cancelable and cancelable operating leases. Amounts shown in the table below represent minimum lease payment obligations under Ferrellgas' third-party leases with terms in excess of one year for the periods indicated. These arrangements include the leasing of transportation equipment, property, computer equipment and propane tanks.

Ferrellgas is required to recognize a liability for the fair value of guarantees issued after December 31, 2002. The only material guarantees Ferrellgas has are associated with residual value guarantees of operating leases. Most of the operating leases involving Ferrellgas' transportation equipment contain residual value guarantees. These transportation equipment lease arrangements are scheduled to expire over the next seven fiscal years. Most of these arrangements provide that the fair value of the equipment will equal or exceed a guaranteed amount, or Ferrellgas will be required to pay the lessor the difference. The fair value of these residual value guarantees entered into after December 31, 2002 was $0.7 million as of July 31, 2009. Although the fair values of the underlying equipment at the end of the lease terms have historically exceeded these guaranteed amounts, the maximum potential amount of aggregate future payments Ferrellgas could be required to make under these leasing arrangements, assuming the equipment is worthless at the end of the lease term, was $10.0 million as of July 31, 2009. Ferrellgas does not know of any event, demand, commitment, trend or uncertainty that would result in a material change to these arrangements.

Operating lease buyouts represent the maximum amount Ferrellgas would pay if it were to exercise its right to buyout the assets at the end of their lease term.

The following table summarizes Ferrellgas' contractual operating lease commitments and buyout obligations as of July 31, 2009:

	Future minimum rental and buyout amounts by fiscal year					
	2010	2011	2012	2013	2014	Thereafter
Operating lease obligations	$ 22,246	$ 15,475	$ 8,431	$ 5,590	$ 4,734	$ 11,137
Operating lease buyouts	$ 8,641	$ 5,323	$ 2,827	$ 357	$ 784	$ 1,418

Certain property and equipment is leased under non-cancelable operating leases, which require fixed monthly rental payments and which expire at various dates through 2024. Rental expense under these leases totaled $38.6 million, $44.3 million, and $45.3 million for fiscal 2009, 2008 and 2007, respectively.

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M. Employee benefits

Ferrellgas has no employees and is managed and controlled by its general partner. Ferrellgas assumes all liabilities, which include specific liabilities related to the following employee benefit plans for the benefit of the officers and employees of the general partner.

Ferrell Companies makes contributions to the ESOT, which causes a portion of the shares of Ferrell Companies owned by the ESOT to be allocated to employees' accounts over time. The allocation of Ferrell Companies' shares to employee accounts causes a non-cash compensation charge to be incurred by Ferrellgas, equivalent to the fair value of such shares allocated. This non-cash compensation charge is reported separately in Ferrellgas' consolidated statements of earnings and thus excluded from operating and general and administrative expenses. The non-cash compensation charges were $6.8 million, $12.4 million and $11.2 million during fiscal 2009, 2008 and 2007, respectively. Ferrellgas is not obligated to fund or make contributions to the ESOT.

The general partner and its parent, Ferrell Companies, have a defined contribution profit-sharing plan which includes both profit sharing and matching contributions. The plan covers substantially all full time employees. With the establishment of the ESOP in July 1998, Ferrellgas suspended future contributions to the profit sharing plan beginning with fiscal 1998. The plan, which qualifies under section 401(k) of the Internal Revenue Code, also provides for matching contributions under a cash or deferred arrangement based upon participant salaries and employee contributions to the plan. Matching contributions for fiscal 2009, 2008 and 2007 were $2.7 million, $2.6 million, and $3.0 million, respectively.

The general partner has a defined benefit plan that provides participants who were covered under a previously terminated plan with a guaranteed retirement benefit at least equal to the benefit they would have received under the terminated plan. Until July 31, 1999, benefits under the terminated plan were determined by years of credited service and salary levels. As of July 31, 1999, years of credited service and salary levels were frozen. The general partner's funding policy for this plan is to contribute amounts deductible for Federal income tax purposes and invest the plan assets primarily in corporate stocks and bonds, U.S. Treasury bonds and short-term cash investments. During fiscal 2009, 2008 and 2007 other comprehensive income and other liabilities were adjusted by $(6.0) thousand $(0.1) million and $(0.4) million, respectively.

N. Earnings per common unit

Below is a calculation of the basic and diluted net earnings available per common unit in the consolidated statements of earnings for the periods indicated. In accordance with EITF 03-6, "Participating Securities and the Two-Class Method under FASB Statement No. 128, *Earnings per Share*" ("EITF 03-6"), Ferrellgas calculates net earnings per limited partner unit 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 EITF 03-6 typically impacts only the three months ending January 31. There was not a dilutive effect from EITF 03-6 on basic net earnings per common unit for total earnings for fiscal 2009, 2008 and 2007.

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	For the year ended July 31,		
	2009	2008	2007
Net earnings available to common unitholders	$ 52,046	$ 24,442	$ 34,452
Weighted average common units outstanding (in thousands)	65,540.7	62,959.5	62,755.8
Dilutive securities	72.7	11.0	18.0
Weighted average common units outstanding plus dilutive securities	65,613.4	62,970.5	62,773.8
Basic and diluted net earnings available per common unit	$ 0.79	$ 0.39	$ 0.55

O. Quarterly data (unaudited)

The following summarized unaudited quarterly data includes all adjustments (consisting only of normal recurring adjustments), which Ferrellgas considers necessary for a fair presentation. Due to the seasonality of the propane distribution industry, first and fourth quarter revenues, gross margin from propane and other gas liquids sales and net earnings are consistently less than the second and third quarter results. Other factors affecting the results of operations include competitive conditions, demand for product, timing of acquisitions, variations in the weather and fluctuations in propane prices. The sum of net earnings (loss) available to common unitholders by quarter do not equal the total net earnings available to common unitholders for the year due to the effect of EITF 03-6 on quarterly computations of earnings available to common unitholders in the second quarter of fiscal 2009 and 2008. See Note N — Earnings per common unit — for further discussion of this calculation. The sum of net earnings (loss) per common unit by quarter may not equal the net earnings (loss) per common unit for the year due to variations in the weighted average units outstanding used in computing such amounts.

For the year ended July 31, 2009

	First quarter	Second quarter	Third quarter	Fourth quarter
Revenues	$ 480,074	$ 715,625	$ 561,133	$ 312,690
Gross margin from propane and other gas liquids sales (a)	119,143	219,009	165,969	118,164
Net earnings (loss)	(14,887)	69,652	32,864	(35,057)
Net earnings (loss) available to common unitholders	(14,738)	58,019	32,535	(34,707)
Basic and diluted earnings (loss) per common unit available to common unitholders	$ (0.23)	$ 0.92	$ 0.48	$ (0.51)

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For the year ended July 31, 2008

	First quarter	Second quarter	Third quarter	Fourth quarter
Revenues	$ 394,916	$ 763,968	$ 712,090	$ 419,715
Gross margin from propane and other gas liquids sales (a)	106,416	179,932	165,968	111,047
Net earnings (loss)	(22,900)	51,198	35,171	(38,780)
Net earnings (loss) available to common unitholders	(22,671)	47,541	34,819	(38,392)
Basic and diluted earnings (loss) per common unit available to common unitholders	$ (0.36)	$ 0.76	$ 0.55	$ (0.61)

(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."

P. Subsequent events

During August 2009, Ferrellgas made scheduled principal payments of $73.0 million on the 8.87% Series C senior notes using availability under its unsecured credit facility due April 2010.

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. Ferrellgas then gave early redemption notice to the holders of 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. The principal amount of these senior notes and the related prepayment penalties are expected to be funded with the proceeds from the new senior notes offering with remaining proceeds used to reduce borrowings on Ferrellgas' unsecured credit facility due April 2010.

During September 2009, Ferrellgas and several banks and other financial institutions executed into escrow a Credit Agreement ("Credit Agreement") which will be released from escrow pending certain closing conditions. The Credit Agreement is intended to replace Ferrellgas' existing unsecured credit facility. The Credit Agreement, at closing, will provide 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. The obligations under such credit facility will be 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 will also be guaranteed by the general partner and certain subsidiaries of the operating partnership. The secured revolving credit facility will mature on the third anniversary of the closing date for such facility.

During September 2009, Ferrellgas acquired Vanson, LLC, based in Michigan. The propane distribution assets acquired have an aggregate value of $45.1 million. This acquisition was funded by $36.6 million in cash payments, the issuance of $5.4 million of liabilities and other costs and considerations, and $3.1 million of common units, net of issuance costs.

Ferrellgas has evaluated events and transactions for subsequent events disclosures occurring after the balance sheet date through its Form 10-K filing on September 28, 2009 with the Securities and Exchange Commission.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Ferrellgas Partners Finance Corp.
Overland Park, Kansas

We have audited the accompanying balance sheets of Ferrellgas Partners Finance Corp. (a wholly-owned subsidiary of Ferrellgas Partners, L.P., referred to herein as the "Company") as of July 31, 2009 and 2008, and the related statements of earnings, stockholder's equity, and cash flows for each of the three years in the period ended July 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Ferrellgas Partners Finance Corp. as of July 31, 2009 and 2008, and the results of its operations and its cash flows for each of the three years in the period ended July 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
September 28, 2009

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

BALANCE SHEETS

	July 31, 2009	July 31, 2008
ASSETS		
Cash	$ 1,000	$ 1,000
Total assets	$ 1,000	$ 1,000
STOCKHOLDER'S EQUITY		
Common stock, $1 par value; 2,000 shares authorized; 1,000 shares issued and outstanding	$ 1,000	$ 1,000
Additional paid in capital	5,594	5,149
Accumulated deficit	(5,594)	(5,149)
Total stockholder's equity	$ 1,000	$ 1,000

See notes to financial statements.

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

STATEMENTS OF EARNINGS

	For the year ended July 31, 2009	2008	2007
General and administrative expense	$ 445	$ 992	$ 444
Net loss	$ (445)	$ (992)	$ (444)

See notes to financial statements.

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

STATEMENTS OF STOCKHOLDER'S EQUITY

	Common stock				Additional paid in capital		Accumulated deficit		Total stockholder's equity
	Shares		Dollars						
July 31, 2006	1,000	$	1,000	$	3,713	$	(3,713)	$	1,000
Capital contribution	—		—		444		—		444
Net loss	—		—		—		(444)		(444)
July 31, 2007	1,000		1,000		4,157		(4,157)		1,000
Capital contribution	—		—		992		—		992
Net loss	—		—		—		(992)		(992)
July 31, 2008	1,000		1,000		5,149		(5,149)		1,000
Capital contribution	—		—		445		—		445
Net loss	—		—		—		(445)		(445)
July 31, 2009	1,000	$	1,000	$	5,594	$	(5,594)	$	1,000

See notes to financial statements.

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

STATEMENTS OF CASH FLOWS

	For the year ended July 31,					
		2009		2008		2007
Cash flows from operating activities:						
Net loss	$	(445)	$	(992)	$	(444)
Cash used in operating activities		(445)		(992)		(444)
Cash flows from financing activities:						
Capital contribution		445		992		444
Cash provided by financing activities		445		992		444
Change in cash		—		—		—
Cash - beginning of year		1,000		1,000		1,000
Cash - end of year	$	1,000	$	1,000	$	1,000

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

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 Partnership contributed $1,000 to the Finance Corp. on April 8, 1996 in exchange for 1,000 shares of common stock.

B. Commitment

On September 24, 2002, the Partnership issued $170.0 million of 8 3/4% senior notes due 2012. On December 18, 2002, the Partnership issued an additional $48.0 million of 8 3/4% senior notes due 2012. On June 10, 2004, the Partnership issued an additional $50.0 million of 8 3/4% senior notes due 2012. The Partnership may redeem some or all of the aggregate principle amount of the notes at any time on or after June 15, 2007.

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

C. Income taxes

Income taxes have been computed separately as the Finance Corp. files its own income tax return. Deferred income taxes are provided as a result of temporary differences between financial and tax reporting using the asset/liability method. Deferred income taxes are recognized for the tax consequences of temporary differences between the financial statement carrying amounts and tax basis of existing assets and liabilities.

Due to the inability of the Finance Corp. to utilize the deferred tax benefit of $2,194 associated with the net operating loss carryforward of $5,641, which expire at various dates through July 31, 2029, a valuation allowance has been provided on the full amount of the deferred tax asset. Accordingly, there is no net deferred tax benefit for fiscal 2009, 2008 or 2007, and there is no net deferred tax asset as of July 31, 2009 and 2008.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of
Ferrellgas, L.P. and Subsidiaries
Overland Park, Kansas

We have audited the accompanying consolidated balance sheets of Ferrellgas, L.P. and subsidiaries ("Ferrellgas") as of July 31, 2009 and 2008, and the related consolidated statements of earnings, partners' capital, and cash flows for each of the three years in the period ended July 31, 2009. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of Ferrellgas' management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Ferrellgas, L.P. and subsidiaries as of July 31, 2009 and 2008, and the results of their operations and their cash flows for each of the three years in the period ended July 31, 2009, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Ferrellgas' internal control over financial reporting as of July 31, 2009, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated September 28, 2009 expressed an unqualified opinion on Ferrellgas' internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
September 28, 2009

FERRELLGAS, L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands)

	July 31, 2009	July 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,050	$ 16,545
Accounts and notes receivable (net of allowance for doubtful accounts of $4,294 and $5,977 at 2009 and 2008, respectively)	106,910	145,081
Inventories	129,808	152,301
Price risk management assets	3,391	26,086
Prepaid expenses and other current assets	10,965	10,251
Total current assets	258,124	350,264
Property, plant and equipment, net	666,535	685,328
Goodwill	248,939	248,939
Intangible assets, net	212,037	225,273

Other assets, net	17,414	16,817
Total assets	$ 1,403,049	$ 1,526,621
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable	$ 49,337	$ 71,348
Short-term borrowings	66,159	125,729
Other current liabilities	105,661	104,790
Total current liabilities	221,157	301,867
Long-term debt	740,982	765,248
Other liabilities	19,300	23,237
Contingencies and commitments (Note L)	—	—
Partners' capital:		
Limited partner	418,532	413,507
General partner	4,272	4,220
Accumulated other comprehensive income (loss)	(1,194)	18,542
Total partners' capital	421,610	436,269
Total liabilities and partners' capital	$ 1,403,049	$ 1,526,621

See notes to consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands)

