

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re Allen's Hatchery, Inc.
Debtor

Case No. 11-11765 (KJC)
Reporting Period: February 26, 2012 - March 31, 2012

MONTHLY OPERATING REPORT
File with court and submit copy to US Trustee within 20 days after end of month.

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit/Supplement Attached
Schedule of Disbursements	MOR-1	X	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a		X	
Schedule of Professional Fees Paid	MOR-1b	X	X	
Copies of bank statements				
Cash disbursements journals				
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Statement of Cash Flows	MOR-4	X		
Status of Postpetition Taxes	MOR-5		X	
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Postpetition Debts	MOR-5		X	
Listing of aged accounts payable	MOR-5	X	X	
Accounts Receivable Reconciliation and Aging	MOR-6	X		
Debtor Questionnaire	MOR-6	X		


I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date



Signature of Authorized Individual*

4/30/12

Date

Brian G. Hildreth
Printed Name of Authorized Individual

Chief Financial Officer
Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

SCHEDULE OF DISBURSEMENTS^[1]

	Reporting Period	Cumulative Filing to Date
	2/26/12 - 3/31/12	6/9/11 - 3/31/12
Corn Train	-	11,512,500
Other Feed / Grain	-	15,577,333
Raw Material JCR	-	4,271,096
Grower Pay & Fuel	-	4,611,725
Other Live Costs	-	6,077,399
Salaries	1,832	17,313,085
Interest / Principal	-	7,485,579
Outside Freight	-	1,587,135
Broker Fees & Rebates	-	294,622
Processing	-	9,341,859
JCR Expenses	-	2,397,409
Corporate G&A	21,995	1,770,888
Restructuring / Bankruptcy	4,727	3,970,630
Total disbursements	\$ 28,554	\$ 86,211,261
Less: transfers to debtor in possession accounts	-	-
Plus: estate disbursements made by outside sources	-	-
Total disbursements for calculating US Trustee quarterly fees	\$ 28,554	\$ 86,211,261

[1] Represents actual cash disbursements as tracked under the DIP agreement.

Note: The financial statements and schedules included herein are unaudited, subject to change and may not be in conformity with U.S. GAAP. Additional adjustments may be made and the statements and schedules will not be finalized until they are reviewed by the Debtor's independent registered accounting firm.

DISBURSEMENTS BY ENTITY FOR CALCULATING US TRUSTEE FEES

	Total Disbursements for the Reporting Period	Less: Transfers to Debtor-in-Possession Accounts	Plus: Estate Disbursements made by outside services	Total Disbursements for Calculating US Trustee Quarterly Fees	US Trustee Fee
Allen Family Foods, Inc.	\$ 20,534	\$ -	\$ -	\$ 20,534	\$ 650
Allen's Hatchery, Inc.	8,020	-	-	8,020	325
JCR Enterprises, Inc.	-	-	-	-	325
Total	\$ 28,554	\$ -	\$ -	\$ 28,554	\$ 1,300

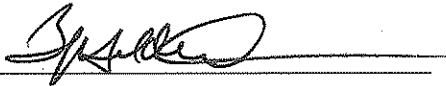
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BANK RECONCILIATION CERTIFICATION
Continuation Sheet for **MOR-1**

The undersigned verifies that, to the best of my knowledge, all of the Debtors' March 31, 2012 bank balances will be reconciled in an accurate and timely manner in the ordinary course of business on or about April 30, 2012.

Allen Family Foods, Inc., for itself and its
affiliated debtors; Debtors-in-Possession

By: 

Brian G. Hildreth
Chief Financial Officer

Date: April 30, 2012

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

This schedule is to include all retained professional payments from case inception to current month.

