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UNITED STATES BANKRUPTCY COURT
DISTRICT OF IDAHO

In Re:)	Case No. 10-41613-JDP
)	(Chapter 11)
HOLLIFIELD RANCHES, INC.,)	
)	
_____ Debtor _____)	

FIFTH AMENDED DISCLOSURE STATEMENT

I. INTRODUCTION

1. GENERAL

Hollifield Ranches, Inc., hereinafter referred to as the debtor, provides this Disclosure Statement to all of its known creditors in order to disclose the information necessary for the creditors to arrive at a reasonably informed decision in exercising their right to vote for acceptance or rejection of the Plan of Reorganization on file with the United States Bankruptcy Court for the District of Idaho (Section 1125 of the United States Bankruptcy Code). The debtor's address is 22866 U.S. Highway 30, Hansen, Idaho 83334-5018. The debtor is a farmer and its farmland is all located in Twin Falls County, Idaho.

No representations concerning the debtor (particularly as to the value of its property) are authorized by the debtor other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance which are other than as contained herein should not be relied upon by you in arriving at your decision, and such additional representations and inducements should be reported to counsel for the debtor, who in turn shall deliver such information to the Court for such action as may be deemed appropriate.

Under the Plan, the claims of creditors, depending upon the classification of the respective claims (see Plan of Reorganization-Classes of Claims and Interest), will either be paid in full or part; or, have transferred to them property in which they hold a lien.

Since September 9, 2010, the debtor has operated as debtor-in-possession. When the Plan is confirmed, the debtor will continue to administer the debtor's estate in compliance therewith until such time as the necessary procedures are implemented for disposition of property and distribution of funds. Thereafter, the debtor will be revested with its property subject to the conditions and requirements of the Plan.

2. FILING OF THE CASE

On September 9, 2010, the debtor filed its Petition in the United States Bankruptcy Court under Chapter 11 of the United States Bankruptcy Code. Automatically upon such filing, the debtor became debtor-in-possession.

2A. DEFINITIONS

The debtor provides the following definitions for creditors so they can better understand the Plan:

A. "Petition" shall mean the joint voluntary petition under Chapter 11 filed with this Court on September 9, 2010.

B. "Case" shall mean the bankruptcy action filed by the debtor for reorganization of the debtor commenced by a voluntary petition under Chapter 11 on September 9, 2010, now pending in the United States Bankruptcy Court, District of Idaho.

C. "Filing Date" shall mean the date the debtor filed for relief under Chapter 11 of the United States Bankruptcy Code, or September 9, 2010.

D. "Effective Date" shall be thirty (30) days after confirmation unless there is a pending appeal regarding confirmation. If there is a pending appeal, then the effective date shall be the date the appeal is ultimately resolved.

E. "Date of Distribution" shall be that date selected by the debtor for the initial distribution under the Plan, or if the date of confirmation is after the date selected by the debtor, then the date of distribution shall be thirty (30) days after the date of confirmation, which shall be the effective date of the Plan unless otherwise indicated in the Plan.

F. "Disbursing Agent" shall mean Terry G. Hollifield, who will be duly authorized and appointed upon approval of the Plan.

3. APPROVAL OF THE DISCLOSURE STATEMENT

This Disclosure Statement, approved by the United States Bankruptcy Court in accordance with Section 1125 of the Bankruptcy Code, is provided to each creditor whose claim has been scheduled by the debtor or who has filed a proof of claim against the debtor and to each interested party of record as of the date of approval of this Disclosure Statement.

The Disclosure Statement is intended to assist creditors and parties in interest in evaluating the Plan and in determining whether to accept the Plan. Under the Bankruptcy Code, acceptance of the Plan may not be solicited unless a copy of this approved Disclosure Statement is received prior to or concurrently with such solicitation.

4. CREDITORS ENTITLED TO VOTE ON PLAN

Only votes of classes of claimants (creditors), which are impaired by the Plan or are unsecured are counted in connection with the confirmation of the Plan.

5. MANNER OF VOTING

All claimants entitled to vote on the Plan may cast votes for or against the Plan by completing, dating, signing and causing the ballot form accompanied by this Disclosure Statement to be filed with the Clerk of the United States Bankruptcy Court for the District of Idaho in accordance with the Court's order. See *Order Approving Disclosure Statement, Fixing Time for Acceptance or Rejection of Plan [Return of Ballots], and Setting Date for Hearing on Confirmation*.

6. DETERMINING ACCEPTANCE OF PLAN

In determining the acceptance of the Plan, votes will only be counted if submitted by a claimant whose claim is duly scheduled by the debtor as undisputed, non-contingent and liquidated, or who, prior to the hearing on confirmation, has filed with the Court a proof of claim

which has not been disallowed or suspended prior to the computation of the vote on the Plan. A class that is unimpaired is deemed to have accepted the Plan and solicitation of acceptance is not required under Section 1126(f). The ballot form which you receive does not constitute a proof of claim. If you are in any way uncertain whether or not your claim has been correctly scheduled, you should check the debtor's schedules, which are on file in the office of the Clerk of the United States Bankruptcy Court for the District of Idaho. Due to the business of the Clerk of the Bankruptcy Court, it is believed this information will not be given by telephone.

7. HEARING ON CONFIRMATION OF PLAN

The Court will set a hearing to determine whether the Plan has been accepted by the requisite number of creditors and whether the other requirements for confirmation of the Plan have been satisfied. Each claimant will receive, either with this Disclosure Statement or separately, a Notice of Hearing on confirmation of the Plan. (PRESENCE OF CREDITORS AT THE CONFIRMATION HEARING IS INVITED BUT NOT REQUIRED IN ORDER FOR THEIR BALLOT TO BE CONSIDERED.)

8. ACCEPTANCE NECESSARY TO CONFIRM PLAN

At the scheduled hearing, the Bankruptcy Court must determine, among other things, whether the Plan has been accepted by each impaired class. Under Bankruptcy Code Section 1126, an impaired class is deemed to have accepted the Plan if at least two-thirds (2/3) in amount (dollar value) and more than one-half (1/2) in number of the allowed claims of class members who have voted on the Plan, have voted for acceptance of the Plan. Further, unless there is unanimous acceptance of the Plan by an impaired class, the Bankruptcy Court must determine whether the Plan provides class members property of a value that is not less than the amount such

class members would receive or retain if the estate of the debtor was liquidated under Chapter 7 of the Bankruptcy Code on the effective date of the Plan as set forth in Section 1129(a)(7)(A)(ii).

