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, 2004

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: 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.)

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 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 registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

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

Ferrellgas Partners, L.P.	Yes [X] No [ ]
Ferrellgas Partners Finance Corp., Ferrellgas, L.P. and Ferrellgas Finance Corp.	Yes [ ] No [X]

At May 28, 2004, the registrants had common units or shares outstanding as follows:

Ferrellgas Partners, L.P.	48,771,875	Common Units
Ferrellgas Partners Finance Corp.	1,000	Common Stock
Ferrellgas, L.P.	n/a	n/a
Ferrellgas Finance Corp.	1,000	Common Stock

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

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

Table of Contents

PART I - FINANCIAL INFORMATION

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

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

ASSETS	April 30, 2004	July 31, 2003
Current assets:		
Cash and cash equivalents	$ 21,027	$ 11,154
Accounts and notes receivable, net	147,211	56,742
Inventories	78,871	69,077
Prepaid expenses and other current assets	12,942	8,306
Total current assets	260,051	145,279
Property, plant and equipment, net	785,050	684,917
Goodwill	259,391	124,190
Intangible assets, net	270,910	98,157
Other assets	14,608	8,853
Total assets	$ 1,590,010	$ 1,061,396
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable	$ 94,314	$ 59,454
Other current liabilities	83,572	89,687
Total current liabilities	177,886	149,141
Long-term debt	1,113,762	888,226
Other liabilities	21,216	18,747
Contingencies and commitments (Note K)	-	-
Minority interest	5,051	2,363
Partners' capital:		
Senior unitholder (1,994,146 units outstanding at April 30, 2004 and July 31, 2003 - liquidation preference $79,766 at April 30, 2004 and July 31, 2003)	79,766	79,766
Common unitholders (48,771,875 and 37,673,455 units outstanding at April 30, 2004 and July 31, 2003, respectively)	250,767	(15,602)
General partner unitholder (512,788 and 400,683 units outstanding at April 30, 2004 and July 31, 2003, respectively)	(56,647)	(59,277)
Accumulated other comprehensive loss	(1,791)	(1,968)
Total partners' capital	272,095	2,919
Total liabilities and partners' capital	$ 1,590,010	$ 1,061,396

See notes to condensed consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	For the three months ended		For the nine months ended	
	April 30, 2004	April 30, 2003	April 30, 2004	April 30, 2003
Revenues:				
Propane and other gas liquids sales	$ 368,264	$ 351,338	$1,057,751	$ 985,539
Other	21,883	18,027	69,591	64,606
Total revenues	390,147	369,365	1,127,342	1,050,145
Cost of product sold (exclusive of depreciation, shown with amortization below)	234,331	207,934	680,479	586,324
Gross profit	155,816	161,431	446,863	463,821
Operating expense	80,858	79,121	233,141	227,226
Depreciation and amortization expense	13,270	10,563	37,130	30,719
General and administrative expense	7,888	7,202	23,761	21,863
Equipment lease expense	5,029	4,990	14,272	16,510
Employee stock ownership plan compensation charge	2,042	1,619	5,990	4,653
Loss on disposal of assets and other	925	1,985	4,477	3,781
Operating income	45,804	55,951	128,092	159,069
Interest expense	(17,998)	(16,548)	(52,083)	(47,328)
Interest income	459	424	1,260	850
Early extinguishment of debt expense	-	-	-	(7,052)
Earnings before income taxes, minority interest and cumulative effect of change in accounting principle	28,265	39,827	77,269	105,539
Income taxes	17	-	17	-
Minority interest	336	454	931	1,276
Earnings before cumulative effect of change in accounting principle	27,912	39,373	76,321	104,263
Cumulative effect of change in accounting principle, net of minority interest of $28	-	-	-	(2,754)
Net earnings	27,912	39,373	76,321	101,509
Distribution to senior unitholder	1,994	2,775	5,982	8,300
Net earnings available to general partner unitholder	259	366	703	932
Net earnings available to common unitholders	$ 25,659	$ 36,232	$ 69,636	$ 92,277
Basic earnings per common unit:				
Earnings available to common unitholders before cumulative effect of change in accounting principle	$ 0.63	$ 1.00	$ 1.78	$ 2.62
Cumulative effect of change in accounting principle	-	-	-	(0.07)
Net earnings available to common unitholders	$ 0.63	$ 1.00	$ 1.78	$ 2.55
Diluted earnings per common unit:				
Earnings available to common unitholders before cumulative effect of change in accounting principle	$ 0.63	$ 1.00	1.77	$ 2.62
Cumulative effect of change in accounting principle	-	-	-	(0.07)
Net earnings available to common unitholders	$ 0.63	$ 1.00	$ 1.77	$ 2.55

See notes to condensed consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT 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 comprehensive loss	Total partners' capital
August 1, 2003	1,994.1	37,673.5	400.7	$ 79,766	$(15,602)	$(59,277)	$(1,968)	$ 2,919
Contribution in connection with ESOP compensation charge	-	-	-	-	5,870	59	-	5,929
Common unit cash distribution	-	-	-	-	(58,602)	(592)	-	(59,194)
Senior unit cash and accrued distribution	-	-	-	-	(5,922)	(120)	-	(6,042)
Common units issued in public offerings	-	9,000.0	90.9	-	203,156	2,052	-	205,208
Common units issued in private offerings	-	1,607.7	16.2	-	35,928	363	-	36,291
Common unit issued in connection with acquistions	-	62.1	0.6	-	1490	15	-	1,505
Common units issued to affiliate in connection with contribution of membership interests in Blue Rhino LLC	-	195.7	2.0	-	4,685	47	-	4,732
Common unit options exercised	-	232.9	2.4	-	4,206	43	-	4,249
Comprehensive income:								
Net earnings	-	-	-	-	75,558	763	-	76,321
Other comprehensive income:								
Pension liability adjustment	-	-	-	-	-	-	177	177
Comprehensive income								76,498
April 30, 2004	1,994.1	48,771.9	512.8	$ 79,766	$250,767	$(56,647)	$(1,791)	$272,095

See notes to these condensed consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	For the nine months ended	
	April 30, 2004	April 30, 2003
Cash flows from operating activities:		
Net earnings	$ 76,321	$ 101,509
Reconciliation of net earnings to net cash provided by operating activities:		
Cumulative effect of change in accounting principle	-	2,754
Early extinguishment of debt expense	-	1,854
Depreciation and amortization expense	37,130	30,719
Employee stock ownership plan compensation charge	5,990	4,653
Loss on disposal of assets	3,579	2,380
Minority interest	931	1,276
Other	4,931	5,677
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Accounts and notes receivable, net	(57,430)	(60,276)
Inventories	17,806	2,984
Prepaid expenses and other current assets	(1,606)	2,170
Accounts payable	7,245	(3,775)
Other current liabilities	(8,695)	(6,740)
Other liabilities	486	(381)
Accounts receivable securitization:		
Proceeds from new accounts receivable securitizations	30,000	60,000
Proceeds from collections reinvested in revolving period accounts receivable securitizations	568,155	505,065
Remittances of amounts collected as servicer of accounts receivable securitizations	(610,455)	(515,065)
Net cash provided by operating activities	74,388	134,804
Cash flows from investing activities:		
Cash paid for assumed merger and related obligations	(343,414)	-
Business acquisitions, net of cash acquired	(37,443)	(36,329)
Cash paid for acquisition transaction fees	(1,269)	-
Capital expenditures - tank lease buyout	-	(155,600)
Capital expenditures - technology initiative	(4,782)	(18,517)
Capital expenditures - other	(20,422)	(11,087)
Other	538	1,691
Net cash used in investing activities	(406,792)	(219,842)
Cash flows from financing activities:		
Distributions	(65,236)	(63,176)
Issuance of common units, net of issuance costs of $48	236,479	-
Net reductions to short-term borrowings	(43,719)	-
Proceeds from issuance of debt	262,423	359,715
Principal payments on debt	(46,400)	(210,662)
Cash paid for financing costs	(5,613)	(7,093)
Proceeds from exercise of common unit options	4,141	2,241
Cash contribution from general partner	565	19
Redemption of senior units	-	(1,567)
Minority interest activity	(363)	(116)
Net cash provided by financing activities	342,277	79,361
Increase (decrease) in cash and cash equivalents	$ 9,873	$ (5,677)
Cash and cash equivalents - beginning of period	11,154	19,781
Cash and cash equivalents - end of period	$ 21,027	$ 14,104
Supplemental disclosures of cash flow information:		
Cash paid for:		
Interest	$ 55,496	$ 49,833
Income taxes	$ -	$ -

See notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
APRIL 30, 2004
(Dollars in thousands, except per unit data, unless otherwise designated)
(unaudited)

A. Organization

Ferrellgas Partners, L.P. ("Ferrellgas Partners") is a publicly traded limited partnership, owning a 99% limited partner interest in Ferrellgas, L.P. (the "Operating Partnership"). Ferrellgas Partners and the Operating Partnership are collectively referred to as "Ferrellgas." Ferrellgas, Inc. (the "General Partner"), a wholly-owned subsidiary of Ferrell Companies, Inc. ("Ferrell Companies"), has retained a 1% general partner interest in Ferrellgas Partners and also holds a 1.0101% 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.

The condensed consolidated financial statements of Ferrellgas reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the interim periods presented. All adjustments to the condensed consolidated financial statements were of a normal, recurring nature. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with (i) the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," and (ii) the consolidated financial statements and accompanying notes as set forth in Ferrellgas' Annual Report on Form 10-K for the fiscal year ended July 31, 2003.

B. Unit and stock-based compensation

Ferrellgas accounts for the Ferrellgas Unit Option Plan (the "Unit Option Plan") and the Ferrell Companies, Inc. Incentive Compensation Plan (the "ICP") using the intrinsic value method under the provisions of Accounting Principles Board ("APB") No. 25, "Accounting for Stock Issued to Employees," for all periods presented and makes the fair value method pro forma disclosures required under the provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," as amended by SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure." Accordingly, no compensation cost has been recognized for the Unit Option Plan or for the ICP in the condensed consolidated statements of earnings. Had compensation cost for these plans been determined based upon the fair value at the grant date for awards under these plans, consistent with the methodology recommended under SFAS No. 123, Ferrellgas' net earnings and earnings per unit would have been adjusted as noted in the table below:

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Net earnings available to common unitholders, as reported	$25,659	$36,232	$69,636	$92,277
Deduct: Total stock based employee compensation expense determined under fair value based method for all awards	240	207	716	620
Pro forma net earnings available to common unitholders	$25,419	$36,025	$68,920	$91,657
Earnings per common unit:				
Basic earnings available to common unitholders before cumulative effect of change in accounting principle, as reported	$0.63	$1.00	$1.78	$2.62
Basic earnings available to common unitholders, as reported	0.63	1.00	1.78	2.55
Basic earnings available to common unitholders before cumulative effect of change in accounting principle, pro forma	0.63	1.00	1.76	2.61
Basic earnings available to common unitholders, pro forma	0.63	1.00	1.76	2.54
Diluted earnings available to common unit holders before cumulative effect of change in accounting principle, as reported	0.63	1.00	1.77	2.62
Diluted earnings available to common unitholders, as reported	0.63	1.00	1.77	2.55
Diluted earnings available to common unitholders before cumulative effect of change in account principle, pro forma	0.62	0.99	1.76	2.61
Diluted earnings available to common unitholders, pro forma	0.62	0.99	1.76	2.53

C. Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates. Significant estimates impacting the condensed consolidated financial statements include accruals that have been established for contingent liabilities, pending claims and legal actions arising in the normal course of business, useful lives of property, plant and equipment assets, residual values of tanks, amortization methods of intangible assets and valuation methods of intangible assets and derivative commodity contracts.

D. Reclassifications

Certain reclassifications have been made to the nine months ended April 30, 2003 condensed consolidated statement of cash flows to conform to the nine months ended April 30, 2004 condensed consolidated statement of cash flows presentation. "Loss on disposal of assets" is disclosed separately in net cash provided by operating activities on the condensed consolidated statements of cash flows. This amount was previously classified as "Other" in net cash provided by operating activities in the nine months ended April 30, 2003.

E. Nature of operations

Ferrellgas Partners is a holding entity that conducts no operations and has two subsidiaries, Ferrellgas Partners Finance Corp. and the Operating Partnership. Ferrellgas Partners owns a 100% equity interest in Ferrellgas Partners Finance Corp. No operations are conducted by or through Ferrellgas Partners Finance Corp., whose only purpose is to act as the co-issuer and co-obligor of any debt issued by Ferrellgas Partners. The Operating Partnership is the only operating subsidiary of Ferrellgas Partners.

The Operating Partnership is engaged primarily in the retail distribution of propane and related equipment and supplies in the United States. The retail market is seasonal because propane is used primarily for heating in residential and commercial buildings. Therefore, the results of operations for the three and nine months ended April 30, 2004 and 2003 are not necessarily indicative of the results to be expected for a full fiscal year. The Operating Partnership serves more than one million residential, industrial/commercial, agricultural and other customers. As of April 21, 2004, the Operating Partnership became the leading national provider of branded propane tank exchange. See Note F - Business combinations - for additional discussion about the Blue Rhino contribution.

F. Business combinations

During the nine months ended April 30, 2004, Ferrellgas completed one material business combination and seven smaller business combinations. Each of the business combinations was accounted for under the purchase method and the assets acquired and liabilities assumed were recorded at their estimated fair market values as of the acquisition date. The preliminary allocation of assets and liabilities may be adjusted to reflect the final determined amounts during a period of time following each business combination. The Blue Rhino contribution allocation is preliminary pending the completion of the valuation of tangible and intangible assets and the calculation of other costs. The results of operations from these business combinations are included in Ferrellgas' condensed consolidated financial statements from the date of the business combinations.

	Allocation of Purchase Price					
Business combinations	Purchase Price	Working Capital	Property Plant & Equipment	Intangible Assets	Goodwill	Other
Blue Rhino (April 2004)	$406,184	$21,334	$ 85,088	$164,100	$135,201	$461
Others (various)	41,114	-	23,180	17,934	-	-
	$447,298	$21,334	$108,268	$182,034	$135,201	$461

Blue Rhino contribution

On April 20, 2004, FCI Trading Corp. ("FCI Trading"), an affiliate of the General Partner, acquired all of the outstanding common stock of Blue Rhino Corporation in an all-cash merger. Pursuant to an Agreement and Plan of Merger dated February 8, 2004, a subsidiary of FCI Trading merged with and into Blue Rhino Corporation whereby the then current stockholders of Blue Rhino Corporation were granted the right to receive a payment from FCI Trading of $17.00 in cash for each share of Blue Rhino Corporation common stock outstanding on April 20, 2004. FCI Trading thereafter became the sole stockholder of Blue Rhino Corporation and immediately after the merger, FCI Trading converted Blue Rhino Corporation into a limited liability company, Blue Rhino LLC.

In a non-cash contribution, pursuant to a Contribution Agreement dated February 8, 2004, FCI Trading contributed on April 21, 2004 all of the membership interests in Blue Rhino LLC to the Operating Partnership through a series of transactions and the Operating Partnership assumed FCI Trading's obligation under the Agreement and Plan Of Merger to pay the $17.00 per share to the former stockholders of Blue Rhino Corporation together with other specific obligations, as detailed in the following table:

Assumption of obligations under the contribution agreement	$343,414
Common units and general partner interest issued	8,700
Assumption of Blue Rhino's bank credit facility outstanding balance	43,719
Assumption of other liabilities and acquisition costs	10,351
	$406,184

In consideration of this contribution, Ferrellgas Partners issued 195,686 common units to FCI Trading. Both Ferrellgas Partners and FCI Trading have agreed to indemnify the General Partner from any damages incurred by the General Partner in connection with the assumption of any of the obligations described above. Also on April 21, 2004, subsequent to the contribution described above, Blue Rhino LLC merged with and into the Operating Partnership. The former operations of Blue Rhino LLC will hereafter be referred to as "Blue Rhino."

In addition to the payment of $17.00 per share to the former stockholders of Blue Rhino Corporation, each vested stock option and warrant that permitted its holder to purchase common stock of Blue Rhino Corporation that was outstanding immediately prior to the merger was converted into the right to receive a cash payment from Blue Rhino Corporation equal to the difference between $17.00 per share and the applicable exercise price of the stock option or warrant. Unvested options and warrants not otherwise subject to automatic accelerated vesting upon a change in control vested on a pro rata basis through April 19, 2004, based on their original vesting date. The total payment to the former Blue Rhino Corporation stockholders for all common stock outstanding on April 20, 2004 and for those Blue Rhino Corporation options and warrants then outstanding was $343.4 million.

Prior to this contribution, Blue Rhino Corporation was the leading national provider of branded propane tank exchange as well as a leading supplier of complementary propane and non-propane products to consumers through many of the nation's largest retailers.

Ferrellgas' valuation of the tangible and intangible assets of the Blue Rhino LLC contribution resulted in the recognition of goodwill of $135.2 million. This preliminary valuation of goodwill was based on Ferrellgas' belief that the contributions of Blue Rhino LLC will be beneficial to Ferrellgas' and Blue Rhino LLC's operations as Blue Rhino's counter-seasonal business activities and anticipated future growth is expected to provide Ferrellgas with the ability to better utilize its seasonal resources to complement Ferrellgas' retail locations with Blue Rhino's existing distributor network.

The results of operations of Blue Rhino for the period from April 21, 2004 through April 30, 2004 are included in the statement of earnings of the combined entity for the three and nine months ended April 30, 2004.

Pro forma results of operations The following summarized unaudited pro forma results of operations for the three and nine months ended April 30, 2004 and 2003, assumes that the Blue Rhino contribution had occurred as of the beginning of the period presented. These unaudited pro forma financial results have been prepared for comparative purposes only and may not be indicative of (i) the results that would have occurred if Ferrellgas had completed the Blue Rhino contribution as of the beginning of the periods presented or (ii) the results that will be attained in the future. Nonrecurring items included in the reported pro forma results of operations for the three and nine months ended April 30, 2003 include $2.5 million of income related to net proceeds from a litigation settlement in March 2003. Items not included in the reported pro forma results of operations for the three and nine months ended April 30, 2004, are $3.3 million of nonrecurring charges incurred by Blue Rhino Corporation in the period from February 1, 2004 through April 20, 2004, that were directly attributable to the Blue Rhino contribution.

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Revenues	$443,778	$429,265	$1,289,485	$1,222,915
Earnings before cumulative effect of change in accounting principle	21,319	36,821	59,456	94,166
Net earnings	$ 21,319	$36,821	$ 59,456	$ 91,412
Basic and diluted net earnings available to common unitholders:				
Earnings before cumulative effect of change in accounting principle	$0.52	$1.01	$1.66	$2.61
Net earnings	$0.52	$1.01	$1.66	$2.50

G. Cash and cash equivalents and non-cash activities

For purposes of the condensed 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 investing and financing activities are primarily related to the accounts receivable securitization and transactions with related parties and are disclosed in Note F - Business combinations, Note H - Accounts receivable securitization, Note L - Partners' capital and Note P - Transactions with related parties, respectively.

H. Accounts receivable securitization

During the nine months ended April 30, 2004, $12.3 million had been remitted to the Operating Partnership's accounts receivable securitization facility. Ferrellgas renewed this facility effective September 23, 2003, for a 364-day commitment with Banc One, NA. At April 30, 2004, Ferrellgas had the ability to transfer, at its option, an additional $47.9 million of its trade accounts receivable. In accordance with SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," this transaction is reflected in the condensed consolidated financial statements as a sale of accounts receivable and a retained interest in transferred accounts receivable. The retained interest is classified on the condensed consolidated balance sheets within "Accounts and notes receivable, net."

I. Supplemental financial statement information

Inventories consist of:

	April 30, 2004	July 31, 2003
Propane gas and related products	$34,741	$49,772
Appliances, parts and supplies	44,130	19,305
	$78,871	$69,077

In addition to inventories on hand, Ferrellgas enters into contracts to buy and sell product, primarily propane for supply procurement 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, 2004, Ferrellgas had committed, for supply procurement purposes, to make net delivery of approximately 2.5 million gallons of propane at a fixed price. On April 21, 2004, inventory increased $27.6 million in connection with the Blue Rhino contribution. See Note F - Business combinations - for additional discussion about the Blue Rhino contribution.