	For the year ended July 31,		
	2009	2008	2007
Revenues:			
Propane and other gas liquids sales	$ 1,829,653	$ 2,055,281	$ 1,757,423
Other	239,869	235,408	235,017
Total revenues	2,069,522	2,290,689	1,992,440
Costs and expenses:			
Cost of product sold - propane and other gas liquids sales	1,207,368	1,491,918	1,147,169
Cost of product sold - other	152,853	136,478	157,223
Operating expense	400,407	371,819	380,563
Depreciation and amortization expense	82,494	85,521	87,383
General and administrative expense	41,382	45,612	44,870
Equipment lease expense	18,406	24,478	26,142
Employee stock ownership plan compensation charge	6,755	12,413	11,225
Loss on disposal of assets and other	13,042	11,250	10,822
Operating income	146,815	111,200	127,043
Interest expense	(65,785)	(63,001)	(64,201)
Other income (expense), net	(1,321)	1,039	3,145
Earnings before income taxes	79,709	49,238	65,987
Income tax expense	2,208	6	6,560
Net earnings	$ 77,501	$ 49,232	$ 59,427

See notes to consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(in thousands)

	Limited partner	General partner	Accumulated other comprehensive income (loss): Risk management	Currency translation adjustments	Pension liability	Total partners' capital
Balance at July 31, 2006	$ 533,095	$ 5,435	$ 2,126	$ 21	$ (767)	$ 539,910
Contributions in connection with ESOP and stock-based compensation charges	11,992	122	—	—	—	12,114
Quarterly distributions	(150,522)	(1,536)	—	—	—	(152,058)
Cash contributed by Ferrellgas Partners and the general partner	46,100	470	—	—	—	46,570
Net assets contributed by Ferrellgas Partners and cash contributed by the general partner in connection with acquisitions	2,009	28	—	—	—	2,037
Comprehensive income:						
Net earnings	58,827	600	—	—	—	59,427
Other comprehensive income (loss):						
Net earnings on risk management derivatives	—	—	5,055	—	—	
Reclassification of derivatives to earnings	—	—	(2,126)	—	—	
Foreign currency translation adjustment	—	—	—	14	—	
Tax effect on foreign currency translation adjustment	—	—	—	(5)	—	
Pension liability adjustment	—	—	—	—	418	3,356
Comprehensive income						62,783
Balance at July 31, 2007	501,501	5,119	5,055	30	(349)	511,356
Contributions in connection with ESOP and stock-based compensation charges	14,086	143	—	—	—	14,229
Quarterly distributions	(150,815)	(1,539)	—	—	—	(152,354)
Comprehensive income:						
Net earnings	48,735	497	—	—	—	49,232
Other comprehensive income (loss):						
Net earnings on risk management derivatives	—	—	18,749	—	—	
Reclassification of derivatives to earnings	—	—	(5,055)	—	—	
Foreign currency translation adjustment	—	—	—	(10)	—	
Tax effect on foreign currency translation adjustment	—	—	—	6	—	
Pension liability adjustment	—	—	—	—	116	13,806
Comprehensive income						63,038
Balance at July 31, 2008	413,507	4,220	18,749	26	(233)	436,269
Contributions in connection with ESOP and stock-based compensation charges	8,975	92	—	—	—	9,067
Quarterly distributions	(156,031)	(1,592)	—	—	—	(157,623)
Cash contributed by Ferrellgas Partners and the general partner	69,848	713	—	—	—	70,561
Net assets contributed by Ferrellgas Partners and cash contributed by the general partner in connection with acquisitions	5,515	56	—	—	—	5,571
Comprehensive income:						
Net earnings	76,718	783	—	—	—	77,501
Other comprehensive income (loss):						
Net loss on risk management derivatives	—	—	(186,449)	—	—	
Reclassification of derivatives to earnings	—	—	166,711	—	—	
Foreign currency translation adjustment	—	—	—	(7)	—	
Tax effect on foreign currency translation adjustment	—	—	—	3	—	
Pension liability adjustment	—	—	—	—	6	(19,736)
Comprehensive income						57,765
Balance at July 31, 2009	$ 418,532	$ 4,272	$ (989)	$ 22	$ (227)	$ 421,610

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FERRELLGAS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the year ended July 31, 2009	2008	2007
Cash flows from operating activities:			
Net earnings	$ 77,501	$ 49,232	$ 59,427
Reconciliation of net earnings to net cash provided by operating activities:			
Depreciation and amortization expense	82,494	85,521	87,383
Employee stock ownership plan compensation charge	6,755	12,413	11,225
Stock-based compensation charge	2,312	1,816	889
Loss on disposal of assets	5,009	4,820	4,232
Loss on transfer of accounts receivable related to the accounts receivable securitization	12,124	10,548	10,384
Deferred tax expense (benefit)	388	(1,650)	3,099
Other	4,463	6,151	4,185
Changes in operating assets and liabilities, net of effects from business acquisitions:			
Accounts and notes receivable, net of securitization	65,466	(48,606)	1,105
Inventories	22,493	(40,920)	40,984
Prepaid expenses and other current assets	(118)	755	1,528
Accounts payable	(21,054)	8,523	(21,295)
Accrued interest expense	(156)	(3,572)	(1,353)
Other current liabilities	4,995	(2,380)	(26,186)
Other liabilities	(1,044)	151	819
Accounts receivable securitization:			
Proceeds from new accounts receivable securitizations	109,000	103,000	100,000
Proceeds from collections reinvested in revolving period accounts receivable securitizations	1,231,336	1,365,655	1,156,214
Remittances of amounts collected as servicer of accounts receivable securitizations	(1,376,336)	(1,456,655)	(1,265,214)
Net cash provided by operating activities	225,628	94,802	167,426
Cash flows from investing activities:			
Business acquisitions, net of cash acquired	(2,706)	(191)	(31,715)
Capital expenditures	(54,085)	(43,823)	(46,667)
Proceeds from sale of assets	8,199	10,874	9,830
Other	(4,643)	(2,991)	(6,540)
Net cash used in investing activities	(53,235)	(36,131)	(75,092)
Cash flows from financing activities:			
Distributions	(157,623)	(152,354)	(152,058)
Contributions from partners	70,561	—	46,570
Proceeds from increase in long-term debt	208,259	115,249	74,568
Reductions in long-term debt	(239,555)	(92,985)	(60,942)
Net additions to (reductions in) short-term borrowings	(59,570)	67,950	5,132
Cash paid for financing costs	(3,953)	(383)	(86)
Net cash used in financing activities	(181,881)	(62,523)	(86,816)
Effect of exchange rate changes on cash	(7)	(10)	14
Increase (decrease) in cash and cash equivalents	(9,495)	(3,862)	5,532
Cash and cash equivalents - beginning of year	16,545	20,407	14,875
Cash and cash equivalents - end of year	$ 7,050	$ 16,545	$ 20,407

See notes to consolidated financial statements.

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FERRELLGAS, L.P.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, unless otherwise designated)

A. Partnership organization and formation

Ferrellgas, L.P. was formed on April 22, 1994, and is a Delaware limited partnership. Ferrellgas, L.P. owns and operates propane distribution and related assets. Ferrellgas Partners, L.P. ("Ferrellgas Partners"), a publicly traded limited partnership, holds 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 Partners and Ferrellgas, L.P. are governed by their respective partnership agreements. These agreements contain specific provisions for the allocation of net earnings and loss to each of the partners for purposes of maintaining the partner capital accounts.

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.

Ferrell Companies is wholly-owned by a leveraged employee stock ownership trust ("ESOT") established pursuant to the Ferrell Companies Employee Stock Ownership Plan ("ESOP"). The purpose of the ESOP is to provide employees of the general partner an opportunity for ownership in Ferrell Companies and indirectly in Ferrellgas, L.P. As contributions are made by Ferrell Companies to the ESOT in the future, shares of Ferrell Companies are allocated to the employees' ESOP accounts.

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. Ferrellgas, L.P. 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 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) Principles of consolidation: The accompanying consolidated financial statements present the consolidated financial position, results of operations and cash flows of Ferrellgas, L.P. and its subsidiaries after elimination of all material intercompany accounts and transactions. Ferrellgas, L.P.

consolidates the following wholly-owned taxable corporations: Blue Rhino Global Sourcing, Inc. and Blue Rhino Canada, Inc. Ferrellgas Receivables, LLC ("Ferrellgas Receivables"), a wholly-owned unconsolidated subsidiary, is a special purpose entity.

(4) Cash and cash equivalents and non-cash activities: For purposes of the consolidated statements of cash flows, Ferrellgas, L.P. considers cash equivalents to include all highly liquid debt instruments purchased with an original maturity of three months or less. Significant non-cash activities are presented below**:**

	For the year ended July 31, 2009	2008	2007
CASH PAID FOR:			
Interest	$ 59,626	$ 64,922	$ 63,584
Income taxes	$ 1,374	$ 3,766	$ 3,742
NON-CASH INVESTING ACTIVITIES:			
Assets contributed from Ferrellgas Partners in connection with acquisitions	$ 5,515	$ —	$ 2,009
Issuance of liabilities in connection with acquisitions	$ 1,673	$ —	$ 2,426
Property, plant and equipment additions	$ 973	$ 1,970	$ 1,187

(5) **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. 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 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 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 consolidated statements of earnings. See Note F — Accounts and notes receivable, net and accounts receivable securitization — for further discussion of these transactions.

(6) Inventories: Inventories are stated at the lower of cost or market using weighted average cost and actual cost methods.

(7) Property, plant and equipment: Property, plant and equipment are stated at cost less accumulated depreciation. Expenditures for maintenance and routine repairs are expensed as incurred. Ferrellgas, L.P. capitalizes computer software, equipment replacement and betterment expenditures that upgrade, replace or completely rebuild major mechanical components and extend

the original useful life of the equipment. Depreciation is calculated using the straight-line method based on the estimated useful lives of the assets ranging from two to 30 years. Ferrellgas L.P., using its best estimates based on reasonable and supportable assumptions and projections, reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of its assets might not be recoverable. See Note E — Supplemental financial statement information — for further discussion of property, plant and equipment.

(8) Goodwill: Ferrellgas, L.P. records goodwill as the excess of the cost of acquisitions over the fair value of the related net assets at the date of acquisition. Goodwill is tested for impairment annually on January 31, or more frequently if circumstances dictate, and if impaired, written off against earnings at that time. Ferrellgas, L.P. has not recognized any impairment losses as a result of these tests. For purposes of Ferrellgas, L.P.'s goodwill impairment test, Ferrellgas, L.P. has determined that it has one reporting unit. Ferrellgas, L.P. assesses the carrying value of goodwill at its reporting unit based on an estimate of the fair value of the reporting unit. Fair value of the reporting unit is estimated using a market value approach taking into consideration the quoted market price of Ferrellgas Partners' common units.

(9) Intangible assets: Intangible assets with finite useful lives, consisting primarily of customer lists, non-compete agreements and patented technology, are stated at cost, net of accumulated amortization calculated using the straight-line method over periods ranging from two to 15 years. Trade names and trademarks have indefinite lives, are not amortized, and are stated at cost. Ferrellgas, L.P. tests finite-lived intangible assets for impairment when events or changes in circumstances indicate that the carrying amount of these assets might not be recoverable. Ferrellgas, L.P. tests indefinite-lived intangible assets for impairment annually on January 31 or more frequently if circumstances dictate. Ferrellgas, L.P. has not recognized impairment losses as a result of these tests. When necessary, intangible assets' useful lives are revised and the impact on amortization reflected on a prospective basis. See Note G — Goodwill and intangible assets, net — for further discussion of intangible assets.

(10) Derivatives and hedging activities: Ferrellgas, L.P.'s overall objective for entering into derivative contracts, including commodity options and swaps, is to hedge a portion of its exposure to market fluctuations in propane prices. These financial instruments are formally designated and documented as a hedge of a specific underlying exposure, as well as the risk management objectives and strategies for undertaking the hedge transaction. Because of the high degree of correlation between the hedging instrument and the underlying exposure being hedged, fluctuations in the value of the derivative instrument are generally offset by changes in the anticipated cash flows of the underlying exposure being hedged. The fair value of these derivatives fluctuates over the length of the contracts. These fair value amounts should not be viewed in isolation, but rather in relation to the anticipated cash flows of the underlying hedged transaction and the overall reduction in our risk relating to adverse fluctuations in propane prices. Ferrellgas, L.P. formally assesses, both at inception and at least quarterly thereafter, whether the financial instruments that are used in hedging transactions are effective at offsetting changes in the anticipated cash flows of the related underlying exposures. Any ineffective portion of a financial instrument's change in fair value is recognized in "Cost of product sold - propane and other gas liquids sales" in the consolidated statements of earnings. Ferrellgas, L.P. also enters into derivative contracts that qualify for the normal purchases and normal sales exception under Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), as amended. Financial instruments formally designated and documented as a hedge of a specific underlying exposure are recorded gross at fair value as either "Price risk management assets" or "Other current liabilities" on the consolidated balance sheets with changes in fair value reported in other comprehensive income.

(11) Revenue recognition: Revenues from the distribution of propane and other gas liquids, including revenues from customer deposits and advances, are recognized by Ferrellgas, L.P. at the time product is delivered to its customers. Other revenues, which include revenue from the sale of propane appliances and equipment is recognized at the time of delivery or installation. Revenues from repairs and maintenance are recognized upon completion of the service. Ferrellgas, L.P. recognizes shipping and handling revenues and expenses for sales of propane, appliances and equipment at the time of delivery or installation. Shipping and handling revenues are included in the price of propane charged to customers, and are classified as revenue. Revenues from annually billed, non-refundable tank rentals are recognized on a straight-line basis over one year. Cooperative advertising program costs are recorded as a reduction to our revenue.

(12) Shipping and handling expenses: Shipping and handling expenses related to delivery personnel, vehicle repair and maintenance and general liability expenses are classified within "Operating expense" in the consolidated statements of earnings. Depreciation expenses on delivery vehicles Ferrellgas, L.P. owns are classified within "Depreciation and amortization expense." Delivery vehicles and distribution technology leased by Ferrellgas, L.P. are classified within "Equipment lease expense." See Note E — Supplemental financial statement information - for the financial statement presentation of shipping and handling expenses.

(13) Cost of product sold: "Cost of product sold — propane and other gas liquids sales" includes all costs to acquire propane and other gas liquids, the costs of storing and transporting inventory prior to delivery to Ferrellgas, L.P.'s customers, the results from risk management activities to hedge related price risk and the costs related to the refurbishment of Ferrellgas, L.P.'s portable propane tanks. "Cost of product sold — other" primarily includes costs related to the sale of propane appliances and equipment.