9. CONFIRMATION OF PLAN WITHOUT NECESSARY ACCEPTANCE

Pursuant to Bankruptcy Code Section 1129(b), the Plan may be confirmed even if it is not accepted by one or all of the impaired classes provided the Bankruptcy Court finds that the Plan does not discriminate unfairly and is fair and equitable to such class or classes. This provision requires, among other things, that the claimants (creditors) in the impaired classes must either receive the full value of the property of their claims or, if they receive less, no class with junior liquidation priority may receive anything. The debtor may choose to rely upon the provision commonly known as the "cramdown" to seek confirmation of the Plan if it is not accepted by all classes of creditors. "The test to be applied by the Court is set forth in various paragraphs of Section 1129(b)... the Court is not permitted to alter the terms of the Plan. It must merely decide whether the Plan complies with Section 1129(b). If so, the Plan is confirmed, if not, the Plan is denied confirmation." H.R. 95-595, 95th Cong., 1st Sess., 413 et seq. (1977).

II. THE PLAN OF REORGANIZATION

1. CLASSES OF CLAIMS AND INTEREST AND PAYMENT

The Plan divides the claims and interests into various and separate classes.

The classes are as follows:

Class	<u>Creditor</u>	Payment Amount ANNUALLY	Payment Amount MONTHLY
1.	Administrative		
	(a) Attorney's Fees—Robinson Anthon & Tribe		Unknown
	(b) Accountant's Fees – Garald Price & Assoc		Unknown
	(c) Chapter 11 Quarterly Fees		Pursuant to 11 USC 1129(a)(12)
2.	Section 507 Priority Claims	None	
3.	Bank of the West	2 @ \$9,162.78	

4.	Davidson & Co.	7 @ \$3,030.14	
5.	KeyBank – semi-annually	20 @ \$474,322; 7 @ \$1,174,439	
6.	McCall Livestock	Paid	
7.	Metropolitan Life Insurance ***604 ***771	Loan 604 semi-annual \$145,229 – total annual of \$290,458	Loan 771 \$19,240
8.	Northwest Farm Credit Service	See notation below	
9.	Twin Falls Livestock	Paid	
10.	Wells Fargo Bank		72 @ \$375
11.	Buhl Implement Co.		36 @ \$238
12.	Agri-Stor Co. Inc./Chemical Supply Co. Inc.	7 @ \$2,112.36	
13.	Western Seeds	Paid	
14.	Valley Agronomics, LLC	Unsecured	
15.	Simplot Soilbuilders	5 @ \$73,216.89	
16.	CNH Capital	72 @ \$615.42	
17.	Tyson Fresh Foods, Inc.	At the final end of Court proceedings. Tyson shall be paid whatever is owed	
18.	Administrative Claims under §503(b)(9) Westway \$24,068.82 Gavlin Grain \$70,578.10 The Scouler Company \$13,908.69 OK Auto Systems \$5,146.46	To be paid in full within ten days of confirmation	
19.	Unsecured Claims (It is anticipated that unsecured creditors will receive approximately 100% of their claim)	20 @ \$141,211.84	
	TOTAL	\$2,168,568.43	\$19,853

The total to be paid annually, including the monthly payments, is the sum of \$2,188,421.43. The amount of the payments may be changed based upon negotiation with creditors or further Court proceedings.

Debtor has no interest in the property that is collateral for the obligation owed to Northwest Farm Credit Service; therefore, the indebtedness shall be paid by a separate entity in which the debtor has no interest. The payments specified above may change as debtor interacts with creditors regarding their debt.

Distributions will be made by the disbursing agent, Terry G. Hollifield, as provided in the Plan.

2. RISKS ASSOCIATED WITH THE PLAN

The Plan contemplates an effective reorganization of the debtor's property, treatment of contingent claims, treatment of certain claims upon Court approval and treatment of property returned to owners by Court approval; HOWEVER, Reorganization will commence on the effective date.

3. TREATMENT OF CLAIMS

Treatment of the various classes of claims and individual persons or entities within the class is discussed in detail in the Plan. Priority claims will be paid in full; secured debts will be paid to the extent of their values; unsecured debts will be paid (in a fair and equitable manner) to the extent the unsecured property of the estate reaches to those creditors or that the cash flow allows, and other properties will be disbursed and addressed as approved by the Court.

4. COMPLIANCE WITH 11 U.S.C. 1129(b)

Treatment of various classes and claims comply with Section 1129(a). Notwithstanding Section 510(a), if all the applicable requirements are met other than with respect to a class or classes who have accepted the Plan or are unimpaired by the Plan, the Court, on request of the proponent of the Plan (debtor), shall confirm the Plan. The proponent deems that the Plan does not discriminate unfairly, and is fair and equitable with respect to each class of claims or interests that is impaired under the Plan even though such class may not have accepted the Plan.

III. INFORMATION PERTAINING TO DEBTOR CONSIDERED

RELEVANT TO APPROVAL OF THE PLAN

The debtor who presents this Plan for confirmation recommends an affirmative vote for acceptance of the Plan. This recommendation is based upon information contained in the following sections of the Disclosure Statement and the belief that when claims are restructured and coordinated with the liquidation values of the estate, the cash flow will sustain payments in the reorganized schedules. This Disclosure Statement provides adequate information in regard to costs of production, gross income and funds available for interest payments and debt reduction.

The debtor maintains that no creditors have had sufficient information presented to them prior to this Disclosure Statement; any previously presented Plans, disclosure statements or informational documents, including those presented at any informational meeting regarding the financial status of the debtor are to be ignored. Creditors should base decisions to vote for or against the Plan solely upon information provided herein and in the Plan itself.

IV. HISTORY OF THE DEBTOR

Hollifield Ranches, Inc., (debtor) or its predecessor, has been farming in the Magic Valley since 1972.

Hollifield Ranches, Inc. was merged into one entity in September 2010. The operation was originally row crop farming operated by Terry Hollifield and his father. The operation owned a small feedlot, Double H Cattle, and farm ground located near Hansen, Idaho. Terry increased the size of the farm by purchasing additional farmland when it became available and if his cash flow and equity position was satisfactory. The operation also leased additional farm ground when it was available. The cattle feeding operation increased in size with the

formation of a cattle partnership called Magic Valley Feeders. This operation was a 10,000 plus feedlot located in Murtaugh, Idaho. In 2000 Terry purchased White Gold Dairy located south of Hansen. This was a partnership with several investors. Over the next few years all of the farming operation, Hollifield Ranches, Inc., was transferred to Terry. Magic Valley Feeders was split up between the partners and Terry ended up with a 5,000 plus feedlot located east of Hansen, Idaho.