Property, plant and equipment, net consist of:

	April 30, 2004	July 31, 2003
Property, plant and equipment	$1,118,916	$1,002,199
Less: accumulated depreciation	333,866	317,282
	$ 785,050	$ 684,917

On April 21, 2004, property, plant and equipment increased $85.1 million in connection with the Blue Rhino contribution. See Note F - Business combinations - for additional discussion about the Blue Rhino contribution. During the nine months ended April 30, 2004, Ferrellgas placed in service $48.5 million of computer software, which will be depreciated using the straight-line method over its estimated useful life of 5 years.

Intangible assets, net consist of:

	April 30, 2004			July 31, 2003		
	Gross carrying amount	Accumulated Amortization	Net	Gross carrying amount	Accumulated Amortization	Net
Customer lists	$325,932	$(136,764)	$189,168	$220,061	$(133,548)	$86,513
Tradenames & trademarks	59,000	-	59,000	-	-	-
Non-compete agreements	71,562	(55,120)	16,442	64,020	(52,376)	11,644
Patented technology	3,500	-	3,500	-	-	-
Other	2,800	-	2,800	-	-	-
	$462,794	$(191,884)	$270,910	$284,081	$(185,924)	$98,157

On April 21, 2004, intangible assets, net increased $164.1 million in connection with the Blue Rhino contribution. See Note F - Business combinations - for additional discussion about the Blue Rhino contribution.

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Aggregate amortization expense	$3,521	$3,341	$9,564	$9,645

Estimated amortization expense:

For the years ended July 31,	
Amortization remaining in 2004	$14,673
2005	20,062
2006	19,134
2007	17,796
2008	16,837

	For the three months ended April 30,		For the nine months ended April 30,	
Loss on disposal of assets and other consist of:	2004	2003	2004	2003
Loss on disposal of assets	$755	$1,594	$3,579	$2,380
Loss on transfer of accounts receivable related to the accounts receivable securitization	594	760	2,141	2,134
Service income related to the accounts receivable securitization	(424)	(369)	(1,243)	(733)
	$925	$1,985	$4,477	$3,781

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

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Operating expense	$34,089	$33,750	$105,209	$100,820
Depreciation and amortization expense	1,500	1,168	5,682	4,345
Equipment lease expense	4,966	3,039	10,590	8,971
	$40,555	$37,957	$121,481	$114,136

J. Long-term debt

Long-term debt consists of:

	April 30, 2004	July 31, 2003
Senior notes		
Fixed rate, 7.16% due 2005-2013	$ 350,000	$350,000
Fixed rate, 6.75% due 2014, net of unamortized discount	249,090	-
Fixed rate, 8.75% due 2012, net of unamortized premium	219,437	219,569
Fixed rate, 8.8% due 2006-2009	184,000	184,000
Credit agreement, variable interest rates, expiring 2006	103,700	126,700
Notes payable, 7.5% weighted average interest rate each year, due 2003 to 2011	10,019	10,108
Capitalized lease obligations	487	-
	1,116,733	890,377
Less: current portion, included in other current liabilities on the consolidated balance sheets	2,971	2,151
	$1,113,762	$888,226

Senior notes

On April 20, 2004, subsidiaries of the Operating Partnership completed a private placement of $250.0 million in principal amount of 6.75% senior notes due 2014 at a price to the noteholders of 99.637% per note. In the offering, the subsidiaries of the Operating Partnership received proceeds, net of underwriting discounts and commissions, of $243.5 million. The subsidiaries then merged into the Operating Partnership and Ferrellgas Finance Corp., a subsidiary of the Operating Partnership, on April 20, 2004 with the Operating Partnership and Ferrellgas Finance Corp. assuming the payment obligation of the notes. The proceeds of the notes were used to pay a portion of the assumed merger consideration of $17.00 per share to the then former common stockholders of Blue Rhino Corporation in connection with the contribution of Blue Rhino LLC to the Operating Partnership by an affiliate of the General Partner. See additional discussion about the Blue Rhino contribution in Note F - Business combinations.

Interest on the 6.75% senior notes due 2014 is payable semi-annually in arrears on May 1 and November 1 of each year, commencing on November 1, 2004. These notes are unsecured and are not redeemable before May 1, 2009, except in specific circumstances.

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

For the year ended July 31,	Scheduled annual principal payments
Payments remaining in 2004	$ 601
2005	2,811
2006	111,271
2007	38,539
2008	74,172
Thereafter	888,812
	$1,116,206

K. Contingencies

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

L. Partners' capital

As of April 30, 2004 and July 31, 2003, partners' capital consisted of the following limited partner units:

	April 30, 2004	July 31, 2003
Senior units	1,994,146	1,994,146
Common units	48,771,875	37,673,455

As of April 30, 2004, total common units outstanding consisted of (i) 30.7 million held by third parties, (ii) 17.8 million held by Ferrell Companies, (iii) 0.2 million held by FCI Trading, a subsidiary of Ferrell Companies, and (iv) 0.1 million held by Ferrell Propane, Inc. ("Ferrell Propane") which is controlled by the General Partner. As of July 31, 2003, total common units outstanding consisted of (i) 19.8 million held by third parties, (ii) 17.8 million held by Ferrell Companies and (iii) 0.1 million held by Ferrell Propane.

On April 21, 2004, Ferrellgas Partners issued, in five separate private placements, an aggregate of 1.6 million of common units at a price of $22.35 per unit for net proceeds of $32.8 million in cash and $3.2 million in land for the issuance of these common units. These common units were issued as follows:

- to Mr. Billy D. Prim ("Mr. Prim"), $15.0 million for cash; prior to the contribution of Blue Rhino Mr. Prim was the Chairman and Chief Executive Officer of Blue Rhino Corporation; subsequent to the Blue Rhino contribution and pursuant to an employment agreement among Ferrell Companies and the General Partner, (i) the General Partner paid Mr. Prim a non-compete and non-solicitation payment of $2.5 million and (ii) he was appointed Executive Vice President and a director of the General Partner;

- to Mr. Prim $3.2 million in exchange for land;

- to Mr. Andrew J. Filipowski ("Mr. Filipowski"), brother-in-law of Mr. Prim, $15.0 million for cash; prior to the contribution of Blue Rhino Mr Filipowski was the Vice Chairman of Blue Rhino Corporation;

- to Mr. Malcom McQuilkin, $1.0 million for cash; and

- to Mr. James E. Ferrell ("Mr. Ferrell"), Chairman, President and Chief Executive Officer of the General Partner, $1.8 million for cash.

These cash proceeds were used to pay a portion of the assumed merger consideration to the then former common stockholders of Blue Rhino Corporation. The transactions with Mr. Prim and Mr. Filipowski were consummated prior to Mr. Prim becoming an officer and director of the General Partner. See additional discussion about the Blue Rhino contribution in Note F - Business combinations.

On April 21, 2004, Ferrellgas Partners issued to FCI Trading 0.2 million of common units at a price of $23.94 per unit. This $4.7 million of common units was issued to FCI Trading in connection with the Blue Rhino contribution as consideration for FCI Trading's net contribution of its membership interests in Blue Rhino LLC to the Operating Partnership. See additional discussion about the Blue Rhino contribution in Note F - Business combinations. See Note P - Related parties - for additional discussion of the involvement of related parties in this transaction.

On April 21, 2004, Ferrellgas Partners issued, pursuant to the exercise of common unit options by Mr. Ferrell, Chairman, President and Chief Executive Officer of the General Partner, 0.2 million of common units at a strike price of $17.90 per unit. Ferrellgas Partners received net proceeds of $3.2 million for the issuance of these common units. The proceeds were used to pay a portion of the assumed merger consideration to the then former common stockholders of Blue Rhino Corporation. See additional discussion about the Blue Rhino contribution in Note F- Business combinations. See Note P - Related parties - for additional discussion of the involvement of related parties in this transaction.

On April 21, 2004, Ferrellgas Partners issued $2.0 million of general partner units to the General Partner as consideration for the Blue Rhino LLC membership interest contributed by the General Partner. Also on April 21, 2004, the General Partner contributed a membership interest in Blue Rhino LLC to the Operating Partnership to maintain its 1.0101% general partner interest in the Operating Partnership. See Note P - Related parties - for additional discussion of the involvement of related parties in this transaction.

On April 14, 2004, Ferrellgas Partners issued, in a public offering, 7.0 million of its common units at a price of $23.34 per unit, less commissions and underwriting expenses. After commissions and underwriting expenses, Ferrellgas Partners received net proceeds of $156.4 million for the issuance of these common units. The proceeds were used to pay a portion of the assumed merger consideration to the then former common stockholders of Blue Rhino Corporation. See additional discussion about the Blue Rhino contribution in Note F - Business combinations.

On March 4, 2004 and August 3, 2003, Ferrellgas Partners issued approximately 32 thousand and approximately 30 thousand common units, respectively, pursuant to a purchase and non-competition agreement as a portion of the consideration for our acquisition of propane-related assets from third parties.

On December 1, 2003, Ferrellgas Partners issued, in a public offering, 2.0 million of common units at a price of $24.75 per unit, less commissions and underwriting expenses. After commissions and underwriting expenses, Ferrellgas Partners received net proceeds of $47.3 million for the issuance of these common units. Ferrellgas Partners contributed the proceeds to the Operating Partnership to reduce borrowings outstanding under its bank credit facility and for general partnership purposes, including the repayment of debt incurred to fund prior acquisitions.

Ferrellgas Partners' partnership agreement generally provides that it must use the cash proceeds of any offering of common units to redeem a portion of its outstanding senior units, otherwise a "Material Event" would be deemed to have occurred and JEF Capital Management, Inc. ("JEF Capital") as the holder of the senior units, would thereafter have specified rights, such as the right to convert the senior units into common units or the right to register the senior units. The number of common units issuable upon conversion of a senior unit is equal to the senior unit liquidation preference, currently $40 plus any accrued and unpaid distributions, divided by the then current market price of a common unit. By letter agreement dated November 20, 2003, JEF Capital agreed to waive the occurrence of a "Material Event" if Ferrellgas Partners issues common units at any time and from time to time on or prior to March 31, 2004, and does not use the cash proceeds from such offering or offerings to redeem a portion of the outstanding senior units. In consideration of the granting of the waiver, Ferrellgas Partners agreed not to redeem any outstanding senior units prior to March 31, 2004, and to reimburse JEF Capital for its reasonable legal fees incurred in connection with the execution of the waiver. On February 25, 2004, JEF Capital and Ferrellgas Partners extended the letter agreement through December 31, 2004. Other "Material Events" include (i) a change in control, (ii) Ferrellgas' treatment as an association taxable as a corporation for federal income tax purposes or (iii) the failure to pay the senior unit distribution in full for any fiscal quarter. These "other" types of Material Events are not affected by the JEF Waiver. The conversion of these senior units into common units upon the occurrence of a Material Event may be dilutive to Ferrellgas Partners' existing common unitholders.

M. Earnings per common unit

Below is a calculation of the basic and diluted earnings per common unit in the condensed consolidated statements of earnings for the periods indicated. For diluted earnings per common unit purposes, the senior units were excluded as they 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. Distributions to the senior unitholder decrease the net earnings available to common unitholders.

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Net earnings available to common unitholders before cumulative effect of change in accounting principle	$25,659	$36,232	$69,636	$95,003
Cumulative effect of change in accounting principle, net of minority interest and general partner interest of $56	-	-	-	(2,726)
Net earnings available to common unitholders	$25,659	$36,232	$69,636	$92,277
(in thousands)				
Weighted average common units outstanding	40,664.1	36,197.3	39,128.4	36,142.5
Dilutive securities	118.3	104.2	110.2	68.1
Weighted average common units outstanding plus dilutive securities	40,782.4	36,301.5	39,238.6	36,210.6
Basic earnings per common unit:				
Net earnings available to common unitholders before cumulative effect of change in accounting principle	$0.63	$1.00	$1.78	$ 2.62
Cumulative effect of change in accounting principle, net of minority interest and general partner interest of $56	-	-	-	(0.07)
Net earnings available to common unitholders	$0.63	$1.00	$1.78	$ 2.55
Diluted earnings per common unit:				
Net earnings available to common unitholders before cumulative effect of change in accounting principle	$0.63	$1.00	$1.77	$ 2.62
Cumulative effect of change in accounting principle, net of minority interest and general partner interest of $56	-	-	-	(0.07)
Net earnings available to common unitholders	$0.63	$1.00	$1.77	$ 2.55

N. Distributions

On September 12, 2003, December 15, 2003 and March 15, 2004, Ferrellgas paid cash distributions of $1.00 and $0.50 per senior and common unit, respectively, for the three months ended July 31, 2003, October 31, 2003 and January 31, 2004. On May 24, 2004, Ferrellgas declared cash distributions of $1.00 and $0.50 per senior and common unit, respectively, for the three months ended April 30, 2004, that are expected to be paid on June 14, 2004.

O. Adoption of new accounting standards

The Financial Accounting Standards Board ("FASB") recently issued SFAS No. 150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," FASB Financial Interpretation No. 46 "Consolidation of Variable Interest Entities" and Emerging Issues Task Force ("EITF") 00-21 "Accounting for Revenue Arrangements with Multiple Deliverables."

SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). Many of those instruments were previously classified as equity. This statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective for the fiscal year ending July 31, 2004. Ferrellgas has studied SFAS No. 150 and believes it will not have a material effect on its financial position, results of operations and cash flows.

FASB Financial Interpretation No. 46 ("FIN 46") clarifies Accounting Research Bulletin No. 51, "Consolidated Financial Statements." If certain conditions are met, this interpretation requires the primary beneficiary to consolidate certain variable interest entities in which equity investors lack the characteristics of a controlling financial interest or do not have sufficient equity investment at risk to permit the variable interest entity to finance its activities without additional subordinated financial support from other parties. In December 2003, the FASB issued a revision to FIN 46, which addresses new effective dates and certain implementation issues. The interpretation is generally effective for the periods ending after December 15, 2003. Among these issues is the addition of a scope exception for certain entities that meet the definition of a business, provided certain criteria are met. Ferrellgas currently believes it does not have any variable interest entities that would be subject to this revised interpretation.

EITF No. 00-21 addresses how to account for arrangements that may involve multiple revenue-generating activities, such as the delivery or performance of multiple products, services, and/or rights to use assets. In applying this guidance, separate contracts with the same party, entered into at or near the same time, will be presumed to be a bundled transaction, and the consideration will be measured and allocated to the separate units based on their relative fair values. This consensus guidance will be applicable to agreements entered into in quarters beginning after June 15, 2003. Ferrellgas adopted this new accounting pronouncement beginning August 1, 2003. The implementation of this pronouncement did not have a material impact on Ferrellgas' financial position, results of operations and cash flows, because it does not enter into a significant number of arrangements that may involve multiple revenue-generating activities.

P. 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, which include compensation and benefits paid to employees of the General Partner who perform services on their behalf, as well as related general and administrative costs, are as follows:

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Reimbursable costs	$52,768	$53,563	$156,812	$152,855

JEF Capital is beneficially owned by Mr. Ferrell and thus is an affiliate. Ferrellgas paid senior unit distributions of $6.0 million and $8.3 million to JEF Capital during the nine months ended April 30, 2004 and 2003, respectively. On April 30, 2004, Ferrellgas accrued a senior unit distribution of $2.0 million that Ferrellgas expects to pay to JEF Capital on June 14 2004. See Note L - Partners' capital - for disclosure of related party transactions among Ferrellgas, the General Partner, JEF Capital and Mr. Ferrell in connection with (i) the issuance of common units on December 1, 2003, April 14, 2004 and April 21, 2004 and (ii) the issuance of common units in connection with the exercise of common unit options by Mr. Ferrell on April 21, 2004.

Ferrell Companies is the sole shareholder of the General Partner and owns 17.8 million common units of Ferrellgas Partners. FCI Trading owns 0.2 million common units of Ferrellgas Partners. Ferrell Propane owns 0.1 million common units. During the nine months ended April 30, 2004 and 2003, Ferrellgas Partners paid common unit distributions of $26.7 million, $0.1 million and $0.7 million to Ferrell Companies, Ferrell Propane and the General Partner, respectively. On May 24, 2004, Ferrellgas declared distributions to Ferrell Companies, FCI Trading, Ferrell Propane and the General Partner of $8.9 million, $0.1 million, $26 thousand and $0.6 million, respectively, that are expected to be paid on June 14, 2004. See Note L - Partners' capital - for disclosure of related party transactions among Ferrellgas, FCI Trading and the General Partner related (i) to the issuance of common units on December 1, 2003, April 14, 2004 and April 20, 2004 and (ii) the issuance of general partner units in December 2003 and April 2004.

Ferrell International Limited ("Ferrell International") is beneficially owned by Mr. Ferrell and thus is an affiliate. Ferrellgas enters into transactions with Ferrell International in connection with Ferrellgas' risk management activities and does so at market prices in accordance with Ferrellgas' affiliate trading policy approved by the General Partner's Board of Directors. These transactions include forward, option and swap contracts and are all reviewed for compliance with the policy. Ferrellgas also provides limited accounting services for Ferrell International. Ferrellgas recognized the following net receipts (disbursements) from purchases, sales and commodity derivative transactions and for providing accounting services with Ferrell International:

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Net receipts (disbursements)	$328	$ -	$328	$(245)
Receipts from providing accounting services	10	10	30	30

These net purchases, sales and commodity derivative transactions with Ferrell International are classified as cost of product sold on the condensed consolidated statements of earnings. There were no amounts due from or due to Ferrell International at April 30, 2004.

See additional discussions about transactions with related parties in Note L - Partners' capital.

Q. Subsequent event - issuance of $50.0 million of publicly-held senior note

On June 10, 2004, Ferrellgas Partners issued in a public offering $50.0 million in principal amount of fixed rate 8.75% senior notes due 2012 at a price of 103.25% per note. The proceeds of the notes were used to make a capital contribution to the Operating Partnership to reduce indebtedness under its bank credit facility.

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

CONDENSED BALANCE SHEETS
(in dollars)
(unaudited)

ASSETS	April 30, 2004	July 31, 2003
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	2,508	2,463
Accumulated deficit	(2,508)	(2,463)
Total stockholder's equity	$1,000	$1,000

CONDENSED STATEMENTS OF EARNINGS
(unaudited)

	Three months ended		Nine months ended	
	April 30, 2004	April 30, 2003	April 30, 2004	April 30, 2003
General and administrative expense	$ -	$ 307	$ (45)	$ 307
Net loss	$ -	$(307)	$ (45)	$(307)

See note to condensed financial statements.

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

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

	For the nine months ended	
	April 30, 2004	April 30, 2003
Cash flows from operating activities:		
Net loss	$ (45)	$ (307)
Cash used in operating activities	(45)	(307)
Cash flows from financing activities:		
Capital contribution	45	307
Cash provided by financing activities	45	307
Change in cash	-	-
Cash - beginning of period	1,000	1,000
Cash - end of period	$1,000	$1,000

See note to condensed financial statements.

NOTE TO CONDENSED FINANCIAL STATEMENTS
APRIL 30, 2004
(unaudited)

A. Organization

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

The condensed 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 condensed financial statements were of a normal, recurring nature.

FERRELLGAS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

ASSETS	April 30 2004	July 31, 2003
Current assets:		
Cash and cash equivalents	$ 18,847	$ 10,816
Accounts and notes receivable, net	147,146	56,742
Inventories	78,871	69,077
Prepaid expenses and other current assets	12,165	7,629
Total current assets	257,029	144,264
Property, plant and equipment, net	785,050	684,917
Goodwill	259,391	124,190
Intangible assets, net	270,910	98,157
Other assets	10,370	4,163
Total assets	$1,582,750	$1,055,691

LIABILITIES AND PARTNERS' CAPITAL	April 30 2004	July 31, 2003
Current liabilities:		
Accounts payable	$ 94,099	$ 59,261
Other current liabilities	74,387	77,211
Total current liabilities	168,486	136,472
Long-term debt	894,325	668,657
Other liabilities	21,216	18,747
Contingencies and commitments (Note K)	-	-
Partners' capital:		
Limited partner	495,463	231,420
General partner	5,051	2,363
Accumulated other comprehensive loss	(1,791)	(1,968)
Total partners' capital	498,723	231,815
Total liabilities and partners' capital	$1,582,750	$1,055,691

See notes to condensed consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES

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

	For the three months ended		For the nine months ended	
	April 30, 2004	April 30, 2003	April 30, 2004	April 30, 2003
Revenues:				
Propane and other gas liquids sales	$ 368,264	$ 351,338	$ 1,057,751	$ 985,539
Other	21,883	18,027	69,591	64,606
Total revenues	390,147	369,365	1,127,342	1,050,145
Cost of product sold (exclusive of depreciation, shown with amortization below)	234,331	207,934	680,479	586,324
Gross profit	155,816	161,431	446,863	463,821
Operating expense	80,787	79,022	232,938	226,856
Depreciation and amortization expense	13,270	10,563	37,130	30,719
General and administrative expense	7,888	7,202	23,761	21,863
Equipment lease expense	5,029	4,990	14,272	16,510
Employee stock ownership plan compensation charge	2,042	1,619	5,990	4,653
Loss on disposal of assets and other	925	1,985	4,477	3,781
Operating income	45,875	56,050	128,295	159,439
Interest expense	(13,082)	(11,550)	(37,386)	(33,992)
Interest income	459	423	1,260	841
Earnings before income taxes and cumulative effect of change in accounting principle	33,252	44,923	92,169	126,288
Income taxes	17	-	17	-
Earnings before cumulative effect of change in accounting principle	33,235	44,923	92,152	126,288
Cumulative effect of change in accounting principle	-	-	-	(2,782)
Net earnings	$ 33,235	$ 44,923	$ 92,152	$ 123,506

See notes to condensed consolidated financial statements.

