

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH DAKOTA**

In re:)	Bankr. No. 10-10146
)	Chapter 11
VEBLEN EAST DAIRY)	
LIMITED PARTNERSHIP,)	
)	DEBTOR'S MOTION FOR AUTHORITY
Debtor.)	TO USE CASH COLLATERAL AND
)	REQUEST FOR PRELIMINARY HEARING

TO: THE PARTIES IN INTEREST AS SPECIFIED IN LOCAL RULE 9001-1(7).

1. Veblen East Dairy Limited Partnership (the "Debtor"), moves this Court (the "Motion") for the relief requested below and gives notice of hearing.

2. Any hearing on the Motion seeking an interim order shall be set by separate order, in the Court's discretion, and in the event the Court schedules such a hearing, all parties will receive separate notice of the same from the Debtor. A hearing on the Motion seeking a final order shall also be set by separate order, but only if an objection is timely filed with the Court.

3. Local Rules 2002-1(f) and 9014-1(a) provides deadlines for responses to this Motion. However, given the expedited nature of the relief sought with respect to the portion of the Motion seeking an interim order, the Debtor does not object to written responses being served and filed immediately prior to the hearing. Any response to the Motion for a final order must be filed and delivered on or before a date that will be later designated by the Court. UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.

4. This Court, has jurisdiction over this Motion under 28 U.S.C. § § 157 and 1334 and Bankruptcy Rule 5005. This is a core proceeding. The petition commencing the Chapter 11 case for the Debtor was filed on July 2, 2010. The case is now pending before this Court.

5. This Motion arises under 11 U.S.C. § 363(c) and Fed. Bankr. P. 4001(b). This Motion is filed under Fed. R. Bankr. P. 9014 and Local Rules 9001-1 to 9014-1 and 4001-2. The Debtor requests that this Court grant the request for preliminary hearing and enter an interim order authorizing use of cash collateral. The Debtor also requests a final order authorizing the Debtor to use cash collateral. The grounds for this Motion are set forth below.

RULE 4001 STATEMENT

6. Pursuant to Fed. R. Bankr. P. 4001, the Debtor states that it requests an interim and final order authorizing and approving the use of cash collateral in which the Debtor's secured lenders, AgStar Financial Services, PCA and AgStar Financial Services, FLCA (collectively, "AgStar"), hold a security interest.

7. The Debtor will use the cash collateral to continue its operations and pursue a reorganization of its business. The Debtor requests an interim order approving the use of cash collateral through July 31, 2010, and a final order approving the use of cash collateral through December 15, 2010. As adequate protection for the use of cash collateral, the Debtor proposes to: (i) provide payments equal to the amount of interest otherwise payable on AgStar's existing loans on a monthly basis; (ii) grant AgStar replacement liens on all after-acquired collateral; and (iii) to operate its business to maximize the value of AgStar's collateral.

BACKGROUND

8. On July 2, 2010 (the "Petition Date"), the Debtor filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code" or "Code"). On the Petition Date, the Debtor's business was in the possession of a receiver, Value-Added Science & Technologies, LLC and its manager, Steve Weiss (the "Receiver"), pursuant to order of the Minnesota District Court sitting in Blue Earth County (case no.____). Since the

Petition Date, the Receiver has turned over to the Debtors possession of its property and the Debtor has continued to operate its business as a debtor-in-possession pursuant to Section 1107(a) and 1108 of the Code. No creditors' or other official committee has yet been appointed pursuant to Section 1102 of the Bankruptcy Code. The main parties in interest have been served with this motion.

9. The Debtor was formed in 2007.

10. The Debtor is a South Dakota limited partnership with its principal place of business in Veblen, South Dakota. The Debtor's facility consists of a dairy production operation with the capacity to house up to 8,500 cows and is currently milking approximately 4,000 cows. The Debtor does not expect a decrease in the size of its livestock herd during the period of its interim or final use of cash collateral.