The dairy was purchased in 2000 due to the death of the original owner. The dairy facility was upgraded after the dairy was purchased by an LLC, which was managed and partly owned by Terry Hollifield. In 2004 Terry purchased all interest in White Gold Dairy from the outside investors. As a result Terry owned Hollifield Ranches, Inc., Double H Cattle and White Gold Dairy. The feedlot operation and the dairy operation didn't own sufficient real estate for the Nutrient Management Program for Twin Falls County and the State of Idaho. The dairy and feedlot both have to have a long-term approved plan for removing and applying the cattle waste for the CAFO (Confined Animal Feeding Operation). The feedlot is owned personally by Terry Hollifield, and the waste can be applied to his other farm ground. The waste from the dairy is applied to ground located near the dairy, which is leased to Hollifield Ranches. Hollifield Ranches supplies most of the alfalfa for the dairy and all of the corn silage.

Debtor had been a long-term customer of the Farm Credit System (FCS). Debtor had a past history with a loan officer that had worked for FCS and had been calling on them for his new employer – KeyBank. Debtor dairy was also looking for a long-term loan to refinance the dairy facility. MetLife's agents in Twin Falls had also been calling on debtor and Terry Hollifield about refinancing the dairy facility and Terry Hollifield's personal real estate.

Debtor, dairy, farm and cattle refinanced all of their operating and terms loans

with KeyBank. Debtor-dairy refinanced the dairy facility with MetLife. In 2008, Terry Hollifield refinanced all of his personal farm real estate with MetLife.

Debtor had been working with its loan officer at the Burley Branch of KeyBank since moving accounts in 2006-07, before the loan officer was transferred to Pocatello and debtor's banking relationship was moved to the Twin Falls Branch of KeyBank.

V. MERGER OF ENTITIES

The three entities were so co-mingled and intertwined that counsel and accounting consultants thought it was best to merge all of the entities: Taylor & Dad LLC, Double H Cattle LP and White Gold Dairy LLC. All of the entities had the same shareholders so the entities were merged with Hollifield Ranches, Inc. Hollifield Ranches, Inc. has, during the pendency of the bankruptcy, kept separate records for each of the three operations – dairy, farm and cattle.

VI. STATEMENT OF FINANCIAL AFFAIRS

Explanation Regarding Exhibits

Attached to the front of the exhibits is an index regarding the exhibits which are attached to this Disclosure Statement.

1. MONTHLY REPORT EXPLANATION

The CPA who prepares the monthly reports will be providing an explanation as to why there is no loss being experienced by debtor as it is going forward.

2. BOOKS AND RECORDS

The books and records of the debtor have been kept by and are now in the possession of the debtor and/or its accountant, Garald Price of Garald Price & Associates, P.A..

3. BANK ACCOUNTS

Debtor maintains three cash collateral accounts at Wells Fargo Bank in Twin Falls, Idaho, and two at KeyBank.

4. SUITS PENDING

Hollifield Ranches vs. Cummins Family Produce, Twin Falls County Case No. CV 2011-1090. This pending action is for recovery of proceeds from the sale of potatoes by the plaintiff to Cummins.

Wilbur-Ellis Company v. Terry G. Hollifield, Gooding County Case No. CV 2010-597. This indebtedness was satisfied by Terry Hollifield personally.

Since the filing of the Chapter 11 Bankruptcy, KeyBank has filed a lawsuit against Terry Hollifield and Carol Hollifield relating to the KeyBank indebtedness, which is also owed by Hollifield Ranches, Inc. That KeyBank has obtained a Judgment with respect to such in the amount of over \$13 million. That Judgment has also been recorded.

5. INCOME AND EXPENSES PAST FIVE (5) YEARS

Please refer to attached explanation of exhibits.

2011 FARMING OPERATION

Since filing bankruptcy the debtor has been involved in a farming operation, and is actually farming 5,745 of its budgeted 5,938 acres, in addition to operating the dairy and the feedlot. The basis for the changes is as follows:

Hollifield Ranches, Inc. - Farm changed the number of acres and type of crops planted to make the operation more effective, fill contracts and be a good steward of the farm ground.

Hollifield Ranches, Inc.- Farm decided not to grow any beans in 2011. Beans are harvested at the same time that the operation is harvesting corn, alfalfa and potatoes. The price for wheat and barley for the 2011 crop allow Hollifield Ranches, Inc., to grow these grain crops that were harvest before the corn, alfalfa and potatoes.

Hollifield Ranches, Inc.- Farm reduced the potato acres because McCain Foods didn't offer them a potato contract until later in the spring. Hollifield Ranches, Inc., grows mostly crops that can be contracted or used for feed at the dairy and feedlot.

FARMING DURING 2011 FARM SEASON

Hollifield Ranches, Inc. - Cattle, Dairy and Farm, operated according to the approved Fourth Cash Collateral Order except that the number of cattle at the feedlot was reduced by both Tyson Fresh Foods and Hollifield Ranches, Inc. - cattle. Hollifield Ranches, Inc., was concerned with the cost of feed going higher every month under the current contract. Therefore, it was determined to reduce the cattle operation

Double H Cattle has undertaken a cattle-feeding operation for years prior to the filing of the petition in bankruptcy. Some of those feeding operations have involved “third party” cattle; some of those feeding operations have involved Tyson Foods cattle. The Tyson Foods contract was assumed in the bankruptcy, and terminated by both parties in August of 2011. Future cattle feeding operations may involve either “third party” cattle or Tyson Foods cattle. Income and expenses generated by the Double H cattle feeding activities are anticipated by the debtor to be as reflected in the budget attached as Exhibit 3, pages 14 and 15 attached to this Disclosure Statement. The income and expense may vary depending on the number of animals on feed at the feed yard.

The Actual Profit for the operation (Actual Income - Actual Expenses) was

projected at \$1,204,173, which as a percentage of Income is 3.68%.

The ADM Beans contracts were only on the 2010 crop.

Hollifield Ranches, Inc. did not use all of the funds approved by the court for fertilizer and chemicals. The approximate amount of debt owed to J. R. Simplot is \$940,000, which sum has already been paid.

The Operation has been able to reduce Total Liabilities by \$224,822.

6. TAXES AND TAX CONSEQUENCES

Garald Price & Associates, P.A., Certified Public Accountants, have reviewed Hollifield Ranches, Inc. past tax history as well as the other entities past taxes that were merged with Hollifield Ranches, Inc. in September 2010. With the recapture of income on the depreciated items and the capital gains on the real basis, if Hollifield Ranches were to be liquidated, consequences on federal and state taxes would be substantial, if not somewhat catastrophic.