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

	Limited partner	General partner	Accumulated other comprehensive loss	Total partners' capital
August 1, 2003	$ 231,420	$ 2,363	$ (1,968)	$231,815
Contribution in connection with ESOP compensation charge	5,929	61	-	5,990
Quarterly cash and accrued distributions	(74,774)	(764)	-	(75,538)
Net assets contributed by Ferrellgas Partners and general partner in connection with acquistions	241,667	2,460	-	244,127
Comprehensive income:				
Net earnings	91,221	931	-	92,152
Other comprehensive income:				
Pension liability adjustment			177	177
Comprehensive income				92,329
April 30, 2004	$ 495,463	$ 5,051	$ (1,791)	$498,723

See notes to condensed consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES

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

	For the nine months ended	
	April 30, 2004	April 30, 2003
Cash flows from operating activities:		
Net earnings	$ 92,152	$ 123,506
Reconciliation of net earnings to net cash provided by operating activities:		
Cumulative effect of change in accounting principle	-	2,782
Depreciation and amortization expense	37,130	30,719
Employee stock ownership plan compensation charge	5,990	4,653
Loss on disposal of assets	3,579	2,380
Other	4,541	5,094
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Accounts and notes receivable, net	(57,430)	(60,276)
Inventories	17,806	2,984
Prepaid expenses and other current assets	(1,506)	2,170
Accounts payable	7,245	(4,204)
Other current liabilities	(13,451)	(11,953)
Other liabilities	486	(381)
Accounts receivable securitization:		
Proceeds from new accounts receivable securitizations	30,000	60,000
Proceeds from collections reinvested in revolving period accounts receivable securitizations	568,155	505,065
Remittances of amounts collected as servicer of accounts receivable securitizations	(610,455)	(515,065)
Net cash provided by operating activities	84,242	147,474
Cash flows from investing activities:		
Cash paid for assumed merger and related obligations	(343,414)	-
Business acquisitions, net of cash acquired	(37,443)	(4,330)
Cash paid for acquisition transaction fees	(1,269)	-
Capital expenditures - tank lease buyout	-	(155,600)
Capital expenditures - technology initiative	(4,782)	(18,517)
Capital expenditures - other	(20,422)	(11,087)
Other	679	1,748
Net cash used in investing activities	(406,651)	(187,786)
Cash flows from financing activities:		
Distributions	(75,538)	(71,311)
Cash contribution from partners	230,789	18,179
Proceeds from issuance of debt	262,423	140,000
Principal payments on debt	(37,946)	(50,662)
Net reductions to short-term borrowings	(43,719)	-
Cash paid for financing costs	(5,569)	(1,922)
Net cash provided by financing activities	330,440	34,284
Increase (decrease) in cash and cash equivalents	$ 8,031	$ (6,028)
Cash and cash equivalents - beginning of period	10,816	19,388
Cash and cash equivalents - end of period	$ 18,847	$ 13,360
Supplemental disclosures of cash flow information:		
Cash paid for:		
Interest	$ 45,958	$ 42,564
Income taxes	$ -	$ -

See notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
APRIL 30, 2004
(Dollars in thousands)
(unaudited)

A. Organization

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

The condensed consolidated financial statements of Ferrellgas, L.P. 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 condensed consolidated financial statements were of a normal, recurring nature. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with (i) the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and (ii) the consolidated financial statements and accompanying notes, as set forth in Ferrellgas, L.P.'s Annual Report on Form 10-K for the fiscal year ended July 31, 2003.

B. Unit and stock-based compensation

Ferrellgas, L.P. accounts for the Ferrellgas Unit Option Plan (the "Unit Option Plan") and the Ferrell Companies, Inc. Incentive Plan (the "ICP") using the intrinsic value method under the provisions of Accounting Principles Board ("APB") No. 25, "Accounting for Stock Issued to Employees," for all periods presented and makes the fair value method pro forma disclosures required under the provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," as amended by SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure." Accordingly, no compensation cost has been recognized for the Unit Option Plan or for the ICP in the condensed consolidated statements of earnings. Had compensation cost for these plans been determined based upon the fair value at the grant date for awards under these plans, consistent with the methodology recommended under SFAS No. 123, Ferrellgas, L.P.'s net earnings would have been adjusted as noted in the table below:

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Net earnings, as reported	$33,235	$44,923	$92,152	$123,506
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards	245	211	730	633
Pro forma net earnings	$32,990	$44,712	$91,422	$122,873

C. Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates. Significant estimates impacting the condensed consolidated financial statements include accruals that have been established for contingent liabilities, pending claims and legal actions arising in the normal course of business, useful lives of property, plant and equipment assets, residual values of tanks, amortization methods of intangible assets and valuation methods of intangible assets and derivative commodity contracts.

D. Reclassifications

Certain reclassifications have been made to the nine months ended April 30, 2003 condensed consolidated statement of cash flows to conform to the nine months ended April 30, 2004 condensed consolidated statement of cash flows presentation. "Loss on disposal of assets" is disclosed separately in net cash provided by operating activities on the condensed consolidated statements of cash flows. This amount was previously classified as "Other" in net cash provided by operating activities in the nine months ended April 30, 2003.

E. Nature of operations

Ferrellgas, L.P. is engaged primarily in the retail distribution of propane and related equipment and supplies in the United States. The retail market is seasonal because propane is used primarily for heating in residential and commercial buildings. Therefore, the results of operations for the three and nine months ended April 30, 2004 and 2003 are not necessarily indicative of the results to be expected for a full fiscal year. Ferrellgas, L.P. serves more than one million residential, industrial/commercial, agricultural and other customers. As of April 21, 2004, Ferrellgas, L.P. became the leading national provider of branded propane tank exchange. See Note F - Business combinations - for additional discussion about the Blue Rhino contribution.

F. Business combinations

During the nine months ended April 30, 2004, Ferrellgas, L.P. completed one material business combination and seven business combinations. Each of the business combinations was accounted for under the purchase method and the assets acquired and liabilities assumed were recorded at their estimated fair market values as of the acquisition date. The preliminary allocation of assets and liabilities may be adjusted to reflect the final determined amounts during a period of time following each business combination. The Blue Rhino contribution allocation is preliminary pending the completion of the valuation of tangible and intangible assets and the calculation of other costs. The results of operations from these business combinations are included in Ferrellgas, L.P.'s condensed consolidated financial statements from the dates of the business combinations.

	Allocation of Purchase Price					
Business combinations	Purchase Price	Working Capital	Property Plant & Equipment	Intangible Assets	Goodwill	Other
Blue Rhino (April 2004)	$406,184	$21,334	$ 85,088	$164,100	$135,201	$461
Others (various)	41,114	-	23,180	17,934	-	-
	$447,298	$21,334	$108,268	$182,034	$135,201	$461

Blue Rhino contribution

On April 20, 2004, FCI Trading Corp. ("FCI Trading"), an affiliate of the General Partner, acquired all of the outstanding common stock of Blue Rhino Corporation in an all-cash merger. Pursuant to an Agreement and Plan of Merger dated February 8, 2004, a subsidiary of FCI Trading merged with and into Blue Rhino Corporation whereby the then current stockholders of Blue Rhino Corporation were granted the right to receive a payment from FCI Trading of $17.00 in cash for each share of Blue Rhino Corporation common stock outstanding on April 20, 2004. FCI Trading thereafter became the sole stockholder of Blue Rhino Corporation and immediately after the merger, FCI Trading converted Blue Rhino Corporation into a limited liability company, Blue Rhino LLC.

In a non-cash contribution, pursuant to a Contribution Agreement dated February 8, 2004, FCI Trading contributed on April 21, 2004 all of the membership interests in Blue Rhino LLC to Ferrellgas, L.P. through a series of transactions and Ferrellgas, L.P. assumed FCI Trading's obligation under the Agreement and Plan Of Merger to pay the $17.00 per share to the former stockholders of Blue Rhino Corporation together with other specific obligations, as detailed in the following table:

Assumption of obligations under the contribution agreement	$343,414
Limited partner and general partner interests issued	8,700
Assumption of Blue Rhino's bank credit facility outstanding balance	43,719
Assumption of other liabilities and acquisition costs	10,351
	$406,184

In consideration of this contribution, Ferrellgas Partners issued 195,686 common units to FCI Trading. Both Ferrellgas Partners and FCI Trading have agreed to indemnify the General Partner from any damages incurred by the General Partner in connection with the assumption of any of the obligations described above. Also on April 21, 2004, subsequent to the contribution described above, Blue Rhino LLC merged with and into Ferrellgas, L.P. The former operations of Blue Rhino LLC will hereafter be referred to as "Blue Rhino."

In addition to the payment of $17.00 per share to the former stockholders of Blue Rhino Corporation, each vested stock option and warrant that permitted its holder to purchase common stock of Blue Rhino Corporation that was outstanding immediately prior to the merger was converted into the right to receive a cash payment from Blue Rhino Corporation equal to the difference between $17.00 per share and the applicable exercise price of the stock option or warrant. Unvested options and warrants not otherwise subject to automatic accelerated vesting upon a change in control vested on a pro rata basis through April 19, 2004, based on their original vesting date. The total payment to the former Blue Rhino Corporation stockholders for all common stock outstanding on April 20, 2004 and for those Blue Rhino Corporation options and warrants then outstanding was $343.4 million.

Prior to this contribution, Blue Rhino Corporation was the leading national provider of branded propane tank exchange as well as a leading supplier of complementary propane and non-propane products to consumers through many of the nation's largest retailers.

Ferrellgas, L.P.'s valuation of the tangible and intangible assets of the Blue Rhino LLC contribution resulted in the recognition of goodwill of $135.2 million. This preliminary valuation of goodwill was based on Ferrellgas, L.P.'s belief that the contributions of Blue Rhino LLC will be beneficial to Ferrellgas, L.P.'s and Blue Rhino LLC's operations as Blue Rhino LLC's counter-seasonal business activities and anticipated future growth is expected to provide Ferrellgas, L.P. with the ability to better utilize its seasonal resources to complement Ferrellgas L.P.'s retail locations with Blue Rhino's existing distributor network.

The results of operations of Blue Rhino for the period from April 21, 2004 through April 30, 2004 are included in the statement of earnings of the combined entity for the three and nine months ended April 30, 2004.

Pro forma information

The following summarized unaudited pro forma results of operations for the three and nine months ended April 30, 2004 and 2003, assumes that the Blue Rhino contribution completed by the Ferrellgas, L.P. had occurred as of the beginning of the period presented. These unaudited pro forma financial results have been prepared for comparative purposes only and may not be indicative of (i) the results that would have occurred if Ferrellgas, L.P. had completed the Blue Rhino contribution as of the beginning of the period presented or (ii) the results that will be attained in the future. Nonrecurring items included in the reported pro forma results of operations for the three and nine months ended April 30, 2003 include $2.5 million of income related to net proceeds from a litigation settlement in March 2003. Items not included in the reported pro forma results of operations for the three and nine months ended April 30, 2004, are $3.3 million of nonrecurring charges incurred by Blue Rhino Corporation in the period from February 1, 2004 through April 20, 2004, that were directly attributable to the Blue Rhino contribution.

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Revenues	$443,778	$429,265	$1,289,485	$1,222,915
Earnings before cumulative effect of change in accounting principle	26,590	42,300	75,092	116,018
Net earnings	$ 26,590	$ 42,300	$ 75,092	$ 113,264

G. Cash and cash equivalents and non-cash activities

For purposes of the condensed 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 investing and financing activities are primarily related to the accounts receivable securitization and transactions with related parties and are disclosed in Note F - Business combinations, Note H - Accounts receivable securitization, Note L - Partners' capital and Note O - Transactions with related parties, respectively.

H. Accounts receivable securitization

During the nine months ended April 30, 2004, $12.3 million had been remitted to Ferrellgas, L.P.'s accounts receivable securitization facility. Ferrellgas, L.P. renewed this facility effective September 23, 2003, for a 364-day commitment with Banc One, NA. At April 30, 2004, Ferrellgas, L.P. had the ability to transfer, at its option, an additional $47.9 million of its trade accounts receivable. In accordance with SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities," this transaction is reflected in the condensed consolidated financial statements as a sale of accounts receivable and a retained interest in transferred accounts receivable. The retained interest is classified on the condensed consolidated balance sheets within "Accounts and notes receivable, net."

I. Supplemental financial statement information

Inventories consist of:

	April 30, 2004	July 31, 2003
Propane gas and related products	$34,741	$49,772
Appliances, parts and supplies	44,130	19,305
	$78,871	$69,077

In addition to inventories on hand, Ferrellgas, L.P. enters into contracts to buy and sell product, primarily propane for supply procurement 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, 2004, Ferrellgas, L.P. had committed, for supply procurement purposes, to make net delivery of approximately 2.5 million gallons of propane at a fixed price. On April 21, 2004, inventory increased $27.6 million in connection with the Blue Rhino contribution. See Note F - Business combinations - for additional discussion about the Blue Rhino contribution.

Property, plant and equipment, net consist of:

	April 30, 2004	July 31, 2003
Property, plant and equipment	$1,118,916	$1,002,199
Less: accumulated depreciation	333,866	317,282
	$ 785,050	$ 684,917

On April 21, 2004, property, plant and equipment increased $85.1 million in connection with the Blue Rhino contribution. See Note F - Business combinations - for additional discussion about the Blue Rhino contribution. During the nine months ended April 30, 2004, Ferrellgas, L.P. placed in service $48.5 million of computer software, which will be depreciated using the straight-line method over its estimated useful life of 5 years.

Intangible assets, net consist of:

	April 30, 2004			July 31, 2003		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
Customer lists	$325,932	$(136,764)	$189,168	$220,061	$(133,548)	$86,513
Tradenames & trademarks	59,000	-	59,000	-	-	-
Non-compete agreements	71,562	(55,120)	16,442	64,020	(52,376)	11,644
Patented technology	3,500	-	3,500	-	-	-
Other	2,800	-	2,800	-	-	-
	$462,794	$(191,884)	$270,910	$284,081	$(185,924)	$98,157

On April 21, 2004, intangible assets, net increased $164.1 million in connection with the Blue Rhino contribution. See Note F - Business combinations - for additional discussion about the Blue Rhino contribution.

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Aggregate amortization expense	$3,521	$3,341	$9,564	$9,645

Estimated amortization expense:

For the years ended July 31,	
Amortization remaining in 2004	$14,673
2005	20,062
2006	19,134
2007	17,796
2008	16,837

Loss on disposal of assets and other consists of:

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Loss on disposal of assets	$ 755	$1,594	$ 3,579	$2,380
Loss on transfer of accounts receivable related to the accounts receivable securitization	594	760	2,141	2,134
Service income related to the accounts receivable securitization	(424)	(369)	(1,243)	(733)
	$ 925	$1,985	$ 4,477	$3,781

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

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Operating expense	$34,089	$33,750	$105,209	$100,820
Depreciation and amortization expense	1,500	1,168	5,682	4,345
Equipment lease expense	4,966	3,039	10,590	8,971
	$40,555	$37,957	$121,481	$114,136

J. Long-term debt

Long-term debt consists of:

	April 30, 2004	July 31, 2003
Senior notes		
Fixed rate, 7.16% due 2005-2013	$350,000	$350,000
Fixed rate, 6.75% due 2014, net of unamortized discount	249,090	-
Fixed rate, 8.8% due 2006-2009	184,000	184,000
Credit agreement, variable interest rates, expiring 2006	103,700	126,700
Notes payable, 7.5% weighted average interest rate for each year, due 2003 to 2011	10,019	10,108
Capitalized lease obligations	487	-
	897,296	670,808
Less: current portion, included in other current liabilities on the consolidated balance sheets	2,971	2,151
	$894,325	$668,657

Senior notes

On April 20, 2004, subsidiaries of Ferrellgas, L.P. completed a private placement of $250.0 million in principal amount of 6.75% senior notes due 2014 at a price to the noteholders of 99.637% per note. In the offering, the subsidiaries received proceeds, net of underwriting discounts and commissions, of $243.5 million. The subsidiaries then merged into Ferrellgas, L.P. and Ferrellgas Finance Corp., a subsidiary of Ferrellgas, L.P., on April 20, 2004 with Ferrellgas, L.P. and Ferrellgas Finance Corp. assuming the payment obligation of the notes. The proceeds of the notes were used to pay a portion of the assumed merger consideration of $17.00 per share to the then former common stockholders of Blue Rhino Corporation in connection with the contribution of Blue Rhino LLC to Ferrellgas, L.P. by an affiliate of the General Partner. See additional discussion about the Blue Rhino contribution in Note F - Business combinations.

Interest on the 6.75% senior notes due 2014 is payable semi-annually in arrears on May 1 and November 1 of each year, commencing on November 1, 2004. These notes are unsecured and are not redeemable before May 1, 2009, except in specific circumstances.

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

For the year ended July 31,	Scheduled annual principal payments
Payments remaining in 2004	$ 601
2005	2,811
2006	111,271
2007	38,539
2008	74,172
Thereafter	670,812
	$898,206

K. Contingencies

Ferrellgas L.P.'s operations are subject to all operating hazards and risks normally incidental to handling, storing, transporting and otherwise providing for use by consumers of combustible liquids such as propane. As a result, at any given time, Ferrellgas, L.P. is threatened with or named as a defendant in various lawsuits arising in the ordinary course of business. 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 will have a material adverse effect on the financial condition, results of operations and cash flows of Ferrellgas, L.P. 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.

L. Partner's capital

Partner's capital consists of a 98.9899% limited partner interest held by Ferrellgas Partners and a 1.0101% general partner interest held by the General Partner. During April 2004, in connection with the Blue Rhino contribution and related transactions, Ferrellgas Partners made a cash contribution of $192.5 million and a non-cash contribution of $9.8 million. See additional discussion about the Blue Rhino contribution in Note F - Business combinations. On December 1, 2003, Ferrellgas Partners made a capital contribution of $37.9 million in cash to Ferrellgas, L.P. and these proceeds were used to reduce borrowings outstanding under its bank credit facility and for general partnership purposes, including the repayment of debt incurred to fund prior acquisitions.

M. Distributions

During the nine months ended April 30, 2004, Ferrellgas, L.P. paid cash distributions of $75.5 million. On May 24, 2004, Ferrellgas L.P. declared a cash distribution of $36.6 million for the three months ended April 30, 2004, that is expected to be paid on June 14, 2004.

N. Adoption of new accounting standards

The Financial Accounting Standards Board ("FASB") recently issued SFAS No. 150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," FASB Financial Interpretation No. 46 "Consolidation of Variable Interest Entities" and Emerging Issues Task Force ("EITF") 00-21 "Accounting for Revenue Arrangements with Multiple Deliverables."

SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). Many of those instruments were previously classified as equity. This statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective for the fiscal year ending July 31, 2004. Ferrellgas, L.P. has studied SFAS No. 150 and believes it will not have a material effect on its financial position, results of operations and cash flows.

FASB Financial Interpretation No. 46 ("FIN 46") clarified Accounting Research Bulletin No. 51, "Consolidated Financial Statements." If certain conditions are met, this interpretation requires the primary beneficiary to consolidate certain variable interest entities in which equity investors lack the characteristics of a controlling financial interest or do not have sufficient equity investment at risk to permit the variable interest entity to finance its activities without additional subordinated financial support from other parties. In December 2003, the FASB issued a revision to FIN 46, which addresses new effective dates and certain implementation issues. The interpretation is generally effective for the periods ending after December 15, 2003. Among these issues is the addition of a scope exception for certain entities that meet the definition of a business, provided certain criteria are met. Ferrellgas, L.P. currently believes it does not have any variable interest entities that would be subject to this revised interpretation.

