UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended April 30, 2002

or

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

For the transition period from __________ to __________

Commission file numbers: 1-11331
333-06693

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

(Exact name of registrants as specified in their charters)

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

One Liberty Plaza, Liberty, Missouri 64068
(Address of principal executive offices) (Zip Code)

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

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

Yes [X] No [ ]

At May 31, 2002, the registrants had units or shares outstanding as follows:

Ferrellgas Partners, L.P.	36,076,203	Common Units
	2,782,211	Senior Units
Ferrellgas Partners Finance Corp.	1,000	Common Stock

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

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands, except unit data)

ASSETS	April 30, 2002	July 31, 2001
	(unaudited)	
Current Assets:		
Cash and cash equivalents	$ 23,899	$ 25,386
Accounts and notes receivable, net	110,347	56,772
Inventories	41,738	65,284
Prepaid expenses and other current assets	7,566	10,504
Total Current Assets	183,550	157,946
Property, plant and equipment, net	502,710	491,194
Goodwill	124,190	124,190
Intangible assets, net	100,555	108,526
Other assets, net	5,875	14,303
Total Assets	$ 916,880	$896,159

LIABILITIES AND PARTNERS' CAPITAL	April 30, 2002	July 31, 2001
Current Liabilities:		
Accounts payable	$ 50,410	$ 58,274
Other current liabilities	72,593	77,610
Short-term borrowings	-	-
Total Current Liabilities	123,003	135,884
Long-term debt	705,044	704,782
Other liabilities	13,628	15,472
Contingencies and commitments	-	-
Minority interest	2,429	2,034
Partners' Capital:		
Senior unitholder (2,782,211 and 2,801,622 units outstanding at April 2002 and July 2001, respectively - liquidation preference $111,288 and $112,065 at April 2002 and July 2001, respectively)	111,288	112,065
Common unitholders (36,074,703 and 35,908,366 units outstanding at April 2002 and July 2001, respectively)	22,077	(12,959)
General partner unitholder (364,391 and 362,711 units outstanding at April 2002 and July 2001, respectively)	(58,497)	(58,738)
Accumulated other comprehensive loss	(2,092)	(2,381)
Total Partners' Capital	72,776	37,987
Total Liabilities and Partners' Capital	$ 916,880	$896,159

See notes to consolidated financial statements.

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

	For the three months ended		For the nine months ended	
	April 30, 2002	April 30, 2001	April 30, 2002	April 30, 2001
Revenues:				
Gas liquids and related product sales	$ 269,825	$ 367,503	$ 825,239	$ 1,247,519
Other	17,336	16,891	62,903	67,153
Total revenues	287,161	384,394	888,142	1,314,672
Cost of product sold (exclusive of depreciation, shown separately below)	134,640	231,593	461,178	835,580
Gross profit	152,521	152,801	426,964	479,092
Operating expense	74,686	73,358	212,186	228,846
Depreciation and amortization expense	10,625	14,484	32,844	42,462
General and administrative expense	8,117	6,619	21,574	18,246
Equipment lease expense	5,825	7,618	18,456	24,386
Employee stock ownership plan compensation charge	1,273	1,316	3,856	3,510
Loss on disposal of assets and other	552	1,607	1,830	4,761
Operating income	51,443	47,799	136,218	156,881
Interest expense	(14,717)	(14,884)	(45,039)	(47,158)
Interest income	323	981	1,194	2,420
Other charges	-	(3,118)	-	(3,118)
Earnings before minority interest	37,049	30,778	92,373	109,025
Minority interest	414	376	1,052	1,240
Net earnings	36,635	30,402	91,321	107,785
Distribution to senior unitholder	2,786	4,888	8,390	14,310
Net earnings available to general partner	338	255	829	935
Net earnings available to common unitholders	$ 33,511	$ 25,259	$ 82,102	$ 92,540
Basic earnings per common unit:				
Net earnings available to common unitholders	$ 0.93	$ 0.81	$ 2.28	$ 2.96
Diluted earnings per common unit:				
Net earnings available to common unitholders	$ 0.93	$ 0.81	$ 2.28	$ 2.96

See notes to consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	Number of units							
	Senior unitholder	Common unitholders	General partner unitholder	Senior unitholder	Common unitholders	General partner unitholder	Accumulated other compre-hensive loss	Total partners' capital
August 1, 2001	2,801.6	35,908.4	362.7	$ 112,065	$ (12,959)	$ (58,738)	$ (2,381)	$ 37,987
Contribution in connection with ESOP compensation charge	-	-	-	-	3,779	39	-	3,818
Common unit cash distributions	-	-	-	-	(54,005)	(545)	-	(54,550)
Senior unit cash and accrued distributions	-	-	-	-	(8,277)	(197)	-	(8,474)
Senior units redeemed	(19.4)	-	-	(777)	-	-	-	(777)
Common unit options exercised	-	48.8	0.5	-	821	8	-	829
Common units issued in connection with acquisitions	-	117.5	1.2	-	2,310	23	-	2,333
Comprehensive income:								
Net earnings	-	-	-	-	90,408	913	-	91,321
Other comprehensive income:								
Risk management fair value adjustment	-	-	-	-	-	-	289	289
Comprehensive income								91,610
April 30, 2002	2,782.2	36,074.7	364.4	$ 111,288	$ 22,077	$ (58,497)	$ (2,092)	$ 72,776

See notes to consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	For the nine months ended	
	April 30, 2002	April 30, 2001
Cash Flows From Operating Activities:		
Net earnings	$ 91,321	$107,785
Reconciliation of net earnings to net cash provided by operating activities:		
Depreciation and amortization expense	32,844	42,462
Employee stock ownership plan compensation charge	3,856	3,510
Minority interest	1,052	1,240
Other	2,043	10,954
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Accounts and notes receivable, net of securitization	(15,501)	(81,088)
Inventories	23,628	16,447
Prepaid expenses and other current assets	2,938	(3,843)
Accounts payable	(5,121)	(39,473)
Accrued interest expense	(6,593)	(9,437)
Other current liabilities	(3,493)	3,256
Other liabilities	566	194
Net cash provided by operating activities	127,540	52,007
Cash Flows From Investing Activities:		
Business acquisitions, net of cash acquired	(6,376)	(4,343)
Capital expenditures	(28,869)	(9,210)
Net activity from accounts receivable securitization	(31,000)	48,000
Other	2,611	1,051
Net cash (used in) provided by investing activities	(63,634)	35,498
Cash Flows From Financing Activities:		
Distributions	(63,044)	(47,436)
Additions to long-term debt	-	7,648
Reductions of long-term debt	(1,715)	(21,372)
Net reductions to short-term borrowings	-	(18,342)
Proceeds from exercise of common unit options	821	-
Redemption of senior units	(777)	-
Minority interest activity	(704)	(587)
Other	26	(990)
Net cash used in financing activities	(65,393)	(81,079)
Increase (decrease) in cash and cash equivalents	(1,487)	6,426
Cash and cash equivalents - beginning of period	25,386	14,838
Cash and cash equivalents - end of period	$ 23,899	$ 21,264
Cash paid for interest	$ 49,900	$ 54,367