(14) Operating expenses: "Operating expense" primarily includes the personnel, vehicle, delivery, handling, plant, office, selling, marketing, credit and collections and other expenses related to the retail distribution of propane and related equipment and supplies.

(15) General and administrative expenses: "General and administrative expense" primarily includes personnel and incentive expense related to executives and employees and other overhead expense related to centralized corporate functions.

(16) Unit and stock-based compensation:

Ferrellgas Unit Option Plan ("UOP")

The UOP is authorized to issue options covering up to 1.35 million common units to employees of the general partner or its affiliates. The Compensation Committee of the Board of Directors of the general partner administers the UOP, authorizes grants of unit options thereunder and sets the unit option price and vesting terms of unit options in accordance with the terms of the UOP. No single officer or director of the general partner may acquire more than 314,895 common units under the UOP. In general, the options currently outstanding under the UOP vest over a five-year period, and expire on the tenth anniversary of the date of the grant. The fair value of each option award is estimated on the date of grant using a binomial option valuation model. Expected volatility is based on the historical volatility of Ferrellgas Partners' publicly-traded common units. Historical information is used to estimate option exercise and employee termination behavior. Due to the limited number of employees eligible to participate in the UOP, there is only one group of employees. The expected term of options granted is derived from historical exercise patterns and represents the period of time that options are expected to be outstanding. The risk free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. During the year ended July 31, 2009, the portion of the total non-cash compensation charge relating to the UOP was

$15 thousand and related to fiscal 2009 grants of unit options to acquire 0.3 million common units. During the years ended July 31, 2008 and 2007, no compensation charge relating to the UOP was recognized as all options outstanding at that time were fully vested.

Ferrell Companies, Inc. Incentive Compensation Plan ("ICP")
The ICP is not a Ferrellgas, L.P. stock-compensation plan; however, in accordance with Ferrellgas L.P.'s partnership agreements, all employee-related costs incurred by Ferrell Companies are allocated to Ferrellgas, L.P. As a result, Ferrellgas, L.P. incurs a non-cash compensation charge from Ferrell Companies. During the years ended July 31, 2009, 2008 and 2007, the portion of the total non-cash compensation charge relating to the ICP was $2.3 million, $1.8 million and $0.9 million, respectively.

Ferrell Companies is authorized to issue options covering up to 6.25 million shares of Ferrell Companies common stock under the ICP. The ICP was established by Ferrell Companies to allow upper middle and senior level managers of the general partner to participate in the equity growth of Ferrell Companies. The shares underlying the stock options are common shares of Ferrell Companies; therefore, there is no earnings per share dilution of Ferrellgas, L.P. The ICP stock options vest ratably over periods ranging from zero to 12 years or 100% upon a change of control of Ferrell Companies, or upon the death, disability or retirement at the age of 65 of the participant. Vested options are exercisable in increments based on the timing of the retirement of Ferrell Companies' debt, but in no event later than 20 years from the date of issuance. The fair value of each option award is estimated on the date of grant using a binomial option valuation model.

(17) Income taxes: Ferrellgas, L.P. is a limited partnership and owns four subsidiaries that are taxable corporations. As a result, except for the taxable corporations, Ferrellgas, L.P.'s earnings or losses for federal income tax purposes are included in the tax returns of the individual partners. Accordingly, the accompanying consolidated financial statements of Ferrellgas, L.P. reflect federal income taxes related to the above mentioned taxable corporations. Recent legislation in certain states of operation allows for taxation of partnerships. As such, the accompanying consolidated financial statements of Ferrellgas, L.P. also reflect state income taxes resulting from this legislation. Net earnings for financial statement purposes may differ significantly from taxable income reportable to partners as a result of differences between the tax basis and financial reporting basis of assets and liabilities, the taxable income allocation requirements under Ferrellgas, L.P.'s partnership agreement and differences between Ferrellgas, L.P.'s financial reporting year end and limited partners tax year end.

Income tax expense consisted of the following:

	For the year ended July 31,		
	2009	2008	2007
Current expense	$ 1,820	$ 1,656	$ 3,461
Deferred expense (benefit)	388	(1,650)	3,099
Income tax expense	$ 2,208	$ 6	$ 6,560

Deferred taxes consisted of the following:

	2009	2008
Deferred tax assets	$ 877	$ 4,065
Deferred tax liabilities	(1,889)	(4,689)
Net deferred tax liability	$ (1,012)	$ (624)

On July 12, 2007, the governor of the state of Michigan signed into law a new Michigan Business Tax (the "MBT Act"), which provided a comprehensive restructuring of Michigan's principal business tax regime. The main provision of the MBT Act imposed a new two-part tax on business income and modified gross receipts that is accounted for as an income tax in accordance with SFAS No. 109 "Accounting for Income Taxes" ("SFAS 109"). Although the effective date of the MBT was January 1, 2008, SFAS 109 required all effects of a tax law change be accounted for in the period of the law's enactment. As a result, during the fourth quarter of fiscal 2007 Ferrellgas, L.P. recognized a one time increase in its deferred tax expense of $2.8 million. During fiscal 2008, the Governor of the State of Michigan signed into law a one time credit for this Michigan Business Tax law. The passing of this new tax law caused Ferrellgas, L.P. to recognize a one time deferred tax benefit of $2.8 million during fiscal 2008.

(18) Sales taxes: Ferrellgas, L.P. accounts for the collection and remittance of sales tax on a net tax basis. As a result, these amounts are not reflected in the consolidated statements of earnings.

(19) Segment information: Ferrellgas, L.P. is a single reportable operating segment engaging in the distribution of propane and related equipment and supplies to customers primarily in the United States.

(20) New accounting standards: SFAS No. 165, "Subsequent Events" provides guidance on management's assessment of subsequent events and clarifies that management must evaluate, as of each reporting period, events or transactions that occur after the balance sheet date through the date that the financial statements are issued or are available to be issued. The adoption of this statement during fiscal 2009 did not have a significant impact on Ferrellgas, L.P.'s financial position or results of operations. See additional disclosures relating to subsequent events in Note O — Subsequent events.

SFAS No. 166, "Accounting for Transfers of Financial Assets, an Amendment of FASB Statement No. 140" amends the derecognition guidance in SFAS No. 140 to improve the accounting for transfers of financial assets. This statement is effective for financial asset transfers that occur in fiscal years beginning after November 15, 2009. Ferrellgas, L.P. is currently evaluating the potential impact of this statement.

SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)" amends the consolidation guidance that applies to variable interest entities and will significantly affect the overall consolidation analysis under FASB Interpretation 46(R). This statement is effective for fiscal years beginning after November 15, 2009. Ferrellgas, L.P. is currently evaluating the potential impact of this statement.

SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a Replacement of FASB Statement No. 162" establishes the authoritative reference for nongovernmental U.S. GAAP and modifies the previous four-level GAAP hierarchy to include only two levels. This statement is effective for interim and annual periods ending after September 15, 2009. Ferrellgas, L.P. does not expect the adoption of this statement in fiscal 2010 to have a material impact on its financial position or results of operations.

SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an Amendment to FASB Statement No. 133" enhances disclosure requirements for derivative instruments and hedging activities. The adoption of this statement during fiscal 2009 did not have a significant impact on Ferrellgas, L.P.'s financial position or results of operations. See additional disclosures relating to commodity derivative and financial derivative transactions in Note J — Derivatives.

SFAS No. 157, "Fair Value Measurements" defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The adoption of this

statement during fiscal 2009 did not have a significant impact on Ferrellgas, L.P.'s financial position or results of operations. See disclosure of Ferrellgas, L.P.'s fair value measurements commodity derivative and financial derivative transactions in Note J — Derivatives.

SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities," provides entities the irrevocable option to elect to carry most financial assets and liabilities at fair value with changes in fair value recorded in earnings. The adoption of this statement was effective August 1, 2008; however, Ferrellgas, L.P. has not elected the fair value option for any of its financial assets or liabilities.

SFAS No. 141(R) "Business Combinations" (a replacement of SFAS No. 141, "Business Combinations") 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 statement 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. Ferrellgas, L.P. does not expect the adoption of this statement in fiscal 2010 to have a material impact on its financial position or results of operations.

FASB Staff Position ("FSP") SFAS 140-4 and FASB Interpretation No. 46R-8 "Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities" improves the transparency of transfers of financial assets and an enterprise's involvement with variable interest entities, including qualifying special-purpose entities. The adoption of this FSP during fiscal 2009 did not have a significant impact on Ferrellgas, L.P.'s financial position or results of operations.

C. Business combinations

Business combinations are accounted for under the purchase method and the assets acquired and liabilities assumed are recorded at their estimated fair market values as of the acquisition dates. The results of operations are included in the consolidated statements of earnings from the date of acquisition. The pro forma effect of these transactions was not material to Ferrellgas, L.P.'s results of operations.

During fiscal 2009, Ferrellgas, L.P. acquired propane distribution assets with an aggregate value of $10.0 million in the following four transactions:

- Lorensen Propane Gas, Inc., based in California, acquired September 2008;
- HBH Gas Systems, LLC — Austin's Colony Phase 5, based in Texas, acquired September 2008;
- Ottawa Cooperative, based in Kansas, acquired May 2009; and
- Town & Country Propane, Inc, based in Missouri, acquired July 2009.

These acquisitions were funded by $2.7 million in cash payments, the issuances of $1.8 million of liabilities and other costs and considerations, and the contribution of net assets of $5.5 million from Ferrellgas Partners.

The aggregate fair values of these four transactions were allocated as follows:

Customer tanks, buildings, land and other	$	3,031
Non-compete agreements		1,438
Customer lists		5,475
Working capital		6
	$	9,950

The estimated fair values and useful lives of assets acquired are based on a preliminary internal valuation and are subject to final valuation adjustments. Ferrellgas, L.P. intends to continue its analysis of the net assets of these transactions to determine the final allocation of the total purchase price to the various assets and liabilities acquired.

During fiscal 2008, Ferrellgas, L.P. had no acquisitions of propane distribution assets.

During fiscal 2007, Ferrellgas, L.P. acquired propane distribution assets with an aggregate value of $36.2 million in the following nine transactions:

- Pacer-Valley Propane, LLC, based in California, acquired August 2006;
- Lake Propane, based in California, acquired August 2006;
- Pacific Propane Service, Inc., based in California, acquired August 2006;
- Twin Ports Energy, Inc., based in Wisconsin, acquired October 2006;
- Getman's Gas Company, Inc., based in New York, acquired October 2006;
- Yankee Gas, LLC, based in Massachusetts, acquired October 2006;
- Great Dane Propane, Inc., based in Florida, acquired October 2006;
- Puget Sound Propane, based in Washington, acquired December 2006; and
- Reliance Bottle Gas, Inc., based in Ohio, acquired June 2007.

These acquisitions were funded by $31.7 million in cash payments, the issuances of $2.5 million of liabilities and other costs and considerations, and the contribution of net assets of $2.0 million from Ferrellgas Partners.

The aggregate fair values of these nine transactions were allocated as follows:

Customer tanks, buildings, land and other	$	11,567
Non-compete agreements		2,072
Customer lists		18,178
Goodwill		3,649
Working capital		712
	$	36,178

The fair values and useful lives of assets acquired are based on an internal valuation and included only minor final valuation adjustments during the 12 month period after the date of acquisition.

D. Quarterly distributions of available cash

Ferrellgas, L.P. makes quarterly cash distributions of all of its "available cash." Available cash is defined in the partnership agreement of Ferrellgas, L.P. as, generally, the sum of its consolidated cash receipts less consolidated cash disbursements and net changes in reserves established by the general partner for future requirements. Reserves are retained in order to provide for the proper conduct of Ferrellgas, L.P.'s business, or to provide funds for distributions with respect to any one or

more of the next four fiscal quarters. Distributions are made within 45 days after the end of each fiscal quarter ending October, January, April, and July.

Distributions by Ferrellgas, L.P. in an amount equal to 100% of its available cash, as defined in its partnership agreement, will be made approximately 99% to Ferrellgas Partners and approximately 1% to the general partner.

E. Supplemental financial statement information

Inventories consist of the following:

		2009		2008
Propane gas and related products	$	109,606	$	128,776
Appliances, parts and supplies		20,202		23,525
Inventories	$	129,808	$	152,301

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 July 31, 2009, Ferrellgas, L.P. had committed, for supply procurement purposes, to take net delivery of approximately 87.9 million gallons of propane at fixed prices.

Property, plant and equipment, net consist of the following:

	Estimated useful lives		2009		2008
Land	Indefinite	$	30,414	$	30,840
Land improvements	2-20		10,858		10,585

Buildings and improvements	20	64,392	63,777
Vehicles, including transport trailers	8-20	92,914	96,351
Bulk equipment and district facilities	5-30	100,123	97,489
Tanks, cylinders and customer equipment	2-30	767,682	761,065
Computer and office equipment	2-5	115,343	116,873
Construction in progress	n/a	5,853	9,575
		1,187,579	1,186,555
Less: accumulated depreciation		521,044	501,227
Property, plant and equipment, net		$ 666,535	$ 685,328

Depreciation expense totaled $62.3 million, $64.6 million and $64.8 million for fiscal 2009, 2008 and 2007, respectively.

Other current liabilities consist of the following:

	2009	2008
Accrued interest	$ 16,723	$ 16,879
Accrued payroll	23,395	12,621
Customer deposits and advances	23,115	25,065
Other	42,428	50,225
Other current liabilities	$ 105,661	$ 104,790

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

	For the year ended July 31, 2009	2008	2007
Loss on disposal of assets	$ 5,009	$ 4,820	$ 4,232
Loss on transfer of accounts receivable related to the accounts receivable securitization	12,124	10,548	10,384
Service income related to the accounts receivable securitization	(4,091)	(4,118)	(3,794)
Loss on disposal of assets and other	$ 13,042	$ 11,250	$ 10,822

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

	For the year ended July 31, 2009	2008	2007
Operating expense	$ 178,218	$ 171,938	$ 163,193
Depreciation and amortization expense	4,915	5,096	5,308
Equipment lease expense	17,541	22,703	23,465
	$ 200,674	$ 199,737	$ 191,966

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

Accounts and notes receivable, net consist of the following:

	2009	2008
Accounts receivable	$ 33,903	$ 127,975
Note receivable from Ferrellgas Receivables	52,038	—
Retained interest	24,979	22,753
Other	284	330
Less: allowance for doubtful accounts	(4,294)	(5,977)
Accounts and notes receivable, net	$ 106,910	$ 145,081

During April 2009, Ferrellgas, L.P. renewed its accounts receivable securitization facility with JPMorgan Chase Bank, N.A., JS Siloed Trust and Fifth Third Bank for an additional 364-day commitment. As part of this renewed facility, 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:

	2009	2008

Trade accounts receivable transferred from Ferrellgas, L.P.	$	118,982	$	97,333
Note payable to Ferrellgas, L.P.	$	52,038	$	—

Ferrellgas, L.P.'s 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 July 31, 2009, the operating partnership had received proceeds from trade accounts receivable sales of $37.0 million with the ability to receive proceeds of an additional $4.0 million.