EITF No. 00-21 addresses how to account for arrangements that may involve multiple revenue-generating activities, such as the delivery or performance of multiple products, services, and/or rights to use assets. In applying this guidance, separate contracts with the same party, entered into at or near the same time, will be presumed to be a bundled transaction, and the consideration will be measured and allocated to the separate units based on their relative fair values. This consensus guidance will be applicable to agreements entered into in quarters beginning after June 15, 2003. Ferrellgas, L.P. adopted this new accounting pronouncement beginning August 1, 2003. The implementation of this pronouncement did not have a material impact on Ferrellgas, L.P.'s financial position, results of operations and cash flows, because it does not enter into a significant number of arrangements that may involve multiple revenue-generating activities.

O. Transactions with related parties

Ferrellgas, L.P. has no employees and is managed and controlled by the 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 the General Partner in connection with operating Ferrellgas L.P.'s business. These costs, which include compensation and benefits paid to employees of the General Partner who perform services on their behalf, as well as related general and administrative costs, are as follows:

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Reimbursable costs	$52,768	$53,563	$156,812	$152,855

Ferrellgas, L.P. paid to Ferrellgas Partners and the General Partner distributions of $74.8 million and $0.7 million, respectively, during the nine months ended April 30, 2004. On May 24, 2004, Ferrellgas, L.P. declared distributions to Ferrellgas Partners, L.P. and the General Partner of $36.2 million and $0.4 million, respectively, that are expected to be paid on June 14, 2004.

On December 1, 2003, Ferrellgas, L.P. received $37.9 million and $0.4 million in cash and net asset contributions from Ferrellgas Partners and the General Partner, respectively. Ferrellgas, L.P. then used the net cash proceeds to reduce the borrowings outstanding under its bank credit facility and for general partnership purposes, including the repayment of debt incurred to fund prior acquisitions.

During April, 2004, Ferrellgas, L.P. received an aggregate of $204.3 million in cash and net asset contributions from Ferrellgas Partners and the General Partner related to the Blue Rhino contribution. See Note F - Business combinations - for additional discussion about the contributions.

Ferrell International Limited ("Ferrell International") is beneficially owned by James E. Ferrell, the Chairman, President and Chief Executive Officer of the General Partner, and thus is an affiliate. Ferrellgas, L.P. enters into transactions with Ferrell International in connection with Ferrellgas L.P.'s risk management activities and does so at market prices in accordance with Ferrellgas L.P.'s affiliate trading policy approved by the General Partner's Board of Directors. These transactions include forward, option and swap contracts and are all reviewed for compliance with the policy. Ferrellgas also provides limited accounting services for Ferrell International. Ferrellgas, L.P. recognized the following net receipts (disbursements) from purchases, sales and commodity derivative transactions and for providing accounting services with Ferrell International:

	For the three months ended April 30,		For the nine months ended April 30,	
	2004	2003	2004	2003
Net receipts (disbursements)	$328	$ -	$328	$(245)
Receipts from providing accounting services	10	10	30	30

These net purchases, sales and commodity derivative transactions with Ferrell International are classified as cost of product sold on the condensed consolidated statements of earnings. There were no amounts due from or due to Ferrell International at April 30, 2004.

P. Subsequent event - cash contribution received and bank credit facility reduced

On June 10, 2004, Ferrellgas Partners made a capital contribution of $51.1 million in cash to Ferrellgas, L.P. and these proceeds were used to reduce borrowings under its bank credit facility.

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

CONDENSED BALANCE SHEETS
(in dollars)
(unaudited)

ASSETS	April 30, 2004	July 31, 2003
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	700	515
Accumulated deficit	(700)	(515)
Total stockholder's equity	$1,000	$1,000

CONDENSED STATEMENTS OF EARNINGS
(unaudited)

	Three months ended April 30, 2004	Three months ended April 30, 2003	Nine months ended April 30, 2004	From inception to April 30, 2003
General and administrative expense	$ -	$ 515	$ 185	$ 515
Net loss	$ -	$ (515)	$ (185)	$ (515)

See note to condensed financial statements.

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

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

	Nine months ended April 30, 2004	From inception to April 30, 2003
Cash flows from operating activities:		
Net loss	$ (185)	$(515)
Cash used in operating activities	(185)	(515)
Cash flows from financing activities:		
Capital contribution	185	515
Cash provided by financing activities	185	515
Change in cash	-	-
Cash - beginning of period	1,000	1,000
Cash - end of period	$1,000	$1,000

See note to condensed financial statements.

NOTE TO CONDENSED FINANCIAL STATEMENTS
APRIL 30, 2004
(unaudited)

A. Organization

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

The condensed 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 condensed financial statements were of a normal, recurring nature.

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

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

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

In this report, unless the context indicates otherwise:

- when we refer to "us," "we," "our," or "ours," we generally mean Ferrellgas Partners, L.P. together with its consolidated subsidiaries, including Ferrellgas Partners Finance Corp., Ferrellgas, L.P. and Ferrellgas Finance Corp., except when used in connection with "common units" or "senior units," in which case these terms refer to Ferrellgas Partners, L.P.;

- references to "Ferrellgas Partners" refer to Ferrellgas Partners, L.P. itself, without its consolidated subsidiaries;

- references to the "operating partnership" refer to Ferrellgas, L.P., together with its consolidated subsidiaries, including Ferrellgas Finance Corp.;

- references to our "general partner" refer to Ferrellgas, Inc.;

- the term "unitholders" refers to holders of common units of Ferrellgas Partners; and

- references to "Notes" refer to the notes to the condensed consolidated financial statements of Ferrellgas Partners and subsidiaries, as filed herewith.

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

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

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

- the partnerships incur different amounts of interest expense on their outstanding indebtedness; see pages 2 and 21 in their respective condensed consolidated financial statements;

- Ferrellgas Partners issued common units in several transactions during the nine months ended April 30, 2004;

- during the nine months ended April 30, 2003, Ferrellgas Partners incurred $7.1 million in expenses related to the early extinguishment of its debt; and

- during the nine months ended April 30, 2004, Ferrellgas Partners paid $8.5 million in cash on a short-term, non-interest bearing note related to a prior acquisition in fiscal 2003.

Forward-looking statements

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

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

Some of our forward-looking statements include the following:

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

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

- the expectation that gross profit, operating income and net earnings will increase in the fourth quarter of fiscal 2004 compared to the amounts reported in the prior year period, primarily due to the effect of the Blue Rhino contribution;

- the expectation that propane and other gas liquid sales and cost of product sold will increase in the fourth quarter of fiscal 2004 compared to the prior year period due to the effect of relatively higher wholesale propane costs.

For a more detailed description of these and other forward-looking statements and for risk factors that may affect any forward-looking statements, see the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" in Items 7 and 1, respectively, of our Annual Report on Form 10-K for our fiscal year ended July 31, 2003, as filed with the SEC on October 21, 2003.

Results of Operations

Overview

We are the second largest retail marketer of propane in the United States based on retail gallons sold during fiscal 2003 and the leading national provider of branded propane tank exchange. We serve more than one million residential, industrial/commercial, agricultural, cylinder exchange and other customers in 50 states, Puerto Rico, the U.S. Virgin Islands and Canada. Our operations primarily include the retail distribution and sale of propane and related equipment and supplies and extend from coast to coast with concentrations in the Midwest, Southeast, Southwest and Northwest regions of the country.

Weather conditions have a significant impact on demand for propane for heating purposes. Accordingly, the volume of propane sold is directly affected by the severity of the winter weather in the regions we serve and can vary substantially from year to year. In any given area, sustained warmer-than-normal temperatures will tend to result in reduced propane use, while sustained colder-than-normal temperatures will tend to result in greater use.

The market for propane is seasonal because of increased demand during the winter months primarily for the purpose of providing heating in residential and commercial buildings. Consequently, sales and operating profits are concentrated in our second and third fiscal quarters, which are during the winter heating season of November through March. Due to the seasonality of the retail distribution of propane, results of our operations for the nine months ended April 30, 2004 and 2003 are not necessarily indicative of the results to be expected for a full fiscal year. Other factors affecting our results of operations include competitive conditions, energy commodity prices, demand for propane, timing of acquisitions and general economic conditions in the United States.

Our gross profit from the retail distribution of propane is primarily based on margins; that is the cents-per-gallon difference between our costs to purchase and distribute propane and the sale prices we charge our retail customers. The wholesale propane price per gallon is subject to various market conditions and may fluctuate based on changes in demand, supply and other energy commodity prices. We employ risk management activities that attempt to mitigate risks related to the purchasing, storing and transporting of propane.

As we have grown through acquisitions, fixed costs such as personnel costs, equipment leases, depreciation and interest expense have increased. Historically, due to the seasonality of our business, these fixed costs have contributed to net losses in the first and fourth fiscal quarters. Gross profit earned in our second and third quarters provide sources of cash for these fixed costs.

We continue to pursue our business strategies of using technology to improve operations, capitalizing on our national presence and economies of scale, employing a disciplined acquisition strategy and achieving internal growth and aligning employee interest with our investors.

On April 20, 2004, we announced that a subsidiary of Ferrell Companies, Inc., the parent of the general partner, pursuant to a contribution agreement, contributed to Ferrellgas Partners, and subsequently to the operating partnership, the membership interests in Blue Rhino LLC and its payment and specified other obligations under the merger agreement pursuant to which the subsidiary acquired that entity. The subsidiary had previously merged with Blue Rhino Corporation and thereafter converted it into a limited liability company. The contribution agreement called for the assumption by the operating partnership of the subsidiary's obligation to pay $17 in cash for each share of Blue Rhino Corporation stock outstanding on the date of the closing of the merger. The total obligation assumed was $343.4 million. Blue Rhino is the nations' leading provider of branded propane tank exchange service and complimentary products with 30,000 retail locations in 50 states, Puerto Rico, the U.S. Virgin Islands and Canada. The results of operations of the contributed Blue Rhino operations for the period from April 21, 2004 through April 30, 2004 are included in our statement of earnings for the three months ended April 30, 2004. The contribution did not have a material effect on the results of operations for that period. Due to the seasonality of the branded propane tank exchange business, a significant portion of the net earnings related to the branded propane tank exchange business is generated during the summer which corresponds to our fourth fiscal quarter.

Three Months Ended April 30, 2004 and April 30, 2003

(amounts in thousands)

Three months ended April 30,	2004	2003	Increase/ (Decrease)	Percentage Change
Retail propane gallons sold	249,424	250,620	(1,196)	(0.5)%
Propane and other gas liquids sales	$368,264	$351,338	$16,926	4.8%
Gross profit	155,816	161,431	(5,615)	(3.5)%
Operating income	45,804	55,951	(10,147)	(18.1)%
Interest expense	17,998	16,548	1,450	8.8%

Heating degree days, as reported by the National Oceanic and Atmospheric Administration ("NOAA"), were 7% warmer than normal during the three months ended April 30, 2004 as compared to 2% colder than normal during the three months ended April 30, 2003. Customer conservation and delayed deliveries caused by the sustained higher commodity prices also contributed to the shortfall in gallons sold this quarter. This decrease was partially offset by increased retail gallons sold from acquisitions.

Wholesale market prices at one of the major supply points, Mt. Belvieu, Texas fluctuated differently during the three month ended April 30, 2004 compared to the prior year period. During February, 2004 Mt. Belvieu, Texas wholesale market prices averaged $0.70 per gallon compared to $0.77 per gallon in the prior year period. Wholesale market prices in March, 2004 at Mt. Belvieu, Texas averaged $0.59 per gallon compared to $0.63 per gallon in the prior year period. Wholesale market prices in April, 2004 at Mt. Belvieu, Texas averaged $0.61 per gallon compared to $0.50 per gallon in the prior year period. Other major supply points in the United States also experienced the same average sales price per gallon fluctuations as during the prior year periods.

Propane and other gas liquids sales increased $9.9 million primarily due to an increase in the wholesale marketing average propane sales price per gallon, and an additional $7.0 million primarily due to acquisitions, partially offset by the previously mentioned warmer temperatures and customer reaction to the sustained higher average retail propane sales prices.

Gross profit decreased $5.6 million primarily due to a lower contribution from our risk management trading activities, and to a lesser extent, due to the decrease in our retail propane price margins. This decrease in gross profit was partially offset by increased gross profit from acquisitions.

Operating income decreased $10.1 million reflecting the previously mentioned decrease in gross profit and, to a lesser extent, an increase in depreciation and amortization expense. Depreciation and amortization expense increased primarily due to assets related to our technology initiative that were placed in service during the three months ended October 31, 2003 and acquisitions completed during fiscal 2003 and 2004.

Interest expense increased 8.8% primarily due to increased borrowings to finance acquisitions completed in fiscal 2004.

Interest expense of the operating partnership

Interest expense increased 13.3% primarily due to increased borrowings to finance acquisitions in fiscal 2004.

Nine Months Ended April 30, 2004 and April 30, 2003

(amounts in thousands)

Three months ended April 30,	2004	2003	Increase/ (Decrease)	Percentage Change
Retail propane gallons sold	743,763	783,034	(39,271)	(5.0)%
Propane and other gas liquids sales	$1,057,751	$985,539	$72,212	7.3%
Gross profit	446,863	463,821	(16,958)	(3.7)%
Operating income	128,092	159,069	(30,977)	(19.5)%
Interest expense	52,083	47,328	4,755	10.0%

Heating degree days, as reported by NOAA, were 5% warmer than normal during the nine months ended April 30, 2004 compared to being relatively normal during the nine months ended April 30, 2003. Customer conservation and delayed deliveries caused by higher commodity prices also contributed significantly to the volume shortfall this period. This decrease in volumes was partially offset by increased retail volumes from acquisitions.

The average sales price per gallon increased due to the effect of a significant increase in the wholesale cost of propane during fiscal 2004 as compared to the prior year period. The wholesale market price at one of the major supply points, Mt. Belvieu, Texas, averaged $0.60 per gallon during the nine months ended April 30, 2004, compared to an average of $0.54 per gallon in the prior year period. Other major supply points in the United States have also experienced significant increases.

Propane and other gas liquids sales increased $110.4 million compared to the prior year period primarily due to an increase in the average propane sales price per gallon. This increase was partially offset by the $38.2 million sales decrease due to reduced retail sales volumes. The decrease in retail sales volumes was primarily caused by the previously mentioned warmer temperatures and customer reaction to the sustained higher average retail propane sales prices, partially offset by acquisitions.

Gross profit decreased $17.0 million primarily due to the decrease in our retail propane volumes and lower contribution from our risk management trading activities. This decrease in gross profit was partially offset by increased gross profit from acquisitions.

Operating income decreased $31.0 million reflecting the previously mentioned decrease in gross profit, an increase in depreciation and amortization expense and to a lesser extent, an increase in operating expense, partially offset by a decrease in equipment lease expense. Depreciation and amortization expense increased primarily due to assets related to our technology initiative that were placed in service during the three months ended October 31, 2003 and acquisitions completed during fiscal 2003 and 2004. Operating expense increased primarily due to increased personnel expense related to acquisitions completed during fiscal 2003 and 2004. Equipment lease expense decreased due to the effect of the buyout of operating tank leases in December 2002.

Interest expense increased 10.0% primarily due to increased borrowings related to the buyout of operating tank leases in December 2002 and to finance acquisitions completed in fiscal 2003 and 2004.

Interest expense of the operating partnership

Interest expense increased 10.0% primarily due to increased borrowings related to the buyout of operating tank leases in December 2002 and to finance acquisitions in fiscal 2003 and 2004.

Forward-looking statements

We expect gross profit, operating income and net earnings in the statement of earnings to increase in the fourth quarter of fiscal 2004 compared to the amounts reported in the prior year period, primarily due to the effect of the Blue Rhino contribution. Blue Rhino generates most of its gross profit, operating income and net earnings in the summer months, which generally corresponds to our fourth fiscal quarter. We also expect propane and other gas liquid sales and cost of product sold to increase in the fourth quarter of fiscal 2004 compared to the prior year period due to the effect of relatively higher wholesale propane costs.

Liquidity and Capital Resources

General

Our cash requirements include working capital requirements, debt service payments, the required quarterly senior unit distribution, the minimum quarterly common unit distribution, capital expenditures and acquisitions. The minimum quarterly distribution of $0.50 expected to be paid on June 14, 2004 to all common units that were outstanding on June 3, 2004, represents the thirty-ninth consecutive minimum quarterly distribution paid to our common unitholders dating back to October 1994. Working capital requirements are subject to the price of propane, the weather and other changes in the demand for propane. Relatively colder weather and higher propane prices during the winter heating season increase our working capital requirements.

Our ability to satisfy our cash requirements is dependent upon our future performance, which will be subject to prevailing economic, financial, business and weather conditions and other factors, many of which are beyond our control. Due to the seasonality of the retail propane distribution business, a significant portion of our cash flow from operations is generated during the winter heating season which occurs during our second and third fiscal quarters. Our net cash provided by operating activities primarily reflect earnings from our business activities adjusted for depreciation and amortization and changes in our working capital accounts. Typically, we generate significantly lower net cash from operating activities in our first and fourth fiscal quarters as compared to the second and third fiscal quarters because fixed costs generally exceed gross profit during the non-peak heating season.

Subject to meeting the financial tests discussed above, our general partner believes that the operating partnership will have sufficient funds available to meet its obligations, and to distribute to Ferrellgas Partners sufficient funds to permit Ferrellgas Partners to meet its obligations during fiscal 2004. In addition, our general partner believes that the operating partnership 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 of its common units during the remainder of fiscal 2004.

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

As of April 30, 2004, our general partner believes that we met all the required quarterly financial tests and covenants during the first, second and third quarters of fiscal 2004. Based upon current estimates of our cash flow, our general partner believes that we will be able to continue to meet all of the required quarterly financial tests and covenants for the remainder of fiscal 2004. However, if we were to encounter unexpected downturns in business operations in the future, such as significantly warmer than normal winter temperatures, a volatile energy commodity cost environment or continued economic downturn, we may not meet the applicable financial tests in future quarters. This failure could have a materially adverse effect on our operating capacity and cash flows and could restrict our ability to incur debt or to make cash distributions to our unitholders, even if sufficient funds were available. Depending on the circumstances, we may consider alternatives to permit the incurrence of debt or the continued payment of the quarterly cash distribution to our unitholders. No assurances can be given, however, that such alternatives can or will be implemented with respect to any given quarter.

Our future capital expenditures and working capital needs are expected to be provided by a combination of cash generated from future operations, existing cash balances, the bank credit facility or the accounts receivable securitization facility. To fund expansive capital projects and future acquisitions, we may obtain funds on our facilities, we may issue additional debt to the extent permitted under existing financing arrangements or we may issue additional equity securities, including, among others, common units.

Toward this purpose, in June 2003, a shelf registration statement was declared effective by the SEC for the periodic sale by us of up to $500 million of equity and/or debt securities. The securities related to this registration statement are available to us for sale from time to time in the future to fund acquisitions, to reduce indebtedness, to redeem senior units or to provide funds for general partnership purposes.

On June 10, 2004, we issued in a public offering $50.0 million in principal amount of fixed rate 8.75% senior notes due 2012 at a price of 103.25% per note. Interest is payable semi-annually in arrears on June 15 and December 15, commencing on June 15, 2004. These senior notes are unsecured and not redeemable before June 15, 2007, except under specific circumstances. We used the proceeds from the $50.0 million senior note issuance to make a capital contribution to the operating partnership to reduce indebtedness under its bank credit facility.

On April 14, 2004, we received $156.4 million, after underwriting discounts and commissions, from the issuance of 7.0 million common units to the public pursuant to the registration statement described above. We used the net proceeds, together with contributions made by the general partner to maintain its effective 2% general partner interest in us, to pay a portion of the assumed merger consideration to the former stockholders of Blue Rhino Corporation. See Financing Activities - Blue Rhino contribution for additional discussion about the contribution. See Note L - Partners' capital - to our condensed consolidated financial statements for further discussion of this common unit issuance and Note F - Business combinations - for further discussion of the Blue Rhino contribution.