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
APRIL 30, 2002
(unaudited)

A. Organization

Ferrellgas Partners, L.P. activities are primarily conducted through its subsidiary Ferrellgas, L.P. Ferrellgas Partners is the sole limited partner of Ferrellgas, L.P. with an approximate 99% limited partner interest. Ferrellgas Partners and Ferrellgas L.P. are together referred to as the Partnership. The general partner of both Ferrellgas Partners and Ferrellgas, L.P. is Ferrellgas, Inc. which owns a 2% general partner interest in the combined Partnership.

The consolidated financial statements of Ferrellgas Partners and Subsidiaries reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the interim periods presented. All adjustments to the consolidated financial statements were of a normal, recurring nature, as well as the accounting change to adopt Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangibles Assets." The information included in this Quarterly Report on Form 10-Q should be read in conjunction with Management's Discussion and Analysis and the financial statements with related notes included in the Partnership's Annual Report on Form 10-K for the year ended July 31, 2001.

B. Accounting estimates

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

C. Reclassifications

Certain amounts, including Goodwill (see Note F), included in the July 31, 2001 consolidated financial statements have been reclassified to conform to the presentation for April 30, 2002. In fiscal 2001 and after the filing of the Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2001, the Partnership applied the provisions of Emerging Issues Task Force (EITF Issue) No. 99-19 "Reporting Revenue Gross as a Principal versus Net as an Agent" which affects the presentation of certain revenue and cost of product sold items.

D. Nature of operations

The propane industry is seasonal in nature with peak activity during the winter months. Therefore, the results of operations for the periods ended April 30, 2002 and 2001 are not necessarily indicative of the results to be expected for a full year.

E. Supplemental Balance Sheet Information:

Inventories consist of:

(in thousands)	April 30, 2002	July 31, 2001
Liquefied propane gas and related products	$22,572	$45,966
Appliances, parts and supplies	19,166	19,318
	$41,738	$65,284

In addition to inventories on hand, the Partnership enters into contracts to buy product for supply purposes. Nearly all of these contracts have terms of less than one year and most call for payment based on market prices at the date of delivery. All fixed price contracts have terms of less than one year. As of April 30, 2002, in addition to the inventory on hand, the Partnership had committed to take net delivery of approximately 1,007,000 gallons at a fixed price.

Property, plant and equipment, net consist of:

(in thousands)	April 30, 2002	July 31, 2001
Property, plant and equipment	$804,108	$774,128
Less: accumulated depreciation	301,398	282,934
	$502,710	$491,194

F. Goodwill and Other Intangible Assets - Adoption of SFAS No. 142:

Statement of Financial Accounting Standard (SFAS) No. 142 modified the financial accounting and reporting for acquired goodwill and other intangible assets, including the requirement that goodwill and some intangible assets no longer be amortized. The Partnership adopted SFAS No. 142 beginning in the first quarter of fiscal 2002. This adoption resulted in a reclassification to goodwill of both assembled workforce and other assets with remaining book value of $10,019,000. The remaining intangible assets are subject to amortization. Although there will be no cash flow effect, the Partnership believes its amortization expense will decrease by $10,600,000 in fiscal 2002, compared to the amortization that would have been recorded had the new accounting standard not been adopted. See additional discussion about the decrease in amortization expense in Management Discussion and Analysis of Financial Condition and Results of Operations. This new standard also required the Partnership to test goodwill for impairment at the time the standard was adopted and also on an annual basis. The results of the initial impairment test of goodwill performed at the time the standard was adopted did not have a material effect on the Partnership's financial position, results of operations or cash flows. The following disclosures are required by SFAS No. 142.

Intangible assets, net consist of:

	April 30, 2002		July 31, 2001	
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer lists	$208,010	$(122,829)	$207,667	$(114,679)
Non-compete agreement	62,893	(47,519)	60,222	(44,684)
Total	$270,903	$(170,348)	$267,889	$(159,363)

(in thousands)
Aggregate Amortization Expense:

	2002	2001
For the nine months ended April 30	$10,984	$13,294

Estimated Amortization Expense:

For the year ended July 31, 2003	11,583
For the year ended July 31, 2004	10,540
For the year ended July 31, 2005	9,961
For the year ended July 31, 2006	9,440
For the year ended July 31, 2007	8,725

	For the nine months ended	
(in thousands)	April 30, 2002	April 30, 2001
Reported net earnings	$91,321	$107,785
Add back: Goodwill amortization	-	7,789
Adjusted net earnings	$91,321	$115,574
Basic and diluted earnings per common unit:		
Reported net earnings available to common unitholders	$2.28	$2.96
Goodwill amortization	-	0.24
Adjusted net earnings available to common unitholders	$2.28	$3.20

G. Contingencies

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

H. Distributions

On March 14, 2002, the Partnership paid cash distributions of $1.00 and $0.50 per senior and common unit, respectively, for the quarter ended January 31, 2002. On May 20, 2002, the Partnership declared its third fiscal quarter cash distribution of $1.00 and $0.50 per senior and common unit, respectively, paid on June 14, 2002.

I. Earnings Per Common Unit

Below is a calculation of the basic and diluted earnings per unit as displayed on the consolidated statements of earnings. For the purpose of computing diluted earnings per unit, the senior units were excluded. The senior units are considered contingently issuable common units for which all necessary conditions for their issuance have not been satisfied as of the end of the reporting period. In order to compute the basic and diluted earnings per common unit, the distributions on senior units are subtracted from net earnings to compute net earnings available to common unitholders.

