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

Form 10-Q

(Mark One)

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended January 31, 2012

or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file numbers: 001-11331, 333-06693, 000-50182 and 000-50183

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

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

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

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes ☑ No o

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

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

Ferrellgas Partners, L.P.:

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

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

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

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

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

At February 29, 2012, the registrants had common units or shares of common stock outstanding as follows:

Ferrellgas Partners, L.P.	78,957,969	Common Units
Ferrellgas Partners Finance Corp.	1,000	Common Stock
Ferrellgas, L.P.	n/a	n/a
Ferrellgas Finance Corp.	1,000	Common Stock

Documents Incorporated by Reference: None

EACH OF FERRELLGAS PARTNERS FINANCE CORP. AND FERRELLGAS FINANCE CORP. MEET THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION H (1)(A) and (B) 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.

For the quarterly period ended January 31, 2012
FORM 10-Q QUARTERLY REPORT

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (unaudited)

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	January 31, 2012	July 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15,725	$ 7,437
Accounts and notes receivable, net (including $293,163 and $112,509 of accounts receivable pledged as collateral at 2012 and 2011, respectively)	292,890	159,532
Inventories	170,479	136,139
Prepaid expenses and other current assets	26,389	23,885
Total current assets	505,483	326,993
Property, plant and equipment (net of accumulated depreciation of $589,705 and $573,665 at 2012 and 2011, respectively)	641,013	642,205
Goodwill	248,944	248,944
Intangible assets (net of accumulated amortization of $314,127 and $303,360 at 2012 and 2011, respectively)	199,836	204,136
Other assets, net	40,397	38,308
Total assets	$ 1,635,673	$ 1,460,586
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable	$ 132,425	$ 67,541
Short-term borrowings	56,037	64,927
Collateralized note payable	205,000	61,000
Other current liabilities	116,053	104,813
Total current liabilities	509,515	298,281
Long-term debt	1,032,993	1,050,920
Other liabilities	23,792	23,068
Contingencies and commitments (Note I)	—	—
Partners' capital:		
Common unitholders (78,950,469 and 75,966,353 units outstanding at January 31, 2012 and July 31, 2011, respectively)	127,508	139,614
General partner unitholder (797,479 and 767,337 units outstanding at January 31, 2012 and July 31, 2011, respectively)	(58,784)	(58,660)
Accumulated other comprehensive income (loss)	(1,889)	4,633
Total Ferrellgas Partners, L.P. partners' capital	66,835	85,587
Noncontrolling interest	2,538	2,730
Total partners' capital	69,373	88,317
Total liabilities and partners' capital	$ 1,635,673	$ 1,460,586

See notes to condensed consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	For the three months ended January 31, 2012	For the three months ended January 31, 2011	For the six months ended January 31, 2012	For the six months ended January 31, 2011
Revenues:				
Propane and other gas liquids sales	$ 779,567	$ 774,179	$ 1,293,786	$ 1,142,802
Other	49,705	66,813	73,912	98,382
Total revenues	829,272	840,992	1,367,698	1,241,184
Costs and expenses:				
Cost of product sold - propane and other gas liquids sales	600,600	559,416	1,003,722	815,902
Cost of product sold - other	24,468	38,500	31,094	51,358
Operating expense (includes $0.7 million and $3.1 million for the three months ended January 31, 2012 and 2011, respectively, and $1.8 million and $3.3 million for the six months ended January 31, 2012 and 2011, respectively, for non-cash stock and unit-based compensation)	104,414	110,688	204,992	206,084
Depreciation and amortization expense	21,042	19,990	41,716	40,365
General and administrative expense (includes $0.9 million and $7.9 million for the three months ended January 31, 2012 and 2011, respectively, and $2.6 million and $8.8 million for the six months ended January 31, 2012 and 2011, respectively, for non-cash stock and unit-based compensation)	11,236	18,947	22,350	30,211
Equipment lease expense	3,528	3,543	7,057	7,192
Employee stock ownership plan compensation charge	1,937	2,932	4,516	5,376
Loss on disposal of assets and other	523	603	832	371
Operating income	61,524	86,373	51,419	84,325
Interest expense	(24,046)	(26,395)	(47,433)	(53,272)
Loss on extinguishment of debt	0	(36,449)	0	(36,449)
Other income, net	80	88	47	266
Earnings (loss) before income taxes	37,558	23,617	4,033	(5,130)
Income tax expense	771	1,198	141	716
Net earnings (loss)	36,787	22,419	3,892	(5,846)
Net earnings attributable to noncontrolling interest	413	290	122	68
Net earnings (loss) attributable to Ferrellgas Partners, L.P.	36,374	22,129	3,770	(5,914)
Less: General partner’s interest in net earnings (loss)	364	221	38	(59)
Common unitholders’ interest in net earnings (loss)	$ 36,010	$ 21,908	$ 3,732	$ (5,855)
Basic and diluted net earnings (loss) per common unitholders’ interest	$ 0.47	$ 0.31	$ 0.05	$ (0.08)
Cash distributions declared per common unit	$ 0.50	$ 0.50	$ 1.00	$ 1.00

See notes to condensed consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

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

Number of units				Accumulated other comprehensive income (loss)			Total Ferrellgas Partners, L.P. partners’ capital	Non-controlling interest	Total partners’ capital
Common unitholders	General partner unitholder	Common unitholders	General partner unitholder	Risk management	Currency translation adjustments	Pension liability			

July 31, 2010	69,521.8	702.2	$ 141,281	$ (58,644)	$ (166)	$ 24	$ (273)	$ 82,222	$ 3,680	$ 85,902
Contributions in connection with ESOP and stock-based compensation charges	0	0	17,108	173	0	0	0	17,281	176	17,457
Distributions	0	0	(70,187)	(709)	0	0	0	(70,896)	(847)	(71,743)
Common units issued in connection with acquisition	63.5	0.6	1,625	16	0	0	0	1,641	17	1,658
Common unit options issued	27.4	0.3	317	3	0	0	0	320	3	323
Common units issued in offering, net of issuance costs	1,215.1	12.3	29,950	303	0	0	0	30,253	306	30,559
Comprehensive income:										
Net earnings (loss)	0	0	(5,855)	(59)	0	0	0	(5,914)	68	(5,846)
Cumulative effect of change in accounting principle	0	0	1,230	12	0	0	0	1,242	13	1,255
Other comprehensive income:										
Net earnings on risk management derivatives	0	0	0	0	11,660	0	0		120	
Reclassification of derivatives to earnings	0	0	0	0	(3,207)	0	0		(33)	
Foreign currency translation adjustment	0	0	0	0	0	2	0			
Other comprehensive income								8,455		8,542
Comprehensive income								3,783	168	3,951
January 31, 2011	70,827.8	715.4	$ 115,469	$ (58,905)	$ 8,287	$ 26	$ (273)	$ 64,604	$ 3,503	$ 68,107
July 31, 2011	75,966.4	767.3	$ 139,614	$ (58,660)	$ 5,098	$ 26	$ (491)	$ 85,587	$ 2,730	$ 88,317
Contributions in connection with non-cash ESOP and stock and unit-based compensation charges	0	0	8,818	89	0	0	0	8,907	91	8,998
Distributions	0	0	(75,970)	(768)	0	0	0	(76,738)	(863)	(77,601)
Common units issued in connection with acquisition	68.2	0.7	1,300	13	0	0	0	1,313	13	1,326
Common unit options issued	20.5	0.2	239	2	0	0	0	241	1	242
Common units issued in offering, net of issuance costs	2,895.4	29.3	49,775	502	0	0	0	50,277	510	50,787
Comprehensive income (loss):										
Net earnings	0	0	3,732	38	0	0	0	3,770	122	3,892
Other comprehensive income (loss):										
Net loss on risk management derivatives	0	0	0	0	(3,836)	0	0		(39)	
Reclassification of derivatives to earnings	0	0	0	0	(2,686)	0	0		(27)	
Foreign currency translation adjustment	0	0	0	0	0	0	0		0	
Other comprehensive income (loss)								(6,522)		(6,588)
Comprehensive loss								(2,752)	56	(2,696)
January 31, 2012	78,950.5	797.5	$ 127,508	$ (58,784)	$ (1,424)	$ 26	$ (491)	$ 66,835	$ 2,538	$ 69,373

See notes to condensed consolidated financial statements.

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FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	For the six months ended January 31, 2012	2011
Cash flows from operating activities:		
Net earnings (loss)	$ 3,892	$ (5,846)
Reconciliation of net earnings (loss) to net cash used in operating activities:		
Depreciation and amortization expense	41,716	40,365
Non-cash employee stock ownership plan compensation charge	4,516	5,376
Non-cash unit and stock-based compensation charge	4,482	12,081
Loss on disposal of assets	832	371
Loss on extinguishment of debt	0	25,403
Provision for doubtful accounts	3,461	3,346
Deferred tax expense	292	49
Other	1,155	4,318
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Accounts and notes receivable, net	(136,899)	(192,766)
Inventories	(34,340)	11,498
Prepaid expenses and other current assets	(9,022)	(10,844)
Accounts payable	64,712	94,117
Accrued interest expense	2	(1,417)
Other current liabilities	10,882	6,814
Other liabilities	295	337
Net cash used in operating activities	(44,024)	(6,798)
Cash flows from investing activities:		
Business acquisitions, net of cash acquired	(10,327)	(4,880)
Capital expenditures	(24,453)	(17,318)
Proceeds from sale of assets	2,374	3,200
Net cash used in investing activities	(32,406)	(18,998)
Cash flows from financing activities:		
Distributions	(76,738)	(70,896)
Proceeds from increase in long-term debt	31,490	536,621
Payments on long-term debt	(52,220)	(531,506)
Net reductions in short-term borrowings	(8,890)	(12,721)
Net additions to collateralized short-term borrowings	144,000	98,000
Cash paid for financing costs	(3,315)	(9,651)
Noncontrolling interest activity	(352)	(847)
Proceeds from exercise of common unit options	239	317
Proceeds from equity offering, net of issuance costs	50,000	29,950
Cash contribution from general partner in connection with common unit issuances	504	615
Net cash provided by financing activities	84,718	39,882
Effect of exchange rate changes on cash	0	2
Increase in cash and cash equivalents	8,288	14,088
Cash and cash equivalents - beginning of period	7,437	11,401
Cash and cash equivalents - end of period	$ 15,725	$ 25,489

See notes to condensed consolidated financial statements.

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FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2012
(Dollars in thousands, except per unit data, unless otherwise designated)
(unaudited)

A. Partnership organization and formation

Ferrellgas Partners, L.P. ("Ferrellgas Partners") is a publicly traded limited partnership, owning an approximate 99% limited partner interest in Ferrellgas, L.P. (the "operating partnership"). Ferrellgas Partners and the operating partnership are collectively referred to as "Ferrellgas." Ferrellgas, Inc. (the "general partner"), a wholly-owned subsidiary of Ferrell Companies, Inc. ("Ferrell Companies"), has retained a 1% general partner interest in Ferrellgas Partners and also holds an approximate 1% general partner interest in the operating partnership, representing an effective 2% general partner interest in Ferrellgas on a combined basis. As general partner, it performs all management functions required by Ferrellgas. As of January 31, 2012, Ferrell Companies beneficially owned 21.7 million of Ferrellgas Partners' outstanding common units.

The condensed consolidated financial statements of Ferrellgas reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the interim periods presented. All adjustments to the condensed consolidated financial statements were of a normal, recurring nature. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with (i) the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and (ii) the consolidated financial statements and accompanying notes, each as set forth in Ferrellgas’ Annual Report on Form 10-K for fiscal 2011.

B. Summary of significant accounting policies

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

The operating partnership is engaged primarily in the distribution of propane and related equipment and supplies in the United States. The propane distribution market is seasonal because propane is used primarily for heating in residential and commercial buildings. Therefore, the results of operations for the six months ended January 31, 2012 and 2011 are not necessarily indicative of the results to be expected for a full fiscal year. The operating partnership serves approximately one million residential, industrial/commercial, portable tank exchange, agricultural, wholesale and other customers in all 50 states, the District of Columbia, and Puerto Rico.

(2) Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates. Significant estimates impacting the condensed consolidated financial statements include accruals that have been established for contingent liabilities, pending claims and legal actions arising in the normal course of business, useful lives of property, plant and equipment assets, residual values of tanks, capitalization of customer tank installation costs, amortization methods of intangible assets, valuation methods used to value sales returns and allowances, allowance for doubtful accounts, fair value of

reporting units, fair values of derivative contracts and stock and unit-based compensation calculations.

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

	For the six months ended January 31,	
	2012	2011
CASH PAID FOR:		
Interest	$ 44,799	$ 50,065
Income taxes	$ 90	$ 0
NON-CASH INVESTING ACTIVITIES:		
Issuance of common units in connection with acquisitions	$ 1,300	$ 1,625
Issuance of liabilities in connection with acquisitions	$ 2,321	$ 1,664
Property, plant and equipment additions	$ 979	$ 374

(4) New accounting standards:

FASB Accounting Standard Update No. 2010-28
In December 2010, the Financial Accounting Standards Board (“FASB”) issued FASB Accounting Standard Update No. 2010-28 (ASU 2011-05), which modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. Ferrellgas’ adoption of this guidance in fiscal 2012 did not have a significant impact on its financial position, results of operations or cash flows.

FASB Accounting Standard Update No. 2011-05
In June 2011, the FASB issued ASU 2011-05, which revises the presentation of comprehensive income in the financial statements. The new guidance requires entities to report components of comprehensive income in either a continuous statement of comprehensive income or two separate but consecutive statements. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. Ferrellgas does not expect the adoption of this guidance in fiscal 2013 to have a significant impact on its financial position, results of operations or cash flows.

FASB Accounting Standard Update No. 2011-08
In September 2011, the FASB issued ASU 2011-08, which amends the existing guidance on goodwill impairment testing. Under the new guidance, entities testing goodwill for impairment have the option of performing a qualitative assessment before calculating the fair value of the reporting unit. If an entity determines, on the basis of qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, the two-step impairment test would be required. This guidance is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Ferrellgas does not expect the adoption of this guidance in fiscal 2013 to have a significant impact on its financial position, results of operations or cash flows.

(5) Goodwill: Ferrellgas records goodwill as the excess of the cost of acquisitions over the fair value of the related net assets at the date of acquisition. Based on the guidance in ASC280 — “Segment Reporting” and ASC 350 — “Intangibles — Goodwill and other,” Ferrellgas has determined that it has three reporting units for goodwill impairment testing purposes. Two of these reporting units contain goodwill that is subject to at least an annual assessment for impairment by applying a fair-value-based test. Under this test, the carrying value of each reporting unit is determined by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of the evaluation on a specific identification basis. To the extent a reporting unit's carrying value exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired and the second step of the impairment test must be performed. In the second step, the implied fair value of the goodwill is determined by allocating the fair value of all of its assets (recognized and unrecognized) and liabilities to it carrying amount. Ferrellgas has completed the impairment test for each of its reporting units and believes that estimated fair values exceed the carrying values of our reporting units as of January 31, 2012.

C. Supplemental financial statement information

Inventories consist of the following:

	January 31, 2012	July 31, 2011
Propane gas and related products	$ 149,032	$ 113,826
Appliances, parts and supplies	21,447	22,313
Inventories	$ 170,479	$ 136,139

In addition to inventories on hand, Ferrellgas enters into contracts primarily to buy propane for supply procurement purposes. Most of these contracts have terms of less than one year and call for payment based on market prices at the date of delivery. All supply procurement fixed price contracts have terms of fewer than 24 months. As of January 31, 2012, Ferrellgas had committed, for supply procurement purposes, to take delivery of approximately 50.2 million gallons of propane at fixed prices.