On December 1, 2003, we received $47.4 million, after underwriting discounts and commissions, from the issuance of 2.0 million common units to the public, also pursuant to the registration statement described above. We used the net proceeds, together with contributions made by the general partner to maintain its effective 2% general partner interest in us, to reduce borrowings outstanding under the bank credit facility of the operating partnership by $38.3 million and to repay debt incurred to fund prior acquisitions of $8.5 million. The remaining proceeds were used for general partnership purposes of Ferrellgas Partners. See Note L - Partners' capital - to our condensed consolidated financial statements for further discussion of this common unit issuance.

As of June 10, 2004, we had $206.5 million available under the shelf registration statement described above.

We also maintain a shelf registration statement with the SEC for the issuance of approximately 2.0 million common units. We may issue these common units in connection with our acquisition of other businesses, properties or securities in business combination transactions.

Operating Activities

Net cash provided by operating activities was $74.4 million for the nine months ended April 30, 2004, compared to net cash provided by operating activities of $134.8 million for the prior fiscal year period. This decrease in cash provided by operating activities is primarily due to the lower proceeds from the accounts receivable securitization activity, and to a lesser extent a decrease in cash flow from operating activities before changes in working capital. Our working capital needs are typically highest during the winter heating season. Cash required to fund working capital during the nine months ended April 30, 2004 was $42.2 million as compared to $66.0 million for the prior fiscal period. This use of working capital is primarily due to the timing of cash received from customers on accounts receivable and the cash needed to purchase inventory.

Accounts receivable securitization

Cash flows from the accounts receivable securitization facility decreased $62.3 million primarily due to management's decision at the end of fiscal 2003 to reduce the bank credit facility rather than remit greater amounts collected as servicer of accounts receivable securitizations. At the end of fiscal 2002, we did not have outstanding balances on either the bank credit facility or the accounts receivable securitization facility. This decision to use lower costs of capital at July 31, 2003, for working capital needs left the accounts receivable securitization facility with an effective $34.0 million outstanding as compared to no balance outstanding at July 31, 2002. During the winter heating season, we typically use the accounts receivable facility to meet our increased working capital needs. Consequently, we remitted $12.3 million to this facility during the nine months ended April 30, 2004 as compared to having received funding of $50.0 million in the prior year period. We renewed this facility effective September 23, 2003, for a 364-day commitment with Banc One, NA. At April 30, 2004, we had the ability to transfer, at our option, an additional $47.9 million of trade accounts receivable. In accordance with SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities," this transaction is reflected in our condensed consolidated financial statements as a sale of accounts receivable and a retained interest in transferred accounts receivable.

The operating partnership

Net cash provided by operating activities was $84.2 million for the nine months ended April 30, 2004, compared to net cash provided by operating activities of $147.5 million for the prior fiscal year period. This decrease in cash provided by operating activities is primarily due to the previously mentioned lower proceeds from accounts receivable securitization activity and to a lesser extent a decrease in cash flow from operating activities before changes in working capital.

Investing Activities

During the nine months ended April 30, 2004, net cash used in investing activities was $406.8 million, compared to $219.8 million for the prior fiscal year period. This increase in cash used in investing activities is primarily due to the payment of the assumed merger obligation related to the Blue Rhino contribution.

Blue Rhino contribution

On April 20, 2004, we paid $343.4 million in cash as payment of obligations that were assumed in connection with the Blue Rhino contribution. See Note F - Business combinations - in our condensed consolidated financial statements for further discussion about the Blue Rhino contribution. We also used $1.3 million in cash for transaction fees related to the Blue Rhino contribution.

Acquisitions

During the nine months ended April 30, 2004, we used $37.4 million in cash for the acquisition of seven retail propane companies, not including the Blue Rhino contribution, as compared to $36.3 million in the prior year period for the acquisition of three retail propane companies.

Capital expenditures

We made cash capital expenditures of $25.2 million during the nine months ended April 30, 2004 as compared to $29.6 million in the prior year period primarily due to the reduced capital expenditures related to our technology initiative that was placed in service during fiscal 2004. Capital expenditures during fiscal 2004 consisted primarily of expenditures for the betterment and replacement of property, plant and equipment.

Financing Activities

During the nine months ended April 30, 2004, net cash provided by financing activities was $342.3 million compared to net cash provided of $79.4 million for the prior fiscal year period. This increase in cash provided by financing activities was primarily due to proceeds from the issuance of common units and debt.

April Common Unit offering

On April 14, 2004, we issued, in a public offering, an additional 7.0 million of our common units at a price of $23.34 per unit, less commissions and underwriting expenses. After commissions and underwriting expenses, we received net proceeds of $156.4 million for the issuance of these common units. The proceeds were used to pay a portion of the assumed merger consideration to the former common stockholders of Blue Rhino Corporation and to pay a portion of the outstanding bank credit facility balance.

Other April financing activities

On April 21, 2004, we issued, in five separate private placements, an aggregate of 1.6 million common units at a price of $22.35 per unit. We received aggregate net proceeds of $32.8 million in cash and $3.2 million in land for the issuance of these common units. These common units were issued as follows:

- to Mr. Billy D. Prim, $15.0 million for cash; prior to the contribution of Blue Rhino Mr. Prim was the Chairman and Chief Executive Officer of Blue Rhino Corporation; subsequent to the Blue Rhino contribution and pursuant to an employment agreement among Ferrell Companies and our general partner, (i) our general partner paid Mr. Prim a non-compete and non-solicitation payment of $2.5 million and (ii) he was appointed Executive Vice President and a director of our general partner;

- to Mr. Prim $3.2 million in exchange for land;

- to Mr. Andrew J. Filipowski, brother-in-law of Mr. Prim, $15.0 million for cash; prior to the contribution of Blue Rhino Mr. Filipowski was the Vice Chairman of Blue Rhino Corporation; o to Mr. Malcom McQuilkin, $1.0 million for cash; and

- to Mr. James E. Ferrell, Chairman, President and Chief Executive Officer of our general partner, $1.8 million for cash.

These cash proceeds were used to pay a portion of the assumed merger consideration to the former common stockholders of Blue Rhino Corporation. The transactions with Mr. Prim and Mr. Filipowski were consummated prior to Mr. Prim becoming an officer and director of our general partner.

On April 21, 2004, Ferrellgas Partners issued, pursuant to the exercise of common unit options by Mr. James E. Ferrell, Chairman, President and Chief Executive Officer of our general partner, an additional 0.2 million of common units at a strike price of $17.90 per unit. We received net proceeds of $3.2 million for the issuance of these common units. The proceeds were used to pay a portion of the assumed merger consideration to the former common stockholders of Blue Rhino Corporation.

On April 21, 2004, Ferrellgas Partners issued to FCI Trading 0.2 million of common units at a price of $23.94 per unit. This $4.7 million of common units were issued to FCI Trading in connection with the Blue Rhino contribution as consideration for FCI Trading's net contribution of its membership interests in Blue Rhino LLC to the operating partnership.

On April 21, 2004, Ferrellgas Partners issued $2.0 million of general partner units to our general partner in consideration for the Blue Rhino LLC membership interest contributed by our general partner. Also on April 21, 2004, our general partner contributed a membership interest in Blue Rhino LLC to the operating partnership to maintain its 1.0101% general partner interest in the operating partnership. See Note P - Transactions with related parties - for additional discussion of the involvement of related parties in these transactions. Also on April 21, 2004, the operating partnership issued $2.1 million of general partner units to the general partner. The fair value of the general partner units were issued as consideration for the general partner's net contribution of its membership interests in Blue Rhino LLC to the operating partnership.

In connection with the Blue Rhino contribution, we assumed Blue Rhino's outstanding bank credit facility balance of $43.7 million, which we immediately repaid.

Distributions

We paid the required distributions on the senior units and the minimum quarterly distribution on all common units, as well as general partner interests, totaling $65.2 million during the nine months ended April 30, 2004. The required quarterly distribution on the senior units and the minimum quarterly distribution on all common units for the three months ended April 30, 2004 of $26.4 million are expected to be paid on June 14, 2004 to holders of record on June 3, 2004. See related disclosure about the distributions of senior units in "-Disclosures about Effects of Transactions with Related Parties."

Credit Facility

At April 30, 2004, $103.7 million of borrowings and $54.8 million of letters of credit were outstanding under our unsecured $307.5 million bank credit facility, which will terminate on April 28, 2006. Letters of credit are currently used to cover obligations primarily relating to requirements for insurance coverage and, and to a lesser extent, risk management activities. At April 30, 2004, we had $149.0 million available for working capital, acquisition, capital expenditure and general partnership purposes under the $307.5 million bank credit facility.

All borrowings under our $307.5 million bank credit facility bear interest, at our option, at a rate equal to either:

- a 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 April 30, 2004, the federal funds rate and Bank of America's prime rate were 1.03% and 4.0%, respectively); or

- the Eurodollar Rate plus a margin varying from 1.75% to 2.75% (as of April 30, 2004, the one-month Eurodollar Rate was 1.03%).

In addition, an annual commitment fee is payable on the daily unused portion of our $307.5 million bank credit facility at a per annum rate varying from 0.375% to 0.625% (as of April 30, 2004, the commitment fee per annum rate was 0.5%).

We believe that the liquidity available from our $307.5 million bank credit facility and the accounts receivable securitization facility will be sufficient to meet our future working capital needs for fiscal 2004. See "Operating Activities" for discussion about our accounts receivable securitization facility. However, if we were to experience an unexpected significant increase in working capital requirements, our working capital needs could exceed our 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 wholesale cost of propane;

- a significant delay in the collections of accounts receivable;

- increased volatility in energy commodity prices related to risk management activities;

- increased liquidity requirements imposed by insurance providers;

- a significant downgrade in our credit rating;

- decreased trade credit; or

- a significant acquisition.

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

Long-term debt

On April 20, 2004, subsidiaries of the operating partnership completed a private placement of $250.0 million in principal amount of 6.75% senior notes due 2014 at a price to the noteholders of 99.637% per note. In the offering, the subsidiaries of the operating partnership received proceeds, net of underwriting discounts and commissions, of $243.5 million. The subsidiaries then merged into the operating artnership and Ferrellgas Finance Corp., a subsidiary of the operating partnership, on April 20, 2004 with the operating partnership and Ferrellgas Finance Corp. assuming the payment obligation of the notes. The proceeds of the notes were used to pay a portion of the assumed merger consideration to the then former common stockholders of Blue Rhino Corporation.

Interest on the 6.75% senior notes due 2014 is payable semi-annually in arrears on May 1 and November 1 of each year, commencing on November 1, 2004. These notes are unsecured and are not redeemable before May 1, 2009, except in specific circumstances.

The following table summarizes our long-term debt obligations as of April 30, 2004:

	Principal payments due by fiscal year					
(in thousands)	Remainder of 2004	2005	2006	2007	2008 and thereafter	Total
Long-term debt, including current portion	$601	$2,811	$111,271	$38,539	$962,984	$1,116,206

On June 10, 2004, we issued in a public offering $50.0 million in principal amount of fixed rate 8.75% senior notes due 2012 at a price of 103.25% per note. Interest is payable semi-annually in arrears on June 15 and December 15, commencing on June 15, 2004. These senior notes are unsecured and not redeemable before June 15, 2007, except under specific circumstances. We used the proceeds from the $50.0 million senior note issuance to make a capital contribution to the operating partnership to reduce indebtedness under its bank credit facility.

The operating partnership

The financing activities discussion above also applies to the operating partnership except for cash flows related to distributions and Ferrellgas Partners' $8.5 million payment on a non-interest bearing note related to a prior acquisition.

Distributions

The operating partnership paid cash distributions of $75.5 million during the nine months ended April 30, 2004. On May 24, 2004, the operating partnership declared a cash distribution of $36.5 million for the three months ended April 30, 2004, that is expected to be paid on June 14, 2004.

Contributions from partners

In April 2004, the operating partnership received $192.5 million in cash contributions and $9.8 million in non-cash contributions from its limited partner, Ferrellgas Partners. The operating partnership also received $2.1 million in non-cash contributions from its general partner. The operating partnership then used $192.5 million to pay a portion of the assumed merger obligations related to the Blue Rhino contribution and the remaining $38.3 million to reduce the borrowings outstanding under its $307.5 million bank credit facility.

In December 2003, the operating partnership received cash contributions of $37.9 million and $0.4 million from its limited partner, Ferrellgas Partners and its general partner, respectively. The operating partnership then used these net proceeds to reduce the borrowings outstanding under its $307.5 million bank credit facility.

The following table summarizes the operating partnership's long-term debt obligations as of April 30, 2004:

	Principal payments due by fiscal year					
(in thousands)	Remainder of 2004	2005	2006	2007	2008 and thereafter	Total
Long-term debt, including current portion	$601	$2,811	$111,271	$38,539	$744,984	$898,206

Disclosures about Risk Management Activities Accounted for at Fair Value

The following table summarizes the change in the unrealized fair value of contracts from our risk management trading activities for the three months ended April 30, 2004:

(in thousands)	Three months ended April 30, 2004	Nine months ended April 30, 2004
Unrealized losses in fair value of contracts outstanding at beginning of period	$(1,539)	$(1,718)
Other unrealized gains recognized	199	3,271
Less: realized losses recognized	(1,462)	1,431
Unrealized losses in fair value of contracts outstanding at April 30, 2004	$ 122	$ 122

The following table summarizes the maturity of contracts from our risk management trading activities for the valuation methodologies we utilized as of April 30, 2004:

(in thousands)

	Fair value of contracts at period-end
Source of fair value	Maturity less than 1 year
Prices actively quoted	$(719)
Prices provided by other external sources	841
Prices based on models and other valuation methods	-
Unrealized losses in fair value of contracts outstanding at April 30, 2004	$ 122

See additional discussion about market, counterparty credit and liquidity risks related to our risk management trading activities and other risk management activities in Item 3 "Quantitative and Qualitative Disclosures about Market Risk."

Disclosures about Effects of Transactions with Related Parties

We have no employees and are managed and controlled by our general partner. Pursuant to our partnership agreements, our general partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on our behalf, and all other necessary or appropriate expenses allocable to us or otherwise reasonably incurred by our general partner in connection with operating our business. These reimbursable costs, which totaled $156.8 million for the nine months ended April 30, 2004, include compensation and benefits paid to employees of our general partner who perform services on our behalf, as well as related general and administrative costs.

Ferrell Companies, Inc. is the sole shareholder of our general partner and owns 17.8 million of our common units. FCI Trading, Inc. is wholly-owned by Ferrell Companies and owns 0.2 million of our common units. FCI Trading was formed during the three months ended January 31, 2004. Ferrell Propane, Inc. is wholly owned by our general partner and owns 51 thousand common units. During the nine months ended April 30, 2004, Ferrellgas Partners paid common unit distributions of $26.7 million and $0.1 million to Ferrell Companies and Ferrell Propane, respectively, for the three months ended July 31, 2003, January 31, 2004 and April 30, 2004. Also during the nine months ended April 30, 2004, Ferrellgas Partners and the operating partnership together paid the general partner distributions of $1.4 million for the three months ended July 31, 2003, January 31, 2004 and April 30, 2004.

JEF Capital Management, Inc. is beneficially owned by Mr. Ferrell, the Chairman, President and Chief Executive Officer of our general partner, and thus is an affiliate. JEF Capital is the holder of all of Ferrellgas Partners' issued and outstanding senior units. Ferrellgas Partners' partnership agreement generally provides that it use the cash proceeds of any offering of common units to redeem a portion of the outstanding senior units, otherwise a "Material Event" would be deemed to have occurred and JEF Capital, as the holder of the senior units, would thereafter have specified rights, such as the right to convert the senior units into common units or the right to register the senior units. By letter agreement dated November 20, 2003, JEF Capital agreed to waive the occurrence of a "Material Event" if Ferrellgas Partners issues common units at any time and from time to time on or prior to March 31, 2004, and does not use the cash proceeds from such offering or offerings to redeem a portion of the outstanding senior units. In consideration of the granting of the waiver, Ferrellgas Partners agreed not to redeem any outstanding senior units prior to March 31, 2004, and to reimburse JEF Capital for its reasonable legal fees not to exceed $70 thousand incurred in connection with the execution of the waiver. On February 25, 2004, JEF Capital and Ferrellgas Partners extended the letter agreement through December 31, 2004.

We paid JEF Capital $6.0 million in senior unit distributions during the nine months ended April 30, 2004. On May 24, 2004, we accrued a senior unit distribution of $2.0 million that is expected to be paid to JEF Capital on June 14, 2004.

Ferrell International Limited is beneficially owned by Mr. Ferrell and thus is an affiliate. We enter into transactions with Ferrell International in connection with our risk management activities and do so at market prices in accordance with our affiliate trading policy approved by our general partner's Board of Directors. These transactions include forward, option and swap contracts and are all reviewed for compliance with the policy. During the nine months ended April 30, 2004, we recognized net sales from purchases, sales and commodity derivative transaction of $0.3 million. These net purchases, sales and commodity derivatives transactions with Ferrell International are classified as cost of product sold on our condensed consolidated statements of earnings. We provide limited accounting services to Ferrell International. During the nine months ended April 30, 2004, we recognized net receipts from providing limited accounting services of $30 thousand. There were no amounts due from or due to Ferrell International at April 30, 2004.

See "Financing Activities" for additional information regarding transactions with related parties.

We believe these related party transactions were under terms that were no less favorable to us than those available with third parties.

Off-Balance Sheet Arrangements

Our off-balance sheet arrangements include the leasing of transportation equipment, property, computer equipment and propane tanks. We account for these arrangements as operating leases. We believe these arrangements are a cost-effective method for financing our equipment needs. These off-balance sheet arrangements enable us to lease equipment from third parties rather than, among other options, purchase the equipment using on-balance sheet financing.

Most of the operating leases involving our transportation equipment contain residual value guarantees. These transportation equipment lease arrangements are scheduled to expire over the next seven years. Most of these arrangements provide that the fair value of the equipment will equal or exceed a guaranteed amount, or we will be required to pay the lessor the difference. Although the fair values at the end of the lease terms have historically exceeded these guaranteed amounts, the maximum potential amount of aggregate future payments we could be required to make under these leasing arrangements, assuming the equipment is worthless at the end of the lease term, is currently $13.9 million. We do not know of any event, demand, commitment, trend or uncertainty that would result in a material change to these arrangements.

The following table summarizes our future minimum rental payments and operating lease buyouts as of April 30, 2004:

	Future Minimum Rental and Buyout Amounts by Fiscal Year					
(in thousands)	Remainder of 2004	2005	2006	2007	2008 and Thereafter	Total
Operating lease rental payments	$12,685	$22,818	$17,960	$13,156	$29,820	$96,439
Operating lease buyouts	590	6,037	2,247	7,148	8,622	24,644

Operating lease buyouts represent the maximum amount we would pay if we were to exercise our right to buyout the assets at the end of their lease term. Historically, we have been successful in renewing certain leases that are subject to buyouts. However, there is no assurance we will be successful in the future.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our risk management activities primarily attempt to mitigate risks related to the purchasing, storing and transporting of propane. We generally purchase propane in the contract and spot markets from major domestic energy companies on a short-term basis. Our costs to purchase and distribute propane fluctuate with the movement of market prices. This fluctuation subjects us to potential price risk, which we attempt to minimize through the use of risk management activities.

Our risk management activities include the use of energy commodity forward contracts, swaps and options traded on the over-the-counter financial markets and futures and options traded on the New York Mercantile Exchange. These risk management activities are conducted primarily to offset the effect of market price fluctuations on propane inventory and purchase commitments and to mitigate the price and inventory risk on sale commitments to our customers.

Our risk management activities are intended to generate a profit, which we then apply to reduce our cost of product sold. The results of our risk management activities directly related to the delivery of propane to our retail customers, which include our supply procurement, storage and transportation activities, are presented in our discussion of retail margins and are accounted for at cost. The results of our other risk management activities are presented separately in our discussion of gross profit found in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations" as risk management trading activities and are accounted for at fair value.

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

Market, Credit and Liquidity Risk. New York Mercantile Exchange traded futures and options are guaranteed by the New York Mercantile Exchange and have nominal credit risk. We are exposed to credit risk associated with over-the-counter traded forwards, swaps and option transactions in the event of nonperformance by counterparties. For each counterparty, we analyze its financial condition prior to entering into an agreement, establish a credit limit and monitor the appropriateness of the limit. The change in market value of Exchange-traded futures contracts requires daily cash settlement in margin accounts with brokers. 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 counterparties for over-the-counter instruments, we attempt to balance maturities and positions with individual counterparties. Historically, our risk management activities have not experienced significant credit-related losses in any year or with any individual counterparty. Our risk management contracts do not contain material repayment provisions related to a decline in our credit rating.