7. FARM LEASES

Signed Lease Agreements for the year 2011, with all pertinent information required in a lease, were presented to the Court, and pursuant to an Order of the Court (Doc. 170) dated January 13, 2011, a copy of which is attached, the debtor was authorized to enter into leases for the Year 2011 with the following:

<u>Name</u>	<u>Farm Name</u>
Kelvon Hansen	Nebeker
Kelly, LLC	Johnson
Lien, LLC	Hranac
Lesouhs, LLC	Shouse
Gary Denney	Potestio
Tolman & Sons	Tolman
L.E. Chapin Estate	Chapin
John Coleman	Coleman

Lasko Farm, LLC	Boyd
UBS AgriVest, LLC	Lake/Simplot
Terry Hollifield	
Art Baily	Baily
D & H Farms	D & H
CWH Estate	Hollifield
J. Jackson	Jackson
T. Jackson	Jackson
Clare Armstrong	Armstrong
John Fayle	Moore
John Redmond	Allen
H. Russell Denton	Russell
Clear Creek Properties	Storages
Clark Bennett	Bennett
Pederson Trust	Clarke
Jack Boyd	Boyd
Peggy Kelly	Kelly
T. F. Hwy. District	Pitts
Keith Briggs	Briggs
Lattimer/US Bank	Lattimer
John Gibson	Tingey

Beet Shares

Don C. Wright
Richard Sievers

Share Crop Farms – 50/50

Dick and Mary Cook
Scott McMaster
John Metzler

All lease payments for 2011 have been paid. Furthermore, the debtor has filed a Motion for Authorization to enter into new leases for the Year 2012. See Docket No. 405. Since the case was filed the Court has issued orders with respect to assumption of leases, use of cash collateral and incurring secured debt, i.e.: October 6, 2010, Order Authorizing Emergency Use of Cash Collateral [Docket No. 53]; Order Authorizing Participation in USDA Programs and Assumption of Executory Contracts [Docket No. 85]; Supplemental Order Authorizing Continued Use of Cash Collateral [Docket No. 87]; Second Supplemental Order Authorizing Continued Use of Cash Collateral [Docket No. 113]; Order Approving Assumption of Executory Contracts

[Docket No. 158]; Order Approving Compromise – Tyson Fresh Meats, Inc., interested party [Docket No. 159]; Order Granting Authorization to Make 2010 Lease Payments and Authorizing Debtor to Enter into Leases [Docket No. 170]; Third Order Regarding Stipulated Use of Cash Collateral [Docket No. 176]; Order Authorizing the Incurring of Secured Debt [Docket No. 194]; and Fourth Order Authorizing Continued Use of Cash Collateral [Docket No. 195]. Tyson Fresh Meats, Inc., has obtained a lift of stay and has scheduled a hearing in March regarding whether it is entitled to an administrative expense in the amount of approximately \$900,000 [see Docket No. 343]. KeyBank has filed a lift of stay motion [see Docket No. 354]. Debtor has objected to KeyBank's motion and it is scheduled for final hearing on March 28, 2012. Debtor has also sought the use of cash collateral [Docket No. 375] and the incurring of secured debt for 2012 [see Docket No. 404]. The Court also entered a Sixth Order Authorizing Emergency Use of Cash Collateral [Docket No. 442], Order Authorizing the Incurring of Secured Debt [Docket No. 459], and an Order Authorizing Assumption and/or Assignment of Lease Agreements and/or the Entering into of Certain Lease Agreements [Docket No. 460].

8. ADMINISTRATIVE EXPENSES

Robinson Anthon & Tribe, attorneys at law, have been paid the sum of \$34,000. Of that amount \$5,198.49 was applied to pre-petition fees and costs, and the balance of \$28,801.51 was applied to post-petition fees and costs approved by the Court. In addition, to the \$28,801.51, the Court has approved additional post-petition fees and costs in the amount of \$31,734.78, all of which has been paid by the debtor. Brent T. Robinson of the firm Robinson Anthon & Tribe is handling this matter at a rate of \$190 per hour. Approval has been obtained for payments of \$20,000 in March, 2012, \$20,000 in April, 2012, and the balance in May, 2012. Additionally, the only post-petition fees and costs not paid are fees and costs incurred for which

the debtor's counsel has not sought Court approval. Any fees ultimately determined to be owed, which are not paid or approved prior to confirmation, shall be paid in full within two (2) years after the date of confirmation, but only after Court approval of the fees has been obtained.

That the Administrative Expenses under §503(b)(9), shall be paid within ten (10) days of confirmation. The amount of each claim is as follows:

Westway Feed Products, Inc.	\$24,068.82
Gavilon Grain, LLC	\$70,578.10
The Scoular Company	\$13,908.69
OK Auto Systems, Inc.	\$ 5,146.46
Total Administrative Expenses:	\$113,702.07

The administrative expenses of Gary Price, CPA, that have been approved by the Court which have not previously been paid to confirmation will be paid within a two-year period.

9. FINANCIAL STATEMENTS

During the two years immediately preceding the commencement of this case, debtor has issued financial statements to KeyBank.

10. CREDITORS HAVING PRIORITY CLAIMS

Twin Falls County Treasurer & Tax Collector	Paid
Twin Falls County Treasurer & Tax Collector	Paid

11. CREDITORS HAVING UNSECURED CLAIMS WITHOUT PRIORITY, DISPUTED

NONE

12. UNSECURED, UNCONTESTED CLAIMS

1 st Choice Service & Repair	\$662.56
A&S Farm / Lasko-Boyd Farm	\$1,141.90
A. Scott Jackson Trucking	\$2,837.80
Accelerated Genetics	\$2,950.00
Adventure Motorsports	\$800.29
Ag-West Distributing	\$821.97
Agri-Service	\$33,932.37
Anderson Co. Trust	\$31,700.70

APEX	\$6,037.79
AT Films, Inc.	\$1,635.20
Austin Construction	\$1,206.05
Automated Dairy Systems	\$13,184.13
B&B Oil Company	\$165.00
B&R Bearing Supply	\$2,297.46
Badger Bearing PTP, Inc.	\$1,368.04
Baily's Garage & Construction	\$83,560.00
Basin Bovine Practice, P.A.	\$4,879.00
Big Sky Animal Health	\$27,983.69
Biomatrix International	\$1,325.86
Black Oil Co.	\$74,490.98
Bret Robins Farms	\$4,680.72
Butte Irrigation, Inc.	\$710.07
Carne I Corp.	\$181,844.82
CarQuest Auto Parts	\$1,624.74
Cesco	\$595.15
Christiansen Implement	\$2,895.00
Circle C Equipment	\$222.22
CNH Capital	\$24,884.65
Commercial Tire	\$6,100.86
Crawford Enterprises	\$475.00
Dairy Feed Supply, Inc.	\$26,313.00
Dairy Health Services	\$1,893.41
Darling International	\$200.00
Diamond Automotive Machine	\$1,074.05
Don's Irrigation LLC	\$312.49
Evans Grain, Feed & Seed	\$44,097.82
Farm Plan / FPC Financial	\$46,918.02
Farmore of Idaho/Farmore Irrigation	\$3,542.00
Floyd Lilly Company	\$1,822.83
Franklin Building Supply	\$89.48
Garrison Electric LLC	\$1,245.00
Gavilon Grain LLC/Peavey Grain	\$4,087.01
Gem State Welders Supply	\$383.63
GHC Labs	\$315.98
Ghost Hollow Consulting	\$1,750.00
Gier Jammers Diesel Repair	\$10,445.83
Gietzen Electric, Inc.	\$799.32
Goold Manufacturing Co.	\$954.40
Grover's Electric & Plumbing	\$554.41
Guinn Enterprises, Inc./ Guinn Trading	\$16,611.04
H.I.D. Pest Control, Inc.	\$3,990.00
Haines Auto Electric, Inc.	\$1,582.10
HCM Holmstead PLLC	\$45,683.65