Other current liabilities consist of the following:

	January 31, 2012	July 31, 2011
Accrued interest	$ 19,781	$ 19,779
Accrued litigation and insurance	17,443	16,565
Customer deposits and advances	23,706	19,784
Other	55,123	48,685
Other current liabilities	$ 116,053	$ 104,813

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

	For the three months ended January 31,		For the six months ended January 31,	
	2012	2011	2012	2011
Operating expense	$ 47,937	$ 47,614	$ 91,725	$ 89,898
Depreciation and amortization expense	1,700	1,489	3,284	2,970
Equipment lease expense	3,053	3,089	6,144	6,450
	$ 52,690	$ 52,192	$ 101,153	$ 99,318

D. Accounts and notes receivable, net

Accounts and notes receivable, net consist of the following:

	January 31, 2012	July 31, 2011
Accounts receivable pledged as collateral	$ 293,163	$ 112,509
Accounts receivable	3,826	51,104
Other	246	229
Less: Allowance for doubtful accounts	(4,345)	(4,310)
Accounts and notes receivable, net	$ 292,890	$ 159,532

During January 2012, the operating partnership executed a new accounts receivable securitization facility with Wells Fargo Bank, N.A., Fifth Third Bank and SunTrust Bank. This new accounts receivable securitization facility has up to $225.0 million of capacity, matures on January 19, 2017 and replaces the operating partnership's previous 364-day facility which was to expire on April 4, 2013. As part of this new facility, the operating partnership, through Ferrellgas Receivables, securitizes a portion of its trade accounts receivable through a commercial paper conduit for proceeds of up to $225 million during the months of January, February, March and December, $175 million during the months of April and May and $145 million for all other months, depending on the availability of undivided interests in our accounts receivable from certain customers. Borrowings on the new accounts receivable securitization facility bear interest at rates ranging from 1.45% to 1.20% lower than the previous facility. At January 31, 2012, $293.2 million of trade accounts receivable were pledged as collateral against $205.0 million of collateralized notes payable due to the commercial paper conduit. These accounts receivable pledged as collateral are bankruptcy remote from the operating partnership. The operating partnership does not provide any guarantee or similar support to the collectibility of these accounts receivable pledged as collateral.

The operating partnership structured Ferrellgas Receivables in order to facilitate securitization transactions while complying with Ferrellgas' various debt covenants. If the covenants were compromised, funding from the facility could be restricted or suspended, or its costs could increase. As of January 31, 2012, the operating partnership had received cash proceeds of $205.0 million from trade accounts receivables securitized, with no remaining capacity to receive additional proceeds. As of July 31, 2011, the operating partnership had received cash proceeds of $61.0 million from trade accounts receivables securitized, with the ability to receive proceeds of an additional $3.0 million. Borrowings under the accounts receivable securitization facility had a weighted average interest rate of 2.8% and 3.6% as of January 31, 2012 and July 31, 2011, respectively.

E. Debt

Short-term borrowings

Ferrellgas classified a portion of its secured credit facility borrowings as short-term because it was used to fund working capital needs that management had intended to pay down within the 12 month period following each balance sheet date. As of January 31, 2012 and July 31, 2011, $56.0 million and $64.9 million, respectively, were classified as short-term borrowings. For further discussion see the secured credit facility section below.

Secured credit facility

During September 2011, Ferrellgas executed an amendment to its secured credit facility. This amendment changed the maturity of the secured credit facility to five years, extending the maturity date to September 2016. There was no change to the size of the facility which remains at $400.0 million with a letter of credit sublimit of $200.0 million. Borrowings on the amended secured credit facility bear interest at rates ranging from 1.25% to 1.50% lower than the previous secured credit facility.

As of January 31, 2012, Ferrellgas had total borrowings outstanding under its secured credit facility of $102.1 million, of which $46.1 million was classified as long-term debt. As of July 31, 2011, Ferrellgas had total borrowings outstanding under its secured credit facility of $129.5 million, of which $64.6 million was classified as long-term debt.

Borrowings outstanding at January 31, 2012 and July 31, 2011 under the secured credit facility had a weighted average interest rate of 4.2% and 6.5%, respectively.

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

Letters of credit outstanding at January 31, 2012 totaled $64.4 million and were used primarily to secure insurance arrangements and to a lesser extent, product purchases. Letters of credit outstanding at July 31, 2011 totaled $47.5 million and were used primarily to secure insurance arrangements and to a lesser extent, product purchases. At January 31, 2012, Ferrellgas had available letter of credit remaining capacity of $135.6 million. At July 31, 2011, Ferrellgas had available letter of credit remaining capacity of $152.5 million.

The carrying amount of short-term financial instruments approximates fair value because of the short maturity of the instruments. The estimated fair value of Ferrellgas' long-term debt instruments was $1,007.2 million and $1,134.2 million as of January 31, 2012 and July 31, 2011, respectively. The fair values are estimated based on quoted market prices.

F. Partners' capital

Common unit issuances

During January 2012, Ferrellgas Partners, in a non-brokered registered direct offering, issued to Ferrell Companies 1.4 million common units. Net proceeds of approximately $25.0 million were used to reduce outstanding indebtedness under the operating partnership's secured credit facility.

During January 2012, Ferrellgas Partners entered into an agreement with an institutional investor relating to a non-brokered registered direct offering of 1.5 million common units. Net proceeds of approximately $25.0 million were used to reduce outstanding indebtedness under the operating partnership's secured credit facility.

During the six months ended January 31, 2012, Ferrellgas issued 0.1 million common units valued at $1.3 million in connection with an acquisition.

Partnership distributions paid

Ferrellgas Partners has paid the following distributions:

	For the three months ended January 31,		For the six months ended January 31,	
	2012	2011	2012	2011
Public common unitholders	$ 25,644	$ 23,073	$ 51,284	$ 45,506
Ferrell Companies (1)	10,040	10,040	20,080	20,080
FCI Trading Corp. (2)	98	98	196	196
Ferrell Propane, Inc. (3)	26	25	52	51
James E. Ferrell (4)	2,179	2,177	4,358	4,354
General partner	384	358	768	709
	$ 38,371	$ 35,771	$ 76,738	$ 70,896

(1) Ferrell Companies is the owner of the general partner and a 27% direct owner of Ferrellgas Partner's common units and thus a related party.
(2) FCI Trading Corp. ("FCI Trading") is an affiliate of the general partner and thus a related party.
(3) Ferrell Propane, Inc. ("Ferrell Propane") is controlled by the general partner and thus a related party.
(4) James E. Ferrell is the Executive Chairman and Chairman of the Board of Directors of the general partner and thus a related party.

On February 23, 2012, Ferrellgas Partners declared a cash distribution of $0.50 per common unit for the three months ended January 31, 2012, which is expected to be paid on March 16, 2012.

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

Ferrell Companies	$	10,735
FCI Trading		98
Ferrell Propane		26
James E. Ferrell		2,179
General partner		399

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

Other comprehensive income ("OCI")

See Note G — Derivatives — for details regarding changes in fair value on risk management financial derivatives recorded within OCI for the six months ended January 31, 2012 and 2011.

General partner's commitment to maintain its capital account

Ferrellgas' partnership agreements allows the general partner to have an option to maintain its effective 2% general partner interest concurrent with the issuance of other additional equity.

During the six months ended January 31, 2012, the general partner made cash contributions of $1.0 million and non-cash contributions of $0.2 million to Ferrellgas to maintain its effective 2% general partner interest.

G. Derivatives

Commodity Price Risk Management

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

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

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

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members with the New York Mercantile Exchange. Ferrellgas also enters into forward propane purchase and sales contracts with counterparties. These forward contracts qualify for the normal purchase normal sales exception within GAAP guidance and are therefore not recorded on Ferrellgas' financial statements until settled.

Cash Flow Hedging Activity

Ferrellgas uses financial derivative instruments for risk management purposes to hedge a portion of its exposure to market fluctuations in propane prices. These financial derivative instruments are designated as cash flow hedging instruments, thus the effective portions of changes in the fair value of the financial derivatives are recorded in OCI prior to settlement and are subsequently recognized in the condensed consolidated statements of earnings in "Cost of product sold — propane and other gas liquids sales" when the forward or forecasted propane sales transaction impacts earnings. The effectiveness of cash flow hedges is evaluated at inception and on an on-going basis. Changes in the fair value of cash flow hedges due to hedge ineffectiveness, if any, are recognized in "Cost of product sold — propane and other gas liquids sales." During the six months ended January 31, 2012 and 2011, Ferrellgas did not recognize any gain or loss in earnings related to hedge ineffectiveness and did not exclude any component of the financial derivative contract gain or loss from the assessment of hedge effectiveness related to these cash flow hedges.

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

	January 31, 2012	July 31, 2011
Derivatives — Price risk management assets	$ 1,077	$ 7,637

Derivatives — Price risk management liabilities	$ 2,504	$ 2,476

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

	For the six months ended January 31,	
	2012	2011
Fair value gain (loss) adjustment classified as OCI with offset in Price risk management assets and Price risk management liabilities	$ (3,875)	$ 11,780
Reclassification of net gains originally recorded within OCI to Cost of product sold — propane and other gas liquids	$ 2,713	$ 3,240

Ferrellgas expects to reclassify net losses of approximately $1.4 million to earnings during the next 12 months. These net losses are expected to be offset by margins on propane sales commitments Ferrellgas has with its customers that qualify for the normal purchase normal sales exception.

During the six months ended January 31, 2012 and 2011, Ferrellgas had no reclassifications to earnings resulting from discontinuance of any cash flow hedges arising from the probability of the original forecasted transactions not occurring within the originally specified period of time defined within the hedging relationship.

As of January 31, 2012, Ferrellgas had financial derivative contracts covering 0.8 million barrels of propane that were entered into as cash flow hedges of forward and forecasted purchases of propane.

During the six months ended January 31, 2012 and 2011, four counterparties represented 78% and 83%, respectively, of net settled cash flow hedging positions reported in "Cost of product sold — propane and other gas liquids sales." During the six months ended January 31, 2012 and 2011,

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Ferrellgas neither held nor entered into financial derivative contracts that contained credit risk related contingency features.

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

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

Ferrellgas considers over-the-counter derivative instruments entered into directly with third parties as Level 2 valuation since the values of these derivatives are quoted by third party brokers and are on an exchange for similar transactions. The market prices used to value Ferrellgas' derivatives are based upon industry price publications and independent broker quotes utilizing both current market transactions and indicators.

The following tables provide the amounts and their corresponding level of hierarchy for our assets and liabilities that are measured at fair value. All financial derivatives assets and liabilities were non-trading positions.

	As of January 31, 2012			
Fair value of derivatives	**Level 1**	**Level 2**	**Level 3**	**Total**
Price risk management assets	—	$ 1,077	—	$ 1,077
Price risk management liabilities	—	$ 2,504	—	$ 2,504

	As of July 31, 2011			
Fair value of derivatives	**Level 1**	**Level 2**	**Level 3**	**Total**
Price risk management assets	—	$ 7,637	—	$ 7,637
Price risk management liabilities	—	$ 2,476	—	$ 2,476

H. Transactions with related parties

General partner

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

	For the three months ended January 31,		For the six months ended January 31,	
	2012	2011	2012	2011
Operating expense	$ 53,964	$ 58,504	$ 103,311	$ 108,515
General and administrative expense	$ 6,689	$ 5,709	$ 12,706	$ 12,172

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

I. Contingencies and commitments

Litigation

Ferrellgas' operations are subject to all operating hazards and risks normally incidental to handling, storing, transporting and otherwise providing for use by consumers of combustible liquids such as propane. As a result, at any given time, Ferrellgas is threatened with or named as a defendant in various lawsuits arising in the ordinary course of business. Other than as discussed below, Ferrellgas is not a party to any legal proceedings other than various claims and lawsuits arising in the ordinary course of business. It is not possible to determine the ultimate disposition of these matters; however, management is of the opinion that there are no known claims or contingent claims that are reasonably expected to have a material adverse effect on the consolidated financial condition, results of operations and cash flows of Ferrellgas.

Ferrellgas has been named as a defendant in lawsuits filed in multiple federal and state courts that seek to certify nationwide or statewide classes related to its Blue Rhino branded propane tank exchange activities. The plaintiffs in each case generally allege that Ferrellgas failed to inform consumers of the amount of propane contained in propane tanks they purchased and that Ferrellgas violated anti-trust laws by allegedly conspiring with a competitor. The federal cases have been coordinated for multidistrict treatment in the United States District Court for the Western District of Missouri. A settlement agreement has received preliminary approval by the Court. Ferrellgas believes these claims will not have a material impact on the consolidated financial condition, results of operations and cash flows of Ferrellgas beyond the $9.2 million litigation accrual outstanding for these claims.

Ferrellgas has also been named as a defendant in a class action lawsuit filed in the United States District Court in Kansas. The complaint alleges that Ferrellgas violates consumer protection laws in the manner Ferrellgas sets prices and fees for its customers. Based on Ferrellgas' business practices, Ferrellgas believes that the claims are without merit and intends to defend the claims vigorously. The court has stayed discovery on this matter pending Ferrellgas' motion to compel arbitration, and the case has not been certified for class treatment. Ferrellgas does not believe loss is probable or reasonably estimable at this time related to this class action lawsuit.

Operating lease commitments

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

The following table summarizes Ferrellgas' contractual operating lease commitments as of January 31, 2012:

	Future minimum rental amounts by fiscal year					
	2012	2013	2014	2015	2016	Thereafter
Operating lease obligations	$ 12,271	$ 19,909	$ 15,328	$ 12,356	$ 10,347	$ 15,144

J. Net earnings (loss) per common unitholders' interest

Below is a calculation of the basic and diluted net earnings (loss) available per common unitholders' interest in the condensed consolidated statements of earnings for the periods indicated. In accordance with guidance issued by the FASB regarding participating securities and the two-class method, Ferrellgas calculates net earnings (loss) per common unitholders' interest for each period presented according to distributions declared and participation rights in undistributed earnings, as if all of the earnings or loss for the period had been distributed. In periods with undistributed earnings above certain levels, the calculation according to the two-class method results in an increased allocation of undistributed earnings to the general partner and a dilution of the earnings to the limited partners. Due to the seasonality of the propane business, the dilution effect of the guidance on the two-class method typically impacts only the three months ending January 31. There was neither a dilutive effect resulting from this guidance on basic and diluted net earnings (loss) per common unitholders' interest for the three months ended January 31, 2012 and 2011, nor for the six months ended January 31, 2012 and 2011.

In periods with net losses, the allocation of the net losses to the limited partners and the general partner will be determined based on the same allocation basis specified in the Ferrellgas Partners' partnership agreement that would apply to periods in which there were no undistributed earnings. Additionally, in periods with net losses, there are no dilutive securities.

	For the three months ended January 31,		For the six months ended January 31,	
	2012	2011	2012	2011
Common unitholders' interest in net earnings (loss)	$ 36,010	$ 21,908	$ 3,732	$ (5,855)
Weighted average common units outstanding *(in thousands)*	76,401.6	70,668.8	76,184.0	70,114.2
Dilutive securities	62.2	131.3	65.1	0.0
Weighted average common units outstanding plus dilutive securities	76,463.8	70,800.1	76,249.1	70,114.2
Basic and diluted net earnings (loss) per common	$ 0.47	$ 0.31	$ 0.05	$ (0.08)

unitholders' interest

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

CONDENSED BALANCE SHEETS
(in dollars)
(unaudited)

	January 31, 2012	July 31, 2011
ASSETS		
Cash	$ 969	$ 969
Total assets	$ 969	$ 969
Contingencies and commitments (Note B)	—	—
STOCKHOLDER'S EQUITY		
Common stock, $1.00 par value; 2,000 shares authorized; 1,000 shares issued and outstanding	$ 1,000	$ 1,000
Additional paid in capital	9,095	8,920
Accumulated deficit	(9,126)	(8,951)
Total stockholder's equity	$ 969	$ 969

CONDENSED STATEMENTS OF EARNINGS
(in dollars)
(unaudited)

	For the three months ended January 31,		For the six months ended January 31,	
	2012	2011	2012	2011
General and administrative expense	$ 125	$ 125	$ 175	$ 215
Net loss	$ (125)	$ (125)	$ (175)	$ (215)

See notes 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 six months ended January 31,	
	2012	2011
Cash flows from operating activities:		
Net loss	$ (175)	$ (215)
Cash used in operating activities	(175)	(215)
Cash flows from financing activities:		
Capital contribution	175	215
Cash provided by financing activities	175	215
Change in cash	0	0
Cash — beginning of period	969	969
Cash — end of period	$ 969	$ 969

See notes to condensed financial statements.

A. **Formation**

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

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

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

B. **Contingencies and commitments**

The Finance Corp. serves as co-issuer and co-obligor for debt securities of the Partnership.

The senior unsecured notes contain various restrictive covenants applicable to the Partnership and its subsidiaries, the most restrictive relating to additional indebtedness. As of January 31, 2012, the Partnership is in compliance with all requirements, tests, limitations and covenants related to this debt agreement.