Sensitivity Analysis. We have prepared a sensitivity analysis to estimate the exposure to market risk of our energy commodity positions. Forward contracts, futures, swaps and options outstanding as of April 30, 2004, that were used in our 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 regarding these positions from a 10% adverse movement in market prices of the underlying energy commodities was estimated at $0.1 million for risk management trading activities as of April 30, 2004. The preceding hypothetical analysis is limited because changes in prices may or may not equal 10%, thus actual results may differ.

At April 30, 2004, we had $103.7 million in variable rate amended bank credit facility borrowings. Thus, assuming a one percent increase in our variable interest rate, our interest rate risk related to the borrowings on our variable rate amended bank credit facility would result in a loss in future earnings of $1.0 million for the twelve months ending April 30, 2005. The preceding hypothetical analysis is limited because changes in interest rates may or may not equal one percent, thus actual results may differ.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was performed with the participation of our management, including the principal executive officer and principal financial officer of our general partner, of the effectiveness of our disclosure controls and procedures (as such terms are defined in Rule 13a-15(e) or 15d-15(e) of the Exchange Act). Based on that evaluation, our management, including the principal executive officer and principal financial officer of our general partner, concluded that such disclosure controls and procedures were designed to be and were effective as of April 30, 2004 to reasonably ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms.

It should be noted that any system of disclosure controls and procedures, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any system of disclosure controls and procedures is based in part upon assumptions about the likelihood of future events. Because of these and other inherent limitations of any such system, there can be no assurance that any design will always succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

On March 4, 2004, we issued 31,717 restricted common units pursuant to a purchase and noncompetition agreement as a portion of the consideration for our acquisition of propane-related assets. These common units were issued in reliance upon the exemption from registration under Section 4(2) of the Securities Act.

On April 21, 2004, we issued, in five separate private placements, an aggregate of 1,607,664 common units at a price of $22.35 per unit. We received net proceeds of $32.8 million in cash and $3.2 million in land for the issuance of these common units. The cash proceeds were used to pay a portion of the assumed merger consideration to the then former common stockholders of Blue Rhino Corporation. These common units were issued in reliance upon the exemption from registration under Section 4(2) of the Securities Act. See Note L - Partners' capital - for additional information on the private placement of common units in our condensed consolidated financial statements.

On April 21, 2004, we issued to FCI Trading, 195,686 of common units at a price of $23.94 per unit. These common units, valued at $4.7 million, were issued to FCI Trading in connection with the Blue Rhino contribution as consideration for FCI Trading's net contribution of its membership interests in Blue Rhino LLC to the operating partnership. These common units were issued in reliance upon the exemption from registration under Section 4(2) of the Securities Act. See Note L - Partners' capital - for additional information on the private placement of common units in our condensed consolidated financial statements.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None.

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

(a) Exhibits

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

Exhibit Number	Description
2.1	Contribution Agreement dated February 8, 2004, by and among FCI Trading Corp., Ferrellgas, Inc., Ferrellgas Partners, L.P. and Ferrellgas, L.P. Incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed February 12, 2004.
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 4.3 to our Current Report on Form 8-K filed February 18, 2003.
3.2	Certificate of Incorporation for Ferrellgas Partners Finance Corp. Incorporated by reference to the same numbered Exhibit to our Quarterly Report on Form 10-Q filed June 13, 1997.
3.3	Bylaws of Ferrellgas Partners Finance Corp. Incorporated by reference to the same numbered Exhibit to our Quarterly Report on Form 10-Q filed June 13, 1997.
3.4	Third Amended and Restated Agreement of Limited Partnership of Ferrellgas, L.P., dated as of April 7, 2004. Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed April 22, 2004.
3.5	Certificate of Incorporation of Ferrellgas Finance Corp. Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Ferrellgas Partners, L.P. filed February 18, 2003.
3.6	Bylaws of Ferrellgas Finance Corp. Incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of Ferrellgas Partners, L.P. filed February 18, 2003.
4.1	Specimen Certificate evidencing Common Units representing Limited Partner Interests (contained in Exhibit 3.1 hereto as Exhibit A thereto).
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 8 3/4% Senior Notes due 2012. Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed September 24, 2002.
4.3	Indenture, dated as of April 20, 2004, with form of Note attached, among Ferrellgas Escrow LLC and Ferrellgas Finance Escrow Corporation and U.S. Bank National Association, as trustee, relating to 6 3/4% Senior Notes due 2014. Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed April 22, 2004.

Exhibit Number	Description
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 Annual Report on Form 10-K filed October 29, 1998.
4.5	Ferrellgas, L.P., Note Purchase Agreement, dated as of February 28, 2000, relating to: $21,000,000 8.68% Senior Notes, Series A, due August 1, 2006, $70,000,000 8.78% Senior Notes, Series B, due August 1, 2007, and $93,000,000 8.87% Senior Notes, Series C, due August 1, 2009. Incorporated by reference to Exhibit 4.2 to our Quarterly Report on Form 10-Q filed March 16, 2000.
4.6	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 4.2 to our Current Report on Form 8-K filed December 29, 2000.
4.7	First Amendment to the 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 4.1 to our Quarterly Report on Form 10-Q filed March 16, 2000.
4.8	Second Amendment to the 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 10.3 to our Current Report on Form 8-K filed April 6, 2001.
4.9	Representations Agreement, dated as of December 17, 1999, by and among Ferrellgas Partners, L.P., Ferrellgas, Inc., Ferrellgas, L.P. and Williams Natural Gas Liquids, Inc. Incorporated by reference to Exhibit 2.3 to our Current Report on Form 8-K filed December 29, 1999.
4.10	First Amendment to Representations Agreement, dated as of April 6, 2001, by and among Ferrellgas Partners, L.P., Ferrellgas, Inc., Ferrellgas, L.P. and The Williams Companies, Inc. Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed April 6, 2001.
4.11	Waiver and Acknowledgement of No Material Event dated November 20, 2003, by and among Ferrellgas Partners, L.P., Ferrellgas, L.P., Ferrellgas, Inc. and JEF Capital Management, Inc. Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed November 24, 2003.
4.12	Extension of Waiver and Acknowledgement of No Material Event dated February 25, 2004, by and among Ferrellgas Partners, L.P., Ferrellgas, L.P., Ferrellgas, Inc. and JEF Capital Management, Inc.

Exhibit Number	Description
10.2	Receivable Interest Sale Agreement, dated as of September 26, 2000, by and between Ferrellgas, L.P., as originator, and Ferrellgas Receivables, L.L.C., as buyer. Incorporated by reference to Exhibit 10.17 to our Annual Report on Form 10-K filed October 26, 2000.
10.3	First Amendment to the Receivable Interest Sale Agreement dated as of January 17, 2001, by and between Ferrellgas, L.P., as originator, and Ferrellgas Receivables, L.L.C., as buyer. Incorporated by reference to Exhibit 10.5 to our Quarterly Report on Form 10-Q filed March 14, 2001.
10.4	Receivables Purchase Agreement, dated as of September 26, 2000, by and among Ferrellgas Receivables, L.L.C., as seller, Ferrellgas, L.P., as servicer, Jupiter Securitization Corporation, the financial institutions from time to time party hereto, and Bank One, NA, main office Chicago, as agent. Incorporated by reference to Exhibit 10.18 to our Annual Report on Form 10-K filed October 26, 2000.
10.5	First Amendment to the Receivables Purchase Agreement, dated as of January 17, 2001, by and among Ferrellgas Receivables, L.L.C., as seller, Ferrellgas, L.P., as servicer, Jupiter Securitization Corporation, the financial institutions from time to time party hereto, and Bank One, N.A., main office Chicago, as agent. Incorporated by reference to Exhibit 10.4 to our Quarterly Report on Form 10-Q filed March 14, 2001.
10.6	Second Amendment to the Receivables Purchase Agreement dated as of September 25, 2001, by and among Ferrellgas Receivables, L.L.C., as seller, Ferrellgas, L.P., as servicer, Jupiter Securitization Corporation, the financial institutions from time to time party hereto, and Bank One, N.A., main office Chicago, as agent. Incorporated by reference to Exhibit 10.29 to our Annual Report on Form 10-K filed October 25, 2001.
10.7	Third Amendment to the Receivables Purchase Agreement, dated as of September 24, 2002, by and among Ferrellgas Receivables, L.L.C., as seller, Ferrellgas, L.P., as servicer, Jupiter Securitization Corporation, the financial institutions from time to time party hereto, and Bank One, NA, main office Chicago, as agent.
10.8	Fourth Amendment to the Receivables Purchase Agreement, dated as of September 23, 2003, by and among Ferrellgas Receivables, L.L.C., as seller, Ferrellgas, L.P., as servicer, Jupiter Securitization Corporation, the financial institutions from time to time party hereto, and Bank One, NA, main office Chicago, as agent. Incorporated by reference to Exhibit 10.8 to our Annual Report on Form 10-K filed October 21, 2003.
10.9	Purchase Agreement, dated as of November 7, 1999, by and among Ferrellgas Partners, L.P., Ferrellgas, L.P. and Williams Natural Gas Liquids, Inc. Incorporated by reference to Exhibit 99.1 to our Current Report on Form 8-K filed November 12, 1999.

Exhibit Number	Description
10.10	First Amendment to Purchase Agreement, dated as of December 17, 1999, by and among Ferrellgas Partners, L.P., Ferrellgas, L.P., and Williams Natural Gas Liquids, Inc. Incorporated by reference to Exhibit 2.2 to our Current Report on Form 8-K filed December 29, 1999.
10.11	Second Amendment to Purchase Agreement, dated as of March 14, 2000, by and among Ferrellgas Partners, L.P., Ferrellgas L.P., and Williams Natural Gas Liquids, Inc. Incorporated by reference to Exhibit 2.1 to our Quarterly Report on Form 10-Q filed March 16, 2000.
10.12	Third Amendment to Purchase Agreement dated as of April 6, 2001, by and among Ferrellgas Partners, L.P., Ferrellgas L.P. and The Williams Companies, Inc. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed April 6, 2001.
10.13	Agreement and Plan of Merger dated as of February 8, 2004, by and among Blue Rhino Corporation, FCI Trading Corp., Diesel Acquisition, LLC and Ferrell Companies, Inc. Incorporated by reference to Exhibit 99.2 to our Current Report on Form 8-K filed February 12, 2004.
10.14	First amendment to the Agreement and Plan of Merger, dated as of March 16, 2004, by and among Blue Rhino Corporation, FCI Trading Corp., Diesel Acquisition, LLC, and Ferrell Companies, Inc. Incorporated by reference to Exhibit 99.1 to our Current Report on Form 8-K filed April 2, 2004.
* 10.15	Real Property Contribution Agreement, dated February 8, 2004, between Ferrellgas Partners, L.P. and Billy D. Prim.
10.16	Unit Purchase Agreement, dated February 8, 2004, between Ferrellgas Partners, L.P. and Billy D. Prim. Incorporated by reference to Exhibit 4.5 to our Form S-3 filed May 21, 2004.
10.17	Registration Rights Agreement, dated February 8, 2004, between Ferrellgas Partners, L.P. and Billy D. Prim. Incorporated by reference to Exhibit 4.2 to our Form S-3 filed May 21, 2004.
10.18	Registration Rights Agreement, dated February 8, 2004, between Ferrellgas Partners, L.P. and Andrew J. Filipowski. Incorporated by reference to Exhibit 4.3 to our Form S-3 filed May 21, 2004.
10.19	Registration Rights Agreement, dated February 8, 2004, between Ferrellgas Partners, L.P. and Malcom R. McQuilkin. Incorporated by reference to Exhibit 4.4 to our Form S-3 filed May 21, 2004.
10.20	Unit Purchase Agreement dated February 8, 2004, between Ferrellgas Partners, L.P. and James E. Ferrell. Incorporated by reference to Exhibit 99.3 to our Current Report on Form 8-K filed February 12, 2004.
# 10.21	Ferrell Companies, Inc. Supplemental Savings Plan, restated January 1, 2000. Incorporated by reference to Exhibit 99.1 to our Current Report on Form 8-K filed February 18, 2003.

	Exhibit Number	Description
#	10.22	Second Amended and Restated Ferrellgas Unit Option Plan. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed June 5, 2001.
#	10.23	Ferrell Companies, Inc. 1998 Incentive Compensation Plan - Incorporated by reference to Exhibit 10.12 to our Annual Report on Form 10-K filed October 29, 1998.
#	10.24	Employment agreement between James E. Ferrell and Ferrellgas, Inc., dated July 31, 1998. Incorporated by reference to Exhibit 10.13 to our Annual Report on Form 10-K filed October 29, 1998.
#	10.25	Employment agreement between Patrick Chesterman and Ferrellgas, Inc. dated July 31, 2000. Incorporated by reference to Exhibit 10.19 to our Annual Report on Form 10-K filed October 26, 2000.
#	10.26	Employment Agreement, dated February 8, 2004, by and among Ferrellgas, Inc., Ferrell Companies, Inc. and Billy D. Prim. Incorporated by reference to Exhibit 99.6 to our Current Report on Form 8-K filed April 22, 2004.
#	10.27	Employment agreement between Kevin Kelly and Ferrellgas, Inc. dated July 31, 2000. Incorporated by reference to Exhibit 10.22 to our Annual Report on Form 10-K filed October 26, 2000.
*	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.

(b) Reports on Form 8-K

Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp., Ferrellgas, L.P. and Ferrellgas Finance Corp. filed eight Form 8-K's during the three months ended April 30, 2004.

Date of Report	Items Reported	Financial Statements Furnished
Filed February 5, 2004	5, 7	Unaudited interim balance sheets and footnotes of Ferrellgas, Inc.
Filed February 13, 2004	5, 7	None
Filed April 2, 2004	5, 7	Audited financial statements and footnotes of Blue Rhino Corporation
Filed April 2, 2004, as amended	5, 7	Audited financial statements and footnotes of Blue Rhino Corporation
Filed April 12, 2004	5	None
Filed April 15, 2004	5, 7	None
Filed April 22, 2004	2, 5, 7	None
Filed April 30, 2004	5, 7	Unaudited interim balance sheets and footnotes of Ferrellgas, Inc.

Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp., Ferrellgas, L.P. and Ferrellgas Finance Corp. furnished two Form 8-K's during the three months ended April 30, 2004.

Date of Report	Items Reported	Financial Statements Furnished
Furnished February 18, 2004	9	None
Furnished February 26, 2004	7, 9, 12	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 14, 2004

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 14, 2004

By /s/ Kevin T. Kelly

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

FERRELLGAS, L.P.

By Ferrellgas, Inc. (General Partner)

Date: June 14, 2004

By /s/ Kevin T. Kelly

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

FERRELLGAS FINANCE CORP.

Date: June 14, 2004

By /s/ Kevin T. Kelly

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

THE SECURITIES SUBJECT TO THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED BY THE PURCHASER THEREOF, UNLESS SOLD OR OTHERWISE TRANSFERRED IN COMPLIANCE WITH THIS UNIT PURCHASE AGREEMENT, THE LIMITED PARTNERSHIP AGREEMENT OF FERRELLGAS PARTNERS, L.P. AS IN EFFECT AT THE TIME OF SALE OR TRANSFER AND (I) SUCH SECURITIES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR (II) AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND A LEGAL OPINION STATING THAT SUCH EXEMPTION IS AVAILABLE HAS BEEN SUBMITTED TO FERRELLGAS PARTNERS, L.P. BY COUNSEL TO THE HOLDER OF SUCH SECURITIES, IN FORM AND SUBSTANCE ACCEPTABLE TO FERRELLGAS PARTNERS, L.P. IN ITS SOLE DISCRETION.

REAL PROPERTY CONTRIBUTION AGREEMENT

This Real Property Contribution Agreement (this "Agreement") is entered into as of February 8, 2004, between Ferrellgas Partners, L.P., a Delaware limited partnership (the "Partnership"), and Billy D. Prim ("Contributor").

W I T N E S S E T H:

WHEREAS, pursuant to that particular Agreement and Plan of Merger made and entered into as of the date hereof (the "Merger Agreement"), by and among FCI Trading Corp., Diesel Acquisition LLC ("Merger Sub"), Ferrell Companies, Inc. and Blue Rhino Corporation, a Delaware corporation (the "Company"), it is contemplated that the Merger Sub will merge into the Company, with the Company being the surviving entity (the "Merger"); and

WHEREAS, upon, and subject to, the closing of the Merger and particular other events related thereto and as further described in the Merger Agreement, Contributor desires to contribute to the Partnership, and the Partnership desires to accept from Contributor, the Property (as defined below), in exchange for $3,150,000 of common units of the Partnership, representing limited partner interests in the Partnership ("Common Units").

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, mutual covenants and agreements herein contained and intending to be legally bound hereby, the Partnership and Contributor hereby agree as follows:

1. Contribution of Property; Common Units.

(a) Contribution. On the date (the "Pre-Closing Date") that is three days prior to the filing of the preliminary prospectus for the anticipated public offering of the Partnership's Common Units in connection with the Merger (the "Common Unit Offering") and subject to the terms and conditions set forth herein, Contributor shall irrevocably commit to contribute to the Partnership, and the Partnership shall accept from Contributor, the real property described on Exhibit A attached hereto, together with all improvements located thereon and owned by Contributor, and all and singular the rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances thereunto belong or appertaining thereto, and Contributor's rights, easements or other interests, if any, in and to adjacent streets, alleys and rights-of-way, or other property abutting such real property, and together with any and all minerals and mineral rights, water and water rights, wells, well rights and well permits, water and sewer taps, sanitary or storm sewer capacity or reservations and rights under utility agreements with any applicable governmental or quasi-governmental entities or agencies with respect to the providing of utility services to such real property (all of the foregoing being collectively hereinafter referred to as the "Property"). Such irrevocable commitment shall be evidenced by delivery by Contributor of the Contributor Deliverables (as defined below) to the Escrow Agent (as defined below).

(b) Contribution Value. The parties agree that the fair market value of the Property is $3,150,000 (the "Contribution Value").

(c) Delivery of Title Policy at Closing; Environmental Review. As conditions to the Partnership's obligation to accept the contribution of the Property and close the escrow established pursuant to Section 2 (in addition to the other conditions precedent set forth below):

(i) an escrow agent satisfactory to the Partnership in its sole discretion (the "Escrow Agent") shall on the Closing Date irrevocably commit to issue an ALTA Form B (or other form required by state law) Owner's Policy of Title Insurance (the "Title Policy"), with extended coverage (i.e., with ALTA General Exceptions 1 through 5 deleted, or with corresponding deletions if the Property is located in a non-ALTA state), in the amount of the Contribution Value, insuring the Partnership as owner of good, marketable and indefeasible fee simple title to the Property, and subject only to normal and customary exceptions reasonably acceptable to the Partnership ("Permitted Exceptions") and containing an endorsement that negates the imputation of knowledge of Contributor for purposes of the standard knowledge exclusion in the Title Policy;

(ii) Contributor shall execute an ALTA statement or similar form and affidavit or indemnity with respect to the nonimputation endorsement as the Title Company shall reasonably require for the issuance of the Title Policy;

(iii) the Partnership shall have received, and shall have been satisfied, in its sole and absolute judgment and discretion, with the contents, results and scope of, the environmental reports, opinions and other environmental information that have been, or may be, requested by the Partnership, to determine whether the Property is acceptable to Purchaser. Notwithstanding anything to the contrary in this Agreement, the Partnership may terminate this Agreement by giving written notice of termination to Seller if for any reason the Partnership is not satisfied with its due diligence review of the Property; and

(iv) the Partnership shall have received evidence satisfactory to it that the real property lease underlying the Property shall have been terminated upon the closing of the contribution of the Property hereunder.

(d) Common Units. In exchange for the Contributor's contribution of the Property, Contributor shall receive a number of Common Units equal to (i) the Contribution Value as adjusted for Closing prorations and adjustments to the Contribution Value pursuant to Section 4, divided by (ii) a value per Common Unit equal to the net proceeds (meaning the public offering price of the Common Units less underwriting discounts and commissions but before expenses of the Partnership) to the Partnership per Common Unit sold in the Partnership's Common Unit Offering. No fractional Common Units shall be issued to Contributor hereunder, but the number of Common Units to be issued pursuant to this Agreement shall be rounded up to the nearest whole number, in lieu of issuing the fraction of a Common Unit that otherwise would have been called for.