Holst Truck & Auto Wrecking	\$76.87
Holtzen Brothers Trucking, Inc.	\$15,609.89
Horizon Milling	\$12,669.39
Idaho Fire Extinguisher Co.	\$30.62
Idaho Hydrojetting	\$750.00
Ike Heidemann Custom Farming	\$13,597.22
Industrial Motor Supply	\$7,995.11
J&C Custom LLC	\$1,560.00
J&C Hoof Trimming, Inc.	\$2,598.61
Jack's Tire & Oil, Inc.	\$1,089.03
Jim's Repair & Distributing	\$6.40
James Brennan Family Trust	\$138,393.39
JT Livestock	\$6,500.00
Kaman Industrial Technology	\$193.30
Kelly's Bearing Supply, Inc.	\$391.45
Ken-Spray, LLC	\$12,597.18
KeyAg Distributors	\$2,114.54
L&R Tarp, Inc.	\$512.00
L.L. Langdon, Inc.	\$49.59
Lake City International	\$143.30
Landview, Inc.	\$511.28
Larry Hollifield Farms	\$50,465.66
Lasko Alexander Farm, LLC	\$1,263.31
Lee's Radiator	\$307.70
Les Schwab Tire	\$450.41
Lextron, Inc.	\$2,317.28
Magic Valley D.H.I.A.	\$4,403.42
Magic Valley Equipment Co.	\$605.12
Magic Valley Utility Locator	\$120.00
Mitch's Repair	\$448.00
Moo Valley Feeds	\$160.06
Moser Machine Shop	\$226.25
Murphy's Services LLC	\$11,349.58
NAPA Auto Parts	\$6,817.56
Newberry Farms, LLC	\$17,096.59
Northside Implement	\$671.58
OK Auto Systems, Inc.	\$19,527.17
Pacific Steel & Recycling	\$50.05
Page Brake Warehouse	\$62.62
Peavey Co.	\$428,029.12
Performance Plus Idaho LLC	\$9,586.45
Pickett Equipment	\$2,137.27
Pioneer Commodities LLC	\$12,298.70
Pioneer Equipment	\$409.46
Platt Electric	\$47.54
Professional Pump Service	\$1,198.13

Progressive Bovine Supply	\$15.88
Rangen, Inc.	\$31,499.35
Reed Grain & Bean Co.	\$131.22
Robert Harris	\$34,600.00
Rocky Mtn. Animal Care	\$18.82
Ruhter Custom Farming	\$2,161.50
Rush Truck Center	\$1,262.04
S&D Automotive	\$724.76
Scoular Company	\$20,330.01
Semex USA	\$2,600.86
Six States Distributors	\$372.99
Snake River Hydraulics	\$148.44
Sprinkler Head Rebuilders	\$1,707.25
Spudrunner, Inc.	\$5,494.86
Standard Dairy Consulting	\$8,368.94
Stastny Farms, Inc.	\$5,150.00
Suburban Propane	\$3,517.59
SUTCO, Inc.	\$31,292.00
Sweet's Septic Tank and Backhoe Services	\$7.51
Tacoma Screw Products, Inc.	\$140.05
The Sprinkler Shop, Inc.	\$6,542.40
Thomas Petroleum, dba Bowen Petroleum	\$70,589.99
Tim Hollinger	\$22,892.40
Tires West / Les Schwab	\$1,392.48
Trebar, Inc.	\$38.99
Tri-S Welding	\$3,074.12
Twin Falls Tractor and Implement Co.	\$7,422.14
Twin Falls Truck & Equipment	\$74.31
U.S. Commodities, Inc.	\$255.28
United Oil	\$1,196.98
Valley Agronomics, LLC	\$536,483.68
Valley Brake & Truck Parts	\$749.86
Valley View Vet Clinic/Gary E. Lewis	\$389.96
Wade Company, Inc.	\$137.50
Walco (objections pending)	55,479.62
Walt Freestone	\$8,844.80
Watts Hydraulic & Repair	\$2,989.21
Western Ag Enterprises, Inc.	\$2,346.17
JR Simplot, dba Western Stockmen's Supply	\$236,324.00
Westway Feed Products, Inc.	\$63,876.42
Wilbourn Garage Doors	\$7,508.30
Wiley Thomas	\$390.00
WSI Western Stockmen's	\$80,823.33
W. Brennan Trust	\$13,868.39
Young & Young Livestock	\$15,325.00

The total unsecured claims is the sum of \$2,807,677.08.

Hollifield Ranches, Inc. eliminated \$1,004,228 of unsecured debit as follows:

2010 Farm Leases	\$846,229.55 - Court Approved
2010 Idaho Power	57,612.42 - Otherwise, no power for 2011
2010 State Brand Inspector	1,631.42 - Taken out of check
2010 D&B Supply	71.58 - Operating credit account
2010 Gene Rambo	801.00 - Labor
2010 Harvey's Office	106.62 - Operating credit account
2010 Maverick Card	235.85 - Operating credit account
2010 PSI Environmental	277.20 - Waste
2010 Ron Mort Trucking	1,250.00 - Died
2010 Sawtooth Seed	28,257.68 - Traded Work
2010 Times News	350.26 - Employee Add
2010 Twin Falls Transfer Station	219.25 - Waste
2010 Western Seed	10,449.66 - Seed Lien (Held\$106,000)*
2010 Wilber Ellis	56,656.41 - Paid Personally T. Hollifield

*Western Seed had a seed lien and its name was on a check for approximately \$100,000 and would not sign off without being paid the \$10,449.66. Based upon it being a seed lien and based upon the seed lien giving Western Seed a priority, it appeared it was in the best interest of the estate that the sum of \$10,449.66 be paid so that Western Seed would sign off on the check in the approximate amount of \$106,000.

It is debtor's intent to pay unsecured creditors 100% without interest over a period of twenty (20) years.