11. Prior to the Petition Date, the owner of the Debtor, The Dairy Dozen—Veblen, LLP, authorized the engagement of Steven Nerger of Silverman Consulting as Chief Restructuring Officer (“CRO”) of the Debtor. In that capacity, Mr. Nerger has the authority to manage the financial aspects of the Debtor’s business and oversee its operations. Mr. Nerger has primary responsibility for the discharge of the Debtor’s duties as debtor-in-possession in this case.

12. Before the appointment of the Receiver, the Debtor was managed by Prairie Ridge Management Company, LLC ("Prairie Ridge") pursuant to a Management Agreement, dated April 21, 2008. The CRO intends to continue the retention of Prairie Ridge under the Management Agreement. Although Prairie Ridge will provide the Debtor with some financial management and accounting services, general management services and farm management

services, the Debtor through the CRO remains responsible for managing its cow herd, facilities and employees and for overall financial management.

13. The Debtor's operations are primarily financed by AgStar, with a credit facility in the aggregate amount of approximately \$42 million.

14. Pursuant to a Revolving Dairy Cattle Agreement, Veblen East Dairy Limited Partnership ("Veblen East") sells cows to Veblen West Dairy, New Horizon Dairy, and Five Star Dairy to replace culls, dead cows and dry cows. In exchange, the Dairies sell Veblen East pregnant dry cows 60 days prior to calving. This arrangement allows the Dairies to maintain productive herds while also maintaining consistent costs for replacement cows. It also allows Veblen East to spread its cost of the highly specialized labor and the special needs facility over all four herds.

15. The Debtor's facilities are in excellent condition, as is its cow herd. The Debtor has a solid group of employees and its production numbers are strong relative to the dairy production industry.

16. Under this operating structure, the Debtor earned approximately \$37.5 million in revenue during 2008, and approximately \$38.5 million in revenue during 2009.

17. A number of factors led to this Chapter 11 filing. In 2009, milk prices (the Debtor's primary revenue source) dropped by approximately 50% from 2008 levels. During the same period, costs for dairy feed reached a 35 year high. Thus, the Debtor's cost to feed cows spiked while the revenue the cows generated dropped considerably. Expenses increased \$4.6 million from 2008 to 2009. This required the Debtor to drain equity and cash reserves to maintain its operation, much like the rest of the dairy industry.

18. The impact of pricing and cost factors was compounded by other economic and recessionary forces. After five years of unprecedented growth, United States dairy exports all but disappeared in 2009. Additionally, the economic recession and resulting unemployment rates significantly reduced consumption of dairy products.

19. The Debtor responded immediately to these market conditions with operational changes as well as an infusion of additional equity. However, economic conditions have placed the Debtor and other dairy producers in a precarious financial situation.

20. AgStar and other financing sources previously available to the Debtor became more restrictive when they were most needed. Despite the Debtor's repeated attempts to restructure its credit facilities with AgStar to meet its needs, AgStar has refused to accommodate the industry changes and the Debtor's economic realities.

21. The Debtor's access to capital was further limited by the restrictions AgStar imposed on the current credit facility. On September 10, 2009 and September 21, 2009, AgStar required that the Debtor enter into Collateral Assignment of Dairy Income agreements. These agreements require the Debtor's largest customer to make payments to AgStar instead of paying the Debtor. This has resulted in monthly payments directly to AgStar in the approximate amount of \$364,000. Thus, prior to the Petition Date, AgStar was receiving payments from the Debtor. AgStar has not made additional credit available to the Debtor to replace this significant reduction in the Debtor's cash flow.

22. AgStar has taken a direct assignment of the approximately \$364,000 in dairy income as payment related to the Debtor's credit facility.

23. Notwithstanding these payments to AgStar in March 2010, AgStar demanded that the Debtor surrender its business to AgStar. When the Debtor refused, AgStar declared a default,

accelerated the debt, and filed a motion in Blue Earth County, Minnesota seeking appointment of a receiver for Veblen East and other related operations.

24. As a result of the foregoing, the Debtor filed this bankruptcy case in order to preserve the going concern value, protect unsecured creditors, and restructure its liabilities in accordance with the provisions of the Bankruptcy Code.