Other accounts receivable securitization activity consists of the following:

	For the year ended July 31, 2009		2008		2007	
Net non-cash activity	$	8,033	$	6,430	$	2,964
Bad debt expense	$	600	$	—	$	202

The net non-cash activity reported in "Loss on disposal of assets and other" in the 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 E — 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 3.6% and 4.65% as of July 31, 2009 and 2008, respectively.

G. Goodwill and intangible assets, net

Goodwill and intangible assets, net consist of:

	July 31, 2009						July 31, 2008					
		Gross carrying amount		Accumulated amortization		Net		Gross carrying amount		Accumulated amortization		Net
Goodwill, net	$	248,939	$	—	$	248,939	$	248,939	$	—	$	248,939
Intangible assets, net Amortized intangible assets												
Customer lists	$	368,716	$	(225,038)	$	143,678	$	363,242	$	(207,107)	$	156,135
Non-compete agreements		44,481		(36,957)		7,524		43,042		(35,081)		7,961
Other		3,584		(1,860)		1,724		3,572		(1,502)		2,070
		416,781		(263,855)		152,926		409,856		(243,690)		166,166
Unamortized intangible assets												
Trade names & trademarks		59,111		—		59,111		59,107		—		59,107
Total intangible assets, net	$	475,892	$	(263,855)	$	212,037	$	468,963	$	(243,690)	$	225,273

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Customer lists have estimated lives of 15 years, while non-compete agreements and other intangible assets have estimated lives ranging from two to ten years. Ferrellgas, L.P. intends to utilize all acquired trademarks and trade names and does not believe there are any legal, regulatory, contractual, competitive, economical or other factors that would limit their useful lives. Therefore, trademarks and trade names have indefinite useful lives.

Aggregate amortization expense:

For the year ended July 31,		
2009	$	20,166
2008		20,970
2007		22,553

Estimated amortization expense:

For the year ended July 31,		
2010	$	19,298
2011		19,141
2012		18,693
2013		18,142
2014		14,874

H. Debt

Short-term borrowings

The operating partnership classified a portion of its unsecured credit facility due April 2010 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 July 31, 2009 and 2008, $66.2 million and $125.7 million, respectively, were classified as short-term borrowings. For further discussion see the unsecured credit facility section below.

Long-term debt

Long-term debt consisted of the following:

		2009		2008
Senior notes				
Fixed rate, Series D-E, ranging from 7.24% to 7.42%, due 2010-2013 (1)	$	152,000	$	204,000
Fixed rate, Series C, 8.87%, due 2009 (2)		73,000		73,000
Fixed rate, 6.75% due 2014, net of unamortized discount of $26,458 and $518 at July 31, 2009 and 2008, respectively (3)		423,542		249,482
Credit facility, variable interest rate, expiring 2010 (net of $66.2 million and $125.7 million classified as short-term borrowings at July 31, 2009 and 2008, respectively)		88,541		235,270
Notes payable, 8.4% and 7.9% weighted average interest rate in 2009 and 2008, respectively, due 2009 to 2016, net of unamortized discount of $1,301 and $1,160 at July 31, 2009 and 2008, respectively		5,321		5,864
Capital lease obligations		—		29
		742,404		767,645
Less: current portion, included in other current liabilities on the consolidated balance sheets		1,422		2,397
Long-term debt	$	740,982	$	765,248

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(1) Ferrellgas, L.P.'s fixed rate senior notes issued in August 1998 are general unsecured obligations of Ferrellgas, L.P. and rank on an equal basis in right of payment with all senior indebtedness of Ferrellgas, L.P. and are senior to all subordinated indebtedness of Ferrellgas, L.P. The outstanding principal amount of the series D and E notes are due on August 1, 2010 and 2013, respectively. In general, Ferrellgas, L.P. does not have the option to prepay the notes prior to maturity without incurring prepayment penalties.

(2) Ferrellgas, L.P.'s fixed rate senior notes issued in February 2000 are general unsecured obligations of Ferrellgas, L.P. and rank on an equal basis in right of payment with all senior indebtedness of Ferrellgas, L.P. and are senior to all subordinated indebtedness of Ferrellgas, L.P. The outstanding principal amount of the series C notes is due on August 1, 2009.

(3) On April 20, 2004, Ferrellgas, L.P. issued $250.0 million of its fixed rate senior notes with a debt discount of $0.9 million that will be amortized to interest expense through 2014. On August 4, 2008, the Ferrellgas, L.P. issued $200.0 million of its fixed rate senior notes with a debt discount of $30.0 million that will be amortized to interest expense through 2014. These notes are general unsecured obligations of Ferrellgas, L.P. and rank on an equal basis in right of payment with all senior indebtedness of Ferrellgas, L.P. and are senior to all subordinated indebtedness of Ferrellgas, L.P. The outstanding principal amount is due on May 1, 2014. In general, Ferrellgas, L.P. does not have the option to prepay the notes prior to maturity without incurring prepayment penalties.

Senior Notes

During August 2007, Ferrellgas, L.P. made a scheduled principal payment of $90.0 million of the 8.78% Series B senior notes using proceeds from borrowings on the unsecured credit facility due April 2010.

During August 2008, Ferrellgas, L.P. made scheduled principal payments of $52.0 million on the 7.12% Series C senior notes using proceeds from borrowings on the unsecured credit facility due April 2010.

During August 2008 Ferrellgas, L.P. issued $200.0 million in aggregate principal amount of its 6.75% senior notes due 2014 at an offering price equal to 85% of par. The net proceeds of these two transactions of $114.5 million, net of underwriting discounts and commissions, proceeds from this transaction were used to reduce outstanding indebtedness under the unsecured credit facility due April 2010.

See Note O — Subsequent events for a discussion on senior note principal payments and new long term debt issuances.

Unsecured credit facility

Ferrellgas L.P.'s $448.0 million unsecured credit facility matures April 22, 2010. Borrowings under this facility are available for working capital, acquisition, capital expenditure, long-term debt repayment, and general partnership purposes. The credit facility has a letter of credit sub-facility with availability of up to $150.0 million.

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As of July 31, 2009 and 2008 Ferrellgas, L.P. had total borrowings outstanding under this unsecured credit facility due April 2010 of $154.7 million and $361.0 million, respectively, of which $88.5 million and $235.3 million, respectively were classified as long-term debt. See footnote O — Subsequent events for a discussion of the classification of this portion of the unsecured credit facility due April 2010 as long term.

Borrowings under the unsecured credit facility due April 2010 had weighted average interest rates of 2.19% and 4.72%, at July 31, 2009 and 2008, respectively. These borrowings bear interest, at Ferrellgas, L.P.'s option, at a rate equal to either:

· the base rate, which is defined as the higher of the federal funds rate plus 0.50% or Bank of America's prime rate (as of July 31, 2009, the federal funds rate and Bank of America's prime rate were 0.18% and 3.25%, respectively); or
· the Eurodollar Rate plus a margin varying from 1.50% to 2.50% (as of July 31, 2009, the one-month and three-month Eurodollar Rates were 0.45% and 0.75%, respectively).

In addition, an annual commitment fee is payable on the daily unused portion of the unsecured credit facility due April 2010 at a per annum rate varying from 0.375% to 0.500% (as of July 31, 2009, the commitment fee per annum rate was 0.375%).

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. Letters of credit outstanding at July 31, 2008 totaled $42.3 million and were used primarily for insurance arrangements. At July 31, 2009, Ferrellgas, L.P. had available letter of credit remaining capacity of $105.6 million. Ferrellgas, L.P. incurred commitment fees of $0.9 million, $0.4 million and $0.6 million in fiscal 2009, 2008 and 2007, respectively.

During May 2007, Ferrellgas, L.P. entered into a new unsecured credit facility with additional borrowing capacity of up to $150.0 million, which was scheduled to mature on August 1, 2009. During April 2009, Ferrellgas, L.P. terminated this facility and paid down its total borrowings outstanding of $95.0 million using borrowing capacity available under the unsecured credit facility due April 2010.

During April 2008, Ferrellgas, L.P. amended its unsecured credit facility due April 2010, increasing its borrowing capacity by $73.0 million and bringing its total borrowing capacity to $448.0 million.

During October 2008, Ferrellgas, L.P. amended its unsecured credit facility due April 2010 increasing the letter of credit sublimit from $90.0 million to $200.0 million through February 28, 2009 and to $150.0 million thereafter. The letter of credit sublimit is part of, and not in addition to, the aggregate credit facility commitment. The amendment also requires Ferrellgas, L.P. to cash collateralize any outstanding letter of credit obligations in an amount equal to the pro rata share of any defaulting lender.

See Note O — Subsequent events for further discussion about the unsecured credit facility due April 2010 and its replacement with a new secured credit facility.

Covenants

The senior notes and the credit facility agreement contain various restrictive covenants applicable to Ferrellgas, L.P. and its subsidiaries, the most restrictive relating to additional indebtedness. In addition, Ferrellgas, L.P. is prohibited from making cash distributions if a default or event of default exists or would exist upon making such distribution, or if Ferrellgas, L.P. fails to meet certain

coverage tests. As of July 31, 2009, Ferrellgas, L.P. is in compliance with all requirements, tests, limitations and covenants related to these debt agreements.

The scheduled annual principal payments on long-term debt are as follows:

For the year ended July 31,	Scheduled annual principal payments
2010	$ 1,422
2011	1,271
2012	1,191
2013	25,131
2014	450,621
Thereafter	290,527
Total	$ 770,163

See Note O — Subsequent events for discussion about the classification of long-term debt maturities.

The carrying amount of short-term financial instruments approximates fair value because of the short maturity of the instruments. The estimated fair value of Ferrellgas, L.P.'s long-term debt instruments was $791.3 million and $843.8 million as of July 31, 2009 and 2008, respectively. The fair value is estimated based on quoted market prices.

I. Partner's capital

Partnership distributions paid

	For the year ended July 31,		
	2009	2008	2007
Ferrellgas Partners	$ 156,031	$ 150,815	$ 150,522
General partner	$ 1,592	$ 1,539	$ 1,536

On August 28, 2009, Ferrellgas, L.P. declared distributions to Ferrellgas Partners and the general partner of $34.5 million and $0.4 million, respectively, which were paid on September 14, 2009.

Partnership contributions received

During fiscal 2009, Ferrellgas, L.P. received cash contributions totaling $70.6 million and net asset contributions related to acquisitions totaling $5.6 million from Ferrellgas Partners and the general partner.

During fiscal 2008, Ferrellgas, L.P. received no cash or net asset contributions related to acquisitions from Ferrellgas Partners and the general partner.

During fiscal 2007, Ferrellgas, L.P. received cash contributions totaling $46.6 million and net asset contributions related to acquisitions totaling $2.0 million from Ferrellgas Partners and the general partner.

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

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J. 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 SFAS 133 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 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 years ended July 31, 2009, 2008 and 2007, 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 financial derivative instruments are classified gross on the consolidated balance sheets as "Price risk management assets" and "Other current liabilities" as follows:

	2009	2008
Derivatives — Price risk management assets	$ 3,391	$ 26,086
Derivatives — Price risk management liabilities	$ 4,380	$ 7,337

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

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	For the year ended July 31, 2009
Fair value loss adjustment classified as OCI with offset in Price risk management assets and Price risk management liabilities	$ (186,449)
Reclassification of net losses originally recorded within OCI to Cost of product sold — propane and other gas liquids	$ (166,711)

The fair value losses reported above relate to the significant decrease in wholesale propane prices that occurred during fiscal 2009. Assuming a minimal change in future market prices, Ferrellgas, L.P. expects to reclassify net losses of approximately $1.0 million to earnings during the next year. These net losses 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 under SFAS 133.

During the years ended July 31, 2009, 2008 and 2007, 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 July 31, 2009, Ferrellgas, L.P. had financial derivative contracts covering 0.7 million barrels of propane that were entered into as cash flow hedges of forward and forecasted purchases of propane.

During the year ended July 31, 2009, four counterparties represented 85% of net settled cash flow hedging positions reported in “Cost of goods sold — propane and other gas liquids sales.” During the year ended July 31, 2009, Ferrellgas, L.P. neither held nor entered into financial derivative contracts that contained credit risk related contingency features.

In accordance with SFAS 157, 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 SFAS 157. The three levels defined by the SFAS 157 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 July 31, 2009 and 2008, all derivative assets and liabilities qualified for classification as Level 2 - other observable inputs as defined within SFAS 157. All financial derivatives assets and liabilities were non-trading positions.

K. 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 consolidated statements of earnings as follows:

	For the year ended July 31, 2009	2008	2007
Operating expense	$ 217,374	$ 185,576	$ 202,824
General and administrative expense	$ 23,801	$ 27,203	$ 26,542

Ferrellgas, L.P. has a subleasing and a shared services agreement with Samson Dental Practice Management, LLC (“Samson”), a company wholly-owned by Mr. Ferrell. During the year ended July 31, 2009, Ferrellgas, L.P. received payments totaling $0.3 million for services provided to and sublease revenue receipts from Samson. No payments were received from Samson during the years ended July 31, 2008 and 2007.

During fiscal 2009, Ferrellgas, L.P. paid Fleishman-Hillard Inc. $0.2 million for marketing and communications services. Elizabeth Solberg, a member of the general partner’s board of directors, serves as the General Manager of Fleishman—Hillard Inc.

See additional discussions about transactions with related parties in Note I — Partner’s capital.

L. Contingencies and commitments

Litigation

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 consolidated 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 cases have generally been stayed until motions are heard regarding coordination for multidistrict treatment in a single court prior to trial. 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 intend to defend the claims vigorously.

Long-term debt-related commitments

Ferrellgas, L.P. has long and short-term payment obligations under agreements such as senior notes and its unsecured credit facility. See Note H - Debt - for a description of these debt obligations and a schedule of future maturities.