(e) Due Diligence Review; Title and Survey Costs. During the term of this Agreement, the Partnership and its agents, employees and representatives shall have the continuing right to enter onto the Property during the pendency of this Agreement for the purpose of conducting surveys, engineering, geotechnical and environmental inspections and tests, and shall be given access to all files and records relating to the Property. Such tests may include invasive testing; provided, however, that the Partnership shall return the Property to substantially the same condition as existed prior to such testing. Contributor shall deliver, to the extent in Contributor's possession and control and relating to the Property: copies of title materials, surveys, tax statements for the last three (3) years, operating statements for the last three years, environmental reports, geotechnical reports, notices from governmental authorities, service contracts, leases, and such other documents as the Partnership shall reasonably request. Contributor shall make available to the Partnership during normal business hours all files relating to the Property. With Contributor's cooperation, the Partnership shall obtain a commitment for title insurance relating to the Property and a current survey of the Property (the "Survey"). The legal description from the Survey, reasonably approved by Contributor and the Partnership, shall be substituted for Exhibit A attached hereto. The costs of the Survey and the premium for the Title Policy, nonimputation endorsement and any other endorsements requested by the Partnership shall be paid by Contributor.

2. Closing. The consummation of the transactions contemplated herein (the "Closing") shall occur on the Closing Date at the offices of the Escrow Agent and shall occur through an escrow with the Escrow Agent. Immediately following the Effective Time (as defined in the Merger Agreement) of the Merger, Parent (as defined in the Merger Agreement) shall give written notice to the Escrow Agent that the Merger is effective, and, upon satisfaction or completion of all other closing conditions and deliveries herein, the Escrow Agent shall distribute the Common Units to Contributor and immediately record and deliver the closing documents to the appropriate parties.

3. Deliverables.

(a) By Contributor. Contributor shall deliver possession of the Property to the Escrow Agent on behalf of the Partnership on the Pre-Closing Date, subject only to the Permitted Exceptions. Additionally, as of the Pre-Closing Date, Contributor shall have delivered in escrow to the Escrow Agent the following (collectively, the "Contributor Deliverables"):

(i) a special warranty deed in form provided for under the law of the state where the Property is located, or otherwise in conformity with the custom in such jurisdiction and mutually satisfactory to the parties, executed and acknowledged by Contributor, which deed shall convey to the Partnership good, indefeasible and marketable fee simple title to the Property, subject only to the Permitted Exceptions, and subject to, and containing a description of, the Right of First Refusal (as defined in Section 11(a)) that burdens the Property;

(ii) such assignments and other documents and certificates as the Partnership may reasonably require in order to fully and completely transfer and assign to the Partnership all of Contributor's right, title, and interest, in and to development approvals relating to the development of the Property from applicable governmental authorities, and any other permits, rights under utility agreements and similar rights applicable to the Property;

(iii) a detailed summary of service contracts relating the Property to which Contributor is a party;

(iv) such disclosures and reports as are required by applicable state and local law in connection with the conveyance of real property; and

(v) any additional deliveries and documents that the Partnership, the Escrow Agent or the Title Company may reasonably require for the proper consummation of the transaction contemplated by this Agreement.

(b) By the Partnership. On the Closing Date, the Partnership shall deliver in escrow to the Escrow Agent a certificate evidencing and representing the Contributor Common Units.

4. Prorations. All Prorations with respect to the Property shall be allocated between the Partnership and Contributor in the same manner and in the same proportion as is typical and customary for transactions of this type.

5. Representations and Warranties of Contributor. Contributor hereby represents and warrants to the Partnership that the following representations are true and correct as of the date hereof, and shall be true and correct at and as of the Closing Date as though such representations and warranties were made at such time:

(a) Contributor is an "accredited investor" (as such term is defined in Rule 501 of Regulation D under the Securities Act, the text of which is set forth on Schedule II hereto).

(b) Contributor is a citizen of the United States and is at least 21 years of age, and the offer to purchase Common Units hereunder was made by the Partnership and accepted by Contributor within the United States.

(c) Contributor has full power and authority to execute and deliver this Agreement, to perform its obligations hereunder and such actions by Contributor have been duly authorized by all requisite action.

(d) This Agreement and all other documents required of Contributor to complete the acquisition of the Common Units hereunder have been duly executed and delivered by Contributor and constitute the legal, valid and binding obligation of Contributor, enforceable in accordance with their respective terms.

(e) The Property is either separate property or community property over which Contributor has the right of control or of which Contributor has the sole right of management.

(f) The acquisition of the Common Units by the Contributor is for Contributor's own account, is for investment purposes only, and is not being made with a view to, nor for offer or sale in connection with, the distribution of such Common Units and Contributor is not participating, does not have a participation in and does not contemplate any participation in, such a distribution or the underwriting of any such distribution.

(g) Contributor has no present intention of selling or otherwise disposing of the Common Units acquired hereunder in violation of (i) this Agreement, (ii) the Fourth Amended and Restated Partnership Agreement of the Partnership, dated February 18, 2003, as such may be amended from time to time subsequent to the date hereof (the "Partnership Agreement"), or (iii) the Securities Act or any other applicable Federal or state securities laws.

(h) Contributor is aware that neither the Securities and Exchange Commission (the "SEC") nor other Federal or state securities commission or governmental authority has approved or disapproved of the Common Units, made any finding or determination as to the fairness of an investment in the Partnership, nor made any recommendation or endorsement with respect thereto, and any representation to the contrary is a criminal offense.

(i) Contributor confirms that it understands and has fully considered and reviewed for purposes of the purchase of Common Units hereunder all documents filed with the SEC by the Partnership and its affiliates, all of which are publicly available via EDGAR (all such documents are collectively referred to herein as the "Public Filings").

(j) Contributor is able to bear the economic risk of the acquisition of the Common Units hereunder and is able to bear its investment in the Partnership for an indefinite period of time.

(k) Contributor understands that the Common Units purchased hereunder have not been registered under the Securities Act or the securities laws of any state and, therefore, cannot be sold, transferred or otherwise disposed of unless:

(i) such Common Units are subsequently registered under the Securities Act and any applicable securities laws of any state or exemptions from registration thereunder are available; and

(ii) such sale, transfer or disposal is in compliance with the terms of the Partnership Agreement and this Agreement;

Contributor further understands that only the Partnership can take action to register the Common Units being sold hereunder and that the Partnership is under no obligation, and has no present plans, to do so.

(l) Contributor understands that the Common Units purchased hereunder may be required to be held for an indeterminate period of time and that the sale or other transfer of such Common Units by Contributor in reliance on Rule 144 under the Securities Act, if available to Contributor, may be made only in limited amounts in accordance with the terms and conditions of Rule 144.

(m) In addition to the other provisions of this Agreement and the Partnership Agreement, Contributor agrees that in no event will Contributor make a sale, transfer or other disposition of any of the Common Units purchased hereunder unless and until:

(i) Contributor has notified the Partnership of its proposed disposition and has furnished the Partnership with a statement of the circumstances surrounding the proposed disposition; and

(ii) Contributor has furnished the Partnership with an opinion of counsel satisfactory to the Partnership in its sole discretion to the effect (A) that such disposition will not require registration or qualification of such Common Units under federal or state securities laws or (B) that appropriate action necessary for compliance with such federal or state securities laws has been taken;

provided, however, the Partnership may expressly waive the requirements under clauses (i) and (ii) above.

(n) all information that Contributor has supplied to the Partnership or its respective representatives or agents, including the information included in this Agreement, is true and complete as of the date hereof, and unless otherwise made known to the Partnership or its representatives in writing, true and complete as of the Closing Date, with the same force and effect as if executed, made, or supplied, at the Closing Date.

(o) Contributor, or its principals, as the case may be, acknowledges that they have such knowledge and experience in financial, investing and business matters as to be capable of evaluating the risks and merits of purchasing Common Units pursuant to this Agreement and protecting their interests in connection with such purchase of the Common Units hereunder and investment in the Partnership.

(p) Contributor was not contacted by the Partnership or its representatives for the purpose of purchasing the Common Units hereunder through any advertisement, article, mass mailing, notice or any other communication published in any newspaper, magazine, or similar media or broadcast over television or radio, or any seminar or meeting whose attendees were invited by any general advertising.

(q) Contributor confirms that, in making the decision to purchase Common Units hereunder, Contributor has relied solely upon independent investigations made by Contributor or representatives of the Contributor, including their own professional tax and other advisers and that Contributor and such representatives have had access to and an opportunity to inspect all relevant information relating to the Partnership (including the Public Filings) sufficient to enable Contributor to evaluate the merits and risks of their purchase of Common Units hereunder.

(r) Contributor has had the opportunity to ask questions of the representatives of the Partnership, including representatives of its general partner, and has received satisfactory answers respecting, and has obtained such additional information as Contributor has desired regarding the business, financial condition and other affairs of the Partnership.

(s) the completion, execution and delivery by Contributor of this Agreement and all other documents required to consummate the transactions contemplated hereunder and the performance by Contributor of its obligations hereunder do not, and will not, violate any provision of law, any order of any court or other agency of government, and do not and will not result in a material breach of or constitute (with due notice or lapse of time or both) a material default under any provision of any indenture, agreement or other instrument to which Contributor, or any of his properties or assets, including the Property, is bound.

(t) Contributor is not acquiring the Common Units hereunder with a view to realizing any benefits under the United States federal income tax laws with respect to Contributor's share of any losses or expenses of the Partnership, and no representations have been made to Contributor that any such benefits will be available as result of Contributor's acquisition, ownership or disposition of such Common Units.

(u) Contributor has not borrowed, and shall not borrow, as the case may be, any portion of the funds necessary to purchase Common Units hereunder, either directly or indirectly, from the Partnership, its general partner or any affiliate of the foregoing.

(v) for United States tax purposes:

(i) Contributor certifies that its name, taxpayer identification or social security number and address set forth on Schedule I are correct;

(ii) Contributor certifies that it is not a non-resident alien individual, foreign corporation, foreign partnership, foreign trust or foreign estate (as defined in the Internal Revenue Code of 1986, as amended) and that it will notify the Partnership within sixty (60) days of a change to foreign status and its new country of residence; and

(iii) Contributor agrees to execute properly and provide to the Partnership in a timely manner any tax documentation that may reasonably be required by the Partnership in connection with its ownership on Common Units.

(w) All contractors, subcontractors, suppliers, architects, engineers, and others who have performed services or labor or have supplied materials in connection with Contributor's acquisition, development, ownership, or management of the Property have been paid in full and all liens arising therefrom (or claims which with the passage of time or the giving of notice, or both, could mature into liens) have been satisfied and released.

(x) The list of service contracts to be delivered to the Partnership pursuant to this Agreement will be true, correct, and complete as of the date of its delivery. Neither Contributor nor, to Contributor's knowledge, any other party is in default under any service contract.

(y) The operating statements to be delivered to the Partnership pursuant to this Agreement will show all items of income and expense (operating and capital) incurred in connection with Contributor's ownership, operation, and management of the Property for the periods indicated and will be true, correct, and complete in all material respects.

(z) All information set forth in any rent roll delivered to the Partnership is or shall be true, correct, and complete in all material respects as of its date. There are no leasing or other commissions due, nor will any become due, in connection with any lease, and no understanding or agreement with any party exists as to payment of any leasing commissions or fees regarding future leases or as to the procuring of tenants. To Contributor's knowledge, no tenants have asserted any defenses or offsets to rent accruing after the date of Closing, no material default exists on the part of any tenant, and Contributor has not received any notice of any default or breach on the part of the landlord under any lease.

(aa) The summary of service contracts to be delivered to the Partnership pursuant to this Agreement will be true, correct, and complete as of the date of its delivery. To Contributor's knowledge, neither Contributor nor any other party is in default under any service contract.

6. Environmental Matters. As used herein, (1) "Environmental Claim" means any and all written administrative, regulatory or judicial actions, suits, demand, demand letters, claims, liens, investigations, proceedings or notices of noncompliance or violation from any person or entity (including any Governmental Authority) alleging potential liability (including, without limitation, potential liability for enforcement, investigatory costs, damages, contribution, indemnification, cost recovery, compensation, injunctive relief, cleanup costs, governmental resource costs, removal costs, remedial costs, natural resources damages, property damages, personal injuries or penalties) arising out of, based on or resulting from (A) the presence, or Release or threatened Release into the environment, of any Hazardous Materials at the Property; or (B) any violation of any Environmental Law; or (C) any and all claims by any third party resulting from the presence or release of any Hazardous Materials; (2) "Environmental Laws" means all federal, state and local laws, rules and regulations relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws and regulations relating to Releases or threatened Releases of Hazardous Materials, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials; (3) "Hazardous Materials" means (a) any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, and transformers or other equipment that contain regulated quantities of polychlorinated biphenyls; and (b) any chemicals, materials or substances which are now defined as or included in the definition of "hazardous substances" "hazardous wastes," "hazardous materials," "extremely hazardous wastes" "restricted hazardous wastes" "toxic substances" "toxic pollutants" or words of similar import under any Environmental Law; and (c) any other chemical material, substances or waste, exposure to which is now prohibited, limited or regulated under Environmental Law in the jurisdiction in which the Property is located; (4) "Releases" means any release, spill, emission, leaking, injection, deposit, disposal, discharge, dispersal, leaching or migration into the atmosphere, soil, surface water, groundwater or property; (5) "Governmental Authority" means any United States federal, state or local court, administrative agency or commission, or entity created by rule, regulation or order of any United States federal, state or local commission or other governmental agency, authority or instrumentality and committees thereof; and (6) "Material Adverse Effect" means any material adverse change in or effect on the Property.

(a) There is no action or proceeding pending or, to Contributor's knowledge, threatened which relates to the Property. No condemnation, eminent domain or similar proceedings are pending or, to Contributor's knowledge, threatened with regard to the Property. Contributor has not received any notice of any pending or threatened liens, special assessments, impositions or increases in assessed valuations to be made against the Property.

(b) Contributor in compliance with all applicable Environmental Laws with respect to the Property, except where the failure to be so in compliance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Contributor has not received any written communication that alleges that he is not in compliance with applicable Environmental Laws with respect to the Property, except where the failure to be so in compliance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There is no Environmental Claim pending against the Property, which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Contributor has not disposed of, or transported, or arranged for the transportation of, any Hazardous Materials onto the Property in violation of any Environmental Law, except where the effect of such violation would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Contributor has obtained or has applied for all permits, licenses, franchises, registrations, variances, authority or application therefor issued pursuant to Environmental Laws (collectively, the "Environmental Permits") necessary for the ownership and operation of the Property, and all such Environmental Permits are in full force and effect or, where applicable, a renewal application has been timely filed and is pending agency approval. Contributor is in compliance with all terms and conditions of each Environmental Permit, in each case except where the failure to obtain or be in compliance with such Environmental Permit or the requirement to make any expenditure in connection with such Environmental Permit would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(d) There are and have been no Releases of any Hazardous Material that would form the basis of any Environmental Claims against Contributor in his capacity as owner of the Property, except for Releases of Hazardous Materials, the liability for which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

7. Representations and Warranties of the Partnership. The Partnership represents and warrants to Contributor that:

(a) the Partnership is duly formed, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to own and hold the properties and assets it now owns and holds and to carry on its businesses as and where such properties are now owned or held and such business is now conducted;

(b) the Partnership is duly licensed or qualified to do business as a foreign entity, as applicable, and is in good standing in each jurisdiction in which the character of the properties and assets now owned or held by it or the nature of the business now conducted by it requires it to be so licensed or qualified and where the failure so to qualify would not reasonably be expected to have, individually or in the aggregate, an adverse change in or effect on the ability of the Partnership to consummate any of the transactions contemplated hereby;

(c) this Agreement has been duly authorized, executed and delivered by the Partnership and is the legal, valid and binding obligation of the Partnership, enforceable against it in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and that the Board of Directors of the Partnership's general partner on behalf of the Partnership has approved this Agreement and the transactions contemplated hereby; no vote of any other equity holder of the Partnership is required for approval of this Agreement;

(d) except for any required filings with the SEC or the State of Delaware, the execution and delivery of this Agreement do not, and the fulfillment and compliance with the terms and conditions hereof and the consummation of the transactions contemplated hereby will not (i) conflict with any of, or require the consent of any person or entity under, the terms, conditions or provisions of the charter documents or bylaws or equivalent governing instruments of the Partnership, (ii) violate any provision of, or require any consent, authorization or approval under, any law or administrative regulation or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to the Partnership, (iii), conflict with, result in a breach of, constitute a default under (whether with notice or the lapse of time or both) or accelerate or permit the acceleration of the performance required by, or require any consent, authorization or approval under, any contract or agreement to which the Partnership is a party or by which the Partnership is bound or to which any asset of the Partnership is subject, or (iv) result in the creation of any lien, charge or encumbrance on the assets or properties of the Partnership under any such contract or agreement;

(e) the Partnership is not in default under, and no condition exists that with notice or lapse of time or both would constitute a default under, (i) any mortgage, loan agreement, indenture, evidence of indebtedness or other instrument evidencing borrowed money to which it or any of its properties are bound, (ii) any judgment, order or injunction of any court, arbitrator or governmental agency, or (iii) any other contract or agreement, except for such defaults and conditions that, individually or in the aggregate, would not reasonably be expected to have an adverse change in or effect on the ability of the Partnership to consummate any of the transactions contemplated hereby;

(f) the Common Units to be issued hereunder and sold to Contributor are duly authorized and, when issued and delivered against payment therefor as provided herein, will be validly issued, fully paid and non-assessable (except as non-assessability may be affected by certain provisions of the Delaware Revised Uniform Limited Partnership Act); and

(g) Since July 31, 2000, (i) the Partnership has made all filings required to be made by the Securities Act and the Securities Exchange Act of 1934, as amended ("Exchange Act"); (ii) all filings by the Partnership with the SEC, at the time filed (in the case of documents filed pursuant to the Exchange Act) or when declared effective by the SEC (in the case of registration statements filed under the Securities Act) complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act; (iii) no such filing, at the time described above, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; and (iv) all financial statements contained or incorporated by reference therein complied as to form when filed or, if applicable, as restated, in all material respects with the rules and regulations of the SEC with respect thereto, were prepared in accordance with United States generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto), and fairly presented in all material respects the financial condition and results of operations of the Partnership and its subsidiaries, as applicable, at and as of the respective dates thereof and the consolidated results of its operations and changes in cash flows for the periods indicated (subject in the case of unaudited statements, to normal year-end audit adjustments).

8. Legend on Certificates. All certificates representing the Common Units to be issued and sold by the Partnership hereunder shall bear a restrictive legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, UNLESS SOLD OR OTHERWISE TRANSFERRED IN COMPLIANCE WITH AGREEMENT UNDER WHICH THEY WERE PURCHASED, THE LIMITED PARTNERSHIP AGREEMENT OF FERRELLGAS PARTNERS, L.P. AS IN EFFECT AT THE TIME OF SALE OR TRANSFER AND (I) SUCH SECURITIES HAVE BEEN REGISTERED UNDER THE ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR (II) AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND A LEGAL OPINION STATING THAT SUCH EXEMPTION IS AVAILABLE HAS BEEN SUBMITTED TO FERRELLGAS PARTNERS, L.P. BY COUNSEL TO THE HOLDER OF THIS CERTIFICATE, IN FORM AND SUBSTANCE ACCEPTABLE TO FERRELLGAS PARTNERS, L.P. IN ITS SOLE DISCRETION."

9. Indemnification. Contributor acknowledges that the Partnership's issuance of Common Units in exchange for the Property hereunder is based partially upon the representations, warranties, covenants, agreements and other information contained herein and made by Contributor (including, without limitation, the representation and warranty of Contributor with respect to environmental matters). Contributor hereby agrees to indemnify and hold harmless

the Partnership, its general partner and their respective directors, officers, partners, employees, consultants, representatives and agents against and from any and all causes of action, charges, claims, damages, demands, liabilities, losses, obligations, penalties and other recoveries and any and all related costs and expenses (including, without limitation, reasonable attorneys' fees) (collectively, "Losses") arising, directly or indirectly, from:

(a) any material breach by Contributor of the representations, warranties or covenants made by Contributor herein or in any other material supplied by Contributor and related to the subject matter herein;

(b) any material omission of fact by Contributor herein;

(c) the ownership or operation of the Property before the Closing Date;

(d) any claims by a third party that pertains to the ownership and operation of the Property under this Agreement arising from any acts, omissions, events, conditions or circumstances occurring before the Closing Date; and

(e) any sale, transfer or other distribution of the Common Units purchased hereunder by Contributor in violation of the Securities Act or any securities laws of any applicable state or in violation of this Agreement or the Partnership Agreement.