USE OF CASH COLLATERAL

25. The Debtor seeks to use cash collateral, specifically the proceeds generated from the Debtor's inventory and accounts, existing as of the date of commencement of this case, and in which AgStar claims an interest. Specifically, the Debtor seeks to use all cash generated by the following categories of collateral in which AgStar may hold an interest ("Collateral"):

- i. All harvested crops and processed crops; all livestock and poultry; all feed, seed, fertilizer, insecticides, herbicides and other agricultural chemicals and supplies; all equipment, spare parts and spare parts and special tools for such equipment; all motor vehicles and all fixtures;
- ii. All contract rights, chattel paper, documents, accounts and general intangibles;
- iii. All inventory, goods, instruments and farm products;
- iv. All milk and accounts from milk sales;
- v. The Debtor's stock, participation certificates, equity reserve and allocated surplus in AgStar or its parent association;
- vi. All documents of title, warehouse receipts, weight receipts, scale tickets, storage contracts and deficiency payments;
- vii. All products of crops, livestock and poultry; and

viii. The Debtor's real property located in Marshall County, South Dakota.

26. The Debtor believes that AgStar has perfected its security interests.

27. In addition to AgStar, other parties may hold an interest in one or more categories of the Collateral. Those parties include Caterpillar Financial Services Corporation; VFS US, LLC; VFS Leasing Co.; John Deere Credit; GE Transportation Co.; and Northland Capital Cooperative Services, LLC.

28. The Debtor seeks the use of cash collateral in order to pay expenses in accordance with the cash flow projections and budget attached hereto as Exhibit A (the "Budget"). The Debtor will use cash collateral to purchase supplies, feed for its herd, compensate employees and provide employee benefits, pay rent on leased premises and/or equipment, make necessary, routine repairs to facilities and equipment, pay promotional expenses and satisfy utility costs. The Debtor does not realize revenues from its operations until July 19, 2010 at the earliest.

29. Therefore, the Debtor requires the use of cash collateral to operate. Without the necessary funds to purchase feed for its herd and to meet its other expenses, the Debtor's operations will suffer immediate and irreparable harm, and the value of the Debtor's business will be substantially diminished. Specifically, unless the Debtor obtains immediate authorization from the Court to use cash collateral, tens of thousands of dollars in perishable inventory will be lost, livestock critical to the Debtor's continuing business will likely suffer serious physical injury, and 90 employees, many of whom are necessary to the Debtor's continuing operations, will very likely lose their jobs.

30. As set forth in the Budget, the Debtor has an immediate need to use approximately \$3,309,901 of cash collateral between the Petition Date and the week ending July 31, 2010, in accordance with the terms of the Budget. Payment of these amounts is necessary to

avoid immediate and irreparable harm to the estate, as set forth in the preceding paragraph, pending a final hearing on this Motion. Thus, the Debtor's need for the use of cash collateral is critical and immediate.

31. The Debtor has a limited amount of cash on hand and will generate cash from ongoing operations. As set forth in the Budget, the Debtor projects that such cash will be sufficient to fund its Chapter 11 administrative expenses, including post-petition operating expenses, while maintaining a comparable level of collateral to provide adequate protection to AgStar.

ADEQUATE PROTECTION

32. To adequately protect AgStar's interest, the Debtor proposes to grant AgStar post-petition replacement liens of the same priority, dignity, and effect as its pre-petition interest in the Debtor's cash collateral, to the extent of cash collateral used. In addition, as further adequate protection, the Debtor will pay an amount equal to all monthly interest otherwise payable on AgStar's loans.

33. The Debtor's proposed use of cash, its provision of the replacement liens, and its monthly payment of a sum equal to the amount of interest on AgStar's loans will provide AgStar with adequate protection against any risk that might be posed by the Debtor's use of its cash collateral. The Debtor proposes to use the cash to continue its operation until a plan of reorganization can be confirmed. Use of the cash collateral during this period will greatly enhance the value of the Debtor and its estate. If the Debtor is not granted authority to use cash collateral, the only alternative may be to shut down the Debtor's business because the Debtor will be unable to fund its ongoing operations. Any such shutdown would, among other things, greatly reduce the value of AgStar's interest.