13. SECURED CLAIMS

Agri-Stor Co., Inc./Chem. Supply Co., Inc.**	\$12,562.19
Bank of the West	\$20,517.37
Buhl Implement Co.	\$8,030.24
Davidson & Co.**	\$18,020.25
KeyBank	Approx. \$14,000,000.00
Metropolitan Life Insurance **	\$7,173,079.31
Northwest Farm Credit Service	\$00.00
Wells Fargo Bank	\$23,800.66
CNH	41,002.99

** NOTE: The amount owed to MetLife is decreasing. Since the date of filing two semi-annual payments have been made on the real property owned by Terry Hollifield and his wife. In addition, monthly payments have been made with respect to the obligation that is secured by debtor's dairy real property. It is the position of MetLife that they are cross-collateralized with respect to the indebtedness; therefore, Plan treatment of both loans shall be addressed accordingly.

NOTE: 1. **Agri-Stor Co., Inc./Chemical Supply Co., Inc., treated potatoes in 2010 and obtained a farm labor lien. [See Claim No. 73.] Pertaining to the sprout nipping, the potatoes provided in the Year 2010, Agri-Stor Co., Inc./Chemical Supply Co., Inc., did not object to the final use of cash collateral for the Year 2011. However, it is debtor's position that even though it didn't object, that the cash collateral order did not dispose of what rights Agri-Stor Co., Inc./Chemical Supply Co., Inc., has. It is debtor's position it should be paid for the treating of the potatoes since it has a farm labor lien with respect to such and the Plan provides for payment of the same.

2. **Davidson & Co.** provided seed, namely, barley, in 2010, and obtained a seed lien. [See Proof of Claim #28] Pertaining to the seed Davidson & Co. provided during the Year 2010, Davidson & Co. did not object to the final cash collateral order for the Year 2010. However, it is debtor's position that even though they didn't object to the use of the cash collateral, that the cash collateral order did not dispose of what rights Davidson & Co. has and it is debtor's position that they should be paid for the grain seed since it has a lien upon such as proposed in the Plan.

3. **Valley Agronomics and Valley Co-op** claim to be secured; however, they have been unable to produce a written security agreement. Debtor has objected to their secured claim. They are unsecured and they are treated in the Plan as unsecured.

Explanation regarding various entities:

J. T. Livestock: The debtor maintains that J. T. Livestock was a venture between Jack McCall and Terry Hollifield. The debtor does not have any interest in such and the venture is no longer in business.

KeyBank maintains that adequate information requires further disclosures as to J. T. Livestock, as outlined below. The debtor does not necessarily agree with such contentions.

KeyBank maintains that:

1. J. T. Livestock is a common law partnership formed between Jack McCall and Terry Hollifield in November of 2008.

2. According to the debtor's Schedules, and according to prior discovery, J. T. Livestock, as a general partnership, owes \$1,541,353, plus interest, to the debtor as an account receivable.

3. Such account receivable is subject to the first security interest of KeyBank.

4. Terry Hollifield, as a general partner of J. T. Livestock, is jointly and severally liable for all the obligations of J. T. Livestock, including those owed to the debtor.

It is the position of the debtor that it does not intend to collect this sum for the reason that there are offsets that exist between Jack McCall and Terry Hollifield, which would preclude the collecting of this sum by the debtor.

Hollifield Repair: The debtor maintains that Hollifield Repair was a repair business that previously existed. It has not been in existence since before the Year 2010 and was not in existence at any time during the pendency of this bankruptcy.

KeyBank maintains that adequate information requires further disclosures as to Hollifield Repair, as outlined below. The debtor does not necessarily agree with such contentions. KeyBank maintains that Hollifield Repair is in fact a dba of Terry Hollifield, and owes debtor a promissory note in the amount of \$40,000, plus interest.

Debtor claims that Hollifield Repair is out of business and has no ability to pay the promissory note. Furthermore, with respect to accounts payable, there is an account payable owed by Hollifield Ranches to Terry Hollifield, which is in excess of the amount that KeyBank maintains should be paid by Hollifield Repair.

McCall Livestock: The debtor maintains that McCall Livestock was an entity that allowed DH Cattle to feed livestock for such. There is no obligation owed to McCall Livestock. Furthermore, McCall Livestock does not have any cattle being fed at this time or any

time during the pendency of this bankruptcy by DH Cattle.

KeyBank maintains that adequate information requires further disclosures as to McCall Livestock, as outlined below. The debtor does not necessarily agree with such contentions.

KeyBank maintains that Schedule D, page 20 of 158, reflects that McCall Livestock is owed \$25,000 as a secured creditor.

Debtor notes that the \$25,000 was paid by Terry Hollifield, personally.

Twin Falls Livestock: The debtor maintains that Twin Falls Livestock is an entity involved in the selling of livestock in Twin Falls, Idaho. It should be noted that in the Schedules Twin Falls Livestock is referred to as one who sells livestock. It also did in fact finance a truck and a trailer, which was used for the hauling of animals. That the sum of \$15,000 was paid as part of paying freight and was in fact paid to Twin Falls Livestock and they have been paid in full.

KeyBank maintains that adequate information requires further disclosures as to Twin Falls Livestock, as outlined below. The debtor does not necessarily agree with such contentions.

KeyBank maintains that Schedule D, page 21 of 158, reflects that Twin Falls Livestock is owed \$15,000, as a secured creditor.

White Gold Dairy A/Rs Allegedly Owed by Terry Hollifield or Larry

Hollifield: With respect to White Gold Dairy accounts receivable, KeyBank maintains that adequate information requires disclosure. The debtor does not necessarily agree with such contention. KeyBank maintains that Schedule B, page 16 of 158, reflects that White Gold Dairy is owed an account receivable of \$33,883 by Terry Hollifield, and an account receivable of

\$4,878 by Terry Hollifield, the son of Larry Hollifield. The debtor maintains that with respect to Terry Hollifield and Larry Hollifield, there is an accounts payable by White Gold Dairy to Terry Hollifield and Larry Hollifield, which exceeds the amount of the account receivable which is owed to White Gold Dairy. Therefore, it is the position of the debtor that because of the right to mutually offset debts, it is the intention not to seek to recover these indebtednesses.

KeyBank maintains that adequate information requires further disclosures as to White Gold Dairy, as outlined below. The debtor does not necessarily agree with such contentions.

D & H Farms: Debtor maintains that after the deposition, Terry Hollifield checked into this matter further and found that Hollifield Ranches has no interest in D & H Farms. The interest is owned by Terry Hollifield, personally. It is the position of the debtor that debtor does not own any interest in D & H Farms.

KeyBank maintains that adequate information requires further disclosures as to D & H Farms, as outlined below. The debtor does not necessarily agree with such contentions.

KeyBank maintains that the prior deposition testimony of Bill Hollifield indicates that the debtor may own a 25% interest in real estate known as an entity D & H Farms, with a possible value of \$180,000.