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FERRELLGAS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	January 31, 2012	July 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 14,933	$ 7,342
Accounts and notes receivable, net (including $293,163 and $112,509 of accounts receivable pledged as collateral at January 31, 2012 and July 31, 2011, respectively)	292,890	159,532
Inventories	170,479	136,139
Prepaid expenses and other current assets	26,357	23,867
Total current assets	504,659	326,880
Property, plant and equipment (net of accumulated depreciation of $589,705 and $573,665 at January 31, 2012 and July 31, 2011, respectively)	641,013	642,205
Goodwill	248,944	248,944
Intangible assets (net of accumulated amortization of $314,127 and $303,360 at January 31, 2012 and July 31, 2011, respectively)	199,836	204,136
Other assets, net	36,946	34,651
Total assets	$ 1,631,398	$ 1,456,816
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable	$ 132,425	$ 67,541
Short-term borrowings	56,037	64,927
Collateralized note payable	205,000	61,000
Other current liabilities	113,600	102,674
Total current liabilities	507,062	296,142
Long-term debt	850,993	868,920
Other liabilities	23,792	23,068
Contingencies and commitments (Note I)	—	—
Partners' capital		
Limited partner	248,903	261,323
General partner	2,542	2,669
Accumulated other comprehensive income (loss)	(1,894)	4,694
Total partners' capital	249,551	268,686
Total liabilities and partners' capital	$ 1,631,398	$ 1,456,816

See notes to condensed consolidated financial statements.

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FERRELLGAS, L.P. AND SUBSIDIARIES

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

	For the three months ended January 31, 2012	For the three months ended January 31, 2011	For the six months ended January 31, 2012	For the six months ended January 31, 2011
Revenues:				
Propane and other gas liquids sales	$ 779,567	$ 774,179	$ 1,293,786	$ 1,142,802
Other	49,705	66,813	73,912	98,382
Total revenues	829,272	840,992	1,367,698	1,241,184
Costs and expenses:				
Cost of product sold - propane and other gas liquids sales	600,600	559,416	1,003,722	815,902
Cost of product sold - other	24,468	38,500	31,094	51,358
Operating expense (includes $0.7 million and $3.1 million for the three months ended January 31, 2012 and 2011, respectively, and $1.8 million and $3.3 million for the six months ended January 31, 2012 and 2011, respectively, for non-cash stock and unit-based compensation)	104,347	110,618	204,863	205,945
Depreciation and amortization expense	21,042	19,990	41,716	40,365
General and administrative expense (includes $0.9 million and $7.9 million for the three months ended January 31, 2012 and 2011, respectively, and $2.6 million and $8.8 million for the six months ended January 31, 2012 and 2011, respectively, for non-cash stock and unit-based compensation)	11,236	18,947	22,350	30,211
Equipment lease expense	3,528	3,543	7,057	7,192
Employee stock ownership plan compensation charge	1,937	2,932	4,516	5,376
Loss on disposal of assets and other	523	603	832	371
Operating income	61,591	86,443	51,548	84,464
Interest expense	(20,016)	(20,196)	(39,373)	(40,876)
Loss on extinguishment of debt	—	(36,449)	—	(36,449)
Other income, net	80	88	47	266
Earnings before income taxes	41,655	29,886	12,222	7,405
Income tax expense	771	1,198	140	716
Net earnings	$ 40,884	$ 28,688	$ 12,082	$ 6,689

See notes to condensed consolidated financial statements.

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FERRELLGAS, L.P. AND SUBSIDIARIES

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

	Limited partner	General partner	Accumulated other comprehensive income (loss): Risk management	Currency translation adjustments	Pension liability	Total partners’ capital
July 31, 2011	$ 261,323	$ 2,669	$ 5,161	$ 26	$ (493)	$ 268,686
Contributions in connection with ESOP and stock-based compensation charges	8,907	91	0	0	0	8,998
Contributions in connection with acquisitions and other	1,300	13	0	0	0	1,313

Cash contributed by Ferrellgas Partners and general partner	50,000	510	0	0	0	50,510
Quarterly distributions	(84,587)	(863)	0	0	0	(85,450)
Comprehensive income:						
Net earnings	11,960	122	0	0	0	12,082
Other comprehensive loss:						
Net loss on risk management derivatives	0	0	(3,875)	0	0	
Reclassification of derivatives to earnings	0	0	(2,713)	0	0	
Foreign currency translation adjustment	0	0	0	0	0	
Other comprehensive income (loss)						(6,588)
Comprehensive income						5,494
January 31, 2012	$ 248,903	$ 2,542	$ (1,427)	$ 26	$ (493)	$ 249,551

See notes to condensed consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES

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

	For the six months ended January 31, 2012	2011
Cash flows from operating activities:		
Net earnings	$ 12,082	$ 6,689
Reconciliation of net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	41,716	40,365
Non-cash employee stock ownership plan compensation charge	4,516	5,376
Non-cash unit and stock-based compensation charge	4,482	12,081
Loss on disposal of assets	832	371
Loss on extinguishment of debt	0	25,403
Provision for doubtful accounts	3,461	3,346
Deferred tax expense	292	49
Other	950	3,943
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Accounts and notes receivable, net	(136,899)	(192,766)
Inventories	(34,340)	11,498
Prepaid expenses and other current assets	(9,008)	(10,839)
Accounts payable	64,712	94,117
Accrued interest expense	1	(1,417)
Other current liabilities	10,793	6,797
Other liabilities	295	337
Net cash provided by (used in) operating activities	(36,115)	5,350
Cash flows from investing activities:		
Business acquisitions, net of cash acquired	(10,340)	(4,896)
Capital expenditures	(24,453)	(17,318)
Proceeds from sale of assets	2,374	3,200
Net cash used in investing activities	(32,419)	(19,014)
Cash flows from financing activities:		
Distributions	(85,450)	(83,818)
Contributions from partners	50,510	30,309
Proceeds from increase in long-term debt	31,490	536,621
Payments on long-term debt	(52,220)	(531,506)
Net reductions in short-term borrowings	(8,890)	(12,721)
Net additions to collateralized short-term borrowings	144,000	98,000
Cash paid for financing costs	(3,315)	(9,478)
Net cash provided by financing activities	76,125	27,407
Effect of exchange rate changes on cash	0	2
Increase in cash and cash equivalents	7,591	13,745

Cash and cash equivalents - beginning of period		7,342		11,389
Cash and cash equivalents - end of period	$	14,933	$	25,134

See notes to condensed consolidated financial statements.

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FERRELLGAS, L.P. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2012
(Dollars in thousands, unless otherwise designated)
(unaudited)

A. Partnership organization and formation

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

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

The condensed consolidated financial statements of Ferrellgas, L.P. and subsidiaries reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the interim periods presented. All adjustments to the condensed consolidated financial statements were of a normal, recurring nature. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with (i) the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and (ii) the consolidated financial statements and accompanying notes, each as set forth in Ferrellgas, L.P.'s Annual Report on Form 10-K for fiscal 2011.

B. Summary of significant accounting policies

(1) Nature of operations: Ferrellgas, L.P. is a single reportable operating segment engaged primarily in the distribution of propane and related equipment and supplies in the United States. The propane distribution market is seasonal because propane is used primarily for heating in residential and commercial buildings. Therefore, the results of operations for the six months ended January 31, 2012 and 2011 are not necessarily indicative of the results to be expected for a full fiscal year. Ferrellgas, L.P. serves approximately one million residential, industrial/commercial, portable tank exchange, agricultural, wholesale and other customers in all 50 states, the District of Columbia, and Puerto Rico.

(2) Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates. Significant estimates impacting the condensed consolidated financial statements include accruals that have been established for contingent liabilities, pending claims and legal actions arising in the normal course of business, useful lives of property, plant and equipment assets, residual values of tanks, capitalization of customer tank installation costs, amortization methods of intangible assets, valuation methods used to value sales returns and allowances, allowance for doubtful accounts, fair value of reporting units, fair values of derivative contracts and stock and unit-based compensation calculations.

(3) Supplemental cash flow information: 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. Certain cash flow and significant non-

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cash activities are presented below:

	For the six months ended January 31,			
	2012		2011	
CASH PAID FOR:				
Interest	$	36,951	$	37,990
Income taxes	$	89	$	0
NON-CASH INVESTING ACTIVITIES:				
Assets contributed from Ferrellgas Partners in connection with acquisitions	$	1,300	$	1,625
Issuance of liabilities in connection with acquisitions	$	2,321	$	1,664
Property, plant and equipment additions	$	979	$	374

(4) New accounting standards:

FASB Accounting Standard Update No. 2010-28

In December 2010, the Financial Accounting Standards Board ("FASB") issued FASB Accounting Standard Update No. 2010-28 (ASU 2011-05), which modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. Ferrellgas, L.P.'s adoption of this guidance in fiscal 2012 did not have a significant impact on its financial position, results of operations or cash flows.

FASB Accounting Standard Update No. 2011-05

In June 2011, the FASB issued ASU 2011-05, which revises the presentation of comprehensive income in the financial statements. The new guidance requires entities to report components of comprehensive income in either a continuous statement of comprehensive income or two separate but consecutive statements. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. Ferrellgas, L.P. does not expect the adoption of this guidance in fiscal 2013 to have a significant impact on its financial position, results of operations or cash flows.

FASB Accounting Standard Update No. 2011-08

In September 2011, the FASB issued ASU 2011-08, which amends the existing guidance on goodwill impairment testing. Under the new guidance, entities testing goodwill for impairment have the option of performing a qualitative assessment before calculating the fair value of the reporting unit. If an entity determines, on the basis of qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, the two-step impairment test would be required. This guidance is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Ferrellgas, L.P. does not expect the adoption of this guidance in fiscal 2013 to have a significant impact on its financial position, results of operations or cash flows.

(5) Goodwill: Ferrellgas, L.P. records goodwill as the excess of the cost of acquisitions over the fair value of the related net assets at the date of acquisition. Based on the guidance in ASC280 — "Segment Reporting" and ASC 350 — "Intangibles — Goodwill and other," Ferrellgas, L.P. has determined that it has three reporting units for goodwill impairment testing purposes. Two of these reporting units contain goodwill that is subject to at least an annual assessment for impairment by applying a fair-value-based test. Under this test, the carrying value of each reporting unit is determined by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of the evaluation on a specific identification basis. To the extent a reporting unit's carrying value exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired and the second step

of the impairment test must be performed. In the second step, the implied fair value of the goodwill is determined by allocating the fair value of all of its assets (recognized and unrecognized) and liabilities to it carrying amount. Ferrellgas, L.P. completed the impairment test for each of its reporting units and believes that estimated fair values exceed the carrying values of our reporting units as of January 31, 2012.

C. Supplemental financial statement information

Inventories consist of the following:

	January 31, 2012	July 31, 2011
Propane gas and related products	$ 149,032	$ 113,826
Appliances, parts and supplies	21,447	22,313
Inventories	$ 170,479	$ 136,139

In addition to inventories on hand, Ferrellgas, L.P. enters into contracts primarily to buy propane for supply procurement purposes. Most of these contracts have terms of less than one year and call for payment based on market prices at the date of delivery. All supply procurement fixed price contracts have terms of fewer than 24 months. As of January 31, 2012, Ferrellgas, L.P. had committed, for supply procurement purposes, to take delivery of approximately 50.2 million gallons of propane at fixed prices.

Other current liabilities consist of the following:

	January 31, 2012	July 31, 2011
Accrued interest	$ 17,774	$ 17,773
Accrued litigation and insurance	17,443	16,565
Customer deposits and advances	23,706	19,784
Other	54,677	48,552
Other current liabilities	$ 113,600	$ 102,674

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

	For the three months ended January 31,		For the six months ended January 31,	
	2012	2011	2012	2011
Operating expense	$ 47,937	$ 47,614	$ 91,725	$ 89,898
Depreciation and amortization expense	1,700	1,489	3,284	2,970
Equipment lease expense	3,053	3,089	6,144	6,450
	$ 52,690	$ 52,192	$ 101,153	$ 99,318

D. Accounts and notes receivable, net

Accounts and notes receivable, net consist of the following:

	January 31, 2012	July 31, 2011
Accounts receivable pledged as collateral	$ 293,163	$ 112,509
Accounts receivable	3,826	51,104
Other	246	229
Less: Allowance for doubtful accounts	(4,345)	(4,310)
Accounts and notes receivable, net	$ 292,890	$ 159,532

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During January 2012, Ferrellgas, L.P. executed a new accounts receivable securitization facility with Wells Fargo Bank, N.A., Fifth Third Bank and SunTrust Bank. This new accounts receivable securitization facility has up to $225.0 million of capacity, matures on January 19, 2017 and replaces Ferrellgas, L.P.'s previous 364-day facility which was to expire on April 4, 2013. As part of this new facility, Ferrellgas, L.P., through Ferrellgas Receivables, securitizes a portion of its trade accounts receivable through a commercial paper conduit for proceeds of up to $225 million during the months of January, February, March and December, $175 million during the months of April and May and $145 million for all other months, depending on the availability of undivided interests in our accounts receivable from certain customers. Borrowings on the new accounts receivable securitization facility bear interest at rates ranging from 1.45% to 1.20% lower than the previous facility. At January 31, 2012, $293.2 million of trade accounts receivable were pledged as collateral against $205.0 million of collateralized notes payable due to the commercial paper conduit. These accounts receivable pledged as collateral are bankruptcy remote from Ferrellgas, L.P. Ferrellgas, L.P. does not provide any guarantee or similar support to the collectibility of these accounts receivable pledged as collateral.

Ferrellgas, L.P. structured Ferrellgas Receivables in order to facilitate securitization transactions while complying with Ferrellgas, L.P.'s various debt covenants. If the covenants were compromised, funding from the facility could be restricted or suspended, or its costs could increase. As of January 31, 2012, Ferrellgas, L.P. had received cash proceeds of $205.0 million from trade accounts receivables securitized, with no remaining capacity to receive additional proceeds. As of July 31, 2011, Ferrellgas, L.P. had received cash proceeds of $61.0 million from trade accounts receivables securitized, with the ability to receive proceeds of an additional $3.0 million. Borrowings under the accounts receivable securitization facility had a weighted average interest rate of 2.8% and 3.6% as of January 31, 2012 and July 31, 2011, respectively.

E. Debt

Short-term borrowings

Ferrellgas, L.P. classified a portion of its secured credit facility borrowings as short-term because it was used to fund working capital needs that management had intended to pay down within the 12 month period following each balance sheet date. As of January 31, 2012 and July 31, 2011, $56.0 million and $64.9 million, respectively, were classified as short-term borrowings. For further discussion see the secured credit facility section below.

Secured credit facility

During September 2011, Ferrellgas, L.P. executed an amendment to its secured credit facility. This amendment changed the maturity of the secured credit facility to five years, extending the maturity date to September 2016. There was no change to the size of the facility which remains at $400.0 million with a letter of credit sublimit of $200.0 million. Borrowings on the amended secured credit facility bear interest at rates ranging from 1.25% to 1.50% lower than the previous secured credit facility.

As of January 31, 2012, Ferrellgas, L.P. had total borrowings outstanding under its secured credit facility of $102.1 million, of which $46.1 million was classified as long-term debt. As of July 31, 2011, Ferrellgas, L.P. had total borrowings outstanding under its secured credit facility of $129.5 million, of which $64.6 million was classified as long-term debt.

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Borrowings outstanding at January 31, 2012 and July 31, 2011 under the secured credit facility had a weighted average interest rate of 4.2% and 6.5%, respectively.

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

Letters of credit outstanding at January 31, 2012 totaled $64.4 million and were used primarily to secure insurance arrangements and to a lesser extent, product purchases. Letters of credit outstanding at July 31, 2011 totaled $47.5 million and were used primarily to secure insurance arrangements and to a lesser extent, product purchases. At January 31, 2012, Ferrellgas, L.P. had available letter of credit remaining capacity of $135.6 million. At July 31, 2011, Ferrellgas, L.P. had available letter of credit remaining capacity of $152.5 million.

The carrying amount of short-term financial instruments approximates fair value because of the short maturity of the instruments. The estimated fair value of Ferrellgas' long-term debt instruments was $845.3 million and $941.3 million as of January 31, 2012 and July 31, 2011, respectively. The fair values are estimated based on quoted market prices.

F. Partners' capital

Partnership contributions

During January 2012, Ferrellgas, L.P. received cash contributions of $50.0 million from Ferrellgas Partners, L.P. The proceeds were used to reduce outstanding indebtedness under Ferrellgas, L.P.'s secured credit facility.

During the six months ended January 31, 2012, Ferrellgas, L.P. received asset contributions of $1.3 million from Ferrellgas Partners, L.P. in connection with an acquisition of propane distribution assets.