(in thousands, except per unit data)

	Three months ended		Nine months ended	
	April 30 2002	April 30 2001	April 30 2002	April 30 2001
Net earnings available to common unitholders	$33,511	$25,259	$82,102	$92,540
Weighted average common units outstanding	36,072.0	31,307.1	36,003.3	31,307.1
Dilutive securities	67.8	-	67.8	-
Weighted average common units outstanding + dilutive securities	36,139.8	31,307.1	36,071.1	31,307.1
Basic and diluted earnings per common unit	$0.93	$ 0.81	$2.28	$ 2.96

J. Adoption of New Accounting Standards

The Financial Accounting Standards Board recently issued SFAS No. 143 "Accounting for Asset Retirement Obligations", SFAS No. 144 "Accounting for the Impairment or Disposal of Long-lived Assets", and SFAS No. 145 "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections."

SFAS No. 143 requires the recognition of a liability if a company has a legal or contractual financial obligation in connection with the retirement of a tangible long-lived asset. The Partnership will implement SFAS No. 143 beginning in the fiscal year ending July 31, 2003, and expects to record a one-time charge to earnings during the first quarter of fiscal 2003, as a cumulative change in accounting principle, of between $2,000,000 and $3,000,000. The Partnership believes the implementation will not have a material ongoing effect on its financial position, results of operations and cash flows.

SFAS No. 144 modifies the financial accounting and reporting for long-lived assets to be disposed of by sale and it broadens the presentation of discontinued operations to include more disposal transactions. The Partnership will implement SFAS No. 144 beginning in the fiscal year ending July 31, 2003, and believes the implementation will not have a material effect on its financial position, results of operations and cash flows.

SFAS No. 145 eliminates the requirement that material gains and losses resulting from the early extinguishment of debt be classified as an extraordinary item in the results of operations. Instead, companies must evaluate whether the transaction meets both the criteria of being unusual in nature and infrequent in occurrence. Other aspects of SFAS No. 145 relating to accounting for intangibles assets of motor carriers and accounting for certain lease modifications do not currently apply to the Partnership. The Partnership will implement SFAS No. 145 beginning in the fiscal year ending July 31, 2003, and believes the implementation will not have a material effect on its financial position, results of operations and cash flows.

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

BALANCE SHEETS

ASSETS	April 30, 2002	July 31, 2001
	(unaudited)	
Cash	$1,000	$1,000
Total Assets	$1,000	$1,000

STOCKHOLDER'S EQUITY		
Common stock, $1.00 par value; 2,000 shares authorized; 1,000 shares issued and outstanding	$1,000	$1,000
Additional paid in capital	2,055	1,662
Accumulated deficit	(2,055)	(1,662)
Total Stockholder's Equity	$1,000	$1,000

STATEMENTS OF EARNINGS
(unaudited)

	Three Months Ended		Nine Months Ended	
	April 30, 2002	April 30, 2001	April 30, 2002	April 30, 2001
General and administrative expense	$ 298	$ 284	$ 393	$ 425
Net loss	$(298)	$(284)	$(393)	$(425)

See notes to financial statements.

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

STATEMENTS OF CASH FLOWS
(unaudited)

	Nine Months Ended	
	April 30, 2002	April 30, 2001
Cash Flows From Operating Activities:		
Net loss	$(393)	$ (425)
Cash used in operating activities	(393)	(425)
Cash Flows From Financing Activities:		
Capital contribution	393	425
Cash provided by financing activities	393	425
Change in cash	-	-
Cash - beginning of period	1,000	1,000
Cash - end of period	$1,000	$1,000

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2002
(unaudited)

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

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

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

The following is a discussion of the historical financial condition and results of operations of Ferrellgas Partners and its subsidiaries and should be read in conjunction with the historical consolidated financial statements and accompanying notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

On January 22, 2002, the Securities and Exchange Commission issued interpretive Release Nos. 33-8056; 34-45321 recommending various disclosures. The Partnership has provided the recommended disclosures as follows:

- liquidity and capital resources, including off-balance sheet arrangements; see discussion in "Liquidity and Capital Resources - Investing Activities",
- certain trading activities; see discussion regarding the fair value of the Partnership's risk management trading contracts in "Liquidity and Capital Resources - Disclosures about Risk Management Activities Accounted for at Fair Value", and
- transactions with related and certain other parties; see discussion regarding the nature of these transactions in "Certain Relationships and Related Transactions" within the Partnership's Annual Report on Form 10-K filed with the Commission on October 25, 2001.

Forward-looking statements

Statements included in this report include forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. They use words such as "anticipate," "believe," "intend," "plan," "projection," "forecast," "strategy," "position," "continue," "estimate," "expect," "may," "will," or the negative of those terms or other variations of them or by comparable terminology. In particular, statements, express or implied, concerning future operating results, or the ability to generate sales, income or cash flow are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The Partnership's future results may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results are beyond the Partnership's ability to control or predict. These statements include, but are not limited to, the following:

- whether Ferrellgas, L.P. will have sufficient funds 1) to meet its obligations and to enable it to distribute to Ferrellgas Partners sufficient funds to permit Ferrellgas Partners to meet its obligations with respect to its $160,000,000 senior secured notes and 2) assuming all quarterly financial tests required by various financing instruments are met, to pay the required distribution on its senior units and the minimum quarterly distribution of $0.50 per common unit,
- whether or not the Partnership will continue to meet all of the quarterly financial tests required by various financing instruments, and
- whether the fiscal 2002 decrease in gas liquids sales, equipment lease, interest expense, depreciation and amortization expense as compared to fiscal 2001 will continue during the remainder of fiscal 2002.