34. The Budget demonstrates that through the use of cash collateral, the Debtor will be able to continue operations and work towards a successful reorganization of its company. Such a result is in the best interest of Debtor's estate, AgStar and the Debtor's other creditors.

35. Debtor has been in contact with AgStar's legal counsel, and the Debtor and AgStar are currently engaged in negotiations regarding the Debtor's use of cash collateral.

36. Prior to the hearing on the Motion, and in settlement of any and all of the matters raised in this Motion, the Debtor may enter into a stipulation or agreed order with AgStar concerning the use of cash collateral, adequate protection, and other related matters. In the event the Debtor enters into any such stipulation, it will seek approval of the stipulation without further notice or hearing pursuant to Bankruptcy Rule 4001(d)(4), and the DEBTOR HEREBY GIVES NOTICE OF INTENT TO SEEK APPROVAL OF ANY SUCH STIPULATION.

EXPEDITED RELIEF

37. The Debtor seeks the interim relief herein on an expedited basis and cause exists to reduce notice of the Motion. The Debtor has given approximately two (2) days notice of the hearing. AgStar and the Debtor's largest unsecured creditors have been served with a copy of the Motion.

38. Moreover, the Debtor must have access to cash collateral in the interim period. Among other things, the Debtor is scheduled to fund payroll obligations on July 20, 2010. If the Debtor fails to make such payments, the Debtor may lose its employees and. In many instances, the Debtor will be unable to hire new employees. Without the funds under the interim use of cash collateral as proposed, the Debtor will suffer inventory losses, damage to its herd, and may be unable to continue its operations overall. If these things occur, the interests of creditors and

others in this case will be irreparably harmed. Accordingly, cause exists to reduce notice of the hearing with respect to an interim ordering authorizing the use of cash collateral.

39. Pursuant to Local Rules 9004-1 to 9004-3 and 9072-1, this Motion is accomplished by a memorandum of law, proposed order, and proof of service.

WHEREFORE, the Debtor moves the Court for an order granting:

- A. An expedited hearing on this Motion;
- B. Interim and financial authorization to use cash collateral or approval of any agreement reached with AgStar regarding financing; and
- C. Such other and further relief as the Court deems just and equitable.

Dated this 7th day of July, 2010

/s/ Thomas M. Tobin

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7/7/2010

	A	C	D	E	F	G	H
1	Veblen East						
2	Profit & Loss						
3			Projected	Actual		Projected	Actual
4			7.01.10-7.17.10			7.18.10-7.31.1	
6	Beginning Cash	\$	369,000.00			\$ 64,916.93	
7	Ending Cash	\$	64,916.93			\$ 60,882.76	
8							
9	Income						
10							
11	Bull Calf Sales		13,150.00	25.00		13,150.00	0.00
12	Heifer Calf Sales		10,775.00			10,775.00	
13	Total Calf Sales		23,925.00	25.00		23,925.00	0.00
14	Cull Cow Income		30,000.00			30,000.00	
15	Milk Cow Sales		1,038,775.00			1,038,775.00	
16	Total Cow Sales		1,068,775.00	0.00		1,068,775.00	0.00
17							
18	Manure Income						
19	Avg. Total head milking 3700						
20	Milk Contracted			100.00			0.00
21	Milk Sold to SFCR			0.00			0.00
22	Milk Sales (shipped previous month)		131,000.00	0.00		735,383.88	0.00
23	Total Milk		131,000.00	100.00		735,383.88	0.00
24							
25	Total Income		1,223,700.00	125.00		1,828,083.88	0.00
26							
27	Expenses						
28	Bank Service Charges/FSB		250.00	5.00		250.00	0.00
29	Cleaning Supplies						
30	Consulting Fees/Cargill		6,500.00				
31	Legal Fees		0.00			1,750.00	
32	License & Permit Fees & Visas					5,000.00	
33	Management Fees/PRM		39,000.00				
34	Meals & Lodging		0.00			0.00	
35	Office Expense		0.00			850.00	
36	Office Supplies		0.00			500.00	
37	Travel Expenses		-			1,500.00	
38	Total Administration Expense		45,750.00	5.00		9,850.00	0.00
39							
40	Drugs (Stockmen's cv)		16,000.00	2.00		16,000.00	0.00
41	Transition Drugs		4,400.00			4,400.00	
42	Vet Supplies Expense		1,500.00			1,500.00	
43	Veterinarian Expense		1,800.00			1,800.00	
44	Total Animal Health Expenses		23,700.00	2.00		23,700.00	0.00
45							
46	Sand Bedding		0.00	2.00		5,700.00	0.00
47	Straw Bedding		-			250.00	
48	Total Bedding Expense		0.00	2.00		5,950.00	0.00
49							
50	Breeding Drugs/ Stockmen's		5,000.00	3.00		5,000.00	0.00
51	Preg Checks/PRM					8,200.00	
52	Semen/MN SS		8,500.00			8,500.00	
53	Total Breeding Expenses		13,500.00	3.00		21,700.00	0.00
54							
55	BST - Production Enhancer		0.00			27,000.00	