Operating lease commitments and buyouts

Ferrellgas, L.P. leases certain property, plant and equipment under noncancelable and cancelable operating leases. Amounts shown in the table below represent minimum lease payment obligations under Ferrellgas, L.P.'s third-party operating leases with terms in excess of one year for the periods indicated. These arrangements include the leasing of transportation equipment, property, computer equipment and propane tanks. Ferrellgas, L.P. accounts for these arrangements as operating leases.

Ferrellgas, L.P. is required to recognize a liability for the fair value of guarantees issued after December 31, 2002. The only material guarantees Ferrellgas, L.P. has are associated with residual value guarantees of operating leases. Most of the operating leases involving Ferrellgas, L.P.'s transportation equipment contain residual value guarantees. These transportation equipment lease arrangements are scheduled to expire over the next seven fiscal years. Most of these arrangements provide that the fair value of the equipment will equal or exceed a guaranteed amount, or Ferrellgas, L.P. will be required to pay the lessor the difference. The fair value of these residual value guarantees entered into after December 31, 2002 was $0.7 million as of July 31, 2009. Although the fair values of the underlying equipment at the end of the lease terms have historically exceeded these guaranteed amounts, the maximum potential amount of aggregate future payments Ferrellgas, L.P. could be required to make under these leasing arrangements, assuming the equipment is worthless at the end of the lease term, was $10.0 million as of July 31, 2009. Ferrellgas, L.P. does not know of any event, demand, commitment, trend or uncertainty that would result in a material change to these arrangements.

Operating lease buyouts represent the maximum amount Ferrellgas, L.P. would pay if it were to exercise its right to buyout the assets at the end of their lease term.

The following table summarizes Ferrellgas, L.P.'s contractual operating lease commitments and buyout obligations as of July 31, 2009:

	Future minimum rental and buyout amounts by fiscal year					
	2010	2011	2012	2013	2014	Thereafter
Operating lease obligations	$ 22,246	$ 15,475	$ 8,431	$ 5,590	$ 4,734	$ 11,137
Operating lease buyouts	$ 8,641	$ 5,323	$ 2,827	$ 357	$ 784	$ 1,418

Certain property and equipment is leased under non-cancelable operating leases, which require fixed monthly rental payments and which expire at various dates through 2024. Rental expense under these leases totaled $38.6 million, $44.3 million, and $45.3 million for fiscal 2009, 2008 and 2007, respectively.

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M. Employee benefits

Ferrellgas, L.P. has no employees and is managed and controlled by its general partner. Ferrellgas, L.P. assumes all liabilities, which include specific liabilities related to the following employee benefit plans for the benefit of the officers and employees of the general partner.

Ferrell Companies makes contributions to the ESOT, which causes a portion of the shares of Ferrell Companies owned by the ESOT to be allocated to employees' accounts over time. The allocation of Ferrell Companies' shares to employee accounts causes a non-cash compensation charge to be incurred by Ferrellgas, L.P., equivalent to the fair value of such shares allocated. This non-cash compensation charge is reported separately in Ferrellgas, L.P.'s consolidated statements of earnings and thus excluded from operating and general and administrative expenses. The non-cash compensation charges were $6.8 million, $12.4 million, and $11.2 million during fiscal 2009, 2008 and 2007, respectively. Ferrellgas, L.P. is not obligated to fund or make contributions to the ESOT.

The general partner and its parent, Ferrell Companies, have a defined contribution profit-sharing plan which includes both profit sharing and matching contributions. The plan covers substantially all full time employees. With the establishment of the ESOP in July 1998, Ferrellgas, L.P. suspended future contributions to the profit sharing plan beginning with fiscal 1998. The plan, which qualifies under section 401(k) of the Internal Revenue Code, also provides for matching contributions under a cash or deferred arrangement based upon participant salaries and employee contributions to the plan. Matching contributions for fiscal 2009, 2008 and 2007 were $2.7 million, $2.6 million, and $3.0 million, respectively.

The general partner has a defined benefit plan that provides participants who were covered under a previously terminated plan with a guaranteed retirement benefit at least equal to the benefit they would have received under the terminated plan. Until July 31, 1999, benefits under the terminated plan were determined by years of credited service and salary levels. As of July 31, 1999, years of credited service and salary levels were frozen. The general partner's funding policy for this plan is to contribute amounts deductible for Federal income tax purposes and invest the plan assets primarily in corporate stocks and bonds, U.S. Treasury bonds and short-term cash investments. During fiscal 2009, 2008 and 2007 other comprehensive income and other liabilities were adjusted by $(6.0) thousand $(0.1) million and $(0.4) million, respectively.

N. Quarterly data (unaudited)

The following summarized unaudited quarterly data includes all adjustments (consisting only of normal recurring adjustments), which Ferrellgas, L.P. considers necessary for a fair presentation. Due to the seasonality of the propane distribution industry, first and fourth quarter revenues, gross margin from propane and other gas liquids sales and net earnings are consistently less than the second and third quarter results. Other factors affecting the results of operations include competitive conditions, demand for product, timing of acquisitions, variations in the weather and fluctuations in propane prices.

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For the year ended July 31, 2009

	First	Second	Third	Fourth

		First quarter		Second quarter		Third quarter		Fourth quarter
Revenues	$	480,074	$	715,625	$	561,133	$	312,690
Gross margin from propane and other gas liquids sales (a)		119,143		219,009		165,969		118,164
Net earnings (loss)		(8,948)		76,431		39,293		(29,275)

For the year ended July 31, 2008

		First quarter		Second quarter		Third quarter		Fourth quarter
Revenues	$	394,916	$	763,968	$	712,090	$	419,715
Gross margin from propane and other gas liquids sales (a)		106,416		179,932		165,968		111,047
Net earnings (loss)		(17,084)		57,854		41,588		(33,126)

(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."

O. <u>Subsequent events</u>

During August 2009, Ferrellgas, L.P. made scheduled principal payments of $73.0 million on the 8.87% Series C senior notes using availability under its unsecured credit facility due April 2010.

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. Ferrellgas, L.P. then gave early redemption notice to the holders of 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. The principal amount of these senior notes and the related prepayment penalties are expected to be funded with the proceeds from the new senior notes offering with remaining proceeds used to reduce borrowings on Ferrellgas, L.P.'s unsecured credit facility due April 2010.

During September 2009, Ferrellgas, L.P. and several banks and other financial institutions executed into escrow a Credit Agreement ("Credit Agreement") which will be released from escrow pending certain closing conditions. The Credit Agreement is intended to replace Ferrellgas, L.P.'s existing unsecured credit facility. The Credit Agreement, at closing, will provide 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. The obligations under such credit facility will be 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 the operating partnership's receivables securitization facility, (b) the general partner's equity interest in Ferrellgas Partners, L.P. and (c) equity interest in certain unrestricted subsidiaries. Such obligations will also be guaranteed by the general partner and certain subsidiaries of Ferrellgas, L.P. The secured revolving credit facility will mature on the third anniversary of the closing date for such facility.

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During September 2009, Ferrellgas, L.P. acquired Vanson, LLC, based in Michigan. The propane distribution assets acquired have an aggregate value of $45.1 million. This acquisition was funded by $36.6 million in cash payments, the issuance of $5.4 million of liabilities and other costs and considerations, and the contribution of net assets of $3.1 million from Ferrellgas Partners.

Ferrellgas, L.P. has evaluated events and transactions for subsequent events disclosures occurring after the balance sheet date through its Form 10-K filing on September 28, 2009 with the Securities and Exchange Commission.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Ferrellgas Finance Corp.
Overland Park, Kansas

We have audited the accompanying balance sheets of Ferrellgas Finance Corp. (a wholly-owned subsidiary of Ferrellgas, L.P., referred to herein as "the Company") as of July 31, 2009 and 2008, and the related statements of earnings, stockholder's equity, and cash flows for each of the three years in the period ended July 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Ferrellgas Finance Corp. as of July 31, 2009 and 2008, and the results of its operations and its cash flows for each of the three years in the period ended July 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP
Kansas City, Missouri
September 28, 2009

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

BALANCE SHEETS

	July 31, 2009	July 31, 2008
ASSETS		
Cash	$ 1,100	$ 1,100
Total assets	$ 1,100	$ 1,100
STOCKHOLDER'S EQUITY		
Common stock, $1 par value; 2,000 shares authorized; 1,000 shares issued and outstanding	$ 1,000	$ 1,000
Additional paid in capital	6,757	3,312
Accumulated deficit	(6,657)	(3,212)
Total stockholder's equity	$ 1,100	$ 1,100

See notes to financial statements.

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

STATEMENTS OF EARNINGS

	For the year ended July 31, 2009	2008	2007
General and administrative expense	$ 3,445	$ 992	$ 444
Net loss	$ (3,445)	$ (992)	$ (444)

See notes to financial statements.

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

STATEMENTS OF STOCKHOLDER'S EQUITY

	Common stock Shares	Common stock Dollars	Additional paid in capital	Accumulated deficit	Total stockholder's equity
July 31, 2006	1,000	$ 1,000	$ 1,776	$ (1,776)	$ 1,000
Capital contribution	—	—	444	—	444
Net loss	—	—	—	(444)	(444)
July 31, 2007	1,000	1,000	2,220	(2,220)	1,000
Capital contribution	—	—	1,092	—	1,092
Net loss	—	—	—	(992)	(992)
July 31, 2008	1,000	1,000	3,312	(3,212)	1,100
Capital contribution	—	—	3,445	—	3,445
Net loss	—	—	—	(3,445)	(3,445)
July 31, 2009	1,000	$ 1,000	$ 6,757	$ (6,657)	$ 1,100

See notes to financial statements.

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

STATEMENTS OF CASH FLOWS

	For the year ended July 31, 2009	2008	2007
Cash flows from operating activities:			
Net loss	$ (3,445)	$ (992)	$ (444)
Cash used in operating activities	(3,445)	(992)	(444)
Cash flows from financing activities:			
Capital contribution	3,445	1,092	444
Cash provided by financing activities	3,445	1,092	444
Change in cash	—	100	—
Cash - beginning of year	1,100	1,000	1,000
Cash - end of year	$ 1,100	$ 1,100	$ 1,000

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

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 Partnership contributed $1,000 to the Finance Corp. on January 24, 2003 in exchange for 1,000 shares of common stock.

The Finance Corp. has nominal assets, does not conduct any operations and has no employees.

B. Commitment

On April 20, 2004 the Partnership issued $250.0 million of 6 3/4% senior notes due 2014. On August 4, 2008, the Partnership issued $200.0 million of 6 3/4% senior notes due 2014 at an offering price equal to 85% of par. The Partnership may redeem some or all of the aggregate principal amount of the notes at any time on or after May 1, 2009.

The Finance Corp. serves as co-obligor for the senior notes.

C. Income Taxes

Income taxes have been computed separately as the Finance Corp. files its own income tax return. Deferred income taxes are provided as a result of temporary differences between financial and tax reporting using the asset/liability method. Deferred income taxes are recognized for the tax consequences of temporary differences between the financial statement carrying amounts and tax basis of existing assets and liabilities.

Due to the inability of the Finance Corp. to utilize the deferred tax benefit of $2,589 associated with the net operating loss carryforward of $6,656, which expires at various dates through July 31, 2029, a valuation allowance has been provided on the full amount of the deferred tax asset. Accordingly, there is no net deferred tax benefit for fiscal 2009, 2008 and 2007, and there is no net deferred tax asset as of July 31, 2009 and 2008.

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INDEX TO FINANCIAL STATEMENT SCHEDULES

FERRELLGAS PARTNERS, L.P.
PARENT ONLY **Schedule I**

BALANCE SHEETS
(in thousands, except unit data)

	July 31, 2009	July 31, 2008
ASSETS		
Cash and cash equivalents	$ 16	$ 69
Prepaid expenses and other current assets	675	673
Investment in Ferrellgas, L.P.	417,338	432,049
Other assets, net	1,237	1,868
Total assets	$ 419,266	$ 434,659
LIABILITIES AND PARTNERS' CAPITAL		
Other current liabilities	$ 3,102	$ 3,064
Long term debt	269,091	269,471
Partners' capital		
Common unitholders (68,236,755 and 62,961,674 units outstanding at 2009 and 2008, respectively)	206,255	201,618
General partner (689,260 and 635,977 units outstanding at 2009 and 2008, respectively)	(57,988)	(58,036)
Accumulated other comprehensive income (loss)	(1,194)	18,542
Total partners' capital	147,073	162,124
Total liabilities and partners' capital	$ 419,266	$ 434,659

FERRELLGAS PARTNERS, L.P.
PARENT ONLY

STATEMENTS OF EARNINGS
(in thousands)

	For the year ended July 31, 2009	2008	2007
Equity in earnings of Ferrellgas, L.P.	$ 76,718	$ 48,735	$ 58,827
Operating expense	328	259	275
Operating income	76,390	48,476	58,552
Interest expense	(23,734)	(23,711)	(23,752)
Income tax expense	(84)	(76)	—
Net earnings	$ 52,572	$ 24,689	$ 34,800

FERRELLGAS PARTNERS, L.P.
PARENT ONLY

STATEMENTS OF CASH FLOWS
(in thousands)

	For the year ended July 31, 2009	2008	2007
Cash flows from operating activities:			
Net earnings	$ 52,572	$ 24,689	$ 34,800
Reconciliation of net earnings to net cash used in operating activities:			
Other	292	519	(142)
Equity in earnings of Ferrellgas, L.P.	(76,718)	(48,735)	(58,827)
Net cash used in operating activities	(23,854)	(23,527)	(24,169)
Cash flows from investing activities:			
Distributions received from Ferrellgas, L.P.	156,031	150,815	150,522
Cash contributed to Ferrellgas, L.P.	(69,848)	—	(46,100)
Net cash provided by investing activities	86,183	150,815	104,422
Cash flows from financing activities:			
Distributions	(132,581)	(127,190)	(127,072)
Cash paid for financing costs	50	(383)	(367)
Issuance of common units (net of issuance costs of $401, $0 and $226, respectively)	69,447	—	44,319
Proceeds from exercise of common unit options	—	76	1,025
Other	702	—	470
Net cash used in financing activities	(62,382)	(127,497)	(81,625)
Decrease in cash and cash equivalents	(53)	(209)	(1,372)
Cash and cash equivalents - beginning of year	69	278	1,650
Cash and cash equivalents - end of year	$ 16	$ 69	$ 278

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FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES **Schedule II**

VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

Description	Balance at beginning of period	Additions: Charged to cost / expenses	Additions: Other additions	Deductions (amounts charged-off)	Balance at end of period
Year ended July 31, 2009					
Allowance for doubtful accounts	$ 5,977	$ 4,421	$ 961	$ (7,065)	$ 4,294
Year ended July 31, 2008					
Allowance for doubtful accounts	$ 4,358	$ 8,092	$ 643	$ (7,116)	$ 5,977
Year ended July 31, 2007					
Allowance for doubtful accounts	$ 5,628	$ 4,745	$ 419	$ (6,434)	$ 4,358

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FERRELLGAS, L.P. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

Description	Balance at beginning of period	Additions: Charged to cost / expenses	Additions: Other additions	Deductions (amounts charged-off)	Balance at end of period
Year ended July 31, 2009					
Allowance for doubtful accounts	$ 5,977	$ 4,421	$ 961	$ (7,065)	$ 4,294
Year ended July 31, 2008					
Allowance for doubtful accounts	$ 4,358	$ 8,092	$ 643	$ (7,116)	$ 5,977
Year ended July 31, 2007					

Allowance for doubtful accounts	$	5,628	$	4,745	$	419	$	(6,434)	$	4,358

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The exhibits listed below are furnished as part of this Amendment No. 1 to the Annual Report on Form 10-K/A. 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.
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.