Readers of this report should not put undue reliance on any forward-looking statements. The forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements. The risks and uncertainties and their effect on the Partnership's operations include, but are not limited to, the following risks, which are more fully described in the Partnership's Securities Act filings:

- the retail propane industry is a mature one,
- the effect of weather conditions on demand for propane,

- o increases in propane prices may cause higher levels of conservation by the Partnership's customers,

- o price, availability and inventory risk of propane supplies, including risk management activities,

- o the timing of collections of the Partnership's accounts receivable and increases in product costs and demand may decrease its working capital availability,

- o the availability of capacity to transport propane to market areas,

- o competition from other energy sources and within the propane industry,

- o operating risks incidental to transporting, storing, and distributing propane, including the litigation risks which may not be covered by insurance,

- o the Partnership may not be successful in making acquisitions,

- o changes in interest rates, including the refinancing of long-term financing at favorable interest rates,

- o governmental legislation and regulations,

- o energy efficiency and technology trends may affect demand for propane,

- o the condition of the capital markets in the United States,

- o the political and economic stability of the oil producing nations,

- o the Partnership may sell additional limited partner interests, thus diluting existing interests of unitholders,

- o the distribution priority to the Partnership's common units owned by the public terminates no later than December 31, 2005,

- o the holder of the Partnership's senior units may have the right in the future to convert the senior units into common units,

- o the holder of the Partnership's senior units may be able to sell the senior units or convert into common units with special indemnification rights available to the holder from the Partnership,

- o a redemption of the senior units may be dilutive to the Partnership's common unitholders,

- o the terms of the senior units limit the Partnership's use of proceeds from sales of equity and the rights of the common unitholders,

- o the current holder of the senior units has a special voting exemption if the senior units convert into common units, and

- o the expectation that the remaining senior units will be redeemed in the future with proceeds from an offering of equity at a price satisfactory to the Partnership.

Results of Operations

Due to the seasonality of the retail distribution of propane, results of operations for the nine months ended April 30, 2002 and 2001, are not necessarily indicative of the results to be expected for a full year. Other factors affecting the results of operations include competitive conditions, demand for product, timing of acquisitions, general economic conditions in the United States, variations in the weather and fluctuations in commodity prices.

As the Partnership has grown through acquisitions, fixed costs such as personnel costs, equipment leases, depreciation and interest expense have increased. Historically, due to the seasonality of the Partnership's business, these fixed cost increases have caused net losses in the first and fourth fiscal quarters and net earnings in the second and third fiscal quarters to be more pronounced.

Three Months Ended April 30, 2002 vs. April 30, 2001

Gas liquids and related product sales. Total gas liquids and related product sales decreased 26.6% to $269,825,000, due primarily to a significant decrease in the average propane sales price per gallon.

The average propane sales price per gallon decreased due primarily to the effect of a significant decrease in the wholesale cost of propane. In addition, retail sales volumes decreased 3.4% to 240,385,000 gallons in the third quarter of fiscal 2002 as compared to the third quarter of fiscal 2001, primarily due to

the effects of the weak national economy and to a lesser extent warmer weather than in the same quarter last fiscal year. For the quarter, national temperatures as reported by the National Oceanic and Atmospheric Administration, were 3% warmer than the prior year's quarter. In addition, retail sales volumes were negatively impacted by the carryover effect of warmer January temperatures that were 17% warmer than normal.

Other revenues. Other revenues increased slightly to $17,336,000 for the third quarter compared to the same quarter last year, primarily due to increased material and appliance sales.

Cost of product sold. Cost of product sold decreased 41.9% to $134,640,000 primarily due to the effect of a significant decline in the wholesale cost of propane during the third quarter of fiscal 2002 compared to the third quarter of fiscal 2001. The propane wholesale market price at one of the major supply points, Mt. Belvieu, Texas, averaged $0.35 per gallon during the third quarter of fiscal 2002 compared to an average of $0.60 per gallon in the prior year quarter. Other major supply points in the United States also experienced significant declines in propane prices. However, cost of product sold was increased by a change in risk management trading results during the third quarter of fiscal 2002. Exceptional gains from risk management trading activities recognized in the third quarter of fiscal 2001 were not repeated for the same period this year, causing an increase to cost of sales of $16,875,000. See additional discussion regarding risk management trading activities in "Quantitative and Qualitative Disclosures about Market Risk."

Gross profit. Gross profit was nearly unchanged compared to the third quarter of last year, primarily due to the effect of the increase in retail margins per gallon which exceeded the strong retail margin performance realized in the prior year's quarter, offset by the decrease in risk management trading gains.

Operating expense. Operating expense increased 1.8% to $74,686,000, primarily due to the timing of performance-based incentive compensation expense resulting from the favorable operating results, which were substantially offset by reduced vehicle and other operating expenses.

General and administrative expense. General and administrative expense increased 22.6% to $8,117,000, primarily due to the timing of performance-based incentive compensation expense resulting from the favorable operating results this quarter.

Depreciation and amortization expense. Depreciation and amortization expense decreased 26.6% to $10,625,000 primarily due to the implementation of SFAS No. 142, which eliminated routine goodwill amortization. See further discussion of the implementation of SFAS No. 142 in Note F to the consolidated financial statements.

Equipment lease expense. Equipment lease expense decreased 23.5% to $5,825,000 due to the effect of significantly lower interest rates on variable rate operating tank leases this quarter as compared to the prior year's quarter. See further discussion about these leases in the "Liquidity and Capital Resources - Investing Activities" and "Financing Activities."

Loss on disposal of assets and other. Loss on disposal of assets and other decreased $1,055,000 to $552,000 primarily due to a decrease in the loss on disposal of fixed assets and a decrease in the expenses related to the transfer of accounts receivables pursuant to the accounts receivable securitization facility. See further discussion about this facility in "Liquidity and Capital Resources - Investing Activities" and "Financing Activities."

Interest expense. Interest expense decreased 1.1% to $14,717,000 primarily due to reduced borrowings on the Partnership's credit facility offset by the effect of the termination of an interest rate swap agreement in the fourth quarter of fiscal 2001.

Nine Months Ended April 30, 2002 vs. April 30, 2001

Gas liquid and related product sales. Total gas liquids and related product sales decreased 33.8% to $825,239,000, due to both a significant decrease in the average propane sales price per gallon and a significant decrease in retail propane sales volume.

The average propane sales price per gallon decreased due to the effect of a significant decrease in the wholesale cost of propane. In addition, retail sales volumes decreased 15.0% to 720,690,000 gallons in the first nine months of fiscal 2002 as compared to the same period of fiscal 2001, primarily due to the effects of the significantly warmer than normal weather and to a lesser extent the weak national economy. The heating season of fiscal 2002 (November through March) was the third warmest in recorded United States history, according to the National Oceanic and Atmospheric Administration data, with national average temperatures 12% warmer than normal compared to 5% colder than normal for the same period last year. During the peak winter heating season (December through February) average national temperatures were 14% warmer than normal.

Other revenues. Other revenues decreased 6.3% to $62,903,000, for the first nine months compared to the same period last year, primarily due to lower appliance sales and service labor related to effects of the weak national economy.