14. POST-PETITION SECURED DEBT

J. R. Simplot had post petition secured debt in the approximate amount of \$940,000, all of which has been paid. J. R. Simplot did provide fertilizer and chemical in the Year 2010 but had no lien. However, J. R. Simplot did have a personal guarantee signed by Terry Hollifield and Carol Hollifield. The Plan notes that Terry Hollifield and Carol Hollifield provided to Simplot a Deed of Trust against certain property owned by Terry and Carol Hollifield

and is provided based upon having guaranteed this obligation. With respect to J. R. Simplot and the debtor, the indebtedness is an unsecured debt. The Plan further provides that the indebtedness will be paid as long as J. R. Simplot continues to provide fertilizer and chemical. J. R. Simplot will be paid over a period of five years. However, regarding the debtor, as mentioned above, J. R. Simplot is unsecured.

VII. ACCOUNTING METHOD

The debtor uses a cash basis for their accounting method. The tax years are from November 1 to October 31st.

VIII. OPERATION INFORMATION

1. FUNDS FOR OPERATION

The funds for operation will come from the dairy until liquidated during 2012, farm and cattle operation.

2. REASONS FOR FILING BANKRUPTCY

Debtor-dairy started to have cash flow problems in 2008 when the cost of feed was very high and the price for milk dropped to under \$10/cwt. Debtor-cattle was also having cash flow problems with the high cost of feed and the falling price for livestock. Debtor-dairy and cattle supplied a monthly borrowing base to KeyBank. Mr. Hollifield had discussed the cash flow problems with KeyBank when they were working on renewal of the 2009 operating and term loans. Mr. Hollifield had also made a loan request with MetLife to increase his personal real estate loan and injected additional working capital into his operation. KeyBank renewed debtor-dairy, farm and cattle RLOC term loans and operating LOC without requesting any additional collateral in 2009.

In the Fall of 2009, Mr. Hollifield, after discussing his operation with the local office, requested a meeting with Randy Munk, Sr. Credit Officer – Ag, and Todd Gillespie,

Credit Officer – Ag for KeyBank. At this meeting, the need for additional working capital to be injected into the operation was discussed. Mr. Munk told Mr. Hollifield that KeyBank would term out part of the short-term debt with a six-to-seven year term loan secured with a second mortgage on debtor and Terry Hollifield farming real estate. After the meeting, Mr. Hollifield believed that KeyBank was going to work with debtor-dairy, cattle and farm operations until the price for cattle and milk improved.

From September 2009, until February 2010, the joint operations of debtor-cattle, dairy and farm operated as agreed. Income from all the operations was turned into KeyBank and applied to the RLOC's for the dairy and cattle and crop process were applied to the farm – LOC. The Borrowing Base Certification for debtor-cattle was adjusted with several accounts receivables that had been on the Borrowing Base Certification eliminated by KeyBank. With the elimination of the accounts receivables and the reduction of the value of the dairy herd, the operation was out of compliance and the lines were frozen.

At this time, KeyBank did not release any income applied to the operating lines to the operation for the purchase of feed and other operating expenses. During the late part of 2009, after discussing the change of the debtor-cattle operation with the local KeyBank Office, Mr. Hollifield was looking at a new cattle venture with Tyson Fresh Meats. The operation would have debtor-cattle commit groups or lots of cattle that could be fattened for several months at debtor-cattle feedlots in Twin Falls County and then shipped to Pasco, Washington, for processing. Mr. Hollifield would present Tyson Fresh Meats with a cost to purchase the cattle and transport them to debtor-cattle's feedlot. The proforma would project the cost of grain that it would take to feed the cattle to market weight. Tyson Fresh Meats would approve the proforma and hedge the cattle at a price that would return a profit on each lot. Tyson Fresh Meats would

pay for the cattle and debtor-cattle would send them a monthly feed bill for each lot of cattle, plus the yardage expenses. Debtor made some profit on the feed and yardage. The profit or loss on the cattle would be made after the cattle had been processed at the Pasco plant.

In March of 2010, the banking relationship with debtor-dairy, cattle and farm was transferred to the Asset Recovery Group of KeyBank with W. Lee Bean as the Relationship Manager (collector). KeyBank started on a program of finding additional collateral with short term promises of additional financing. Debtor-cattle continued to feed the KeyBank cattle for the next six months with no cash from the bank to purchase feed. The farming operation used credit from suppliers to plan and grow the 2010 crops. Debtor-dairy was the only operation that had any cash flow to cover labor cost, feed cost, irrigation and other operating expenses. Debtor-farm sold 2009 feed crops to the dairy and cattle operations on accounts receivable.

Terry Hollifield provided over \$200,000 in cash from an inheritance to buy feed for the cattle during the Spring of 2010.

Debtor requested emergency use of the Feed RLOC's to purchase feed for the dairy and feedlot. Debtor-dairy and cattle had used some funds to pay vendors (past due feed bills) and was told by KeyBank Asset Recovery Group to stop payment on these checks and use these funds to purchase feed from other vendors. Mr. Hollifield would not stop payment on these checks and KeyBank finally agreed to release \$172,000 for feed for the dairy and feed lot. The cash had to be split equally between the dairy and the feedlot.

The KeyBank Asset Recovery Group also promised debtor-cattle at this time that they would advance funds for feed from the RLOC for the next few months for the KeyBank cattle at the feed lot with a bill submitted by debtor-cattle. The feed bills were submitted to KeyBank but the bank released no funds.

Debtor-farm supplied feed crops to debtor-cattle in 2010 that were not paid for by the cattle operation. The feed was needed to finish the cattle for sale under the Tyson Fresh Meats contract.

Debtor-cattle purchased “puts” to protect the bottom price of the cattle while they were being finished.

Debtor-cattle sold all the cattle, including KeyBank’s collateral, under the Tyson Food Contract, which was set at \$1 over market. KeyBank had requested that all the cattle be sold in the Spring of 2010 on the open market.

Total feed cost for debtor-cattle supplied by debtor-farms and Terry Hollifield totaled over \$1.8 million.

3. CHANGES IN THE SCOPE OF DEBTOR’S OPERATION SINCE THE DATE OF FILING

Hollifield Ranches, Inc. decided that the operation had more alfalfa from 2010 on hand than what would be required by the dairy to feed until the middle of July when the 2011 crop would be ready. The hay was sold and the price received for the alfalfa was above the 2011 budget, and the income was received in more timely manner than according to the plan.

Hollifield Ranches, Inc. takes excellent care of livestock. The operation spends only the amount needed to keep the livestock in excellent health. Spending more money on the livestock would not improve their overall health or production; however, the herd has not produced the amount of milk they had projected last fall. The weather conditions during the winter and spring of 2011 were terrible for the dairy operation. The weather was wet and cold. The corrals were sloppy with muck and water until April when they dried up enough to be cleaned. The milk production has improved, and since July 2011, the milk income has exceeded the budget.

Hollifield Ranches has been culling the milking cow herd to eliminate any low producing cows and to make room for the large amount of replacement heifers being held by the dairy, and to make room for the replacement heifers that will calve within the next six months.