Payee	Period Covered	Amount Approved	Payor	Check		Amount Paid		Year-To-Date	
				Number	Date	Fees	Expenses	Fees	Expenses
Alvarez & Marsal	5/28/11 - 6/3/11	\$ 21,757	MAFC	N/A	6/14/2011	\$ 20,390	\$ 1,367	\$ 20,390	\$ 1,367
Alvarez & Marsal	6/4/11 - 6/8/11	\$ 28,540	MAFC	N/A	6/21/2011	\$ 28,540	\$ -	\$ 28,540	\$ -
Alvarez & Marsal	6/9/11 - 6/30/11	\$ 71,041	Nexsen Escrow Acct	N/A	8/1/2011	\$ 64,920	\$ 6,121	\$ 64,920	\$ 6,121
Alvarez & Marsal	7/1/11 - 7/31/11	\$ 97,113	Nexsen Escrow Acct	N/A	8/30/2011	\$ 88,479	\$ 8,634	\$ 88,479	\$ 8,634
Alvarez & Marsal	8/1/11 - 8/31/11	\$ 43,975	Nexsen Escrow Acct	N/A	9/26/2011	\$ 42,560	\$ 1,415	\$ 42,560	\$ 1,415
Alvarez & Marsal	9/1/11 - 9/6/11	\$ 13,405	Nexsen Escrow Acct	N/A	10/27/2011	\$ 12,035	\$ 1,370	\$ 12,035	\$ 1,370
Appraisal Economics	8/23/11 - 10/14/11	\$ 37,496	Nexsen Escrow Acct	N/A	12/7/2011	\$ 37,496	\$ -	\$ 37,496	\$ -
FTI Consulting, Inc.	6/9/11 - 7/22/11	\$ 243,076	Nexsen Escrow Acct	N/A	8/4/2011	\$ 226,528	\$ 16,548	\$ 226,528	\$ 16,548
FTI Consulting, Inc.	7/23/11 - 8/5/11	\$ 71,291	Allen Family Foods, Inc.	100489	8/11/2011	\$ 57,143	\$ 14,148	\$ 57,143	\$ 14,148
FTI Consulting, Inc.	8/6/11 - 8/19/11	\$ 38,908	Allen Family Foods, Inc.	100858	8/25/2011	\$ 36,053	\$ 2,856	\$ 36,053	\$ 2,856
FTI Consulting, Inc.	8/20/11 - 8/26/11	\$ 23,092	Allen Family Foods, Inc.	12/9/2176	9/1/2011	\$ 20,615	\$ 2,477	\$ 20,615	\$ 2,477
FTI Consulting, Inc.	8/27/11 - 9/2/11	\$ 32,197	Allen Family Foods, Inc.	6/24/2177	9/19/2011	\$ 29,735	\$ 2,462	\$ 29,735	\$ 2,462
FTI Consulting, Inc.	9/3/11 - 9/6/11	\$ 7,238	Allen Family Foods, Inc.	N/A	9/22/2011	\$ 5,938	\$ 1,301	\$ 5,938	\$ 1,301
FTI Consulting, Inc.	9/7/11 - 9/30/11	\$ 31,429	Nexsen Escrow Acct	N/A	10/27/2011	\$ 31,208	\$ 222	\$ 31,208	\$ 222
FTI Consulting, Inc.	10/1/11 - 11/4/11	\$ 14,283	Nexsen Escrow Acct	N/A	11/10/2011	\$ 14,250	\$ 33	\$ 14,250	\$ 33
FTI Consulting, Inc.	11/5/11 - 12/31/11	\$ 14,267	Nexsen Escrow Acct	N/A	1/5/2012	\$ 14,203	\$ 65	\$ 14,203	\$ 65
FTI Consulting, Inc.	1/1/12 - 2/29/12	\$ 11,748	Nexsen Escrow Acct	N/A	3/30/2012	\$ 11,733	\$ 16	\$ 11,733	\$ 16
J.H. Cohn	6/17/11 - 9/30/11	\$ 70,852	Nexsen Escrow Acct	N/A	12/7/2011	\$ 68,516	\$ 2,336	\$ 68,516	\$ 2,336
Law Firm of Joe Bodnar	6/9/11 - 6/30/11	\$ 14,035	Nexsen Escrow Acct	N/A	8/1/2011	\$ 14,035	\$ -	\$ 14,035	\$ -
Law Firm of Joe Bodnar	7/1/11 - 7/31/11	\$ 17,010	Nexsen Escrow Acct	N/A	8/22/2011	\$ 17,010	\$ -	\$ 17,010	\$ -
Law Firm of Joe Bodnar	8/1/11 - 8/31/11	\$ 8,645	Nexsen Escrow Acct	N/A	9/26/2011	\$ 8,645	\$ -	\$ 8,645	\$ -
Law Firm of Joe Bodnar	9/1/11 - 9/6/11	\$ 1,050	Nexsen Escrow Acct	N/A	11/9/2011	\$ 1,050	\$ -	\$ 1,050	\$ -
Lowenstein Sandler	6/16/11 - 8/31/11	\$ 147,757	Nexsen Escrow Acct	N/A	12/7/2011	\$ 144,151	\$ 3,606	\$ 144,151	\$ 3,606
Nexsen Pruet	6/9/11 - 6/30/11	\$ 120,798	Nexsen Escrow Acct	N/A	8/1/2011	\$ 118,024	\$ 2,774	\$ 120,798	\$ -
Nexsen Pruet	7/1/11 - 7/31/11	\$ 55,172	Nexsen Escrow Acct	N/A	8/22/2011	\$ 52,342	\$ 2,830	\$ 52,342	\$ 2,830
Nexsen Pruet	8/1/11 - 8/31/11	\$ 39,143	Nexsen Escrow Acct	N/A	9/26/2011	\$ 36,645	\$ 2,498	\$ 36,645	\$ 2,498
Nexsen Pruet	9/1/11 - 9/6/11	\$ 7,165	Nexsen Escrow Acct	N/A	10/27/2011	\$ 7,160	\$ 5	\$ 7,160	\$ 5
Womble Carlyle	6/16/11 - 8/31/11	\$ 26,895	Nexsen Escrow Acct	N/A	12/7/2011	\$ 23,833	\$ 3,062	\$ 23,833	\$ 3,062
Young Conaway	6/9/11 - 6/30/11	\$ 119,885	Nexsen Escrow Acct	N/A	9/12/2011	\$ 110,213	\$ 9,672	\$ 110,213	\$ 9,672
Young Conaway	7/1/11 - 8/31/11	\$ 201,351	Nexsen Escrow Acct	N/A	11/9/2011	\$ 191,936	\$ 9,416	\$ 191,936	\$ 9,416
Young Conaway	6/9/11 - 10/31/11	\$ 195,000	Nexsen Escrow Acct	N/A	1/6/2012	\$ 191,185	\$ 3,814	\$ 191,185	\$ 3,814