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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	Fifth Amended and Restated Credit Agreement dated as of April 22, 2005, among Ferrellgas, L.P. as the borrower, Ferrellgas, Inc. as the general partner of the borrower, Bank of America, N.A., as administrative agent and swing line lender, and the lenders and L/C issuers party hereto. Incorporated by reference to Exhibit 10.5 to our Quarterly Report on Form 10-Q filed June 8, 2005.
10.2	First Amendment to Fifth Amended and Restated Credit Agreement dated as of April 11, 2008, by and 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 April 14, 2008.
10.3	Second Amendment to Fifth Amended and Restated Credit Agreement dated as of October 15, 2008, by and 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 October 16, 2008.
10.4	Third Amendment to Fifth Amended and Restated Credit Agreement dated as of April 15, 2009, by and 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 10.4 to our Quarterly Report on Form 10-Q filed June 8, 2009.
10.5	Credit Agreement dated as of May 1, 2007, among Ferrellgas, L.P. as the borrower, Ferrellgas, Inc. as the general partner of the borrower, Bank of America N.A. as administrative agent and the lenders party hereto. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed May 4, 2007.
10.6	Lender Addendum dated as of June 6, 2006, by and among Deutsche Bank Trust Company Americas as the new lender, Ferrellgas, L.P. as the borrower, Ferrellgas, Inc. and Bank of America, N.A., as administrative agent. Incorporated by reference to Exhibit 10.2 to our Annual Report on Form 10-K filed October 12, 2006.
10.7	Commitment Increase Agreement dated as of August 28, 2006, by and among Fifth Third Bank as the increasing lender, Ferrellgas, L.P. as the borrower, Ferrellgas, Inc. and Bank of America, N.A. as administrative agent. Incorporated by reference to Exhibit 10.3 to our Annual Report on Form 10-K filed October 12, 2006.
10.8	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.

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10.9	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.
10.10	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.
10.11	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.
10.12	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.
10.13	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.
		10.14	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.
		10.15	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.
		10.16	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.
		10.17	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.

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		10.18	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.
*		10.19	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.
#		10.20	Ferrell Companies, Inc. Supplemental Savings Plan, as amended and restated effective January 1, 2009. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed February 25, 2009.
#		10.21	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.
#	*	10.22	Ferrell Companies, Inc. 1998 Incentive Compensation Plan, as amended and restated effective October 11, 2004.
#		10.23	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.
#		10.24	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.
#		10.25	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.
#		10.26	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.
#		10.27	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.
#		10.28	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.

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#		10.29	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.
#		10.30	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.

#	10.31	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.
#	10.32	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.
#	10.33	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.
#	10.34	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.
#	10.35	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.
#	10.36	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.
#	10.37	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.
*	21.1	List of subsidiaries
*	23.1	Consent of Deloitte & Touche, LLP, independent registered public accounting firm, for the certain use of its report appearing in Amendment No. 1 to the Annual Report on Form 10-K/A of Ferrellgas Partners, L.P. for the year ended July 31, 2009.
*	23.2	Consent of Deloitte & Touche, LLP, independent registered public accounting firm, for the certain use of its report appearing in Amendment No. 1 to the Annual Report on Form 10-K/A of Ferrellgas Partners Finance Corp. for the year ended July 31, 2009.

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*	23.3	Consent of Deloitte & Touche, LLP, independent registered public accounting firm, for the certain use of its report appearing in Amendment No. 1 to the Annual Report on Form 10-K/A of Ferrellgas, L.P. for the year ended July 31, 2009.
*	23.4	Consent of Deloitte & Touche, LLP, independent registered public accounting firm, for the certain use of its report appearing in Amendment No. 1 to the Annual Report on Form 10-K/A of Ferrellgas Finance Corp. for the year ended July 31, 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.

* Filed herewith
\# Management contracts or compensatory plans.

ASSIGNMENT AND AMENDMENT AGREEMENT

THIS ASSIGNMENT AND AMENDMENT AGREEMENT (this ***"Assignment Agreement"***) is entered into as of the 20th day of May, 2009, by and between Falcon Asset Securitization Company LLC (***"Assignor"***), and JS Siloed Trust (***"Assignee"*** or the "***Trust***").

PRELIMINARY STATEMENTS

A. This Assignment Agreement is being executed and delivered in accordance with Section 12.1(b) of that certain Third Amended and Restated Receivables Purchase Agreement dated as of April 15, 2009 by and among Ferrellgas Receivables, LLC, Ferrellgas, L.P., as Servicer, Falcon Asset Securitization Company LLC, Fifth Third Bank, individually and as a Co-Agent, JPMorgan Chase Bank, N.A., as a Co-Agent and as Agent, and the Financial Institutions party thereto (as amended, modified or restated from time to time, the ***"Purchase Agreement"***). Capitalized terms used and not otherwise defined herein are used with the meanings set forth or incorporated by reference in the Purchase Agreement.

B. Assignor is a Conduit party to the Purchase Agreement, and Assignee wishes to become a Conduit thereunder; and

C. Assignor is selling and assigning to Assignee all of Assignor's rights and obligations under the Purchase Agreement and the Transaction Documents, including, without limitation, the Capital of Assignor's Purchaser Interests as set forth herein.

AGREEMENT

The parties hereto hereby agree as follows:

1. The sale, transfer and assignment effected by this Assignment Agreement shall become effective on May 20, 2009 (the ***"Effective Date"***). From and after the Effective Date, Assignee shall be a Purchaser party to the Purchase Agreement for all purposes thereof as if Assignee were an original party thereto and Assignee will be bound by all of the terms and provisions contained therein,.

2. At or before 12:00 noon (Chicago time) on the Effective Date, Assignee shall pay to Assignor, in immediately available funds, an amount equal to the sum of (i) $ (such amount, being hereinafter referred to as the ***"Assignee's Capital"***); and (ii) any other costs and expenses agreed between Assignor and Assignee (the ***"Assignee's Acquisition Cost"***); whereupon, Assignor shall be deemed to have sold, transferred and assigned to Assignee, without recourse, representation or warranty (except as provided in paragraph 6 below), and Assignee shall be deemed to have hereby irrevocably taken, received and assumed from Assignor, all of Assignor's Purchaser Interests and all related rights and obligations under the Purchase Agreement and the Transaction Documents.

3. From and after the Effective Date, for so long as the Trust remains a party to the Purchase Agreement, the Purchase Agreement is amended as follows:

(a) All references in the Purchase Agreement to *"Falcon Asset Securitization Company LLC," "Falcon*", the "*Falcon Group*" and the "*Falcon Group Agent*" shall be deemed to be references to "*JS Siloed Trust," the "Trust,"* the "*JS Group*" and "*JS Group Agent*," respectively.

(b) All references in the Purchase Agreement to *"Commercial Paper"* shall be deemed to be references to commercial paper notes issued by Jupiter Securitization Company LLC (***"Jupiter"***), and all references to any *"Conduit"* in the definitions of *"CP Costs"* and "*Pooled Commercial Paper*" found in Exhibit I to the Purchase Agreement shall be deemed to be references solely to Jupiter.

(c) All references to "*Conduit*" in Sections 10.3, 14.5(b)(iii) and 14.6 of the Purchase Agreement and in the definitions of "*Accounting Based Consolidation Event*," *"Affected Entity," "Funding Agreement"* and *"Funding Source"* found in Exhibit I to the Purchase Agreement shall be deemed to include both the Trust and Jupiter and not Falcon.

4. Concurrently with the execution and delivery hereof, Assignor shall provide to Assignee copies of all documents requested by Assignee which were delivered to Assignor pursuant to the Purchase Agreement.

5. Each of Assignor and Assignee to this Assignment Agreement agrees that at any time and from time to time upon the written request of any other party, it shall execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to effect the purposes of this Assignment Agreement.

6. By executing and delivering this Assignment Agreement, Assignor and Assignee confirm to and agree with each other, the JS Group Agent and the Financial Institutions as follows: (a) other than the representation and warranty that it has not created any Adverse Claim upon any interest being transferred hereunder, Assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made by any other Person in or in connection with the Purchase Agreement or the Transaction Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Purchase Agreement or any other instrument or document furnished pursuant thereto or the perfection, priority, condition, value or sufficiency of any collateral; (b) Assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Seller, any Obligor or any Affiliate of the Seller or the performance or observance by the Seller, any Obligor or any Affiliate of the Seller of any of their respective obligations under the Receivables or the Transaction Documents or any other instrument or document furnished pursuant thereto or in connection therewith; (c) Assignee confirms that it has received a copy of the Purchase Agreement and copies of such other Transaction Documents, and other documents and information as it has requested and deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement; (d) Assignee shall, independently and without reliance upon any Agent, any other Purchaser or any Seller Party and

based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Purchase Agreement and the Transaction Documents; (e) Assignee appoints and authorizes the Agent and the JS Group Agent to take such action as agent on its behalf and to exercise such powers under the Transaction Documents as are delegated to the Agent and the JS Group Agent, respectively, by the terms thereof, together with such powers as are reasonably incidental thereto; and (f) Assignee agrees that it shall perform in accordance with their terms all of the obligations which, by the terms of the Purchase Agreement and the other Transaction Documents, are required to be performed by it as a Purchaser.

7. Each of Assignor and Assignee represents and warrants to and agrees with the Falcon Group Agent that it is aware of and shall comply with the provisions of the Purchase Agreement, including, without limitation, Sections 14.5 and 14.6 thereof.

8. THIS ASSIGNMENT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

9. Assignee hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all senior indebtedness for borrowed money of Jupiter, it shall not institute against, or join any other Person in instituting against, Jupiter any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed by their respective duly authorized officers of the date hereof.

FALCON ASSET SECURITIZATION COMPANY LLC,
AS ASSIGNOR

BY: JPMORGAN CHASE BANK, N.A., AS ATTORNEY-IN-FACT

By: /s/ Laura Chittick
Name: Laura Chittick
Title: Vice President

JS SILOED TRUST, *AS ASSIGNEE*

BY: JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE TRUSTEE

By: /s/ Laura Chittick
Name: Laura Chittick
Title: Vice President

Acknowledged and agreed as of the date first above written:

FERRELLGAS RECEIVABLES, LLC

By: /s/ J. Ryan VanWinkle
Name: J. Ryan VanWinkle
Title: Senior Vice President and Chief Financial Officer

JUPITER SECURITIZATION COMPANY, LLC

BY: JPMORGAN CHASE BANK, N.A., AS ATTORNEY-IN-FACT

By: /s/ Laura Chittick
Name: Laura Chittick
Title: Vice President

JPMORGAN CHASE BANK, N.A.,
Individually as a Financial Institution, as a Co-Agent and as Agent

By: /s/ Laura Chittick

Name: Laura Chittick
Title: Vice President

FERRELL COMPANIES, INC.1998
INCENTIVE COMPENSATION PLAN

As Amended and Restated effective as of October 11, 2004

1. **PURPOSE.** The purposes of the Ferrell Companies, Inc. 1998 Incentive Compensation Plan (the "Plan") are as follows:

(a) to allow upper middle and senior level managers of Ferrellgas, Inc. ("FGI") to participate in the equity growth of Ferrell Companies, Inc. ("FCI") and, indirectly (through its "subsidiary" holding), in the equity growth of Ferrellgas Partners, L.P. (the "Partnership") and its subsidiaries (with FCI, FGI, the Partnership and its subsidiaries being collectively referred to herein as "Companies");

(b) to generate an increased incentive to contribute to the Partnership's future success and prosperity and to focus on the value growth of FCI; and

(c) to focus on profitable Partnership growth and acquisition activities that will enable subordinated Partnership units ("Subordinated Units") held by FCI to convert to common Partnership units ("Common Units"), to increase the value of all Partnership Units (including both Common and Subordinated Units) and to increase the equity value of FCI, through an increasing Partnership value, a maximization of Partnership distributions, a reduction of FCI debt, and an optimization of share value growth for the FCI shares held by FCI's employee stock ownership plan (its "ESOP").

Unless defined in the sentence or paragraph in which they are used, definitions used herein are set forth in Section 9.9 below. The following provisions constitute an amendment, restatement and continuation of the Plan effective as of October 11, 2004.

2. **ADMINISTRATION.**

2.1 **Administration by Committee.** The Plan shall be administered by the FCI Options Committee (comprised of three members of the FCI's or FGI's Management Committee, and generally including the CEO and CFO of FGI, as well as the senior personnel manager of FGI) (the "Committee").

2.2 **Authority.** Subject to the provisions of the Plan, the Committee shall have the authority to (a) interpret the provisions of the Plan, and prescribe, amend, and rescind rules and procedures relating to the Plan, (b) grant incentives under the Plan, in such forms and amounts and subject to such terms and conditions as it deems appropriate, including, without limitation, incentives which are made in combination with or in tandem with other incentives (whether or not contemporaneously granted) or compensation or in lieu of current or deferred compensation, (c) modify the terms of, cancel and reissue, or repurchase outstanding incentives, subject to Section 9.7, (d) suspend the operation of the Plan (or any portion thereof) pursuant to the provisions of Section 9.8 hereinbelow and (e) make all other determinations and take all other actions as it deems necessary or desirable for the administration of the Plan. The determination of the Committee on matters within its authority shall be conclusive and binding on Companies and all other persons. The Committee shall comply with all applicable law in administering the Plan.