Cost of product sold. Cost of product sold decreased 44.8% to $461,178,000 primarily due to the effect of a significant decline in the wholesale cost of propane during the first nine months of fiscal 2002 and to the effect for reduced volumes delivered compared to the same period last year. The propane wholesale market price at one of the major supply points, Mt. Belvieu, Texas, averaged $0.37 per gallon during the first nine months of fiscal 2002 compared to an average of $0.67 per gallon for the same period in the prior year. Other major supply points in the United States also experienced significant declines in propane prices. Another factor that caused a decrease in the cost of product sold was a 15% decline in retail sales volumes for the nine-month period ended April 30, 2002. However, cost of product sold was increased by a change in risk management trading results in the first nine months of fiscal 2002. Exceptional gains from risk management trading activities recognized in the first nine months of fiscal 2001 were not repeated for the same period this year, causing an increase to cost of sales of $38,071,000. See additional discussion regarding risk management trading activities in "Quantitative and Qualitative Disclosures about Market Risk."

Gross profit. Gross profit decreased 10.9% to $426,964,000, primarily due to the effect of a significant decrease in retail propane volumes and to a lesser extent, the decrease in risk management trading gains. These factors were partially offset by an increase in retail margin per gallon, which exceeded the retail margin per gallon performance realized in the first nine months of fiscal 2001.

Operating expense. Operating expense decreased 7.3% to $212,186,000, primarily due to decreased bad debt and variable operating expenses resulting from the decreased retail volumes delivered to customers in the first nine-months of fiscal 2002 as compared to the same period last year.

General and administrative expense. General and administrative expense increased 18.2% to $21,574,000, primarily due to increased performance-based incentive compensation expense and increased expenses related to the operational improvement initiative discussed in "Liquidity and Capital Resources - Investing Activities."

Depreciation and amortization expense. Depreciation and amortization expense decreased 22.7% to $32,844,000 primarily due to the implementation of SFAS No. 142, which eliminated routine goodwill amortization. See further discussion of the implementation of SFAS No. 142 in Note F to the consolidated financial statements.

Equipment lease expense. Equipment lease expense decreased 24.3% to $18,456,000 due to significantly lower interest rates on variable rate operating leases as compared to the same period last year. See further discussion about these leases in "Liquidity and Capital Resources - Investing Activities" and "Financing Activities."

Loss on disposal of assets and other. Loss on disposal of assets and other decreased $2,931,000 to $1,830,000 primarily due to a decrease in the expenses related to the transfer of accounts receivables pursuant to the accounts receivable securitization facility. See further discussion about this facility in "Liquidity and Capital Resources - Investing Activities" and "Financing Activities."

Interest expense. Interest expense decreased 4.5% to $45,039,000 primarily due to reduced borrowings and significantly lower interest rates on the Partnership's credit facility. This decrease was partially offset by the effect of the termination of an interest rate swap agreement in the fourth quarter of fiscal 2001.

Forward looking statements. The Partnership expects the declines in gas liquid sales and cost of product sold experienced in the three quarters of fiscal 2002 to continue in the fourth quarter of fiscal 2002 as compared to the same periods in fiscal 2001. These expected declines in gas liquid sales and cost of product sold, which are largely offsetting, are due to the effects of significantly lower wholesale propane prices experienced during fiscal 2002 as compared to last year.

Due to the implementation of SFAS No. 142, which eliminated routine goodwill amortization, the Partnership expects a similar depreciation and amortization expense variance during the third quarter to continue the remainder of the fiscal year. In addition, the current lower interest rate environment is expected to lead to a continued decrease in equipment lease expense in the fourth quarter of fiscal 2002 compared to the same quarter last year.

Liquidity and Capital Resources

The ability of the Partnership to satisfy its obligations is dependent upon future performance, which will be subject to prevailing economic, financial, business, and weather conditions and other factors, many of which are beyond its control. During fiscal 2002 the United States experienced unusually mild temperatures that were approximately 12% warmer than normal during the heating season (November through March) and 14% warmer than normal during the peak winter heating season (December through February). These temperatures rank as the third warmest heating season and fifth warmest peak winter heating season in the National Oceanic and Atmospheric Administration's 107-year history. Moreover, the weather has been significantly warmer than normal in four of the last five winter heating seasons. Despite these challenges, the Partnership will pay a full $0.50 distribution on all common units on June 14, 2002. This distribution represents the thirty-first consecutive full $0.50 distribution paid to the common unitholders dating back to October 1994.

Due to the seasonality of the retail propane distribution business, a significant portion of the Partnership's cash flow from operations is typically generated during the winter heating season which occurs during the Partnership's second and third fiscal quarters. Typically, the Partnership generates significantly lower cash flows from operations in its first and fourth fiscal quarters as compared to the second and third quarters because fixed costs exceed gross profit during the non-peak season. Subject to meeting the financial tests discussed below, the Partnership's general partner, Ferrellgas, Inc., believes that Ferrellgas, L.P. will have sufficient funds available to meet its obligations, and to distribute to Ferrellgas Partners sufficient funds to permit Ferrellgas Partners to meet its obligations with respect to the $160,000,000 senior secured notes. In addition, the general partner believes that Ferrellgas, L.P. will have sufficient funds available to distribute to Ferrellgas Partners sufficient cash to pay the required quarterly distribution on the senior units and the minimum quarterly distribution on all common units during the remainder of the non-heating season, which covers the fourth quarter of fiscal 2002 and the first quarter of fiscal 2003 when the Partnership will typically experience lower cash flows from operating activities.

The Partnership's credit facilities, public debt, private debt, accounts receivable securitization facility and certain operating tank leases contain several financial tests and covenants restricting the Partnership's ability to pay distributions, incur debt and engage in certain other business transactions. In general, these tests are based on the Partnership's debt to cash flow ratio and cash flow to interest expense ratio. The general partner believes that the most restrictive of these tests currently are debt incurrence limitations within the credit facility, operating tank leases and accounts receivable securitization facility and limitations on the payment of distributions within the Ferrellgas Partners' senior secured notes. The credit facility, operating tank leases and accounts receivable securitization facility limit Ferrellgas, L.P.'s ability to incur debt if Ferrellgas, L.P. exceeds prescribed ratios of either debt to cash flow or cash flow to interest expense. Ferrellgas Partners' senior secured notes restrict payments if a minimum ratio of cash flow to interest expense is not met. This restriction places limitations on the Partnership's ability to make restricted payments such as the payment of cash distributions to unitholders. The cash flow used to determine these financial tests generally is based upon the Partnership's most recent cash flow performance giving pro forma effect for acquisitions and divestitures made during the test period. The Partnership's credit facilities, public debt, private debt, accounts receivable securitization facility and certain operating tank leases do not contain repayment provisions related to a decline in the credit rating of the Partnership.