Partnership distributions paid

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

	For the three months ended January 31,		For the six months ended January 31,	
	2012	2011	2012	2011
Ferrellgas Partners	$ 46,220	$ 47,846	$ 84,587	$ 82,971
General partner	472	488	863	847
	$ 46,692	$ 48,334	$ 85,450	$ 83,818

On February 23, 2012, Ferrellgas, L.P. declared distributions for the three months ended January 31, 2012 to Ferrellgas Partners and the general partner of $39.9 million and $0.4 million, respectively, which is expected to be paid on March 16, 2012.

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

Other comprehensive income ("OCI")

See Note G — Derivatives — for details regarding changes in fair value on risk management financial derivatives recorded within OCI for the six months ended January 31, 2012.

General partner's commitment to maintain its capital account

Ferrellgas, L.P.'s partnership agreement allows the general partner to have an option to maintain its 1.0101% general partner interest concurrent with the issuance of other additional equity.

During the six months ended January 31, 2012, the general partner made cash contributions of $0.5 million and non-cash contributions of $0.1 million to Ferrellgas, L.P. to maintain its 1.0101% general partner interest.

G. Derivatives

Commodity Price Risk Management

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

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

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

Cash Flow Hedging Activity

Ferrellgas, L.P. uses financial derivative instruments for risk management purposes to hedge a portion of its exposure to market fluctuations in propane prices. These financial derivative instruments are designated as cash flow hedging instruments, thus the effective portions of changes in the fair value of the financial derivatives are recorded in OCI prior to settlement and are subsequently recognized in the condensed consolidated statements of earnings in "Cost of product sold — propane and other gas liquids sales" when the forward or forecasted propane sales transaction impacts earnings. The effectiveness of cash flow hedges is evaluated at inception and on an on-going basis. Changes in the fair value of cash flow hedges due to hedge ineffectiveness, if any, are recognized in "Cost of product sold — propane and other gas liquids sales." During the six months ended January 31, 2012 and 2011, Ferrellgas, L.P. did not recognize any gain or loss in earnings related to hedge ineffectiveness and did not exclude any component of the financial derivative contract gain or loss from the assessment of hedge effectiveness related to these cash flow hedges.

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

	January 31, 2012	July 31, 2011
Derivatives — Price risk management assets	$ 1,077	$ 7,637
Derivatives — Price risk management liabilities	$ 2,504	$ 2,476

Ferrellgas, L.P. had the following cash flow hedge activity included in OCI in the condensed consolidated statement of partners' capital for the six months ended January 31, 2012:

Fair value loss adjustment classified as OCI with offset in Price risk management assets and Price risk management liabilities	$ (3,875)
Reclassification of net gains originally recorded within OCI to Cost of product sold — propane and other gas liquids	$ 2,713

Ferrellgas, L.P. expects to reclassify net losses of approximately $1.4 million to earnings during the next 12 months. These net losses are expected to be offset by margins on propane sales commitments Ferrellgas, L.P. has with its customers that qualify for the normal purchase normal sales exception.

During the six months ended January 31, 2012 and 2011, Ferrellgas, L.P. had no reclassifications to earnings resulting from discontinuance of any cash flow hedges arising from the probability of the original forecasted transactions not occurring within the originally specified period of time defined within the hedging relationship.

As of January 31, 2012, Ferrellgas, L.P. had financial derivative contracts covering 0.8 million barrels of propane that were entered into as cash flow hedges of forward and forecasted purchases of propane.

During the six months ended January 31, 2012 and 2011, four counterparties represented 78% and 83%, respectively, of net settled cash flow hedging positions reported in "Cost of product sold — propane and other gas liquids sales." During the six months ended January 31, 2012 and 2011, Ferrellgas, L.P. neither held nor entered into financial derivative contracts that contained credit risk related contingency features.

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

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

Ferrellgas, L.P. considers over-the-counter derivative instruments entered into directly with third parties as Level 2 valuation since the values of these derivatives are quoted by third party brokers and are on an exchange for similar transactions. The market prices used to value Ferrellgas, L.P.'s derivatives are based upon industry price publications and independent broker quotes utilizing both current market transactions and indicators.

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The following tables provide the amounts and their corresponding level of hierarchy for our assets and liabilities that are measured at fair value. All financial derivatives assets and liabilities were non-trading positions.

	As of January 31, 2012			
Fair value of derivatives	Level 1	Level 2	Level 3	Total
Price risk management assets	—	$ 1,077	—	$ 1,077
Price risk management liabilities	—	$ 2,504	—	$ 2,504

	As of July 31, 2011			
Fair value of derivatives	Level 1	Level 2	Level 3	Total
Price risk management assets	—	$ 7,637	—	$ 7,637
Price risk management liabilities	—	$ 2,476	—	$ 2,476

H. Transactions with related parties

General partner

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

	For the three months ended January 31,		For the six months ended January 31,	
	2012	2011	2012	2011
Operating expense	$ 53,964	$ 58,504	$ 103,311	$ 108,515
General and administrative expense	$ 6,689	$ 5,709	$ 12,706	$ 12,172

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

I. Contingencies and commitments

Litigation

Ferrellgas, L.P.'s operations are subject to all operating hazards and risks normally incidental to handling, storing, transporting and otherwise providing for use by consumers of combustible liquids such as propane. As a result, at any given time, Ferrellgas, L.P. is threatened with or named as a defendant in various lawsuits arising in the ordinary course of business. Other than as discussed below, Ferrellgas, L.P. is not a party to any legal proceedings other than various claims and lawsuits arising in the ordinary course of business. It is not possible to determine the ultimate disposition of these matters; however, management is of the opinion that there are no known claims or contingent

claims that are reasonably expected to have a material adverse effect on the consolidated financial condition, results of operations and cash flows of Ferrellgas, L.P.

Ferrellgas, L.P. has been named as a defendant in lawsuits filed in multiple federal and state courts that seek to certify nationwide or statewide classes related to its Blue Rhino branded propane tank exchange activities. The plaintiffs in each case generally allege that Ferrellgas, L.P. failed to inform consumers of the amount of propane contained in propane tanks they purchased and that Ferrellgas, L.P. violated anti-trust laws by allegedly conspiring with a competitor. The federal cases have been coordinated for multidistrict treatment in the United States District Court for the Western District of Missouri. A settlement agreement has received preliminary approval by the Court. Ferrellgas, L.P. believes these claims will not have a material impact on the consolidated financial condition, results of operations and cash flows of Ferrellgas, L.P. beyond the $9.2 million litigation accrual outstanding for these claims.

Ferrellgas, L.P. has also been named as a defendant in a class action lawsuit filed in the United States District Court in Kansas. The complaint alleges that Ferrellgas, L.P. violates consumer protection laws in the manner Ferrellgas, L.P. sets prices and fees for its customers. Based on Ferrellgas, L.P.'s business practices, Ferrellgas, L.P. believes that the claims are without merit and intends to defend the claims vigorously. The court has stayed discovery on this matter pending Ferrellgas, L.P's motion to compel arbitration, and the case has not been certified for class treatment. Ferrellgas, L.P. does not believe loss is probable or reasonably estimable at this time related to this class action lawsuit.

Operating lease commitments

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

The following table summarizes Ferrellgas' contractual operating lease commitments as of January 31, 2012:

	Future minimum rental amounts by fiscal year					
	2012	2013	2014	2015	2016	Thereafter
Operating lease obligations	$ 12,271	$ 19,909	$ 15,328	$ 12,356	$ 10,347	$ 15,144

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

CONDENSED BALANCE SHEETS
(in dollars)
(unaudited)

	January 31, 2012	July 31, 2011
ASSETS		
Cash	$ 1,100	$ 1,100
Total assets	$ 1,100	$ 1,100
Contingencies and commitments (Note B)	—	—
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	38,547	35,382
Accumulated deficit	(38,447)	(35,282)
Total stockholder's equity	$ 1,100	$ 1,100

CONDENSED STATEMENTS OF EARNINGS
(in dollars)
(unaudited)

	For the three months ended January 31, 2012	For the three months ended January 31, 2011	For the six months ended January 31, 2012	For the six months ended January 31, 2011
General and administrative expense	$ 1,665	$ 4,790	$ 3,165	$ 7,840
Net loss	$ (1,665)	$ (4,790)	$ (3,165)	$ (7,840)

See notes to condensed financial statements.

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

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

	For the six months ended January 31, 2012	For the six months ended January 31, 2011
Cash flows from operating activities:		
Net loss	$ (3,165)	$ (7,840)
Cash used in operating activities	(3,165)	(7,840)
Cash flows from financing activities:		
Capital contribution	3,165	7,840
Cash provided by financing activities	3,165	7,840
Change in cash	0	0
Cash — beginning of period	1,100	1,100
Cash — end of period	$ 1,100	$ 1,100

See notes to condensed financial statements.

NOTES TO CONDENSED FINANCIAL STATEMENTS
January 31, 2012
(unaudited)

A. Formation

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

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

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

B. Contingencies and commitments

The Finance Corp. serves as co-issuer and co-obligor for debt securities of the Partnership.

The senior notes agreements contain various restrictive covenants applicable to the Partnership and its subsidiaries, the most restrictive relating to additional indebtedness. As of January 31, 2012, the Partnership is in compliance with all requirements, tests, limitations and covenants related to these debt agreements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The operating partnership was formed on April 22, 1994, and accounts for substantially all of our consolidated assets, sales and operating earnings, except for interest expense related to the senior notes co-issued by Ferrellgas Partners and Ferrellgas Partners Finance Corp.

Our general partner performs all management functions for us and our subsidiaries and holds a 1% general partner interest in Ferrellgas Partners and an approximate 1% general partner interest in the operating partnership. The parent company of our general partner, Ferrell Companies, beneficially owns approximately 28% of our outstanding common units. Ferrell Companies is owned 100% by an employee stock ownership trust.

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

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

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

- because Ferrellgas Partners has outstanding $182.0 million in aggregate principal amount of 8.625% senior notes due fiscal 2020, the two partnerships incur different amounts of interest expense on their outstanding indebtedness; see the statements of earnings in their respective condensed consolidated financial statements; and

- Ferrellgas Partners issued common units during both fiscal 2012 and 2011.

Overview

We are a leading distributor of propane and related equipment and supplies to customers primarily in the United States and conduct our business as a single reportable operating segment. We believe that we are the second largest retail marketer of propane in the United States as measured by the volume of our retail sales in fiscal 2011, and the largest national provider of propane by portable tank exchange.

We serve approximately one million residential, industrial/commercial, portable tank exchange, agricultural, wholesale and other customers in all 50 states, the District of Columbia and Puerto Rico. Our operations primarily include the distribution and sale of propane and related equipment and supplies with concentrations in the Midwest, Southeast, Southwest and Northwest regions of the United States. Our propane distribution business consists principally of transporting propane purchased from third parties to propane distribution locations and then to tanks on customers' premises or to portable propane tanks delivered to nationwide and local retailers. Our portable tank exchange operations, nationally branded under the name Blue Rhino, are conducted through a network of independent and partnership-owned

distribution outlets. Our market areas for our residential and agricultural customers are generally rural, while our market areas for our industrial/commercial and portable tank exchange customers is generally urban.

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

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

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

Weather conditions have a significant impact on demand for propane for heating purposes during the winter heating season. Accordingly, the volume of propane used by our customers for this purpose is affected by the severity of the winter weather in the regions we serve and can vary substantially from year to year. In any given region, sustained warmer-than-normal temperatures will tend to result in reduced propane usage, while sustained colder-than-normal temperatures will tend to result in greater usage. Although there is a strong correlation between weather and customer usage, general economic conditions in the United States and the wholesale price of propane can have a significant impact on this correlation. Additionally, there is a natural time lag between the onset of cold weather and increased sales to customers. If the United States were to experience a cooling trend, we could expect nationwide demand for propane to increase which could lead to greater sales, income and liquidity availability. Conversely, if the United States were to experience a warming trend, we could expect nationwide demand for propane to decrease which could lead to a reduction in our sales, income and liquidity availability. For the quarter ended January 31, 2012, weather in the more highly concentrated geographic areas we serve was 18% warmer than that of the prior year.

Our gross margin from the retail distribution of propane is primarily based on the cents-per-gallon difference between the sale price we charge our customers and our costs to purchase and deliver propane to our propane distribution locations. Our residential customers and portable tank exchange customers typically provide us a greater cents-per-gallon margin than our industrial/commercial, agricultural, wholesale and other customers. We track "Propane sales volumes," "Revenues — Propane and other gas liquids sales" and "Gross margin — Propane and other gas liquids sales" by customer; however, we are not able to specifically allocate operating and other costs in a manner that would determine their specific profitability with a high degree of accuracy. The wholesale propane price per gallon is subject to various market conditions, including inflation, and may fluctuate based on changes in demand, supply and other energy commodity prices, primarily crude oil and natural gas, as propane prices tend to correlate with the fluctuations of these underlying commodities. Propane prices continued to be volatile in fiscal 2012 as the average wholesale market price at one of the major supply points, Mt. Belvieu, Texas during the six months ended January 31, 2012, averaged 19% more than the prior year

period. Moreover in the trailing twelve month period ending January 31, 2012, the average wholesale market price at Mt. Belvieu averaged 26% more than the comparable prior period. We believe the effect of the sustained higher wholesale prices in the past 12 months has negatively impacted our volume sales as we have passed on price increases to our customers.

We employ risk management activities that attempt to mitigate price risks related to the purchase, storage, transport and sale of propane. We enter into propane sales commitments with a portion of our customers that provide for a contracted price agreement for a specified period of time. These commitments can expose us to product price risk if not immediately economically hedged with an offsetting propane purchase commitment. Moreover, customers may not fulfill their purchase agreement due to the effects of warmer than normal weather, customer conservation or other economic conditions.

Our open financial derivative purchase commitments are designated as hedges primarily for fiscal 2012 sales commitments and, as of January 31, 2012, have experienced net mark to market losses of approximately $1.4 million. Because these financial derivative purchase commitments qualify for hedge accounting treatment, the resulting asset, liability and related mark to market gains or losses are recorded on the condensed consolidated balance sheets as "Prepaid expenses and other current assets," "Other current liabilities" and "Accumulated other comprehensive income (loss)," respectively, until settled. Upon settlement, realized gains or losses on these contracts will be reclassified to "Cost of product sold-propane and other gas liquid sales" in the condensed consolidated statements of earnings as the underlying inventory is sold. These financial derivative purchase commitment net losses are expected to be offset by increased margins on propane sales commitments that qualify for the normal purchase normal sale exception. At January 31, 2012, we estimate 100% of currently open financial derivative purchase commitments, the related propane sales commitments, and the resulting gross margin will be realized into earnings during the next twelve months.

Our business strategy is to:

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

"Net earnings attributable to Ferrellgas Partners, L.P." in the three months ended January 31, 2012 was $36.4 million as compared to $22.1 million in the prior period. This increase in the net earnings of $14.3 million was primarily due to a $36.4 million loss on extinguishment of debt in fiscal 2011 that was not repeated in the current quarter, a $9.5 million decrease in non-cash stock and unit based compensation charges, a $3.8 million decrease in operating expense and a $2.3 million decrease in interest expense, partially offset by a $35.8 million decrease in "gross margin — propane and other gas liquids", and a $3.1 million decrease in "gross margin — other".

"Net earnings (loss) attributable to Ferrellgas Partners, L.P." in the six months ended January 31, 2012 was net earnings of $3.8 million as compared to a net loss of $5.9 million in the prior period. This increase of $9.7 million was primarily due to a $36.4 million loss on extinguishment of debt in fiscal 2011 that was not repeated in the current year, a $7.6 million decrease in non-cash stock and unit based compensation charges and a $5.8 million decrease in interest expense, partially offset by a $36.8 million decrease in "gross margin — propane and other gas liquids", and a $4.2 million decrease in "gross margin — other".

We have completed our goodwill impairment test for each of our reporting units and believe estimated fair values substantially exceed the carrying values of our reporting units as of January 31, 2012.

Forward-looking Statements

Statements included in this report include forward-looking statements. These forward-looking

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

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

Some of our forward-looking statements include the following:

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

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

- our expectations that "Net earnings" will be greater in fiscal 2012 compared to fiscal 2011 primarily due to our expectation that "Loss on extinguishment of debt" will not reoccur.

When considering any forward-looking statement, you should also keep in mind the risk factors set forth in the section in our Annual Report on Form 10-K for our fiscal 2011 entitled, "Item 1A. Risk Factors." Any of these risks could impair our business, financial condition or results of operations. Any such impairment may affect our ability to make distributions to our unitholders or pay interest on the principal of any of our debt securities. In addition, the trading price, if any, of our securities could decline as a result of any such impairment.