Notwithstanding the foregoing, the aggregate amount to be paid by Contributor for any Losses resulting from Sections 9(a) through 9(d) (to the extent those Sections relate to the representations in Sections 5(e), 5(w)-(aa) and Section 6), shall not exceed 100% of the Contribution Value; provided, however, that the Partnership shall not be entitled to any indemnification hereunder unless and until the total Losses in the aggregate exceed $157,500.00, at which time the Partnership shall be entitled to indemnification hereunder in respect of all such aggregate amount of Losses, including the first $157,500.00 of Losses, and any Losses incurred thereafter.

10. No Duty to Transfer in Violation Hereunder. The Partnership shall not be required to:

(a) transfer on its books any of the Common Units issued hereunder that have been sold or transferred in violation of any of the provisions set forth herein, the Partnership Agreement or the Securities Act; or

(b) treat as the owner of such Common Units, to accord the right to vote as such owner or to pay distributions to, any transferee to whom such Common Units have been so sold or transferred in violation of any of the provisions set forth herein, the Partnership Agreement or the Securities Act.

11. Right of First Refusal.

(a) Grant of Right of First Refusal. Subject to and upon the terms and conditions hereinafter set forth and after the Closing Date, the Partnership hereby grants to Contributor the exclusive and continuing right of first refusal (herein sometimes called the "Right of First Refusal") during the Option Period (as hereinafter defined) to purchase the Property or any portion thereof or interest therein (herein referred to as the "Offered Property"), in the event of a bona fide offer by a third party (an "Offeror") to purchase such Offered Property (by itself and not as an immaterial portion of a sale of the assets of the Company or as part of the Company upon a sale of the Company's equity interests), which offer the Partnership desires to accept. If at any time or times the Partnership receives from an Offeror a bona fide offer to purchase an Offered Property, which offer the Partnership desires to accept, the Partnership shall give written notice ("Notice of Offer") setting out the price and terms of the offer (the "Offer"). Each Notice of Offer shall contain the (i) the name and address of the Offeror; (ii) a description of the Offered Property; (iii) the price and all pertinent terms of the proposed transaction; and (iv) any proposed agreement of purchase and sale. The Partnership shall promptly provide to Contributor upon written request any additional information in the Partnership's possession reasonably necessary concerning the Offer. Contributor shall have the right, at its option, exercisable as hereinafter provided, to purchase the Offered Property for the same price and on the same terms and conditions (including status of title) set forth in the Offer.

(b) Exercise of Right of First Refusal. Contributor shall have 10 days after receipt by Contributor of the Notice of Offer within which to notify the Partnership in writing whether Contributor elects to purchase the Offered Property. In the event that Contributor elects to purchase the Offered Property, the parties shall use their reasonable best efforts to consummate the sale of the Offered Property to Contributor within thirty (30) days (the "First Refusal Closing Date") after the date in which the Contributor delivers written notice to the Partnership of his election to purchase the Offered Property.

(c) Non-Exercise. In the event that Contributor does not (a) timely exercise his Right of First Refusal with respect to any Notice of Offer or (b) the closing of the sale of the Offered Property does not occur by the First Refusal Closing Date, the Partnership may sell the Offered Property covered by the subject Offer to the subject Offeror in accordance with such Offer. Should the Partnership and such Offeror thereafter amend or modify in any material respect the economic or financial terms of the Offer presented to Contributor, or enter into a contract or contract amendment that materially changes the economic or financial terms of the Offer presented to Contributor, then such modified or amended Offer or contract, as the case may be, shall constitute a new Offer hereunder and Contributor's Right of First Refusal shall apply thereto, obligating the Partnership to present such new Offer to Contributor and entitling Contributor the right to exercise the Right of First Refusal as to such new Offer in the manner hereinbefore provided. Any contract as described in this Section 11 entered into by the Partnership and any Offeror shall be expressly subject to this right. In the event of any sale to an Offeror in accordance with the requirements of this clause (c), upon the closing of such purchase, this Right of First Refusal shall be deemed to automatically expire with respect to the Offered Property and Contributor shall execute and deliver to the Partnership an instrument releasing and quitclaiming any and all interest Contributor would otherwise have under this Section to the purchaser of the Offered Property.

(d) Term. The Right of First Refusal as herein granted to Contributor shall expire and be of no further force and effect at midnight, Central Standard Time on the tenth anniversary of the date hereof (the period ending on such date being herein called the "Option Period"). Any exercise of the Right of First Refusal by Contributor within the Option Period shall be effective even if the closing of the subject acquisition shall occur after the expiration of the Option Period.

(e) Exceptions to Right of First Refusal. Notwithstanding the provisions of this Agreement, Contributor's Right of First Refusal shall not apply to any Offered Property acquired by a third party in a condemnation proceeding or a conveyance in lieu of condemnation or a conveyance or contribution of the Option Properties to an entity in which the Partnership has a majority interest or controls the Partnership.

12. Covenant; Remedy for Failure by Contributor to Perform. Each of the Partnership and Contributor covenant and agree to use its reasonable best efforts to satisfy all conditions precedent to the Closing with respect to the Property (other than the closing of the Merger) on or before the Pre-Closing Date. Contributor further covenants and agrees that, should Contributor fail for any reason to satisfy all of the conditions precedent herein applicable to it by such date, Contributor shall execute and deliver to the Partnership a power of attorney in form and substance satisfactory to the Partnership in its sole discretion, whereby Contributor shall grant to the Partnership the power to act on Contributor's behalf, in its sole discretion, to effect the consummation of the contribution of the Property to the Partnership. The parties acknowledge and agree that Contributor's agreement to contribute the Property pursuant to the terms of this Agreement has acted as a substantial inducement to the Partnership to enter into the Merger Agreement, and the Partnership shall be incurring significant costs and expenses in conducting its due diligence review of the Property. Accordingly, Contributor's inability or refusal to contribute the Property pursuant to the terms of this Agreement, through no material fault of the Partnership, shall result in substantial hardship to the Partnership, and the parties agree that the Partnership shall have the express right to pursue any and all remedies available to it under law or in equity in such event.

13. Termination of the Merger Agreement; Release of Escrow. In the event that the Merger Agreement is terminated for any reason, this Agreement shall be null and void and of no force or effect whatsoever and the parties shall have no obligation or liability hereunder, and the Partnership shall prepare, execute and deliver to the Escrow Agent a document instructing the Escrow Agent to release (a) to the Partnership all Common Units deposited by the Partnership and (b) to Contributor all Contributor Deliverables and other instruments delivered by Contributor.

14. Notice. Any notice, request, instruction, correspondence or other document to be given hereunder by either party to the other (herein collectively called "Notice") shall be in writing and delivered in person or by courier service requiring acknowledgment of receipt of delivery or mailed by certified mail, postage prepaid and return receipt requested, or by telecopier, as follows:

If to the Partnership, addressed to:

Ferrellgas Partners, L.P.
One Liberty Plaza
Liberty, Missouri 64068
Telecopy: (816) 792-6979
Attention: Kenneth A. Heinz,
Senior Vice President, Corporate Development

If to Contributor, addressed to:

Billy D. Prim
104 Cambridge Plaza Drive
Winston-Salem, North Carolina 27104
Telecopy: [please provide]

Notice given by personal delivery, courier service or mail shall be effective upon actual receipt. Notice given by telecopier shall be confirmed by appropriate answer back and shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. Any party may change any address to which Notice is to be given to it by giving Notice as provided above of such change of address.

15. Lock-up Agreement. Contributor covenants and agrees that Contributor will, as soon as practicable on or after the Effective Date, execute and deliver a lock-up agreement in form and substance satisfactory to the underwriter in connection with the Partnership's proposed public offering of Common Units (the "Offering"), which lock-up agreement will contain, among other provisions, Contributor's agreement that, for a period of 90 days after the date of the final prospectus supplement relating to the Offering, Contributor will not (i) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, the Common Units purchased by Contributor hereunder, other than a sale or other disposition of Common Units to a Permitted Assignee (as defined below), (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Units, whether any such transaction is to be settled by delivery of Common Units or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any transaction specified in clauses (i) or (ii).

16. Successors and Assigns.

(a) This Agreement will inure to the benefit of the successors and assigns of the Partnership and, subject to the restrictions on sale and transfer set forth in this Agreement and the Partnership Agreement, be binding on Contributor and his heirs, executors, administrators, successors and assigns. Contributor may assign its rights and obligations hereunder prior to the earlier of (i) the Stockholders' Meeting or (ii) three (3) days prior to the commencement of the Offering to (A) any wholly-owned subsidiary corporation of Contributor or (B) during Contributor's lifetime, to any of Contributor's Affiliates (as defined below) (either, a "Permitted Assignee"), provided that an assignment to a spouse under this Section must be made during marriage and not incident to divorce, provided, further, that any assignment of this Agreement shall be made only in connection with a sale or any other disposition of Company Common Stock owned by Contributor; and provided, finally, that prior to any such assignment of this Agreement, such Permitted Assignee shall execute and deliver to the Partnership an assignment instrument, in form and substance satisfactory to the Partnership, wherein such Permitted Assignee adopts this Agreement as if the Permitted Assignee was an original signatory hereto, assumes the obligations hereunder, affirms Contributor's representations and warranties with respect to the Permitted Assignee, and makes such other representations and warranties as are reasonably requested by the Partnership based on the Permitted Assignee's status or type of entity. Notwithstanding anything to the contrary contained herein, any proposed assignment of this Agreement by Contributor shall at all times be subject to the approval of the Partnership in its sole discretion with respect to the number of proposed Permitted Assignees.

(b) For purposes of this Agreement, (i) "Affiliate" means (A) any Other Permitted Transferee of Contributor; (B) any inter vivos trust whose principal beneficiary is Contributor or any Other Permitted Transferee of Contributor created during their respective lifetimes and not as a result of death; and (C) the legal representative or guardian of Contributor or any Other Permitted Transferee of Contributor appointed during their respective lifetimes and not as a result of death; and (ii) "Other Permitted Transferee" means (A) any person related by lineal or collateral consanguinity to Contributor or to the spouse of Contributor; (B) the spouse of Contributor or of any person described in clause (A); and (C) all persons related to those persons described in clause (A) or clause (B) by lineal or collateral consanguinity. For purposes of this definition of "Other Permitted Transferee," (x) adopted persons shall be considered the natural born child of their adoptive parents; (y) lineal consanguinity is that relationship that exists between persons of whom one is descended (or ascended) in a direct line from the other, as between son, father, grandfather, great-grandfather; and (z) collateral consanguinity is that relationship that exists between persons who have the same ancestors, but who do not descend (or ascend) from the other, as between uncle and nephew, or cousin and cousin.

17. Amendment and Waiver. No supplement, modification, amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. The failure of a party to exercise any right or remedy shall not be deemed or constitute a waiver of such right or remedy in the future. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

18. Survival. All representations, warranties, understandings, covenants and agreements contained in this Agreement (including, without limitation, the indemnification provisions hereof) shall survive the execution of this Agreement, the issuance and delivery of the Common Units purchased hereunder and the death, disability, liquidation, dissolution or termination (as applicable) of Contributor; provided, however, that the representations contained in Sections 5(e), 5(w)-(aa) and Section 6 shall survive until the second anniversary of the Closing Date; provided, further, that if any claim for indemnification hereunder is made concerning the breach of any such representation prior to such second anniversary, such representations shall remain in full force until the final resolution of such claim.

19. Governing Law. This Agreement shall be governed by, construed under, and enforced in accordance with the laws of the State of Delaware, without regard to its conflict of laws rules.

20. Execution in Counterparts. This Agreement may be executed in multiple counterparts and by facsimile each of which shall be deemed an original and all of which shall constitute one instrument.

21. Further Assurances. In connection with this Agreement and the transactions contemplated hereby, the Contributor shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

22. Severability. If any provision of this Agreement is rendered or declared illegal or unenforceable by reason of any existing or subsequently enacted legislation or by decree of a court of last resort, the Partnership or its representatives and Contributor shall promptly meet and negotiate substitute provisions for those rendered or declared illegal or unenforceable and amend this Agreement accordingly, but all of the remaining provisions of this Agreement shall remain in full force and effect.

23. Entire Agreement. This Agreement and any documents referenced herein constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. Contributor agrees that:

(a) no person or entity, other than the Partnership or its their respective agents and representatives, has made any representation, warranty, covenant or agreement relating to this Agreement or the Common Units to be purchased hereunder, other than those expressly set forth herein; and

(b) Contributor has not relied upon any representation, warranty, covenant or agreement relating to this Agreement or the Common Units to be purchased hereunder, other than those referred to in clause (a) immediately above.

24. Construction and Captions. Unless the context requires otherwise:

(a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa;

(b) the term "include" or "includes" means includes, without limitation, and "including" means including, without limitation; and

(c) The section headings appearing herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts as of the date first above written.

FERRELLGAS PARTNERS, L.P.

By: FERRELLGAS, INC.,
its general partner

By: /s/ Kenneth A. Heinz

Kenneth A. Heinz
Senior Vice President, Corporate Development

CONTRIBUTOR

/s/ Billy D. Prim

Billy D. Prim

Exhibit A

Real Property Description

The "Property" consists of:

"Those two lots and parcels of real property located in Boonville, North Carolina, consisting of approximately 1.03 and 3.70 acres, more or less, and being identified as Yadkin County Tax Parcels 489900065582 and 489900068414, respectively. The Property includes all improvements located thereon, including a residence, several warehouses, an office building and a 30,000 gallon above-ground propane tank."

Exhibit 31.1

CERTIFICATIONS
FERRELLGAS PARTNERS, L.P.

I, James E. Ferrell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ferrellgas Partners, L.P.;

2. Based on my knowledge, this quarterly 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 circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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)) for the registrant and we 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 quarterly report is being prepared;

    b. 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

    c. 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 that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting;

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 forming the equivalent function):

    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 data; 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.

Date: June 14, 2004

/s/ James E. Ferrell

James E. Ferrell
Chairman, President and Chief
Executive Officer of Ferrellgas, Inc.,
general partner of the registrant

CERTIFICATIONS
FERRELLGAS PARTNERS, L.P.

I, Kevin T. Kelly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ferrellgas Partners, L.P.;

2. Based on my knowledge, this quarterly 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 circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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)) for the registrant and we 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 quarterly report is being prepared;

   b. 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

   c. 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 that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting;

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 forming the equivalent function):

   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 data; 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.

Date: June 14, 2004

/s/ Kevin T. Kelly

Kevin T. Kelly
Senior Vice President and Chief
Financial Officer of Ferrellgas, Inc.,
general partner of the registrant

Exhibit 31.2

CERTIFICATIONS
FERRELLGAS PARTNERS FINANCE CORP.

I, James E. Ferrell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ferrellgas Partners Finance Corp.;

2. Based on my knowledge, this quarterly 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 circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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)) for the registrant and we 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 quarterly report is being prepared;

   b. 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

   c. 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 that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting;

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 forming the equivalent function):

   a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial data; 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.

Date: June 14, 2004

/s/ James E. Ferrell

James E. Ferrell
President and Chief Executive Officer

CERTIFICATIONS
FERRELLGAS PARTNERS FINANCE CORP.

I, Kevin T. Kelly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ferrellgas Partners Finance Corp.;

2. Based on my knowledge, this quarterly 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 circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14(e)) for the registrant and we 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 quarterly report is being prepared;

b. 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

c. 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 that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting;

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 forming the equivalent function):

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 data; 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.

Date: June 14, 2004

/s/ Kevin T. Kelly

Kevin T. Kelly
Senior Vice President and Chief
Financial Officer

Exhibit 31.3

CERTIFICATIONS
FERRELLGAS, L.P.

I, James E. Ferrell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ferrellgas, L.P.;

2. Based on my knowledge, this quarterly 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 circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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)) for the registrant and we 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 quarterly report is being prepared;

    b. 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

    c. 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 that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting;

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 forming the equivalent function):

    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 data; 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.

Date: June 14, 2004

/s/ James E. Ferrell

James E. Ferrell
Chairman, President and Chief Executive
Officer of Ferrellgas, Inc.,
general partner of the registrant

CERTIFICATIONS
FERRELLGAS, L.P.

I, Kevin T. Kelly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ferrellgas, L.P.;

2. Based on my knowledge, this quarterly 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 circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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(3)) for the registrant and we 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 quarterly report is being prepared;

    b. 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

    c. 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 that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting;

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 forming the equivalent function):

    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 data; 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.

Date: June 14, 2004

/s/ Kevin T. Kelly

Kevin T. Kelly
Senior Vice President and Chief Financial Officer of Ferrellgas, Inc., general partner of the registrant

Exhibit 31.4

CERTIFICATIONS
FERRELLGAS FINANCE CORP.

I, James E. Ferrell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ferrellgas Finance Corp.;

2. Based on my knowledge, this quarterly 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 circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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)) for the registrant and we 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 quarterly report is being prepared;

   b. 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

   c. 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 that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting;

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 forming the equivalent function):

   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 data; 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.

Date: June 14, 2004

/s/ James E. Ferrell

James E. Ferrell
President and Chief Executive Officer

CERTIFICATIONS
FERRELLGAS FINANCE CORP.

I, Kevin T. Kelly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ferrellgas Finance Corp.;

2. Based on my knowledge, this quarterly 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 circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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)) for the registrant and we 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 quarterly report is being prepared;

    b. 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

    c. 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 that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting;

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 forming the equivalent function):

    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 data; 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.

Date: June 14, 2004

/s/ Kevin T. Kelly

Kevin T. Kelly
Senior Vice President and
Chief Financial Officer

Exhibit 32.1

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

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas Partners, L.P. (the "Partnership") for the three months ended January 31, 2004, as filed with the SEC on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 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 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.

The foregoing certification is made solely for purposes of 18 U.S.C. Section 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. Section 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 liabilities of Section 18. In addition, this certification is not deemed 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, unless specifically identified by the Partnership as being incorporated therein by reference.

Dated: June 14, 2004

/s/ James E. Ferrell

James E. Ferrell
Chairman, President and Chief Executive Officer of
Ferrellgas, Inc., the Partnership's general partner

/s/ Kevin T. Kelly

Kevin T. Kelly
Senior Vice President and Chief Financial Officer of
Ferrellgas, Inc., the Partnership's general partner

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

Exhibit 32.4

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

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas Finance Corp. (the "Company") for the three months ended January 31, 2004, as filed with the SEC on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 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 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.

The foregoing certification is made solely for purposes of 18 U.S.C. Section 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. Section 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 liabilities of Section 18. In addition, this certification is not deemed to be incorporated by reference into any registration statement of the Company or other filing of the Company made pursuant to the Exchange Act or Securities Act, unless specifically identified by the Company as being incorporated therein by reference.

Dated: June 14, 2004

/s/ James E. Ferrell

James E. Ferrell
President and Chief Executive Officer

/s/ Kevin T. Kelly

Kevin T. Kelly
Senior Vice President and Chief Financial Officer

*A signed original of this written statement required by 18 U.S.C. Section 1350 has been provided to the Company.

Exhibit 32.3

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

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas, L.P. (the "Partnership") for the three months ended January 31, 2004, as filed with the SEC on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 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 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.

The foregoing certification is made solely for purposes of 18 U.S.C. Section 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. Section 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 liabilities of Section 18. In addition, this certification is not deemed 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, unless specifically identified by the Partnership as being incorporated therein by reference.

Dated: June 14, 2004

/s/ James E. Ferrell

James E. Ferrell
Chairman, President and Chief Executive Officer of
Ferrellgas, Inc., the Partnership's general partner

/s/ Kevin T. Kelly

Kevin T. Kelly
Senior Vice President and Chief Financial Officer of
Ferrellgas, Inc., the Partnership's general partner

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

Exhibit 32.2

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

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas Partners Finance Corp. (the "Company") for the three months ended January 31, 2004, as filed with the SEC on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 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 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 Company at the dates and for the periods indicated.

The foregoing certification is made solely for purposes of 18 U.S.C. Section 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. Section 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 liabilities of Section 18. In addition, this certification is not deemed to be incorporated by reference into any registration statement of the Company or other filing of the Company made pursuant to the Exchange Act or Securities Act, unless specifically identified by the Company as being incorporated therein by reference.

Dated: June 14, 2004

/s/ James E. Ferrell

James E. Ferrell
President and Chief Executive Officer

/s/ Kevin T. Kelly

Kevin T. Kelly
Senior Vice President and Chief Financial Officer

*A signed original of this written statement required by 18 U.S.C. Section 1350 has been provided to the Company.