Based upon current estimates of the Partnership's cash flow, the general partner believes that the Partnership will be able to continue to meet all of the required quarterly financial tests and covenants. However, if the Partnership were to encounter unexpected downturns in business operations in the future, such as continued significantly warmer than normal weather as experienced during most of this heating season, a volatile energy commodity cost environment or continued economic downturn, the Partnership may not meet the applicable financial tests in immediate future quarters. This could have a materially adverse effect on the Partnership's operating capacity and cash flows and could restrict the ability of the Partnership to incur debt or to make cash distributions to its unitholders, even if sufficient funds were available. Depending on the circumstances, the Partnership may consider alternatives to permit the incurrence of debt or the continued payment of the quarterly cash distribution to its unitholders. No assurances can be given, however, that such alternatives can or will be implemented with respect to any given quarter.

Future capital expenditures and working capital needs of the Partnership are expected to be provided by cash generated from future operations, existing cash balances, the credit facility and the accounts receivable securitization facility. To fund expansive capital projects and future acquisitions, Ferrellgas, L.P. may borrow on the existing credit facility, Ferrellgas Partners or Ferrellgas, L.P. may issue additional debt to the extent permitted under existing debt agreements or Ferrellgas Partners may issue additional equity securities, including, among others, common units.

Toward this purpose, on February 5, 1999, Ferrellgas Partners filed a shelf registration statement with the Securities and Exchange Commission for the periodic sale of equity and/or debt securities. The registered securities would be available for sale by the Partnership in the future to fund acquisitions, to reduce indebtedness or to fund general corporate purposes. On June 5, 2001, the Partnership issued almost $90,000,000 worth of equity pursuant to this registration statement and currently has the ability to sell approximately $210,000,000 more in equity and/or debt.

Ferrellgas Partners also maintains an additional shelf registration statement with the Securities and Exchange Commission for 2,010,484 common units. These common units may be issued by Ferrellgas Partners in connection with the Partnership's acquisition of other businesses, properties or securities in business combination transactions.

Operating Activities. Cash provided by operating activities was $127,540,000 for the nine months ended April 30, 2002, compared to cash provided by operating activities of $52,007,000 for the nine months ended April 30, 2001. This increase in the cash provided by operations is primarily due to the

significant decrease in the retail sales prices and its effect on accounts receivable this fiscal year. Due to the seasonality of the retail distribution of propane, cash from operating activities for the nine months ended April 30, 2002 and 2001, is not necessarily indicative of the cash from operations expected for a full year.

Investing Activities. During the first nine months of fiscal 2002, the Partnership made growth and maintenance capital cash expenditures of $28,869,000 consisting primarily of the following:

- purchase and development of computer hardware and software primarily related to the operational improvement initiative discussed in the following paragraph,
- upgrading district plant facilities,
- vehicle lease buyouts, and
- additional propane storage tanks and cylinders.

During fiscal 2001, the Partnership completed a review of its key business processes to identify areas where it can use technology and process enhancements to improve its operations. Specifically, the Partnership has identified areas where it can reduce operating expenses and improve customer satisfaction in the near future. These areas include improvements to the routing and scheduling of customer deliveries, customer administration and operational workflow. During fiscal 2002, the Partnership has allocated considerable resources, including the purchase and development of computer hardware and software, toward these improvements and intends to continue to fund the necessary capital requirements primarily from excess cash from operations generated during its record performance in fiscal 2001. For the nine months ended April 30, 2002, the Partnership incurred growth and maintenance capital expenditures of $19,557,000 related to this initiative. Other than this initiative, the Partnership's capital requirements for repair and maintenance of property, plant and equipment are expected to remain relatively low due to limited technological change and long useful lives of propane tanks and cylinders.

The Partnership leases computers, light and medium duty trucks, tractors and trailers. The Partnership believes vehicle leasing is a cost-effective method for meeting its transportation and technology equipment needs. The Partnership purchased $825,000 of vehicles whose lease terms expired in the first nine months of fiscal 2002.

The Partnership utilizes an accounts receivable securitization facility for the purpose of providing the Partnership with additional short-term working capital funding, especially during the winter heating months. As part of this 364-day facility, the Partnership transfers an interest in a pool of its trade accounts receivable to Ferrellgas Receivables, LLC, a wholly-owned, qualifying special purpose entity, which sells its interest to a commercial paper conduit of Banc One, NA. The Partnership does not provide any guarantee or similar support to the collectability of these receivables. The Partnership structured the facility using a wholly-owned, qualifying special purpose entity in order to facilitate the transaction as required by Banc One, N.A. and to comply with the Partnership's various debt covenants. The Partnership remits daily to this special purpose entity funds collected on its pool of trade receivables. This unconsolidated entity, together with the accounts receivable securitization facility, provides additional working capital liquidity to the Partnership at interest rates approximately one-half of one percent lower than borrowings from the Partnership's credit facility, based on the most recent twelve month period. The level of funding available from this facility is currently limited to the lesser of $60,000,000 or qualified trade accounts receivable. At April 30, 2002, there was no funding from this facility. During the first nine months of fiscal 2002, the funding outstanding from this facility was reduced by $31,000,000. This decrease in funding resulted from reduced liquidity needs of the Partnership caused primarily by the significant decrease in the amount of account receivables outstanding and lower inventory levels caused primarily from the lower wholesale propane cost environment experienced for most of this fiscal year as compared to last year. This facility was renewed effective September 25, 2001 for a one-year commitment with Banc One, N.A. In accordance with SFAS No. 140, this transaction is reflected on the Partnership's consolidated financial statements as a sale of accounts receivable and an investment in an unconsolidated subsidiary. The Partnership intends to refinance/renew this facility by September 2002, however no assurances can be given that such

refinance/renewal will be obtained or, if obtained, such refinance/renewal will be on terms equally favorable to the Partnership. See further discussion about this facility in "Liquidity and Capital Resources - Investing Activities" of the Partnership's Annual Report on Form 10-K filed with the Securities and Exchange Commission on October 25, 2001.