IX. TYSON FOODS

The contract with Tyson Fresh Foods, Inc., is terminated and any sum claimed owed by either party shall be totally resolved by agreement of the parties or further Court proceedings. At the time of the filing of the Chapter 11 Bankruptcy, the debtor, doing business as Double H Cattle, had a contract with Tyson Fresh Meats, Inc. (hereafter "Tyson"), that provided for the raising of the cattle by the debtor. Subsequent to the filing of the bankruptcy, that contract was assumed. Thereafter, the relationship of the debtor with Tyson discontinued. Tyson filed a motion for relief from stay (Docket No. 294) seeking the relief from stay so it could terminate the contract. Tyson has also filed a motion seeking that the Court determine that the amount owed to them be determined to be an administrative claim. The Plan that has been proposed by Hollifield Ranches also provides for the termination of the contract. It is anticipated that the parties will enter into a stipulation allowing the stay to be lifted to the extent that it is necessary for it to be determined by the Court or by the parties as to the extent of any indebtedness being owed by debtor to Tyson or whether Tyson owes money to the debtor. Tyson claims it is owed a post-petition administrative claim of over \$900,000. The debtor vigorously disputes the debt and believes that debtor itself is entitled to be paid. In addition to claiming that Tyson is not owed any funds, the debtor claims that Tyson, in accordance with the terms of the agreement that existed between Tyson and Hollifield, failed to manage the risk as was required for Tyson to do. Therefore, the result of such is that not only does debtor not owe any money to Tyson, but that Tyson owes more than \$1.4 million to the debtor. That the Plan proposed in this matter will reserve the rights with respect to this matter to be

determined after confirmation unless resolved before that point in time.

The Budget, Exhibit 3 to this Disclosure Statement, does not include a payment to Tyson, nor does it provide for a payment by Tyson to Hollifield Ranches. The motion for administrative claim is scheduled for hearing on March 28, 2012. Debtor intends to either settle this matter by that date or to have the Court hear the matter on that date and resolve the same.

X. DISCHARGE

Since the debtor is a corporation, upon confirmation of its plan the debtor will receive a discharge of any indebtedness not provided for through the plan pursuant to 11 USC §1141.

XI. TREATMENT OF THE CLAIM OF KEYBANK

Since the prior Disclosure Statement was filed with the Court, debtor has entered into negotiations with KeyBank for the purposes of negotiating Plan treatment. That Plan treatment calls for, among other things, the liquidation during the Year 2012 of the White Gold Dairy with respect to the cattle and equipment, namely, the equipment used in the dairy, and the entire dairy herd and all offspring. Through this liquidation, a significant portion of the debt will be resolved and it is expected that the debt owed going into the Year 2013 will be \$6,800,000, instead of \$14,000,000. That will be of significant benefit to the estate. The budget with respect to the dairy, which is attached to this Disclosure Statement, is a budget based upon liquidation of White Gold Dairy during 2012. Going forward, the only operations that will exist is D. H. Cattle and the farming operation of Hollifield Ranches. That the stipulation for treatment of claim has been filed herein as Docket No. _____ and any party having questions pertaining to such should review the same. It is the intent of debtor to sell or lease the real property used in connection with the dairy.

XII. LIQUIDATION ANALYSIS

If this case were converted to Chapter 7 liquidation bankruptcy the following assumption of loss would occur:

Sales Commission	6 percent
Administrative Fees & Trustee's Fee	9 percent
TOTAL:	15 percent

Formula for liquidation value: Security less 15% = Actual Liquidation Value

(1) Real Property –

Value:	\$4,621,572.00		
Approx. 331 acres, more or less			
Less Costs of Sale (15%):	\$ 693,235.80		
Exempt:	\$ 0.00		
Debt:	\$3,928,336.20		
MetLife	\$3,067,916.44		
KeyBank	\$ 860,420.00		
Equity:		\$.00

IT SHOULD BE NOTED that MetLife claims to be owed \$7,173,079.31, but has other real estate collateral, the value of which secures the balance of the obligation.

IT SHOULD ALSO BE NOTED that in 2012 debtor intends to either lease the dairy for a sufficient lease payment to make Plan payments to MetLife or sell the same.

(2) Funds on hand & Accounts Receivable

Value:	\$5,456,860.00		
Less Costs of Collection (10%):	\$ 545,686.00		
Exempt:	.00		
Debt:	\$4,911,174.00		
KeyBank	\$4,040,707.00		
Agro Store	\$ 12,562.19		
Equity:		\$.00

(3) Stock & Investment(s)			
Value:		\$ 609,843.00	
	R.J.O'Brien, FC Stone LLC, SR Sugar Co & Milk Plant Investment		
Less Costs of Collection (10%):		\$ 60,984.00	
Exempt:		.00	
Debt:		\$ 548,859.00	
	KeyBank \$ 548,859.00		
Equity:			\$.00
(4) Animals			
Value:		\$4,314,994.00	
Less Costs of Sale (15%):		\$ 647,249.10	
Exempt:		\$.00	
Debt:		\$3,667,744.90	
	KeyBank \$3,667,744.90		
Equity:			\$.00
(5) Equipment			
Value:		\$2,999,815.00	
Less Costs of Sale (15%):		\$ 449,972.25	
Exempt:		\$.00	
Debt:		\$2,549,842.75	
	KeyBank \$2,460,635.16		
	CNH Cap \$ 39,051.13		
	Bk of West \$ 18,325.56		
	WF Bank \$ 23,800.66		
	Buhl Impl \$ 8,030.24		
Equity:			\$.00
(6) Farm Products and Feed			
Value:		\$1,649,981.00	
Less Costs of Sale (15%):		\$ 247,497.15	
Exempt:		\$.00	
Debt:		\$1,402,483.85	
	KeyBank \$1,384,463.00		
	Davidson & Co. \$ 18,020.25		
	Agri-Stor, Inc./ Chemical Supply Co., Inc. \$ 12,562.19		
Equity:			\$.00

Attached hereto and by reference made a part hereof is a calculation of the estimated tax consequences, which shows the tax consequence of liquidation would be \$1,362,864. Therefore, based upon the foregoing liquidation analysis, and the tax consequences, nothing would be available for the benefit of unsecured creditors if this case was converted to a Chapter 7 and the assets liquidated. The debtor's plan, however, proposes to pay unsecured creditors one hundred (100) percent over twenty (20) years; therefore, a greater benefit will be derived through the Chapter 11.

DATED this 1st day of May, 2012.

HOLLIFIELD RANCHES, INC.

APPROVED BY:

By: /s/ Terry G. Hollifield
Terry G. Hollifield, President

/s/ Brent T. Robinson
Brent T. Robinson
Attorney for Debtor