7/7/2010

	A	C	D	E	F	G	H
1	Veblen East						
2	Profit & Loss						
3			Projected	Actual		Projected	Actual
4			7.01.10-7.17.10			7.18.10-7.31.1	
6	Beginning Cash	\$	369,000.00			\$ 64,916.93	
7	Ending Cash	\$	64,916.93			\$ 60,882.76	
56							
57	Total Alfalfa - High		42,600.00	6.00		28,000.00	0.00
58	Total Alfalfa - Low		26,730.00			20,000.00	
59	Corn		29,930.00			27,000.00	
60	Corn- High Moisture						
61	Corn Silage		51,000.00			51,000.00	
62	Liquid Feed		0.00			10,550.00	
63	Energy Booster		0.00			9,500.00	
64	Gluten		32,214.00			25,000.00	
65	Hay - Dry Cow		5,500.00			5,500.00	
66	Haylage		0.00				
67	Mineral		800.00			800.00	
68	Mineral - Anionic Pack		0.00			4,000.00	
69	Mineral - Close		0.00			8,500.00	
70	Mineral - Dry Cow		0.00			2,300.00	
71	Mineral - Fresh		0.00	8.00			0.00
72	Mineral - Lactation		0.00			28,000.00	
73	Other Feed		500.00			500.00	
74	SBM		26,990.00			25,000.00	
75	Soy Hulls		13,224.00			11,500.00	
76	Straw		18,470.00			8,500.00	
77	WDG		6,940.00			9,200.00	
78	Weighbacks		-			(3,500.00)	
79	Total Feed Expense		254,898.00	14.00		271,350.00	0.00
80							
81	Milk Hauling		0.00	5.00		18,000.00	0.00
82	Trucking - Livestock		2,500.00			7,500.00	
83	Total Freight and Trucking		2,500.00	5.00		25,500.00	0.00
84							
85	Diesel (Baus cv)		12,200.31			9,200.00	
86	Diesel - Feed Center		10,000.00			10,000.00	
87	Fuel - Other		1,000.00	5.00		1,000.00	0.00
88	Gas		200.00			200.00	
89	Gas - Feed Center		150.00			150.00	
90	Total Fuel		23,550.31	5.00		20,550.00	0.00
91	Net cow sales					125,200.00	
92	Dry Cow Feed Income/Expense						
93	Herd Replacement - Cows Purchased		618,425.00			618,425.00	
94	Herd Replacement - Culls		69,375.00	8.00		69,375.00	0.00
95	Herd Replacement - Deads		13,875.00			13,875.00	
96	Herd Replacement - Purchases	210	304,500.00		210	304,500.00	
97	Total Herd Replacement Expense		1,006,175.00	8.00		1,006,175.00	0.00
98							
99	Cattle Insurance		4,500.00	3.00			0.00
100	Liability Insurance						
101	Insurance Expense - Other					17,000.00	
102	Total Insurance Expense		4,500.00	3.00		17,000.00	0.00
103							
104	Bond Interest (REED & IRB)			2.00		2,780.01	0.00
105	Interest-Feed & Cattle					74,165.40	
106	Interest-Equipment					4,500.00	
107	AgStar Payment		-			-	
108	Interest Property					29,432.86	
109	Total Interest Expense		0.00	2.00		110,878.27	0.00