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

In addition, the classification of Ferrellgas Partners and the operating partnership as partnerships for federal income tax purposes means that we do not generally pay federal income taxes. We do, however, pay taxes on the income of our subsidiaries that are corporations. We rely on a legal opinion from our counsel, and not a ruling from the Internal Revenue Service, as to our proper classification for federal income tax purposes. See the section in our Annual Report on Form 10-K for our fiscal 2011 entitled, "Item 1A. Risk Factors — Tax Risks." The IRS could treat us as a corporation for tax purposes or changes in federal or state laws could subject us to entity-level taxation, which would substantially reduce the cash available for distribution to our unitholders or to pay interest on the principal of any of our debt securities.

Results of Operations

Three months ended January 31, 2012 compared to January 31, 2011

(amounts in thousands) Three months ended January 31,	2012	2011	Favorable (unfavorable) Variance	
Propane sales volumes (gallons):				
Retail — Sales to End Users	223,977	249,227	(25,250)	(10)%
Wholesale — Sales to Resellers	81,129	79,156	1,973	2%
	305,106	328,383	(23,277)	(7)%
Revenues -				
Propane and other gas liquids sales:				
Retail — Sales to End Users	$ 493,733	$ 514,263	$ (20,530)	(4)%
Wholesale — Sales to Resellers	158,155	153,616	4,539	3%
Other Gas Sales	127,679	106,300	21,379	20%
	$ 779,567	$ 774,179	$ 5,388	1%
Gross margin —				
Propane and other gas liquids sales: (a)				
Retail — Sales to End Users	$ 156,382	$ 168,362	$ (11,980)	(7)%
Wholesale — Sales to Resellers	32,693	36,619	(3,926)	(11)%
Other Gas Sales	(10,108)	9,782	(19,890)	NM
	$ 178,967	$ 214,763	$ (35,796)	(17)%
Gross margin - Other	$ 25,237	$ 28,313	$ (3,076)	(11)%
Operating income	61,524	86,373	(24,849)	(29)%
Adjusted EBITDA (b)	87,483	121,301	(33,818)	(28)%
Interest expense	(24,046)	(26,395)	2,349	9%
Interest expense - operating partnership	(20,016)	(20,196)	180	1%
Loss on extinguishment of debt	0	(36,449)	36,449	NM

(a) Gross margin from propane and other gas liquids sales represents "Revenues - propane and other gas liquids sales" less "Cost of product sold — propane and other gas liquids sales" and does not include depreciation and amortization.

(b) Adjusted EBITDA is calculated as earnings (loss) before income tax expense (benefit), interest expense, depreciation and amortization expense, loss on extinguishment of debt, non-cash employee stock ownership plan compensation charge, non-cash stock and unit-based compensation charge, loss on disposal of assets, other income, net, nonrecurring litigation accrual and related legal fees and net earnings attributable to noncontrolling interest. Management believes the presentation of this measure is relevant and useful because it allows investors to view the partnership's performance in a manner similar to the method management uses, adjusted for items management believes makes it easier to compare its results with other companies that have different financing and capital structures. This method of calculating Adjusted EBITDA may not be consistent with that of other companies and should be viewed in conjunction with measurements that are computed in accordance with GAAP.

NM — Not meaningful

The following table summarizes EBITDA and Adjusted EBITDA for the three months ended January 31, 2012 and 2011, respectively:

(amounts in thousands)	2012	2011
Net earnings (loss) attributable to Ferrellgas Partners, L.P.	$ 36,374	$ 22,129
Income tax expense	771	1,198
Interest expense	24,046	26,395
Depreciation and amortization expense	21,042	19,990
EBITDA	$ 82,233	$ 69,712
Loss on extinguishment of debt	0	36,449
Non-cash employee stock ownership plan compensation charge	1,937	2,932
Non-cash stock and unit-based compensation charge	1,565	11,068
Loss on disposal of assets	523	603
Other income, net	(80)	(88)
Nonrecurring litigation accrual and related legal fees	892	335
Net earnings attributable to noncontrolling interest	413	290
Adjusted EBITDA	$ 87,483	$ 121,301

Propane sales volumes during the three months ended January 31, 2012 decreased 23.3 million gallons from that of the prior year period primarily due to 27.5 million of decreased gallon sales to our retail customers, partially offset by 2.0 million of increased gallon sales to our wholesale customers and 2.0 million of acquisition related gallons.

Weather in the more highly concentrated geographic areas we serve for the fiscal quarter ended January 31, 2012 was approximately 18% warmer than that of the prior year period, which we believe was the primary factor in the decline of propane sales volumes. We also believe our decrease in sales volume was due to customer conservation resulting from higher propane sales prices and the continuing overall poor economic environment.

Our sales price per gallon is impacted by the wholesale market price of propane. The wholesale market price at one of the major supply points, Mt. Belvieu, Texas, during the three months ended January 31, 2012 averaged 6% more than the prior year period. The wholesale market price averaged $1.38 and $1.30 per gallon during the three months ended January 31, 2012 and 2011, respectively. Although these prices were higher than those of the prior year period they were lower than those of the prior quarter which allowed us to somewhat improve margins on our retail sales during the quarter.

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

Revenues - Propane and other gas liquids sales

Retail sales decreased $20.5 million compared to the prior year period. This decrease resulted primarily from a $57.8 million decrease in propane sales volumes as discussed above, partially offset by a $31.5 million increase in sales price per gallon, as discussed above, and $5.8 million from gallons gained through acquisitions completed during the last twelve months.

Wholesale sales increased $4.5 million compared to the prior year period. This increase resulted from increased sales volumes as discussed above.

Other gas sales increased $21.4 million compared to the prior year period primarily due to $12.7 million of increased sales price per gallon as discussed above and $8.7 million of increased propane sales volumes, due to increased sales of excess inventory to third party propane distributors and marketers.

Gross margin - Propane and other gas liquids sales

Retail sales gross margin decreased $12.0 million compared to the prior year period. This decrease resulted primarily from a $19.3 million decrease in propane sales volumes, partially offset by $5.1 million related to increased gross margin per gallon, both as discussed above, and $2.2 million from gallons gained through acquisitions completed during the last twelve months.

Wholesale sales gross margin decreased $3.9 million compared to the prior year period. This decrease resulted primarily from $5.1 million of decreased gross margin per gallon resulting from the negative impact of higher wholesale market prices for propane, partially offset by $1.2 million related to increased sales volumes, both as discussed above.

Other gas sales gross margin decreased $19.9 million compared to the prior year period due to losses on sales of excess inventory to other third party propane distributors and marketers in a declining wholesale market price environment.

Operating income

Operating income decreased $24.8 million compared to the prior year period primarily due to $35.8 million of decreased “Gross margin — Propane and other gas liquid sales” as discussed above and $3.1 million of decreased “Gross margin — Other”, partially offset by a $7.1 million and $2.4 million decrease in non-cash stock and unit based compensation charges classified as “General and administrative expense” and “Operating expense,” respectively, and $3.8 million of decreased “Operating expense.”

“Gross margin — Other” decreased primarily due to a $1.5 million decrease in miscellaneous fees billed to customers and a $1.5 million decrease in material and appliance sales. Operating expense decreased primarily due to a $3.8 million reduction in general liability and other insurance expense and a $2.1 million decrease in personnel related costs, partially offset by an increase of $1.2 million in operating costs associated with acquisitions and $1.0 million in of increased fuel costs.

Adjusted EBITDA

Adjusted EBITDA decreased $33.8 million compared to the prior year period primarily due to a $35.8 million decrease in “Gross margin — Propane and other gas liquid sales”, as discussed above and $3.1 million of decreased “Gross margin — Other”, partially offset by $3.8 million of decreased “Operating expense.”

“Gross margin — Other” decreased primarily due to a $1.5 million decrease in miscellaneous fees billed to customers and a $1.5 million decrease in material and appliance sales. Operating expense decreased primarily due to a $3.8 million reduction in general liability and other insurance expense and a $2.1 million decrease in personnel related costs, partially offset by an increase of $1.2 million in operating costs associated with acquisitions and $1.0 million in of increased fuel costs.

Interest expense - consolidated

Interest expense decreased $2.3 million primarily due to $1.1 million from lower rates on our secured credit facility, $0.5 million from decreased letter of credit and commitment fees on our secured credit facility and $0.4 million from decreased amortization of discounts and capitalized debt costs.

Interest expense —operating partnership

Interest expense decreased $0.2 million primarily due to $1.1 million from lower rates on our secured credit facility, $0.5 million from decreased letter of credit and commitment fees on our secured credit facility and $0.4 million from decreased amortization of discounts and capitalized debt costs, partially offset by a $1.8 million increase resulting from increased borrowings.

Loss on extinguishment of debt

During the three months ended January 31, 2011, we prepaid the outstanding principal amount on our $450.0 million 6.75% fixed rate senior notes due May 1, 2014, incurring a "Loss on extinguishment of debt" of $36.4 million.

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Six months ended January 31, 2012 compared to January 31, 2011

(amounts in thousands) Six months ended January 31,	2012	2011	Favorable (Unfavorable) Variance	
Propane sales volumes (gallons):				
Retail — Sales to End Users	356,825	369,788	(12,963)	(4)%
Wholesale — Sales to Resellers	144,550	126,932	17,618	14%
	501,375	496,720	4,655	1%
Revenues -				
Propane and other gas liquids sales:				
Retail — Sales to End Users	$ 776,181	$ 735,889	$ 40,292	5%
Wholesale — Sales to Resellers	300,244	256,838	43,406	17%
Other Gas Sales	217,361	150,075	67,286	45%
	$ 1,293,786	$ 1,142,802	$ 150,984	13%
Gross margin —				
Propane and other gas liquids sales: (a)				
Retail — Sales to End Users	$ 227,262	$ 243,076	$ (15,814)	(7)%
Wholesale — Sales to Resellers	69,564	73,787	(4,223)	(6)%
Other Gas Sales	(6,762)	10,037	(16,799)	NM
	$ 290,064	$ 326,900	$ (36,836)	(11)%
Gross margin — Other	$ 42,818	$ 47,024	$ (4,206)	(9)%
Operating income	51,419	84,325	(32,906)	(39)%
Adjusted EBITDA (b)	103,857	143,185	(39,328)	(27)%
Interest expense	(47,433)	(53,272)	5,839	11%
Interest expense - operating partnership	(39,373)	(40,876)	1,503	4%
Loss on extinguishment of debt	0	(36,449)	36,449	NM

(a) Gross margin from propane and other gas liquids sales represents "Revenues - Propane and other gas liquids sales" less "Cost of product sold — propane and other gas liquids sales" and does not include depreciation and amortization.

(b) Adjusted EBITDA is calculated as earnings (loss) before income tax expense (benefit), interest expense, depreciation and amortization expense, loss on extinguishment of debt, non-cash employee stock ownership plan compensation charge, non-cash stock and unit-based compensation charge, loss on disposal of assets, other income, net, nonrecurring litigation accrual and related legal fees and net earnings attributable to noncontrolling interest. Management believes the presentation of this measure is relevant and useful because it allows investors to view the partnership's performance in a manner similar to the method management uses, adjusted for items management believes makes it easier to compare its results with other companies that have different financing and capital structures. This method of calculating Adjusted EBITDA may not be consistent with that of other companies and should be viewed in conjunction with measurements that are computed in accordance with GAAP.

The following table summarizes EBITDA and Adjusted EBITDA for the six months ended January 31, 2012 and 2011, respectively:

(amounts in thousands)	2012	2011
Net earnings (loss) attributable to Ferrellgas Partners, L.P.	$ 3,770	$ (5,914)
Income tax expense	141	716
Interest expense	47,433	53,272
Depreciation and amortization expense	41,716	40,365
EBITDA	$ 93,060	$ 88,439
Loss on extinguishment of debt	0	36,449
Non-cash employee stock ownership plan compensation charge	4,516	5,376
Non-cash stock and unit-based compensation charge	4,482	12,081
Loss on disposal of assets	832	371
Other income, net	(47)	(266)
Noncurring litigation accrual and related legal fees	892	667
Net earnings attributable to noncontrolling interest	122	68
Adjusted EBITDA	$ 103,857	$ 143,185

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Propane sales volumes during the six months ended January 31, 2012 increased 4.7 million gallons from that of the prior year period due to 17.6 million of increased gallon sales to our wholesale customers and 3.2 million of acquisition related gallons, partially offset by 16.1 million of decreased gallon sales to our retail customers.

Weather in the more highly concentrated geographic areas we serve for the fiscal year to date was approximately 15% warmer than that of the prior year period, which we believe was the primary factor in the decline of propane sales volumes. We also believe our decrease in sales volume was due to customer conservation resulting from higher propane sales prices and the continuing overall poor economic environment.

Our sales price per gallon is impacted by the wholesale market price of propane. The wholesale market price at one of the major supply points, Mt. Belvieu, Texas, during the six months ended January 31, 2012 averaged 19% more than the prior year period. The wholesale market price averaged $1.45 and $1.22 per gallon during the six months ended January 31, 2012 and 2011, respectively. During the first quarter of fiscal 2012 we were unable to pass on all of these price increases to our customers which negatively impacted gross margin per gallon through January 31, 2012.

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

Revenues - Propane and other gas liquids sales

Retail sales increased $40.3 million compared to the prior year period. This increase resulted primarily from a $66.1 million increase in sales price per gallon and $8.3 million from gallons gained through acquisitions completed during the last twelve months, partially offset by $34.1 million from a decrease in retail propane sales volumes, as discussed above.

Wholesale sales increased $43.4 million compared to the prior year period. This increase resulted from $28.0 million of increased sales volumes and $15.4 million of increased sales price per gallon, both as discussed above.

Other gas sales increased $67.3 million compared to the prior year period primarily due to $36.2 million of increased propane sales volumes due to increased sales of excess inventory to third party propane distributors and marketers and $31.1 million of increased sales price per gallon, as discussed above.

Gross margin - Propane and other gas liquids sales

Retail sales gross margin decreased $15.8 million compared to the prior year period. This decrease resulted primarily from an $11.5 million decrease in propane sales volumes and $7.3 million of decreased gross margin per gallon, both as discussed above, partially offset by $3.0 million from gallons gained through acquisitions completed during the last twelve months.

Wholesale sales gross margin decreased $4.2 million compared to the prior year period. This decrease resulted primarily from $8.2 million of decreased gross margin per gallon resulting from the negative impact of higher wholesale market prices for propane, partially offset by $4.0 million related to increased sales volumes.

Other gas sales gross margin decreased $16.8 million compared to the prior year period due to losses on sales of excess inventory to other third party propane distributors and marketers in a declining wholesale market pricing environment.

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Operating income

Operating income decreased $32.9 million compared to the prior year period primarily due to $36.8 million of decreased “Gross margin — Propane and other gas liquid sales” as discussed above, and $4.2 million of decreased “Gross margin — Other”, partially offset by a $6.2 million and $1.4 million decrease in non-cash stock and unit based compensation charges classified as “General and administrative expense” and “Operating expense,” respectively, and a $1.7 million decrease in “General and administrative expense.

“Gross margin — Other” decreased primarily due to a $2.4 million decrease in material and appliance sales and a $1.6 million decrease in miscellaneous fees billed to customers. “General and administrative expense” decreased primarily due to a $2.3 million reduction in performance-based incentive expenses.

Adjusted EBITDA

Adjusted EBITDA decreased $39.3 million compared to the prior year period primarily due to a $36.8 million decrease in “Gross margin — Propane and other gas liquid sales”, as discussed above and a $4.2 million decrease in “Gross margin — Other”, partially offset by a $1.7 million decrease in “General and administrative expense.”

“Gross margin — Other” decreased primarily due to a $2.4 million decrease in material and appliance sales and a $1.6 million decrease in miscellaneous fees billed to customers. “General and administrative expense” decreased primarily due to a $2.3 million reduction in performance-based incentive expenses.

Interest expense - consolidated

Interest expense decreased $5.8 million primarily due to $2.0 million resulting from a decrease in long-term debt borrowings, $2.0 million of decreased amortization of discounts and capitalized debt costs, both of which are the result of refinancings completed during the last 12 months and $1.6 million primarily from lower rates on our secured credit facility.

Interest expense - operating partnership

Interest expense decreased $1.5 million primarily due to $1.9 million of decreased amortization of discounts and capitalized debt costs, which is the result of refinancings completed during the last 12 months and $1.6 million primarily from lower rates on our secured credit facility, partially offset by a $1.9 million increase due to increased borrowings.

Loss on extinguishment of debt

During the six months ended January 31, 2011, we prepaid the outstanding principal amount on our $450.0 million 6.75% fixed rate senior notes due May 1, 2014, incurring a "Loss on extinguishment of debt" of $36.4 million.