The Partnership continues to consider opportunities to expand its operations through strategic acquisitions of retail propane operations located throughout the United States. During the nine months ended April 30, 2002, the Partnership made total acquisition capital expenditures of approximately $10,872,000 pursuant to the acquisition of two retail propane companies. This amount was funded by approximately $6,376,000 of cash payments, the issuance of $2,325,000 in common units and $2,171,000 in notes and other consideration.

Financing Activities. Ferrellgas, L.P.'s credit facility, which expires June 30, 2003, is an unsecured facility and consists of the following:

- a $117,000,000 working capital, general corporate and acquisition facility, including a letter of credit sub-facility, and
- a $40,000,000 revolving working capital facility, which is subject to an annual reduction in outstanding balances to zero for thirty consecutive days.

The Partnership intends to renew this facility, however, there are no assurances that the new facility will be renewed or on terms at least as favorable as the existing agreement. All borrowings under the credit facility bear interest, at the borrower's option, at a rate equal to either London Interbank Offered Rate plus an applicable margin, based upon the Partnership's debt to cash flow ratio, varying from 1.25 percent to 2.25 percent or the bank's base rate plus an applicable margin varying from 0.25 percent to 1.25 percent. The bank's base rates at April 30, 2002 and April 30, 2001 were 5.5% and 8.5%, respectively. See "Investing Activities" for a discussion of additional cash availability related to the accounts receivable facility agreement.

At April 30, 2002, $40,714,000 of letters of credit were outstanding under this credit facility at an average interest rate of 3.5%. Letters of credit are currently used to cover obligations primarily relating to requirements for insurance coverage and risk management activities. Based on the pricing grid contained in the credit facility, the current borrowing rate for future borrowings under the credit facility is LIBOR plus 1.75%.

At April 30, 2002, Ferrellgas, L.P. had a total of $176,286,000 of funding available under two facilities:

- $116,286,000 available for general corporate, acquisition and working capital purposes under the credit facility, and
- $60,000,000 of funding available from the accounts receivable securitization facility.

The Partnership believes that the liquidity available from these facilities will be sufficient to meet its future working capital needs. However, if the Partnership were to experience an unexpected significant increase in working capital requirements, it could exceed its immediately available resources. Events that could cause increases in working capital borrowings or letter of credit requirements include, but are not limited to the following:

- a significant increase in the cost of propane,
- a significant delay in the collections of accounts receivable,
- increased volatility in energy commodity prices related to risk management activities,
- increased liquidity requirements imposed by insurance providers,
- a significant downgrade in the Partnership's credit rating, or
- decreased vendor credit.

If one or more of these events caused a significant use of available funding, the Partnership would consider alternatives to provide increased working capital funding. No assurances can be given, however, that such alternatives could be implemented.

On September 14, 2001, December 14, 2001 and March 14, 2002 the Partnership paid cash distributions of $1.00 and $0.50 per senior and common unit, respectively, for each of the quarters ended July 31, 2001, October 31, 2001 and January 31, 2002, respectively. Cash distributions increased by $15,608,000 during the nine-month period primarily due to 1) cash distributions of $8,410,000 paid on the senior units as compared to in-kind distributions paid on these senior units in the first nine months of fiscal 2001 and 2) cash distributions of $6,750,000 paid on the 4,500,000 common units issued in June 2001. On June 14, 2002, the Partnership paid its third fiscal quarter cash distribution of $1.00 and $0.50 per senior and common unit.

In December 1999, Ferrellgas, L.P. entered into a $25,000,000 operating lease involving a portion of its customer tanks. Also in December 1999, Ferrellgas, L.P. assumed a $135,000,000 operating lease involving a portion of the Thermogas acquisition related customer tanks. Both arrangements utilize a structure referred to as a synthetic operating lease, using a special purpose entity as lessor and Ferrellgas, L.P. as lessee; thus, the assets and liabilities of the special purpose entities are not included on the Partnership's consolidated balance sheet. The Partnership made $6,749,000 of rent payments related to these leases for the most recent nine-month period. Both arrangements have terms that expire June 30, 2003. Prior to the end of the lease terms, the Partnership intends to secure additional financing in order to either lease or purchase the related customer tanks. No assurances can be given that such financing will be obtained or, if obtained, such financing will be on terms equally favorable to the Partnership. See further discussion about these lease arrangements in "Liquidity and Capital Resources - Investing Activities" and in "Liquidity and Capital Resources - Financing Activities" of the Partnership's Annual Report filed under Form 10-K with the Commission on October 25, 2001.

The Partnership has provided information summarizing its liquidity and capital resources in the following discussion and table below. In addition, the Partnership has provided similar information in previous Securities Act filings with regards to its off-balance sheet financing arrangements, which include:

- the accounts receivable securitization facility (see "Investing Activities" above),
- the operating tank leases entered into during December 1999, and
- various equipment operating leases.

In addition, the Partnership leases property, computers, light and medium duty trucks, tractors and trailers. These arrangements are accounted for as operating leases by the Partnership. See further discussion about these leases in "Liquidity and Capital Resources - Investing Activities" and in "Liquidity and Capital Resources - Financing Activities" of the Partnership's Annual Report on Form 10-K filed with the Securities and Exchange Commission on October 25, 2001.

The following table summarizes the Partnership's long-term debt obligations as of April 30, 2002:

(in thousands)	Principal Payments due by Pay Period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term debt, including current portion of long-term debt	$707,329	$2,285	$4,802	$331,997	$368,245

The following tables summarizes the Partnership's future minimum rental commitments under non-cancelable operating lease agreements (including the tank and equipment operating leases discussed above) as of April 30, 2002. The summary presents the future minimum rental payments and, should the Partnership elect to do so, the buyout amounts necessary to purchase the equipment at the end of the lease terms.

(in thousands)	Future Minimum Rental and Buyout Amounts				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Operating leases rental payment	$77,092	$28,216	$ 29,190	$14,192	$5,494
Operating leases buyouts	185,360	5,889	168,194	8,706	2,571

At April 30, 2002, the Partnership had no borrowings outstanding on its credit facility. The Partnership had letters of credit outstanding in the amount of $40,714,000 used primarily to cover obligations relating to requirements for insurance coverage. At April 30, 2002, the Partnership did not have any funding from its accounts receivable securitization facility. As of April 30, 2002, in addition to the inventory on hand, the Partnership had committed to take net delivery of approximately 1,007,000 gallons at a fixed price.