3. **PARTICIPATION.** Subject to the terms and conditions of the Plan, the Committee shall designate from time to time employees of Companies (including, without limitation, employees who are officers and/or directors of any Companies entity) who shall receive incentives under the Plan ("Participants").

4. **SHARES SUBJECT TO THE PLAN**

4.1 **Number of Shares Reserved.** Subject to adjustment in accordance with Sections 4.2 and 4.3, the aggregate number of shares of FCI common stock ("Common Stock") available for incentives under the Plan shall be that number of shares of Common Stock equaling 20% of FCI's outstanding Common Stock shares, on a fully-diluted basis, immediately following the date on which the ESOP has acquired all of the outstanding Common Stock shares.

All shares of Common Stock issued under the Plan may be authorized and unissued shares or treasury shares. In addition, all of such shares may, but need not, be issued pursuant to the exercise of nonqualified stock options and/or "incentive stock options" (as defined in section 422 of the Internal Revenue Code of 1986, as amended (the "Code")).

4.2 **Reusage of Shares.**

(a) In the event of the termination (by reason of forfeiture, expiration, cancellation, surrender, or otherwise) of any incentive under the Plan, that number of shares of Common Stock that was subject to the incentive but not delivered shall be available again for incentives under the Plan.

(b) In the event that shares of Common Stock are delivered under the Plan and are thereafter forfeited or reacquired by FCI (whether or not pursuant to rights reserved upon the award thereof), such forfeited or reacquired shares shall be available again for incentives under the Plan.

4.3 **Adjustments to Shares Reserved.** In the event of any merger, consolidation, reorganization, recapitalization, spinoff, stock dividend, stock split, reverse stock split, exchange, or other distribution with respect to shares of Common Stock or other change in the corporate structure or capitalization affecting the Common Stock (each being an "Adjustment"), the type and number of shares of stock which are or may be subject to incentives under the Plan and the terms of any outstanding incentives (including the price at which shares of stock may be issued pursuant to an outstanding incentive) shall be equitably adjusted by the Committee, in its sole discretion, to preserve both the value of incentives awarded or to be awarded to Participants under the Plan and the percentage of outstanding Common Stock shares (on a fully-diluted basis) available for incentives under the Plan immediately prior to the date of the Adjustment (taking into account both incentives granted but not yet distributed from the Plan and incentives not yet granted under the Plan).

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5. **STOCK OPTIONS.**

5.1 **Awards.** Subject to the terms and conditions of the Plan, the Committee shall designate the individuals to whom "nonqualified stock options" to purchase shares of Common Stock ("Stock Options") are to be awarded under the Plan and shall determine the number, and terms of the Stock Options to be awarded to each of them. Unless and until the Committee makes a decision to the contrary, the Participants to whom Stock Options are granted hereunder shall be designated from the following two employee groups:

(i) field employees who are at or above the "area manager" designation level; and

(ii) corporate employees who are deemed by the Committee to have a material positive impact on developing and implementing the strategies, systems or processes that support the operations of the Partnership and contribute to the achievement by the Partnership of its financial and operational goals and the maximization of the equity value of FCI.

Stock Options awarded under the Plan will, unless and until the Committee makes a decision to the contrary, be classified as either "Tranche A Options" or "Tranche B Options." Each Stock Option awarded under the Plan shall be a "nonqualified stock option" for tax purposes.

5.2 **Adjustment of Awards.** If a Participant experiences a material change in job status (or other similar compensation measurement as may, from time to time, be utilized by the Committee), the Committee may, in its sole discretion, determine whether any or all of the unvested portion of the Participant's Stock Option(s) shall be taken from the Participant and returned to FCI. In addition, in the event of a Change in Control, the Committee may, in its sole discretion, determine what adjustments, if any, should be made to (i) Stock Options awarded hereunder and/or (ii) the Plan.

5.3 **Time for Exercise.** Each Stock Option shall be exercisable in accordance with the following rules:

(a) Each Stock Option granted prior to September 28, 2004, shall be exercisable only if it is vested (as described in Section 5.4 below) and, then, only to the extent, at the times and until the expiration date(s) described in the following table and the remainder of this Section 5.3(a):

Exercise Event	Percentage of Vested Portion of Tranche A Options Which May be Exercised on Specified Exercise Dates	Percentage of Vested Portion of Tranche B Options Which May be Exercised on Specified Exercise Dates
Full repayment of the "FCI Senior Notes" (as defined in Section 9.9 below) ("Trigger 1")	Up to 25% of the vested portion of a Participant's Stock Option(s) may be exercised, upon (and only upon) the first odd-numbered year "Exercise Date" (as defined in Section 9.9 below) next following such repayment of the FCI Senior Notes.	Up to 25% of the vested portion of a Participant's Stock Option(s) may be exercised, upon (and only upon) the first even-numbered year "Exercise Date" next following such repayment of the FCI Senior Notes.
Full repayment of the "Subordinated Notes" (as defined in Section 9.9 below), and assuming Trigger 1 occurs ("Trigger 2")	An additional 25% of the vested portion of a Participant's Stock Option(s) may be exercised, upon (and only upon) the first odd-numbered year Exercise Date next following such repayment of the Subordinated Notes.	An additional 25% of the vested portion of a Participant's Stock Option(s) may be exercised, upon (and only upon) the first even-numbered year Exercise Date next following such repayment of the Subordinated Notes.
Assuming that both Trigger 1 and Trigger 2 have occurred:	The vested portion of a Participant's Stock Option(s) may be exercised up to the following percentage on the Exercise Date occurring in each of the following years: 2009 60% 2011 80% 2013 100% 2015 100% 2017 100%	The vested portion of a Participant's Stock Option(s) may be exercised up to the following percentages on the Exercise Date occurring in each of the followin years: 2010 70% 2012 90% 2014 100% 2016 100% 2018 100%

In the event that either or both of Trigger 1 and Trigger 2 has (have) not occurred by 2013 (for Tranche A Options) or 2014 (for Tranche B Options), then (i) 100% of the vested portion of a Participant's Tranche A Option(s) may be exercised on the Exercise Date occurring in each of 2013, 2015 and 2017; and (ii) to up to 100% of the vested portion of a Participant's vested Tranche B Option(s) may be exercised on the Exercise Date occurring in each of 2014, 2016 and 2018.

(b) Each Stock Option granted on or after September 28, 2004, shall be exercisable only if it is vested (as described in Section 5.4 below) and, then, only to the extent, at the times and until the expiration date(s) established by the Committee and set forth in the stock option agreement evidencing the grant of such Stock Option.

5.4 **Vesting. Each Stock Option shall vest in accordance with the following:**

(a) Subject to the provisions of paragraph (c), Tranche A Options and Tranche B Options granted prior to September 28, 2004, shall vest in accordance with the following schedule:

Anniversary of Stock Option Grant Date	Annual Vested Percentage	Cumulative Vested Percentage
1st	5%	5%
2nd	5%	10%
3rd	5%	15%
4th	5%	20%
5th	5%	25%
6th	10%	35%
7th	10%	45%
8th	10%	55%
9th	10%	65%

10th	10%	75%
11th	10%	85%
12th	15%	100%

(b) Subject to the provisions of paragraph (c), Stock Options granted on or after September 28, 2004, shall vest in accordance with the vesting schedule established by the Committee and set forth in the stock option agreement evidencing the grant of such Stock Options.

(c) Notwithstanding the vesting schedule set forth in the immediately preceding paragraphs or in a Participant's stock option agreement, as applicable, all Stock Options granted hereunder shall fully vest upon (i) a "Change in Control" of the Partnership or FCI, (ii) the Participant's death, or "permanent disability" or (iii) the Participant's retirement from FCI at or after attainment of age 65. A Stock Option, whether or not vested, will be forfeited, no longer exercisable and, if vested, *divested* if (I) a Participant's employment with FGI is terminated for gross insubordination (as determined by FGI's Board of Directors) or (II) the Participant enters a plea of "guilty" or "nolo contendre" to, or is convicted by a court of competent jurisdiction of, a felony.

5.5 **Option Price.** The option price per share ("Option Price") for any Stock Option awarded shall not be less than the "Fair Market Value" of a share of Common Stock on the date the Stock Option is granted. Recipients of Stock Options shall be timely notified no less frequently than twice annually of the Fair Market Value of a share of Common Stock.

5.6 **Manner of Exercise.** The vested portion of a Stock Option may be exercised, in whole or in part, once a year on the Exercise Date by notice to FCI specifying the number of whole (not fractional) shares of Common Stock to be purchased. Such notice shall be given at least thirty (30) days prior to the Exercise Date and it shall be accompanied by (or provision shall be made for) (i) payment of the Option Price by a certified or cashiers check or wire transferpayable to the order of the Company on or prior to the Exercise Date; (ii) an executed share transfer restriction agreement (the form of which shall either be attached to the agreement memorializing the Participant's Stock Option grant or be provided to the Participant prior to the first Exercise Date for the Stock Option); and (iii) such other documents or representations (including, without limitation, representations as to the intention of the Participant or his/her successor to acquire the shares for investment) as the Company may reasonably request in order to comply with securities, tax or other laws then applicable to the exercise of the Stock Option.

The vested portion of the Stock Option so granted may be exercised until (and must be exercised on or before) the expiration date specified by the Committee at the time of grant. Subject to the next succeeding sentence, if the Participant becomes no longer employed by a Companies entity prior to the exercise of all of the vested portion of the Participant's Stock Option(s) (and the Participant is not immediately thereafter employed with another Companies entity), the *nonvested* portion of the Participant's Stock Option(s) shall expire, terminate and be forfeited, and the Participant will be permitted to exercise the vested portion of his/her Stock Option(s) during the times set for exercise as described in the table set forth in Section 5.3 above. In such case, the Committee may, in its sole discretion, give the terminated participant one opportunity to exercise all of the vested portion of his/her Stock Option(s) (with the opportunity specifying the early Exercise Date on which such vested portion must be exercised). If the Participant is given such an opportunity and chooses not to exercise all of the remaining vested portion of his/her remaining Stock Option(s) by the early Exercise Date, such vested portion of the Stock Option(s) will immediately expire, terminate and be forfeited as of such date.

5.7 **ESOP Call.** All shares acquired bya Participant pursuant to the exercise of a StockOption shall be subject to a "call option" which shall be granted to and may be (a) exercised by the Ferrell Companies, Inc. Employee Stock Ownership Trust (the "Trust") and (b) assigned by the trustee of the Trust (the "Trustee") to FCI. Although the call option may generally be exercised by either (i) the Trust or (ii) by the Trust's assignee, if applicable, it may not be exercised during the first six months following the Exercise Date.

The shares acquired by a Participant pursuant to such exercise may be called by the Trust (or its assignee) at their Fair Market Value as of the date of the call (the "Call Date") by giving the Participant who acquired the shares notice of the Trust's (or its assignee's) intention to call the shares (a "call notice") at least ten (10) business days prior to the Call Date. As stated in Section 5.5 above, Participants receiving grants of Stock Options shall be notified every six (6) months of the Fair Market Value of a share of Common Stock.

A Participant receiving a call notice shall deliver to the Trustee (or the Trust's assignee, as applicable) stock certificate(s) for the called shares prior to the Call Date. The Participant's sale of the called shares shall be deemed to have occurred as of the Call Date, with the purchase price being payable in one lump sum by the Trust (or its assignee) within ninety (90) days of any Call Date not occurring on July 31st or January 31st and within ninety (90) days after the receipt of the ESOP financial advisor's determination of the Fair Market Value of the called shares as of any July 31st or January 31st Call Date. Notwithstanding the immediately preceding sentence, however, if a Participant's employment is terminated prior to the Participant's exercise of all of the vested portion of his/her Stock Option and the Committee gives the Participant one opportunity to exercise such vested portion as of an early Exercise Date, the purchase price to be paid by the Trust (or its assignee) for any early Exercise Date shares acquired pursuant to its call option may be, in the sole discretion of the Committee, payable in the form of a five-year promissory note given by the Trust (or its assignee) (with (i) interest payable at the lowest percentage of libor which equals or exceeds the "Applicable Federal Rate" and (ii) semi-annual equal payments of principal and interest being made during the five-year payment period).

5.8 **Put Option.** All shares acquired by a Participant pursuant to the exercise of a Stock Option shall be subject to a "put option" (the "Put Option") which shall be granted as of the acquisition date to and may be exercised by the Participant or other party receiving such shares (as provided hereunder, the "Other Party") if, at the time of their receipt, the shares are not readily tradable on an established market, as defined in Section 409(h) of the Code and the Treasury regulations promulgated thereunder. The Put Option shall permit the Participant or Other Party to sell some or all of the shares acquired at their Fair Market Value as of (and *only* as of) any July 31st or January 31st following the Exercise Date (each being a "Permissible Put Date"). The Put Option may not, however, be exercised during the first six months following the Exercise Date *and* it may no longer *ever* be exercised once a call notice (as described in Section 5.7 above) has been sent or delivered by the Company.

Shares acquired pursuant to the exercise of a Participant's Stock Option may be put by the Participant or Other Party at their Fair Market Value as of a Permissible Put Date by giving the Company notice of the Participant's (or Other Party's) intention to put the shares (a "put notice") at least ten (10) business days prior to the Permissible Put Date. As is stated in Section 5.5 above, Participants receiving grants of Stock Options shall be notified every six (6) months of the Fair Market Value of a share of a share of Common Stock.

In the event the Company receives a put notice, the sale pursuant to the put shall be deemed to have occurred as of the Permissible Put Date referenced in the Put Notice, with the purchase price being payable by the Company (or its assignee) in one lump sum within ninety (90) days after the receipt of the ESOP financial advisor's determination of the Fair Market Value of the put shares as of the specified Permissible Put Date. Notwithstanding the immediately preceding sentence, however, if a Participant's employment is terminated prior to the Participant's exercise of all of the vested portion of his/her Stock Option and the Committee gives the Participant one opportunity to exercise such vested portion as of an early Exercise Date, the purchase price to be paid by the Company (or its assignee) for any early Exercise Date shares acquired pursuant to the Put Option may be, in the sole discretion of the Committee, payable in the form of a five-year promissory note given by the Company (or its assignee) (with (i) interest payable at the lowest percentage of libor which equals or exceeds the "Applicable Federal Rate" and (ii) semi-annual equal payments of principal and interest being made during the five-year payment period).