Forward-looking statements

We expect "Net earnings" to increase in fiscal 2012 compared to fiscal 2011 primarily due to our expectation that "Loss on extinguishment of debt" will not reoccur.

Liquidity and Capital Resources

General

Our liquidity and capital resources enable us to fund our working capital requirements, letter of credit requirements, debt service payments, acquisition and capital expenditures and distributions to our

unitholders. Our liquidity and capital resources may be affected by our ability to access the capital markets or by unforeseen demands on cash, or other events beyond our control.

During the first six months of fiscal 2012, our propane operations were negatively affected by the significantly warmer than normal temperatures in the areas in which we serve and the impact of the sustained increase in the wholesale price of propane prior to the winter heating season, both of which caused us to generate significantly less operating income than in the same period in the prior year. We also believe that the economic downturn that began in the second half of 2008 has caused certain of our retail propane customers to conserve and thereby purchase less propane, shop for lower prices that may be available from other suppliers or begin using alternative energy sources. The combination of these external factors contributed to a decrease in our retail gallons sold and a decrease in the gross margins earned on the gallons we did sell in the first six months of fiscal 2012. This in turn led to a decrease in our earnings and the use of significantly more working capital due in part to the build-up of propane inventory at high prices.

For the trailing twelve months ended January 31, 2012, our distributable cash flow is approximately 57% of the total cash distributions paid for that period. To mitigate this shortfall, we have enacted a series of efficiency initiatives and other cost cutting projects, as well as pricing initiatives designed to improve our sales margins. Until these projects are complete and weather patterns return to a more normal level, we anticipate an ongoing cash flow shortfall to our current distribution level.

Subject to meeting the financial tests discussed below and also subject to the risk factors identified in the section in our Annual Report on Form 10-K for our fiscal 2011 entitled, "Item 1A. Risk Factors," we believe we will continue to have sufficient access to capital markets at yields acceptable to us to support our expected growth expenditures and refinancing of debt maturities. Our disciplined approach to fund necessary capital spending and other partnership needs, combined with sufficient trade credit to operate our business efficiently and available credit under our secured credit facility and our accounts receivable securitization facility should provide us the means to meet our anticipated liquidity and capital resource requirements.

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

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

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

A quarterly distribution of $0.50 is expected to be paid on March 16, 2012, to all common units that were outstanding on March 9, 2012. This represents the seventieth consecutive minimum quarterly distribution paid to our common unitholders dating back to October 1994.

Our secured credit facility, public 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 secured credit and accounts receivable securitization facilities and limitations on the payment of distributions within our 8.625% senior notes due 2020. The secured 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 8.625% senior notes restrict payments if a minimum ratio of cash flow to interest expense is not met, assuming certain exceptions to this ratio limit have previously been exhausted. This restriction places limitations on our ability to make restricted payments such as the payment of cash distributions to our unitholders. The cash flow used to determine these financial tests generally is based upon our most recent cash flow performance giving pro forma effect for acquisitions and divestitures made during the test period. Our secured credit facility, public debt and accounts receivable securitization facility do not contain early repayment provisions related to a potential decline in our credit rating.

As of January 31, 2012, we met all of our required quarterly financial tests and covenants. Based upon current estimates of our cash flow, our general partner believes that we will be able to continue to meet all of our required quarterly financial tests and covenants during the remainder of fiscal 2012. However, we may not meet the applicable financial tests in future quarters if we were to experience:

- significantly warmer than normal temperatures during the winter heating season;
- a continued volatile energy commodity cost environment;
- an unexpected downturn in business operations;
- a change in customer retention or purchasing patterns due to economic or other factors in the United States; or
- a material downturn in the credit and/or equity markets.

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

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

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

- a shelf registration statement for the periodic sale of up to $750.0 million in common units, debt securities and/or other securities; Ferrellgas Partners Finance Corp. may, at our election, be the co-issuer and co-obligor on any debt securities issued by Ferrellgas Partners under this shelf registration statement; as of February 29, 2012, we had $242.5 million available under this shelf registration statement; and

- an "acquisition" shelf registration statement for the periodic sale of up to $250.0 million in common units to fund acquisitions; as of February 29, 2012, we had $227.3 million available under this shelf agreement.

Our shelf registration statement for the periodic sale of up to $750.0 million expires during April 2012.

We intend to apply for a new shelf registration with a capacity similar to the existing shelf's capacity prior to its expiration.

Operating Activities

Net cash used in operating activities was $44.0 million for the six months ended January 31, 2012, compared to net cash used in operating activities of $6.8 million for the prior year period. This increase in cash used in operating activities was primarily due to a $25.1 million decrease in cash flow from operations and a $12.1 million increase in working capital requirements.

The decrease in cash flow from operations is primarily due to a decrease in "Gross margin — Propane and other gas liquid sales" as discussed above.

The increase in working capital requirements was primarily due to $45.8 million from the timing of inventory purchases and $29.4 million from the timing of accounts payable disbursements, which were partially offset by $55.9 million due to the impact of higher propane sales prices to customers and the timing of sales on accounts receivable.

The operating partnership

Net cash used in operating activities was $36.1 million for the six months ended January 31, 2012, compared to net cash provided by operating activities of $5.4 million for the prior year period. This increase in cash used in operating activities was primarily due to a $29.3 million decrease in cash flow from operations and a $12.1 million increase in working capital requirements.

The decrease in cash flow from operations is primarily due to a decrease in "Gross margin — Propane and other gas liquid sales" as discussed above.

The increase in working capital requirements was primarily due to $45.8 million from the timing of inventory purchases and $29.4 million from the timing of accounts payable disbursements, which were partially offset by $55.9 million due to the impact of higher propane sales prices and the timing of billings and collections on accounts receivable.

Investing Activities

Net cash used in investing activities was $32.4 million for the six months ended January 31, 2012, compared to net cash used in investing activities of $19.0 million for the prior year period. This increase in net cash used in investing activities is primarily due to increases of $7.1 million in growth and maintenance capital expenditures and $5.4 million in capital expenditures related to acquisitions.

Financing Activities

Net cash provided by financing activities was $84.7 million for the six months ended January 31, 2012, compared to net cash provided by financing activities of $39.9 million for the prior year period. This increase in net cash provided by financing activities was primarily due to a $49.8 million net increase in secured credit facility and accounts receivable securitization facility short-term borrowings, a $20.1 million increase in proceeds from common unit offerings and a $6.3 million decrease in cash paid for financing costs, partially offset by a $25.8 million net decrease in long-term borrowings and a $5.8 million increase in distributions paid.

Distributions

Ferrellgas Partners paid a $0.50 per unit quarterly distribution on all common units, as well as the related general partner distributions, totaling $76.7 million during the six months ended January 31, 2012 in connection with the distributions declared for the three months ended July 31, 2011 and October 31, 2011. The estimated quarterly distribution on all common units and the related general partner

distributions for the three months ended January 31, 2012 of $39.9 million is expected to be paid on March 16, 2012 to holders of record on March 9, 2012.

Secured credit facility

During September 2011, we executed an amendment to our secured credit facility extending the maturity date to September 2016. There was no change to the size of the facility which remains at $400.0 million with a letter of credit sublimit of $200.0 million. Borrowings on the amended secured credit facility bear interest at rates ranging from 1.25% to 1.50% lower than the previous secured credit facility.

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

As of January 31, 2012, we had total borrowings outstanding under this secured credit facility of $102.1 million, of which $46.1 million was classified as long-term debt.

Borrowings outstanding at January 31, 2012 under the secured credit facility had a weighted average interest rate of 4.2%. All borrowings under the secured credit facility bear interest, at our option, at a rate equal to either:

- for Base Rate Loans or Swing Line Loans, the Base Rate, which is defined as the higher of i) the federal funds rate plus 0.50%, ii) Bank of America's prime rate; or iii) the Eurodollar Rate plus 1%; plus a margin varying from 1.00% to 2.00% (as of January 31, 2012, the margin was 2.00%); or
- for Eurodollar Rate Loans, the Eurodollar Rate, which is defined as the LIBOR Rate plus a margin varying from 2.00% to 3.00% (as of January 31, 2012, the margin was 3.00%).

As of January 31, 2012, the federal funds rate and Bank of America's prime rate were 0.11% and 3.25%, respectively. As of January 31, 2012, the one-month and three-month Eurodollar Rates were 0.35% and 0.50%, respectively.

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

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

Letters of credit outstanding at January 31, 2012 totaled $64.4 million and were used primarily to secure insurance arrangements and to a lesser extent, product purchases. At January 31, 2012, we had available letter of credit remaining capacity of $135.6 million.

All standby letter of credit commitments under our secured credit facility bear a per annum rate varying from 2.00% to 3.00% (as of January 31, 2012, the rate was 3.00%) times the daily maximum amount available to be drawn under such letter of credit. Letter of credit fees are computed on a quarterly basis in arrears.

Accounts receivable securitization

Ferrellgas Receivables is accounted for as a consolidated subsidiary. Expenses associated with accounts receivable securitization transactions are recorded in "Interest expense" in the condensed

consolidated statements of earnings. Additionally, borrowings and repayments associated with these transactions are recorded in "Cash flows from financing activities" in the condensed consolidated statements of cash flows.

Cash flows from our accounts receivable securitization facility increased $46.0 million. We received net funding of $144.0 million from this facility during the six months ended January 31, 2012 as compared to receiving net funding of $98.0 million from this facility in the prior year period.

Our strategy is to maximize liquidity by utilizing the accounts receivable securitization facility along with borrowings under the secured credit facility. See additional discussion about the secured credit facility in "Financing Activities — Secured credit facility." Our utilization of the accounts receivable securitization facility is limited by the amount of accounts receivable that we are permitted to securitize according to the facility agreement. During January 2012, we executed a new accounts receivable securitization facility with Wells Fargo Bank, N.A., Fifth Third Bank and SunTrust Bank. This new accounts receivable securitization facility has $225.0 million of capacity, matures on January 19, 2017 and replaces the previous 364-day facility which was to expire on April 4, 2013. This agreement allows for proceeds of up to $225 million during the months of January, February, March and December, $175 million during the months of April and May and $145 million for all other months, depending on available undivided interests in our accounts receivable from certain customers. Borrowings on the new accounts receivable securitization facility bear interest at rates ranging from 1.45% to 1.20% lower than the previous facility. As of January 31, 2012, we had received cash proceeds of $205.0 million related to the securitization of our trade accounts receivable, with no remaining capacity to receive additional proceeds. As of January 31, 2012, the weighted average interest rate was 2.8%. As our trade accounts receivable increase during the winter heating season, the securitization facility permits us to receive greater proceeds as eligible trade accounts receivable increases, thereby providing additional cash for working capital needs.

Common unit issuances

During January 2012, we completed a non-brokered registered direct offering to Ferrell Companies of 1.4 million common units. Net proceeds of approximately $25.0 million were used to reduce outstanding indebtedness under the secured credit facility.

During January 2012, we entered into an agreement with an institutional investor relating to a non-brokered registered direct offering of 1.5 million common units. Net proceeds of approximately $25.0 million were used to reduce outstanding indebtedness under the secured credit facility.

Ferrellgas issued $1.3 million of common units in connection with an acquisition during the six months ended January 31, 2012.

We believe that the liquidity available from our secured credit facility and the accounts receivable securitization facility will be sufficient to meet our capital expenditure, working capital and letter of credit requirements for the remainder of fiscal 2012. See “Accounts Receivable Securitization” for discussion about our accounts receivable securitization facility. However, if we were to experience an unexpected significant increase in these requirements, our needs could exceed our immediately available resources. Events that could cause increases in these requirements include, but are not limited to the following:

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

If one or more of these or other events caused a significant use of available funding, we may consider alternatives to provide increased liquidity and capital funding. No assurances can be given, however, that

such alternatives would be available, or, if available, could be implemented. See a discussion of related risk factors in the section in our Annual Report on Form 10-K for our fiscal 2011 entitled, Item 1A. “Risk Factors.”

The operating partnership

The financing activities discussed above also apply to the operating partnership except for cash flows related to distributions and contributions from Ferrellgas Partners and our general partner, as discussed below.

Distributions

The operating partnership paid cash distributions of $85.5 million during the six months ended January 31, 2012. The operating partnership expects to pay cash distributions of $40.3 million on March 16, 2012.

Contributions received by the operating partnership

During January 2012, the operating partnership received cash contributions of $50.5 million from Ferrellgas Partners. The proceeds were used to reduce outstanding indebtedness under the credit facility. During the six months ended January 31, 2012, the operating partnership received asset contributions from Ferrellgas Partners of $1.3 million in connection with an acquisition. The general partner made cash contributions of $0.5 million and non-cash contributions of $0.1 million to the operating partnership to maintain its 1.0101% general partner interest in connection with these contributions from Ferrellgas Partners.

Disclosures about Effects of Transactions with Related Parties

We have no employees and are managed and controlled by our general partner. Pursuant to our partnership agreement, our general partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on our behalf, and all other necessary or appropriate expenses allocable to us or otherwise reasonably incurred by our general partner in connection with operating our business. These reimbursable costs, which totaled $116.0 million for the six months ended January 31, 2012, include operating expenses such as compensation and benefits paid to employees of our general partner who perform services on our behalf, as well as related general and administrative expenses.

Related party common unitholder information consisted of the following:

	Common unit ownership at January 31, 2012	Distributions paid during the six months ended January 31, 2012
Ferrell Companies (1)	21,469,664	$ 20,080
FCI Trading Corp. (2)	195,686	196
Ferrell Propane, Inc. (3)	51,204	52
James E. Ferrell (4)	4,358,475	4,358

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

During the six months ended January 31, 2012, Ferrellgas Partners and the operating partnership together paid the general partner distributions of $1.6 million.

On March 16, 2012, Ferrellgas Partners expects to pay distributions to Ferrell Companies, FCI Trading Corp., Ferrell Propane, Inc., James E. Ferrell (indirectly) and the general partner of $10.7 million,

$0.1 million, $26 thousand, $2.2 million and $0.4 million, respectively.

During January 2012, we completed a non-brokered registered direct offering to Ferrell Companies of 1.4 million common units. Net proceeds of approximately $25.0 million were used to reduce outstanding indebtedness under the secured credit facility.

Contractual Obligations

In the performance of our operations, we are bound by certain contractual obligations.

The following table summarizes our contractual obligations at January 31, 2012, adjusted primarily for the effect of entering into leases, during the six months ending January 31, 2012, of transportation equipment with operating lease commitments of $17.2 million.

	Payment or settlement due by fiscal year						
(in thousands)	2012	2013	2014	2015	2016	Thereafter	Total
Operating lease obligations (1)	$ 12,271	$ 19,909	$ 15,328	$ 12,356	$ 10,347	$ 15,144	$ 85,355

(1) We lease certain property, plant and equipment under noncancelable and cancelable operating leases. Amounts shown in the table represent minimum lease payment obligations under our third-party operating leases for the periods indicated.

The operating partnership

The contractual obligation table above also applies to the operating partnership, which are summarized in the table below:

	Payment or settlement due by fiscal year						
(in thousands)	2012	2013	2014	2015	2016	Thereafter	Total
Operating lease obligations (1)	$ 12,271	$ 19,909	$ 15,328	$ 12,356	$ 10,347	$ 15,144	$ 85,355

(1) We lease certain property, plant and equipment under noncancelable and cancelable operating leases. Amounts shown in the table represent minimum lease payment obligations under our third-party operating leases for the periods indicated.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We did not enter into any risk management trading activities during the six months ended January 31, 2012. Our remaining market risk sensitive instruments and positions have been determined to be “other than trading.”

Commodity Price Risk Management

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

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

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

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

We have prepared a sensitivity analysis to estimate the exposure to market risk of our energy commodity positions. Forward contracts, futures, swaps and options outstanding as of January 31, 2012 and July 31, 2011, that were used in our risk management activities were analyzed assuming a hypothetical 10% adverse change in prices for the delivery month for all energy commodities. The potential loss in future earnings from these positions due to a 10% adverse movement in market prices of the underlying energy commodities was estimated at $6.1 million and $7.5 million as of January 31, 2012 and July 31, 2011, respectively. The preceding hypothetical analysis is limited because changes in prices may or may not equal 10%, thus actual results may differ.

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

Credit Risk

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

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

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Interest Rate Risk

At January 31, 2012 and July 31, 2011, we had $307.1 million and $190.5 million, respectively, in variable rate secured credit facility and collateralized note payable borrowings. Thus, assuming a one percent increase in our variable interest rate, our interest rate risk related to these borrowings would result in a loss in future earnings of $3.1 million for the twelve months ending January 31, 2013. The preceding hypothetical analysis is limited because changes in interest rates may or may not equal one percent, thus actual results may differ.