STATEMENT OF OPERATIONS

	Reporting Period	Cumulative Filing to Date
	2/26/12 - 3/31/12	6/9/11 -3/31/12
Net Sales	\$ -	\$ 25,093,211
Cost of Goods Sold	-	(42,474,492)
Gross Profit	-	(17,381,281)
Selling, General and Administrative Expenses	-	(8,308,153)
Depreciation Expense	-	(475,216)
Other Interest Income (Expense), Net	-	(609,636)
Other Income (Expense), Net ¹	-	(32,421,301)
Restructuring Expense	(34,685)	(3,170,089)
Net Comprehensive Income (Loss)	\$ (34,685)	\$ (62,365,676)

Note: The financial statements and schedules included herein are unaudited, subject to change and may not be in conformity with U.S. GAAP. Additional adjustments may be made and the statements and schedules will not be finalized until they are reviewed by the Debtor's independent registered accounting firm.

[1] Allen Family Foods, Inc. purchased live broilers to be processed at its facilities from Allen's Hatchery, Inc. (a related party) in the ordinary course of business. Normal operating procedures allowed for the inter-company accounts receivable to accumulate, with any payments between the two companies being used to pay down an inter-company note receivable prior to being used to pay down the accounts receivable. The accounts receivable was generally paid down at year-end, using a combination of outside financing and establishment of an inter-company note receivable. Due to the bankruptcy petition filed by both companies (and JCR Enterprises, Inc.) on June 9, 2011 outside financing, and the mechanism to pay down the inter-company accounts receivable, was no longer available. Because of this, and the resulting sale of company assets to Harim USA, Inc., Allen's Hatchery elected to forgive the debt owed by Allen Family Foods, resulting in a write-off of approximately \$55MM that was taken as an extraordinary expense on Allen Hatchery's trial balance. Conversely, Allen Family Foods, Inc. recorded as income the debt forgiveness in the same amount to reflect this transaction.

BALANCE SHEET

	Book Value at End of Current Reporting Period	
	3/31/2012	
Current Assets:		
Cash and Cash Equivalents	\$	305,021
Restricted Cash		-
Accounts Receivable (Net)		-
Accounts Receivable Related Party		-
Inventories		-
Prepaid Expenses and Other		5,689,337
Total Current Assets		5,994,358
Long Term Assets:		
Property and Equipment, Net		-
Goodwill		-
Intangible Assets, Net		-
Notes Receivables - Related Party		25,977,067
Other Assets		-
Current Income Taxes Payable (moved to assets per DT/still in Liab in Detail)		-
Deferred Income Taxes (moved to assets per DT/Still in Liab in Detail)		-
Total Long Term Assets		25,977,067
Total Assets	\$	31,971,425
Current Liabilities:		
Trade Accounts Payable	\$	3,768
Trade Accounts Payable - Subject to Compromise ^[1]		2,764,275
Accrued Expenses and Other Liabilities		-
Working Capital Line and DIP Financing		36,855,004
Current Portion of Long Term Debt		24,064,442
Notes Payable - Related Party		-
Total Current Liabilities		63,687,489
Long Term Liabilities:		
Long-Term Debt Less Current Portion		-
Related Party Long-Term Debt Less Current Portion		-
Capital Lease Obligation Less Current Portion		-
Other Liabilities - Subject to Compromise		-
Total Long Term Liabilities		-
Total Liabilities		63,687,489
Shareholders' Equity:		
Common Stock		137,180
Treasury Stock		(12,238,107)
Retained Earnings ^[2]		(19,615,137)
Total Shareholders' Equity		(31,716,064)
Total Liabilities and Shareholder's Equity	\$	31,971,425

[1] Represents the estimated unpaid prepetition accounts payable as of March 31, 2012. Per the orders dated June 9, 2011, the Debtors received authority to make payments to trade creditors and taxing authorities in the ordinary course subject to established caps.