5.9 **Share Restrictions.** The exercise of a Participant's Stock Option shall be conditioned upon the Participant's execution of a share transfer restriction agreement (which shall either be attached to the agreement memorializing the Participant's Stock Option grant or provided to the Participant prior to the first Exercise Date for the Stock Option so granted). Unless and until the Committee makes a decision to the contrary, all shares purchased pursuant to the exercise of Stock Options granted hereunder (i) must be held for at least, and shall be non-transferable during, the six-month period immediately following the Exercise Date; (ii) will be subject to the call option described in Section5.7 above; and (iii) will be subject to the Put Option described in Section 5.8 above.

6. STOCK APPRECIATION RIGHTS.

6.1 **Grant of SARs.** Subject to the terms and conditions of the Plan, the Committee shall designate the employees to whom stock appreciation rights ("SARs") are to be awarded under the Plan and shall determine the number, type and terms of the SARs to be awarded to each of them. An SAR may be granted in tandem with a Stock Option granted under the Plan, or the SAR may be granted on a free-standing basis. Tandem SARs may be granted either at or after the time of grant of a Stock Option, provided that, in the case of an incentive stock option, a tandem SAR may be granted only at the time of the grant of such Stock Option. The grant price of a tandem SAR shall equal the option price of the related Stock Option and the grant price of a free-standing SAR shall be equal to the Fair Market Value of a share of Common Stock on the SAR's grant date.

6.2 **Exercise of Tandem SARs.** Tandem SARs may be exercised for all or part of the shares subject to the related option upon the surrender of the right to exercise the equivalent portion of the related Stock Option. A tandem SAR shall terminate and no longer be exercisable upon termination or exercise of the related Stock Option. A tandem SAR may be exercised only with respect to the shares for which its related option is then exercisable.

6.3 **Exercise of Free-Standing SARs.** Free-standing SARs may be exercised upon such terms and conditions as the Committee, in its sole discretion, determines.

6.4 **Term of SARs**. The term of an SAR granted under the Plan shall be determined by the Committee in its sole discretion; provided, however, that such term shall not exceed the option term in the case of a tandem SAR, or ten years in the case of a free-standing SAR.

6.5 **Payment of SAR Amount.** Upon exercise of an SAR, a Participant shall be entitled to receive payment from Companies in an amount determined by multiplying:

(a) The excess of the Fair Market Value of a share of Common Stock on the date of exercise over the "grant price" of the SAR; by

(b) The number of shares with respect to which the SAR is exercised.

At the discretion of the Committee, the payment to be made upon an SAR exercise may be in cash, in shares of Common Stock of equivalent value, or in some combination thereof.

7. PERFORMANCE SHARES.

7.1 **Awards.** Subject to the terms and conditions of the Plan, the Committee shall designate the employees to whom Performance Shares are to be awarded and determine the number of shares and the terms and conditions of each such award. Subject to the terms of Section 7.3 below and the immediately preceding sentence, each Performance Share shall entitle the Participant to a payment in the form of one share of Common Stock as soon as reasonably practicable following the date on which the specified performance goals and other terms and conditions specified by the Committee are attained (the "Attainment Date").

7.2 **No Adjustments.** Except as otherwise provided by the Committee or in section 4.3 hereof, no adjustment shall be made in Performance Shares awarded on account of cash dividends which may be paid or other rights which may be provided to the holders of Common Stock prior to the end of any performance period.

7.3 **Substitution of Cash.** The Committee may, in its sole discretion, substitute cash equal to the Fair Market Value of shares of Common Stock otherwise required to be issued to a Participant hereunder (with such Fair Market Value being the Fair Market Value most recently determined by the ESOP financial advisor immediately prior to the Attainment Date).

8. OTHER INCENTIVES. In addition to the incentives described in Sections 5 through 7 above and subject to the terms and conditions of the Plan, the Committee may grant other incentives ("Other Incentives"), payable in cash or in stock, under the Plan as it determines to be in the best interest of Companies.

9. GENERAL

9.1 **Effective Date.** The Plan was adopted by the Board of Directors effective as of July 17, 1998.

9.2 **Duration.** The Plan shall remain in effect until all incentives granted under the Plan have been satisfied by the issuance of shares of Common Stock, lapse of restrictions or the payment of cash, or have been terminated in accordance with the terms of the Plan or the incentive. Notwithstanding any other provision of the Plan to the contrary, no Stock Option which is intended to be an incentive stock option shall be granted after July 17, 2008 and no incentive stock option shall be exercisable after the expiration of ten (10) years from the date it is granted.

9.3 **Non-transferability of Incentives.** No incentive granted under the Plan may be transferred, pledged, or assigned by the employee except by will or the laws of descent and distribution in the event of death, and FCI shall not be required to recognize any attempted assignment of such rights by any Participant. During a Participant's lifetime, awards may be exercised only by the Participant or by the Participant's guardian or legal representative. Notwithstanding the foregoing, at the discretion of the Committee, a grant of an award may (but need not) permit the transfer of the award by the Participant solely to members of the Participant's immediate family or trusts or family partnerships for the benefit of such persons, subject to such terms and conditions as may be established by the Committee.

9.4 **Compliance with Applicable Law and Withholding.**

(a) The award of any benefit under the Plan may also be made subject to such other provisions as the Committee determines appropriate, including, without limitation, provisions to comply with federal and state securities laws or stock exchange requirements.

(b) If, at any time, FCI, in its sole discretion, determines that the listing, registration, qualification of any type of incentive, or the shares of Common Stock issuable pursuant thereto, or availability of exemption is necessary on any securities exchange or under any federal or state securities or blue sky law, or that the consent or approval of any governmental regulatory body is necessary or desirable, the exercise or issuance of shares of Common Stock pursuant to any incentive, or the removal of any restrictions imposed on shares subject to an incentive, may be delayed until such listing, registration, qualification, exemption, consent, or approval is effected.

(c) The Companies' entities shall have the right to withhold from any award under the Plan or to collect as a condition of any payment under the Plan, as applicable, any taxes required by law to be withheld. To the extent permitted by the Committee, to fulfill any tax withholding obligation, a Participant may elect to have any distribution otherwise required to be made under the Plan (or a portion thereof) to be withheld or, where Stock Options are to be exercised, the Participant may use shares received from the exercise of the Stock Option.

9.5 **No Continued Employment.** Participation in the Plan will not affect any right any entity of Companies has to terminate the employment of a Participant or give any Participant the right to be retained in the employ of Companies or any right or claim to any benefit under the Plan unless such right or claim has specifically accrued under the terms of any incentive under the Plan.

9.6 **Treatment as a Stockholder.** No incentive granted to a Participant under the Plan shall create any rights in such Participant as a stockholder of FCI until shares of Common Stock related to the incentive are registered in the name of the Participant.

9.7 **Amendment or Discontinuation of the Plan.** The Board of Directors may amend, suspend, or discontinue the Plan at any time; provided, however, that (a) *the Committee* may amend or suspend the Plan to avoid the occurrence of any of the events/circumstances described in Clauses (i) thru (iii) in Section 9.8 below; and (b), other than such an amendment or suspension by the Committee, no amendment, suspension or discontinuance shall adversely affect any outstanding benefit and if any law, agreement or exchange on which Common Stock is traded requires stockholder approval for an amendment to become effective, no such amendment shall become effective unless approved by vote of FCI's stockholders.

9.8 **Limitations on Applicability.** No Plan provision shall be applicable if its application would (i) cause a default under the terms of an extension of credit made to any Companies' entity, or (ii) have an effect on the ability of the Partnership to make any "Restricted Payment," or (iii) cause a material change in FCI's Federal, state or local corporate or tax status. In addition to the powers reserved to the Committee in Section 2.2 above, the Committee shall have complete discretion to administer the Plan in such a way as will prevent the occurrence of any such default, inability to make a Restricted Payment or change in corporate tax status.

9.9 **Definitions.**

(a) **Change in Control.** The term "Change in Control" shall be defined as

(1) any merger or consolidation of FCI in which such entity is not the survivor,

(2) any sale of all or substantially all of the Common Stock of FCI by the Trust,

(3) a sale of all or substantially all of the Common Stock of FGI,

(4) a replacement of FGI as the General Partner of the Partnership, or

(5) a public sale of a "material" amount of FCI's equity (with materiality being determined by the Committee, but with a material amount of such equity being *at least* 51% thereof).

(b) **Exercise Date.** The term "Exercise Date" refers to the 31st day of January (i.e., January 31st) of each year in which a Stock Option may be exercised (with each such year being an odd-numbered year for Tranche A Options and an even-numbered year for Tranche B Options).

(c) **Fair Market Value.** Except as otherwise determined by the Committee, the "Fair Market Value" of a share of Common Stock as of any date shall equal the value of such a share most recently determined for the ESOP by its independent financial advisor to the ESOP (assuming no material change in such value since the date as of which such determination was made); provided, however, that the "Fair Market Value" of a share of Common Stock as of any July 31st or January 31st shall equal the value of such a share, *as of such date* , as determined by such independent financial advisor .

(d) **FCI Senior Notes.** The term "FCI Senior Notes" means the Series A Notes, the Series B Notes and the Series C Loans issued pursuant to the Master Agreement dated July 15, 1998 among FCI, the initial purchasers of the Series A Notes, the initial purchasers of the Series B Notes, the Series C Lenders referred therein and U.S. Bank National Association, as collateral agent (the "Master Agreement").

(e) **Master Agreement.** The term "Master Agreement" shall have the meaning set forth in Section 9.9(d) above.

(f) **Permanent Disability.** The term "permanent disability" means any mental or physical condition which entitles the referenced Participant to disability benefits under the long-term disability plans of the Participant's employer.

(g) **Restricted Payment.** The term "Restricted Payment" of the Partnership or its subsidiaries means, as applicable, a "Restricted Payment" as defined in the debt documents of either the Partnership or its subsidiaries.

(h) **Subordinated Notes.** The term "Subordinated Notes" means any promissory note(s) constituting "Subordinated Debt" (as said term is defined in the Master Agreement).

(i) **Subsidiary.** The term "subsidiary" means any business, whether or not incorporated, in which FCI has a direct or indirect ownership interest.

Change of control	In the case of a change of control of FGP in the 3 years, both the stay bonus and the unvested BR options fuly vest.
Signed by Ferrellgas	/s/ James E. Ferrell Chairman, CEO and President of Ferrellgas, Inc.
Date	February 6, 2004

EXHIBIT 21.1

SUBSIDIARIES OF
FERRELLGAS PARTNERS, L.P.

Ferrellgas, L.P., a Delaware limited partnership
Ferrellgas Partners Finance Corp., a Delaware Corporation

SUBSIDIARIES OF
FERRELLGAS, L.P.

Ferrellgas Real Estate, Inc., a Delaware Corporation
Ferrellgas Receivables, LLC, a Delaware limited liability company
Ferrellgas Finance Corp., a Delaware Corporation
Blue Rhino Canada, Inc., a Delaware Corporation
Blue Rhino Global Sourcing, Inc., a Delaware Corporation
Uni Asia, Ltd, a Seychelles limited company

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Amendment No. 1 to Registration Statement Nos. 333-134867, 333-137961 and 333-130193, in Registration Statement Nos. 333-121350, 333-115765, and 333-157760 on Form S-3; in Registration Statement No. 333-132340 on Form S-4, and in Post-Effective Amendment No.1 to Registration Statement Nos. 333-87633 and 333-84344 on Form S-8, of our reports dated September 28, 2009, relating to the consolidated financial statements and consolidated financial statement schedules of Ferrellgas Partners, L.P., and the effectiveness of Ferrellgas Partners, L.P.'s internal control over financial reporting, appearing in this Amendment No. 1 to the Annual Report on Form 10-K/A of Ferrellgas Partners, L.P. for the year ended July 31, 2009**.**

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
November 6, 2009

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-157760-03 on Form S-3 of our report dated September 28, 2009, relating to the financial statements of Ferrellgas Partners Finance Corp. appearing in this Amendment No. 1 to the Annual Report on Form 10-K/A of Ferrellgas Partners Finance Corp. for the year ended July 31, 2009.

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
November 6, 2009

EXHIBIT 23.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-157760-02 on Form S-3 of our report dated September 28, 2009, relating to the financial statements and financial statement schedule of Ferrellgas, L.P., and the effectiveness of Ferrellgas, L.P.'s internal control over financial reporting, appearing in this Amendment No. 1 to the Annual Report on Form 10-K/A of Ferrellgas L. P. for the year ended July 31, 2009.

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
November 6, 2009

EXHIBIT 23.4

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-157760-01 on Form S-3 of our report dated September 28, 2009, relating to the financial statements of Ferrellgas Finance Corp. appearing in this Amendment No. 1 to the Annual Report on Form 10-K/A of Ferrellgas Finance Corp. for the year ended July 31, 2009.

/s/ DELOITTE & TOUCHE LLP

Kansas City, Missouri
November 6, 2009

EXHIBIT 31.1

CERTIFICATIONS
FERRELLGAS PARTNERS, L.P.

I, Stephen L. Wambold, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended July 31, 2009 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 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: November 6, 2009

/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 Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended July 31, 2009 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 Annual 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 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: November 6, 2009

/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 31.2

CERTIFICATIONS
FERRELLGAS PARTNERS FINANCE CORP.

I, Stephen L. Wambold, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended July 31, 2009 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 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 controls over financial reporting.

Date: November 6, 2009

/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 Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended July 31, 2009 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 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 controls over financial reporting.

Date: November 6, 2009

/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 Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended July 31, 2009 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 Annual 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 Annual 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 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: November 6, 2009

/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 Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended July 31, 2009 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 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: November 6, 2009

/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 Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended July 31, 2009 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 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 controls over financial reporting.

Date: November 6, 2009

/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 Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended July 31, 2009 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 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 controls over financial reporting.

Date: November 6, 2009

/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 Amendment No. 1 to the Annual Report on Form 10-K/A of Ferrellgas Partners, L.P. (the "Partnership") for the year ended July 31, 2009, 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: November 6, 2009

/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 Amendment No. 1 to the Annual Report on Form 10-K/A of Ferrellgas Partners Finance Corp. for the year ended July 31, 2009, 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: November 6, 2009

/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.**

EXHIBIT 32.3

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 Amendment No. 1 to the Annual Report on Form 10-K/A of Ferrellgas, L.P. (“the Partnership”) for the year ended July 31, 2009, 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: November 6, 2009

/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 Amendment No. 1 to the Annual Report on Form 10-K/A of Ferrellgas Finance Corp. for the year ended July 31, 2009, 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: November 6, 2009

/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.**