ITEM 4. CONTROLS AND PROCEDURES.

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

The management of Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp., Ferrellgas, L.P., and Ferrellgas Finance Corp. does not expect that our disclosure controls and procedures will prevent all errors and all fraud. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Based on the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the above mentioned Partnerships and Corporations have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events. Therefore, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Our disclosure controls and procedures are designed to provide such reasonable assurances of achieving our desired control objectives, and the principal executive officer and principal financial officer of our general partner have concluded, as of January 31, 2012, that our disclosure controls and procedures are effective in achieving that level of reasonable assurance.

During the most recent fiscal quarter ended January 31, 2012, there have been no changes in our internal control over financial reporting (as defined in Rule 13a—15(f) or Rule 15d—15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Our operations are subject to all operating hazards and risks normally incidental to handling, storing, transporting and otherwise providing for use by consumers of combustible liquids such as propane. As a result, at any given time, we are threatened with or named as a defendant in various lawsuits arising in the ordinary course of business. Other than as discussed below, we are not a party to any legal proceedings other than various claims and lawsuits arising in the ordinary course of business. It is not possible to determine the ultimate disposition of these matters; however, management is of the opinion that there are no known claims or contingent claims that are reasonably expected to have a material effect on our financial condition, results of operations and cash flows.

We have been named as a defendant in lawsuits filed in multiple federal and state courts that seek to certify nationwide or statewide classes related to our Blue Rhino branded propane tank exchange activities. The plaintiffs in each case generally allege that we failed to inform consumers of the amount of propane contained in propane tanks they purchased and that we violated anti-trust laws by allegedly conspiring with a competitor. The federal cases have been coordinated for multidistrict treatment in the United States District Court for the Western District of Missouri. A settlement agreement has received preliminary approval by the Court. We believe these claims will not have a material impact on our financial condition, results of operations and cash flows beyond the $9.2 million litigation accrual that has been established for these claims.

We have also been named as a defendant in a class action lawsuit filed in the United States District Court in Kansas. The complaint alleges that we violate consumer protection laws in the manner we set prices and fees for our customers. Based on our business practices, we believe that the claims are without merit and intend to defend the claims vigorously. The court has stayed discovery on this matter pending our motion to compel arbitration, and the case has not been certified for class treatment. We do not believe loss is probable or reasonably estimable at this time related to this class action lawsuit.

ITEM 1A. RISK FACTORS.

There have been no material changes from the risk factors set forth under Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for fiscal 2011.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

On March 7, 2012, we entered into indemnification agreements with our directors and executive officers. A copy of a form of this agreement is filed as Exhibit 10.16 to this Quarterly Report on Form 10-Q.

ITEM 6. EXHIBITS.

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

Exhibit Number	Description
3.1	Fourth Amended and Restated Agreement of Limited Partnership of Ferrellgas Partners, L.P. dated as of February 18, 2003. Incorporated by reference to Exhibit 3.1 to our registration statement on Form S-3 filed March 6, 2009.
3.2	First Amendment to Fourth Amended and Restated Agreement of Limited Partnership of Ferrellgas Partners, L.P. dated as of March 8, 2005. Incorporated by reference to Exhibit 3.2 to our registration statement on Form S-3 filed March 6, 2009.
3.3	Second Amendment to Fourth Amended and Restated Agreement of Limited Partnership of Ferrellgas Partners, L.P. dated as of June 29, 2005. Incorporated by reference to Exhibit 3.3 to our registration statement on Form S-3 filed March 6, 2009.
3.4	Third Amendment to Fourth Amended and Restated Agreement of Limited Partnership of Ferrellgas Partners, L.P. dated as of October 11, 2006. Incorporated by reference to Exhibit 3.4 to our registration statement on Form S-3 filed March 6, 2009.
3.5	Certificate of Incorporation of Ferrellgas Partners Finance Corp. filed with the Delaware Division of Corporations on March 28, 1996. Incorporated by reference to Exhibit 3.6 to our registration statement on Form S-3 filed March 6, 2009.
3.6	Bylaws of Ferrellgas Partners Finance Corp. adopted as of April 1, 1996. Incorporated by reference to Exhibit 3.7 to our registration statement on Form S-3 filed March 6, 2009.
3.7	Third Amended and Restated Agreement of Limited Partnership of Ferrellgas, L.P. dated as of April 7, 2004. Incorporated by reference to Exhibit 3.5 to our registration statement on Form S-3 filed March 6, 2009.
3.8	Certificate of Incorporation of Ferrellgas Finance Corp. filed with the Delaware Division of Corporations on January 16, 2003. Incorporated by reference to Exhibit 3.8 to our registration statement on Form S-3 filed March 6, 2009.
3.9	Bylaws of Ferrellgas Finance Corp. adopted as of January 16, 2003. Incorporated by reference to Exhibit 3.9 to our registration statement on Form S-3 filed March 6, 2009.

	4.1	Specimen Certificate evidencing Common Units representing Limited Partner Interests. Incorporated by reference to Exhibit A of Exhibit 3.1 to our registration statement on Form S-3 filed March 6, 2009.

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	4.2	Indenture dated as of September 14, 2009 with form of Note attached, among Ferrellgas, L.P., Ferrellgas Finance Corp. and U.S. Bank National Association, as trustee, relating to $300 million aggregate amount of the Registrant's 9 1/8% Senior Notes due 2017. Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed September 14, 2009.
	4.3	Indenture dated as of April 13, 2010, among Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp. and U.S. Bank National Association, as trustee, relating to $280 million aggregate amount of the Registrant's 8 5/8% Senior Notes due 2020. Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed April 13, 2010.
	4.4	First Supplemental Indenture dated as of April 13, 2010, with form of Note attached, among Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp. and U.S. Bank National Association, as trustee, relating to $280 million aggregate amount of the Registrant's 8 5/8% Senior Notes due 2020. Incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed April 13, 2010.
	4.5	Indenture dated as of November 24, 2010, among Ferrellgas, L.P., Ferrellgas Finance Corp. and U.S. Bank National Association, as trustee, relating to $500 million aggregate amount of the Registrant's 6 1/2% Senior Notes due 2021. Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed November 30, 2010.
	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 4.8 to our Quarterly Report on Form 10-Q filed March 10, 2009.
	4.7	First Amendment to Registration Rights Agreement dated as of March 14, 2000, by and between Ferrellgas Partners, L.P. and Williams Natural Gas Liquids, Inc. Incorporated by reference to Exhibit 4.9 to our Quarterly Report on Form 10-Q filed March 10, 2009.
	4.8	Second Amendment to Registration Rights Agreement dated as of April 6, 2001, by and between Ferrellgas Partners, L.P. and The Williams Companies, Inc. Incorporated by reference to Exhibit 4.10 to our Quarterly Report on Form 10-Q filed March 10, 2009.
	4.9	Third Amendment to Registration Rights Agreement dated as of June 29, 2005, by and between Ferrellgas Partners, L.P. and JEF Capital Management, Inc. Incorporated by reference to Exhibit 4.13 to our Quarterly Report on Form 10-Q filed June 9, 2010.
	10.1	Credit Agreement dated as of November 2, 2009, among Ferrellgas, L.P. as the borrower, Ferrellgas, Inc. as the general partner of the borrower, Bank of America, N.A. as administrative agent, swing line lender and L/C issuer, and the lenders party hereto. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed November 4, 2009.
	10.2	First Amendment to Credit Agreement dated as of September 23, 2011, among Ferrellgas, L.P. as the borrower, Ferrellgas, Inc. as the general partner of the borrower, Bank of America, N.A. as administrative agent, swing line lender and L/C issuer, and the lenders party hereto. Incorporated by reference to Exhibit 10.2 to our Annual Report on Form 10-K filed September 26, 2011.

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	10.3	Amended and Restated Receivable Sale Agreement dated as of January 19, 2012, between Ferrellgas, L.P. and Blue Rhino Global Sourcing, Inc., as originators, and Ferrellgas Receivables, LLC, as buyer. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed January 20, 2012.
	10.4	Receivables Purchase Agreement dated as of January 19, 2012, among Ferrellgas Receivables, LLC, as seller, Ferrellgas, L.P., as servicer, the purchasers from time to time party hereto, Fifth Third Bank and SunTrust Bank, as co-agents, and Wells Fargo Bank, N.A., as administrative agent. Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed January 20, 2012.
#	10.5	Ferrell Companies, Inc. Supplemental Savings Plan, as amended and restated effective January 1, 2010. Incorporated by reference to Exhibit 10.14 to our Quarterly Report on Form 10-Q filed March 10, 2010.
#	10.6	Second Amended and Restated Ferrellgas Unit Option Plan, effective April 19, 2001. Incorporated by reference to Exhibit 10.5 to our Annual Report on Form 10-K filed September 28, 2010.
#	10.7	Ferrell Companies, Inc. 1998 Incentive Compensation Plan, as amended and restated effective October 11, 2004. Incorporated by reference to Exhibit 10.22 to our Annual Report on Form 10-K filed September 28, 2009.
#	10.8	Amendment to Ferrell Companies, Inc. 1998 Incentive Compensation Plan, dated as of March 7, 2010. Incorporated by reference to Exhibit 10.7 to our Quarterly Report on Form 10-Q filed June 9, 2010.
#	10.9	Employment, Confidentiality, and Noncompete Agreement dated as of July 17, 1998 by and among Ferrell Companies, Inc. as

		the company, Ferrellgas, Inc. as the company, James E. Ferrell as the executive and LaSalle National Bank as trustee of the Ferrell Companies, Inc. Employee Stock Ownership Trust. Incorporated by reference to Exhibit 10.19 to our Quarterly Report on Form 10-Q filed March 10, 2009.
#	10.10	Change In Control Agreement dated as of October 9, 2006 by and between Ferrellgas, Inc. as the company and James E. Ferrell as the executive. Incorporated by reference to Exhibit 10.10 to our Quarterly Report on Form 10-Q filed December 9, 2011.
#	10.11	Employment Agreement dated as of August 10, 2009 by and between Ferrellgas, Inc. as the company and Stephen L. Wambold as the executive. Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed August 10, 2009.
#	10.12	Employment Agreement dated as of August 10, 2009 by and between Ferrellgas, Inc. as the company and James R. VanWinkle as the executive. Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed August 10, 2009.
#	10.13	Employment Agreement dated as of August 10, 2009 by and between Ferrellgas, Inc. as the company and Tod Brown as the executive. Incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K filed August 10, 2009.

#	10.14	Employment Agreement dated as of August 10, 2009 by and between Ferrellgas, Inc. as the company and George L. Koloroutis as the executive. Incorporated by reference to Exhibit 10.6 to our Current Report on Form 8-K filed August 10, 2009.
#	10.15	Agreement and Release dated as of January 19, 2012 by and between Ferrellgas, Inc. as the company and George L. Koloroutis as the executive. Incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed January 20, 2012.
* #	10.16	Form of Director/Officer Indemnification Agreement, by and between Ferrellgas, Inc. and each director and executive officer.
*	31.1	Certifications of Ferrellgas Partners, L.P. pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
*	31.2	Certifications of Ferrellgas Partners Finance Corp. pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
*	31.3	Certifications of Ferrellgas, L.P. pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
*	31.4	Certifications 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.
*	101.INS	XBRL Instance Document. (a)
*	101.SCH	XBRL Taxonomy Extension Schema Document. (a)
*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. (a)
*	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. (a)
*	101.LAB	XBRL Taxonomy Extension Label Linkbase Document. (a)
*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. (a)

* Filed herewith

\# Management contracts or compensatory plans.

(a) XBRL (eXtensible Business Reporting Language) information is furnished and deemed not filed for purposes of Section 11 or 12 of the Securities Exchange Act of 1933 and Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURES

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

FERRELLGAS PARTNERS, L.P.

By Ferrellgas, Inc. (General Partner)

Date: March 9, 2012

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

FERRELLGAS PARTNERS FINANCE CORP.

Date: March 9, 2012

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

FERRELLGAS, L.P.

By Ferrellgas, Inc. (General Partner)

Date: March 9, 2012

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

FERRELLGAS FINANCE CORP.

Date: March 9, 2012

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

DIRECTOR/OFFICER
INDEMNIFICATION AGREEMENT

This Agreement (the "**Agreement**") is made and entered into this 7th day of March, 2012, by and among Ferrellgas, Inc., a Delaware corporation ("**Ferrellgas**"), Ferrellgas Partners, L.P., a Delaware limited partnership (the "**MLP**"), and Ferrellgas, L.P., a Delaware limited partnership (the "**OLP**", and collectively with Ferrellgas and the MLP, jointly and severally, the "**Company**"), and the person whose name appears on the signature page attached hereto ("**Indemnitee**").

WHEREAS, qualified persons are reluctant to serve privately or publicly-held corporations as directors or officers or in other capacities, unless they are provided with adequate protection against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of such corporations;

WHEREAS, the uncertainties related to obtaining adequate insurance and indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, it is reasonable, prudent and necessary for the Company to obligate itself contractually to indemnify such persons to the fullest extent permitted by law, so that such persons will serve or continue to serve the Company and/or its subsidiaries free from undue concern that they will not be adequately indemnified;

WHEREAS, the Company and the Indemnitee recognize that the legal risks and potential liabilities, and the threat thereof, associated with lawsuits filed against persons serving the Company and/or its subsidiaries, and the resultant substantial time, expense and anxiety spent and endured in defending lawsuits bears no reasonable relationship to the compensation received by such persons, and thus poses a significant deterrent and increased reluctance on the part of experienced and capable individuals to serve the Company and/or its subsidiaries;

WHEREAS, the Certificate of Incorporation and Bylaws, each as amended, of Ferrellgas and each of the limited partnership agreements, as amended, of the MLP and the OLP and the General Corporation Law of the State of Delaware ("**Delaware Law**") provide for the elimination of personal liability on the part of directors and officers for monetary damages resulting from certain actions taken in such capacity and permit indemnification of directors, officers, agents and employees and specifically provide that they are not exclusive, and thereby contemplate that contracts may be entered into between the Company and persons providing services to it; and

WHEREAS, Indemnitee is willing to serve, continue to serve, and to take on additional service for or on behalf of the Company on the condition that he/she be indemnified according to the terms of this Agreement.

NOW, THEREFORE, in consideration of the premises and promises contained herein, the parties agree as follows:

SECTION 1. **<u>Services by Indemnitee</u>**.

In addition to serving as an officer and/or director of Ferrellgas on behalf of Ferrellgas in its own name and as general partner of the MLP and the OLP, Indemnitee agrees, at the Company's request or for its benefit to serve, as a director, officer, employee, agent or fiduciary (including trustee) of any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise (collectively, the "**Other Entities**"). But "Other Entities" specifically exclude Ferrell Companies, Inc. and the Ferrell Companies, Inc. Employee Stock Ownership Plan and their respective subsidiaries. Nothing contained herein shall entitle or require Indemnitee to continue in Indemnitee's present position or any future position with the Company or any of the Other Entities.

SECTION 2. **<u>Term of Agreement.</u>**

This Agreement shall continue until and terminate upon the later of (a) fifteen years after the date that Indemnitee ceases to hold a Corporate Status or (b) 120 days after the final termination of all pending Proceedings in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 8 of this Agreement.

SECTION 3. **<u>Indemnification.</u>**

3.1 <u>General</u>. The Company hereby irrevocably, absolutely and unconditionally agrees to hold harmless and indemnify Indemnitee against all Liabilities and advance to Indemnitee all Expenses to the fullest extent permitted by Delaware Law, or by any amendment thereof (but in the case of any such amendment only to the extent such amendment permits the Company to provide broader indemnification than provided prior to such amendment), or by other statutory provisions authorizing or permitting such indemnification applicable from time to time hereafter.

3.2 <u>Proceedings Other Than Proceedings by or in the Right of the Company</u>. Indemnitee shall be entitled to the rights of indemnification provided in this Section 3.2 if, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be, made a party to any threatened, pending or completed Proceeding, other than a Proceeding by or in the right of the Company or the Other Entities. Under this Section 3.2, Indemnitee shall be indemnified against all Liabilities incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or the Other Entities and, with respect to any criminal Proceeding, had no reasonable cause to believe the conduct was unlawful.