Note: The financial statements and schedules included herein are unaudited, subject to change and may not be in conformity with U.S. GAAP.

STATEMENT OF CASH FLOWS^[1]

	Reporting Period	Cumulative Filing to Date
	2/26/12 - 3/31/12	6/9/11 -3/31/12
Cash flows from operating activities:		
Net income (loss)	\$ (34,685)	\$ (62,365,676)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	-	475,216
Gain on sale of equipment	-	20,194,518
Restructuring inventory market adjustment	-	-
Change in accounts receivable	-	31,205,055
Change in inventories	-	26,503,324
Change in other assets	-	508,497
Change in prepaid expenses and other	-	3,595,420
Change in accounts payable	3,768	(2,399,701)
Change in accrued expenses & other liabilities	-	(555,713)
Change in billings in excess of costs	-	-
Change in other liabilities	-	(791,414)
Net cash provided by operating activities	(30,917)	16,369,526
Cash flows from investing activities:		
Change in Related Party Note Receivable	-	(4,456,717)
Proceeds from sale of equipment ^[2]	-	11,000,000
Additions to property and equipment	-	-
Net cash provided by investing activities	-	6,543,283
Cash flows from financing activities:		
Borrowings/(Payments) on DIP Financing	-	(20,243,412)
Borrowings/(Payments) on Related Party Debt	-	(1,700,000)
Net cash provided by financing activities	-	(21,943,412)
Net increase in cash	\$ (30,917)	\$ 969,397
Cash and cash equivalents at the beginning of the period	335,938	(664,376)
Net cash flow	(30,917)	969,397
Cash and cash equivalents at the end of the period	\$ 305,021	\$ 305,021

[1] The Debtors have included their indirect Statement of Cash Flows.

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In re Allen's Hatchery, Inc.
Debtor

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POSTPETITION TAXES CERTIFICATION

The undersigned verifies that, to the best of my knowledge, all post-petition tax obligations, including but not limited to, payroll, real property, income, franchise, and other taxes have been paid to the proper taxing authority when due.

Allen Family Foods, Inc., for itself and its
affiliated debtors; Debtors-in-Possession

By: _____



Brian G. Hildreth
Chief Financial Officer

Date: April 30, 2012

In re Allen's Hatchery, Inc., et al.
Debtors

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ACCOUNTS PAYABLE AGING AS OF REPORTING PERIOD-END

	Amount	
	3/31/2012	
Current (due within next 30 days)	\$	3,768
Past Due 1-30 Days		7,960
Past Due 31-60 Days		-
Past Due 61-90 Days		-
Past Due 91+ Days		2,756,315
Total Accounts Payable	\$	2,768,043

Note: Per the orders dated June 9, 2011, the Debtors received authority to make payments on pre-petition debts to trade creditors in the ordinary course subject to established caps. The Debtors have therefore not broken out pre-petition and post-petition accounts payable.

In re Allen's Hatchery, Inc., et al.
Debtors

Case No. 11-11765 (KJC)
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ACCOUNTS RECEIVABLE AGING AS OF REPORTING PERIOD-END

	Amount	
	3/31/2012	
Current (due within next 30 days)	\$	-
Past Due 1-30 Days		-
Past Due 31-60 Days		-
Past Due 61-90 Days		-
Past Due 90+ Days		-
Total Accounts Receivable		-
Allowance for Doubtful Accounts		-
Accounts Receivable (Net)	\$	-

Note: Per the Debtors' records, uncollectable accounts are not netted against agings.

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DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		xxx
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		xxx
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	xxx	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	xxx	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.	xxx	

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SCHEDULE OF NEW BANK ACCOUNTS

Bank	Account #	Name	Date Opened	Description
Bank of America	00070762702	Nexsen Pruet LLC	June 9, 2011	Allen's Family Foods, Inc. et al. Trust for payment of post petition utilities, professional fees, etc.
Wachovia Bank	2079900601318	Allen Family Foods, Inc. - Debtor in Possession	July 6, 2011	Operating account - incoming/outgoing checks
Wachovia Bank	2079900598065	Allen's Hatchery, Inc. - Debtor in Possession	July 6, 2011	Operating account - incoming/outgoing checks
Wachovia Bank	2079900594522	JCR Enterprises, Inc. - Debtor in Possession	July 6, 2011	Operating account - incoming/outgoing checks
CoBank	00071972	DIP - Allen Family Foods, Inc.	July 6, 2011	Operating account - outgoing wires
CoBank	00071988	DIP - Allen's Hatchery, Inc.	July 6, 2011	Operating account - outgoing wires
CoBank	00071995	DIP - JCR Enterprises, Inc.	July 6, 2011	Operating account - outgoing wires