Adoption of New Accounting Standards. The Financial Accounting Standards Board recently issued SFAS No. 143 "Accounting for Asset Retirement Obligations", SFAS No. 144 "Accounting for the Impairment or Disposal of Long-lived Assets", and SFAS No. 145 "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections."

SFAS No. 143 requires the recognition of a liability if a company has a legal or contractual financial obligation in connection with the retirement of a tangible long-lived asset. The Partnership will implement SFAS No. 143 beginning in the fiscal year ending July 31, 2003, and expects to record a one-time charge to earnings during the first quarter of fiscal 2003, as a cumulative change in accounting principle, of between $2,000,000 and $3,000,000. The Partnership believes the implementation will not have a material effect on the its financial position, results of operations and cash flows.

SFAS No. 144 modifies the financial accounting and reporting for long-lived assets to be disposed of by sale and it broadens the presentation of discontinued operations to include more disposal transactions. The Partnership will implement SFAS No. 144 beginning in the fiscal year ending July 31, 2003, and believes the implementation will not have a material effect on its financial position, results of operations and cash flows.

SFAS No. 145 eliminates the requirement that material gains and losses resulting from the early extinguishment of debt be classified as an extraordinary item in the results of operations. Instead, companies must evaluate whether the transaction meets both the criteria of being unusual in nature and infrequent in occurrence. Other aspects of SFAS No. 145 relating to accounting for intangibles assets of motor carriers and accounting for certain lease modifications do not currently apply to the Partnership. The Partnership will implement SFAS No. 145 beginning in the fiscal year ending July 31, 2003, and believes the implementation will not have a material effect on its financial position, results of operations and cash flows.

Disclosures about Risk Management Activities Accounted for at Fair Value

The following table summarizes the change in the unrealized fair value of risk management contracts for the three and nine months ended April 30, 2002. This table summarizes the contracts where the Partnership remains exposed to market risk:

(in thousands)	Three Months Ended April 30, 2002	Nine Months Ended April 30, 2002
Unrealized fair value of contracts outstanding at beginning of period	$(2,625)	$ 5,900
Change in unrealized fair value	(2,018)	(10,453)
Unrealized fair value of contracts outstanding at April 30, 2002	$(4,643)	$(4,643)

The following table summarizes the maturity of these risk management contracts carried at fair value for the valuation methodologies utilized by the Partnership as of April 30, 2002. This table summarizes the contracts where the Partnership remains exposed to market risk:

(in thousands)	Fair Value of Contracts at Period-End	
Source of Fair Value	Maturity less than 1 year	Maturity in excess of 1 year
Prices actively quoted	$ 478	$ -
Prices provided by other external sources	(5,121)	-
Prices based on models and other Valuation methods	-	-
Unrealized fair value of contracts outstanding at April 30, 2002	$(4,643)	$ -

See additional discussion about market, counter-party credit and liquidity risks related to the Partnership's risk management trading and other than trading activities in "Quantitative and Qualitative Disclosures about Market Risk."

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk inherent in the Partnership's market risk sensitive instruments and positions is the potential loss arising from adverse changes in commodity prices. The Partnership's risk management trading activities utilize certain types of energy commodity forward contracts, options, swaps traded on the over-the-counter financial markets and futures traded on the New York Mercantile Exchange to manage and hedge its exposure to the volatility of floating commodity prices and to protect its inventory positions. The Partnership's risk management other than trading activities also utilize certain over-the-counter energy commodity forward contracts to limit overall price risk and options to hedge its exposure to inventory price movements. The Partnership includes the results from its risk management other than trading activities in its discussion and analysis of retail margin per gallon included in our discussion of Gross Profit.

Market risks associated with energy commodities are monitored daily by senior management for compliance with the Partnership's trading and other than trading risk management policies. These policies include specific dollar exposure limits, limits on the term of various contracts and volume limits for various energy commodities. The Partnership also utilizes loss limits and daily review of open positions to manage exposures to changing market prices.

Market, Credit and Liquidity Risk. New York Mercantile Exchange traded futures are guaranteed by the New York Mercantile Exchange and have nominal credit risk. The Partnership is exposed to credit risk associated with forwards, swaps and option transactions in the event of nonperformance by counter-parties. For each counter-party, the Partnership analyzes its financial condition prior to entering into an agreement, establishes credit limits and monitors the appropriateness of each limit. The change in market value of Exchange-traded futures contracts requires daily cash settlement in margin accounts with brokers. Forwards and most other over-the-counter instruments are generally settled at the expiration of the contract term. In order to minimize the liquidity risk of cash, margin or collateral requirements of counter-parties for over-the-counter instruments, the Partnership attempts to balance maturities and positions with individual counter-parties. Historically, the Partnership's risk management activities have not experienced significant credit related losses in any year or with any individual counter-party. The Partnership's risk management contracts do not contain material repayment provisions related to a decline in the credit rating of the Partnership.

Sensitivity Analysis. The Partnership has prepared a sensitivity analysis to estimate the exposure to market risk of its energy commodity positions. Forward contracts, futures, swaps and options used in the Partnership risk management trading activities were analyzed assuming a hypothetical 10% adverse change in prices for the delivery month for all energy commodities. The potential loss in future earnings from these positions from a 10% adverse movement in market prices of the underlying energy commodities is estimated at $2,000,000. The preceding hypothetical analysis is limited because changes in prices may or may not equal 10%, thus actual results may differ.

Additionally, the Partnership seeks to mitigate its variable rate interest rate risk exposure on operating leases by entering into interest rate cap agreements. At April 30, 2002, the Partnership had $156,400,000 outstanding in variable rate operating leases and an equal amount of interest rate cap agreements outstanding to hedge the related variable rate exposure. Thus, assuming a one percent increase in the variable interest rate to the Partnership, the interest rate risk related to the variable rate debt, the operating leases and the associated interest rate cap agreements would be a decrease to earnings of $1,557,000.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Not applicable.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable

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

(a) Exhibits

Not applicable.

(b) Reports on Form 8-K

The Partnership furnished one Form 8-K during the quarter ended April 30, 2002.

Date of Report	Items Reported	Financial Statements Filed
Furnished February 20, 2002	9	None

SIGNATURES

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

FERRELLGAS PARTNERS, L.P.

By Ferrellgas, Inc. (General Partner)

Date: June 13, 2002

By /s/ Kevin T. Kelly

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

FERRELLGAS PARTNERS FINANCE CORP.

Date: June 13, 2002

By /s/ Kevin T. Kelly

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