3.3 <u>Proceedings by or in the Right of the Company</u>. Indemnitee shall be entitled to the rights of indemnification provided in this Section 3.3, if by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be, made a party to any threatened, pending or completed Proceeding brought by or in the right of the Company or any of the Other Entities to procure a judgment in its favor. Subject to the last sentence of this Section 3.3, Indemnitee shall be indemnified against all Liabilities incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter herein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or the Other Entities. No indemnification of Liabilities shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company or the Other Entities unless and only to the extent that a court of competent jurisdiction in the State of Delaware, or the court in which such Proceeding was brought, determines such indemnification is proper.

3.4 Indemnification for Expenses as a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness, or is made (or asked to) respond to discovery requests, in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, he shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

3.8 Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Liabilities but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Moreover, notwithstanding any other provision of this Agreement to the extent that Indemnitee has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue or matter therein, including dismissal without prejudice, Indemnitee shall be indemnified against all Expenses incurred in connection therewith.

SECTION 4. Advancement of Expenses.

The Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding within fifteen (15) days after the receipt by the Company in accordance with Section 13 hereof of a statement from Indemnitee requesting such advance from time to time, whether prior to or after final disposition of such Proceeding. Each such statement shall reasonably evidence the Expenses incurred by Indemnitee. Advances shall be unsecured and interest free and made without regard to the Indemnitee's ability to repay such advances. Indemnitee hereby undertakes to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses.

SECTION 5. Specific Limitations on Indemnity.

Indemnitee shall not be entitled to indemnification under this Agreement:

(a) in respect to remuneration paid to or advantage gained by Indemnitee, if it shall be determined by final judgment or other final adjudication that Indemnitee was not legally entitled to such remuneration or advantage;

(b) on account of Indemnitee's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest, willful misconduct or outside the scope of Indemnitee's position or responsibility with the Company or the Other Entities; or

(c) in an action by the Company against Indemnitee for the breach, violation or failure to comply by Indemnitee with any term, condition or provision set forth in any employee agreement or option grantee agreement to which the Company or any of the Other Entities and such Indemnitee is a party.

SECTION 6. Procedure for Determination of Entitlement to Indemnification.

6.1 Initial Request. To obtain indemnification under this Agreement in connection with any Proceeding and for the duration thereof, Indemnitee shall submit to Ferrellgas a written request in accordance with Section 13 hereof including such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of Ferrellgas shall, promptly upon receipt of any request for indemnification, advise the Board of Directors of Ferrellgas in writing that Indemnitee has requested indemnification, and the Ferrellgas Board shall in turn advise the MLP and the OLP.

6.2 Method of Determination. Upon written request by Indemnitee for indemnification pursuant to Section 6.1 and if required by applicable law, a determination with respect to Indemnitee's entitlement thereto shall be made: (a) by Independent Counsel, in a written opinion to the Board of Directors of Ferrellgas, a copy of which shall be delivered to Indemnitee; (b) by a majority vote of Disinterested Directors, even though less than a quorum; (c) by a committee of Disinterested Directors designated by a majority vote of Disinterested Directors, even though less than a quorum; or (d) by the stockholders of Ferrellgas as provided in Section 7.2. If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination.

6.3 Selection, Payment and Discharge of Independent Counsel. If required, Independent Counsel shall be selected by the Board of Directors of Ferrellgas by a majority vote of a quorum consisting of Disinterested Directors, if obtainable; and Ferrellgas shall give written notice to Indemnitee advising Indemnitee of the identity of Independent Counsel so selected; or if such a vote is not obtainable, Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to Ferrellgas advising it of the identity of Independent Counsel so selected. In either event Indemnitee or Ferrellgas, as the case may be, within seven (7) days after such written notice of selection shall have been given, may deliver to Ferrellgas or to Indemnitee, as the case may be, a written objection to such selection. Such objection may be asserted only on the ground that Independent Counsel so selected does not meet the requirements of "**Independent Counsel**" as defined in this Agreement and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is made, Independent Counsel so selected may not serve as Independent Counsel, unless and until such objection is withdrawn or a court has determined that such objection is without merit. If within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 6.1, no Independent Counsel shall have been selected and not objected to, either Ferrellgas or

Indemnitee may petition a court of competent jurisdiction in the State of Delaware, or another court of competent jurisdiction, for resolution of any objection which shall have been made by Ferrellgas or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person with respect to whom an objection is so resolved or the person so appointed shall act as Independent Counsel under Section 6.2. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with its actions pursuant to this Agreement, and the Company shall pay all reasonable fees and expenses incident to the procedures of the Section 6.3; regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement date of any judicial proceeding or arbitration pursuant to Section 8.1, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

6.4 Cooperation. Both the Company and Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee or the Company, as the case may be, and reasonably necessary to such determination. Any reasonable costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification).

SECTION 7. Presumptions and Effects of Certain Proceedings.

7.1 Burden of Proof. In making the determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 6.1, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption.

7.2 Failure to Determine Entitlement. If the person, persons or entity empowered or selected under Section 6 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within thirty (30) days after receipt by the Company of the request therefore, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification; provided, however, that such 30-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith require(s) such additional time for the obtaining or evaluating of documentation or information relating thereto; and provided, further, that the foregoing provisions of this Section 7.2 shall not apply if the determination of entitlement to indemnification is to be made by the stockholders of Ferrellgas pursuant to Section 6.2 and if (a) within fifteen (15) days after receipt by the Company of the request for such determination, the Board of Directors of Ferrellgas has resolved to submit such determination to the stockholders of

Ferrellgas for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (b) a special meeting of the stockholders of Ferrellgas is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within thirty (30) days after having been so called, and such determination is made thereat.

7.3 Effect of Other Proceedings. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement), of itself, adversely affect the right to Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or the Other Entities, as applicable, and, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that the conduct was unlawful.

SECTION 8. Remedies of Indemnitee.

8.1 Adjudication. In the event that (a) a determination is made pursuant to Section 6 that Indemnitee is not entitled to indemnification under this Agreement, (b) advancement of Expenses is not timely made pursuant to Section 4, or (c) payment of indemnification is not made within ten (10) days after a determination has been made the Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Sections 6 or 7 of this Agreement, Indemnitee shall be entitled to an adjudication, in any court of competent jurisdiction selected by Indemnitee within or without the State of Delaware, of Indemnitee's entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the rules of the American Arbitration Association. Indemnitee shall commence any action under this Section 8.1 within 180 days following the date on which Indemnitee first has the right to commence such action hereunder.

8.2 De Novo Review. In the event that a determination shall have been made pursuant to Section 6 that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to Section 8.1 shall be conducted in all respects as a de novo trial or arbitration on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In such judicial proceeding or arbitration, the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or the advancement of Expenses.

8.3 Company Bound. If a determination shall have been made or deemed to have been made pursuant to Sections 6 or 7 that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration absent (a) a misstatement of a material fact or an omission of a material fact necessary to make Indemnitee's statement not materially misleading by Indemnitee, in connection with the request for indemnification or the furnishing of information, or (b) a prohibition of such indemnification under applicable law. The Company shall be precluded from asserting in any such judicial proceeding or arbitration that the procedures and presumptions of this Agreement are not valid,

binding, and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all provisions of this Agreement.

8.4 Expenses of Adjudication. In the event that Indemnitee seeks an adjudication or an award to enforce his or her rights under this Agreement or to recover damages for breach of this Agreement, Indemnitee shall be entitled to recover from the Company and shall be indemnified by the Company against any and all expenses (of the type described in the definition of Expenses) actually and reasonable incurred by Indemnitee in such adjudication or arbitration, but only if Indemnitee prevails therein. If it shall be determined in such adjudication or arbitration that Indemnitee is entitled to receive part, but not all, of the indemnification or advancement of Expenses sought, Indemnitee shall be entitled to recover such expenses from the Company on a pro rata basis. If it shall be determined in such adjudication or arbitration, that Indemnitee is not entitled to receive any indemnification or advancement of Expenses sought, Indemnitee shall bear this own Expenses and shall release the Company for its Expenses.

SECTION 9. Non-Exclusivity; Subrogation.

9.1 Non-Exclusivity. The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the certificate of incorporation or bylaws of any corporation, any other agreement, a vote of stockholders a resolution of directors, or otherwise.

9.2 Subrogation. In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required to take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to embrace such rights.

9.3 No Duplicative Payment. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent the Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement, or otherwise.

SECTION 10. Insurance.

The Company hereby covenants and agrees that during the term hereof the Company shall use its best efforts to obtain and maintain in full force and effect directors' and officers' liability insurance ("**D&O Insurance**") in reasonable amounts from established and reputable insurers. Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors. Notwithstanding the provisions of this Section 10, the Company shall have no obligation to obtain or maintain D&O Insurance if the Company determines in good faith that such insurance is not reasonably available, the premium costs for such insurance are disproportionate to the amount of coverage provided, the coverage provided by such insurance is limited by exclusion so as to provide an insufficient benefit, or Indemnitee is covered by similar insurance maintained by an affiliate of the Company. If, at the time of the receipt of the notice

of commencement of a Proceeding, the Company has D&O Insurance in effect which could provide coverage therefore of if it had prior D&O Insurance which could provide coverage therefore, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the applicable policy or policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay on behalf of the Indemnitee all amounts payable as a result of such Proceeding in accordance with the terms of such policy or policies.

SECTION 11. Company May Assume Defense.

In the event the Company shall be obligated to pay the Expenses of any Proceeding against Indemnitee, the Company, if appropriate, shall be entitled to assume the defense of such Proceeding, with counsel reasonably acceptable to the Indemnitee, upon the delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, the Company shall not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Proceeding; provided, however, that (a) Indemnitee shall have the right to employ counsel in any such Proceeding at Indemnitee's expense and (b) if (i) the employment of counsel by Indemnitee and the payment of such counsel's fees and expenses has been previously authorized by the Company in writing, (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense and has provided Company written notice setting forth the existence and nature of such conflict of interest, or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such Proceeding, the fees and expenses of Indemnitee's counsel shall be at the expense of the Company.

SECTION 12. Definitions.

For purposes of this Agreement:

(a) "**Corporate Status**" means the present or former status of a person as a director, officer, employee, agent or fiduciary (including trustee) of the Company or any of the Other Entities at the request of the Company and shall include any position which imposes duties on, or involves services by, such person with respect to an employee benefit plan, its participants or beneficiaries.

(b) "**Disinterested Director**" means a director of Ferrellgas, Inc. who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(c) "**Expenses**" means all reasonable attorneys' fees, retainers, court costs, transcript costs, fees by experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, or being or preparing to be a witness in a Proceeding.

(d) "**Independent Counsel**" means a law firm, or a member of a law firm, that is recognized as experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent either (i) the Company or Indemnitee in any matter material to either such party or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. The term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(e) "**Liabilities**" means any judgments, fines, penalties, or similar payments or amounts paid or incurred by Indemnitee in connection with any Proceeding, amounts paid or incurred by Indemnitee or on Indemnitee's behalf in settlement of any Proceeding (including any excise taxes assessed upon Indemnitee with respect to any employee benefit plan), and all Expenses.

(f) "**Proceeding**" means any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, or any other proceeding, pending or threatened, whether civil, criminal, administrative or investigative, except one initiated by the Indemnitee, unless the Board of Directors of Ferrellgas, Inc. consents thereto.

SECTION 13. Notices.

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given upon actual receipt by the party to whom addressed:

(a) If to Indemnitee, to the address set forth on the signature page.

(b) If to the Company, to:

Ferrellgas, Inc.
7500 College Boulevard, Suite 1000
Overland Park, KS 66210
Attention: Legal Department

With a copy to:
Ferrellgas, Inc.
7500 College Boulevard, Suite 1000
Overland Park, KS 66210
Attention: Chief Executive Officer

or to such other address as may have been furnished to the other party. Promptly after receipt by the Indemnitee of notice of the commencement of or the threat of commencement of any

Proceeding, the Indemnitee shall notify the Company of the commencement or the threat of commencement thereof.

SECTION 14. General Provisions.

14.1 Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors, and administrators. The Company shall require and cause any successor that owns substantially all of the business or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

14.2 No Adequate Remedy. The parties acknowledge that it is impossible to measure in money the damages which will accrue to either party by reason of a failure to perform any of the obligations under this Agreement. Therefore, if either party shall institute any action or proceeding to enforce the provisions hereof, the party against whom such action or proceeding is brought hereby waives the claim or defense that the party bringing such action has an adequate remedy at law, and the party against whom the action is brought shall not urge in any action or proceeding the claim or defense that the other party has an adequate remedy at law.

14.3 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware.

14.4 Severability. If any provision or provisions of this Agreement shall be held to be invalid or unenforceable for any reason whatsoever: (a) the validity, legality, and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the remaining provisions of this Agreement containing any such provision held to be invalid or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision or provisions held invalid or unenforceable.

14.5 Modification and Waiver. No supplement modification, or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No amendment, alteration, rescission, or replacement of this Agreement or any provision hereof shall be effective as to Indemnitee with respect to any action taken or omitted by Indemnitee before such amendment, alteration, rescission or replacement. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver. The party shall not be deemed to have waived a right or remedy provided in or relating to this Agreement unless the waiver is in writing and duly executed by the party.

14.6 Entire Agreement. This Agreement, as to its subject matter, exclusively and completely states the rights and duties of the parties, sets forth their entire understanding, and merges all prior and contemporaneous representations, promises, proposals, discussions, and

understandings by or between the parties. The parties agree that this Agreement does not in any way alter, change or supersede the terms, conditions and obligations of the parties set forth in any employee agreement or option grantee agreement to which the Company or any of the Other Entities and Indemnitee may be a party.

14.7 Joint and Several. The obligations of Ferrellgas, Inc., the MLP and the OLP hereunder shall be joint and several.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

FERRELLGAS, INC.

By: ____________________
Name: ____________________
Title: ____________________

FERRELLGAS, L.P.

By: Ferrellgas, Inc., its general partner

By: ____________________
Name: ____________________
Title: ____________________

FERRELLGAS PARTNERS, L.P.

By: Ferrellgas, Inc., its general partner

By: ____________________
Name: ____________________
Title: ____________________

INDEMNITEE:

Name: ____________________

Address: ____________________

CERTIFICATIONS
FERRELLGAS PARTNERS, L.P.

I, Stephen L. Wambold, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2012 of Ferrellgas Partners, L.P. (the "Registrant");

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

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

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

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

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

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 9, 2012

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

CERTIFICATIONS
FERRELLGAS PARTNERS, L.P.

I, J. Ryan VanWinkle, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2012 of Ferrellgas Partners, L.P. (the "Registrant");

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

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

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

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 9, 2012

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

CERTIFICATIONS
FERRELLGAS PARTNERS FINANCE CORP.

I, Stephen L. Wambold, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2012 of Ferrellgas Partners Finance Corp. (the "Registrant");

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

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

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

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

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

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 9, 2012

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

CERTIFICATIONS
FERRELLGAS PARTNERS FINANCE CORP.

I, J. Ryan VanWinkle, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2012 of Ferrellgas Partners Finance Corp. (the "Registrant");

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

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

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

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 9, 2012

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

EXHIBIT 31.3

CERTIFICATIONS
FERRELLGAS, L.P.

I, Stephen L. Wambold, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2012 of Ferrellgas, L.P. (the “Registrant”);

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

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

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

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

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

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: March 9, 2012

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

CERTIFICATIONS
FERRELLGAS, L.P.

I, J. Ryan VanWinkle, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2012 of Ferrellgas, L.P. (the “Registrant”);

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

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

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

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 9, 2012

/s/ J. Ryan VanWinkle

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

CERTIFICATIONS
FERRELLGAS FINANCE CORP.

I, Stephen L. Wambold, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2012 of Ferrellgas Finance Corp. (the “Registrant”);

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

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

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

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

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

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: March 9, 2012

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

CERTIFICATIONS
FERRELLGAS FINANCE CORP.

I, J. Ryan VanWinkle, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2012 of Ferrellgas Finance Corp. (the “Registrant”);

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

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

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

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 9, 2012

/s/ J. Ryan VanWinkle

J. Ryan VanWinkle
Chief Financial Officer and Sole Director

EXHIBIT 32.1

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

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas Partners, L.P. (the “Partnership”) for the period ended January 31, 2012, as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

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

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

Dated: March 9, 2012

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

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

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

EXHIBIT 32.2

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

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas Partners Finance Corp. for the period ended January 31, 2012, as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

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

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

Dated: March 9, 2012

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

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

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

EXHIBIT 32.3

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

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas, L.P. (the “Partnership”) for the period ended January 31, 2012, as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

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

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

Dated: March 9, 2012

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

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

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

EXHIBIT 32.4

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

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas Finance Corp. for the period ended January 31, 2012, as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

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

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

Dated: March 9, 2012

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

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

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