7/7/2010

	A	C	D	E	F	G	H
1	Veblen East						
2	Profit & Loss						
3			Projected	Actual		Projected	Actual
4			7.01.10-7.17.10			7.18.10-7.31.1	
6	Beginning Cash	\$	369,000.00			\$	64,916.93
7	Ending Cash	\$	64,916.93			\$	60,882.76
110							
111	Workmans Comp Insurance			6.00		7,800.00	-
112	Labor Expense		37,245.00			100,000.00	
113	Total Labor Expense		37,245.00	6.00		107,800.00	0.00
114							
115	Marketing Expenses - Livestock			3.00			-
116	Marketing Expenses - Milk						
117	Total Marketing Expenses		0.00	3.00		0.00	0.00
118							
119	Manure Equipment		0.00	3.00		25,000.00	0.00
120	Manure Consulting					2,500.00	
121	Manure Expenses						
122	Total Nutrient Management Expenses		0.00	3.00		27,500.00	0.00
123							
124	Dry Cow Faciltiy Rent						
125	Feed Center Rent						
126	Machinery Lease - Long Term		0.00	2.00		10,000.00	0.00
127	Machinery Lease - Short Term		0.00			15,000.00	
128	Machinery Rental		0.00			5,000.00	
129	Total Rent Expense		0.00	2.00		30,000.00	0.00
130							
131	Building Repairs		1,500.00	2.00		1,500.00	0.00
132	Equipment Repairs		14,000.00			14,000.00	
133	Equipment Storage						
134	Feed Center Repairs		5,500.00			5,500.00	
135	Feed Truck Repairs		1,500.00			1,500.00	
136	Parlor Repairs (Schumacher's cv)		3,500.00			64,464.78	
137	Total Repairs & Maintenance		26,000.00	2.00		86,964.78	0.00
138							
139	Farm Supplies (Grobe's cv)		4,039.76	3.00		1,500.00	0.00
140	Parlor Supplies		12,525.00			10,000.00	
141	Shop Supplies		1,000.00			1,000.00	
142	Supplies - Other						
143	Total Supplies		17,564.76	3.00		12,500.00	0.00
144							
145	Property Taxes			2.00			0.00
146	Sales Tax						
147	Total Taxes		0.00	2.00		0.00	0.00
148							
149	Garbage		1,200.00	3.00		1,200.00	0.00
150	Gas & Electric		66,000.00				
151	LP		3,500.00			3,500.00	
152	Telephone / Internet		1,500.00				
153	Water		200.00				
154	Total Utilities		72,400.00	3.00		4,700.00	0.00
155							
156	Total Expense		1,527,783.07	73.00		1,782,118.05	0.00
157							
158	Net Ordinary Income	\$	(304,083.07)	52.00		\$	45,965.83
159							
160	Bankruptcy Specific Expenses		0.00	2.00		50,000.00	0.00
161							
162	Net Income		-304,083.07	50.00		-4,034.17	0.00

7/7/2010

	A	I	J	K	L	M	N	O
1	Veblen East							
2	Profit & Loss							
3								
4		8.01.10-8.17.10		8.18.10-8.31.10		9.01.10-9.17.10		9.18.10-9.30.10
6	Beginning Cash	\$ 60,882.76		\$ 108,712.46		\$ 177,863.89		\$ 205,239.70
7	Ending Cash	\$ 108,712.46		\$ 177,863.89		\$ 205,239.70		\$ 253,937.23
8								
9	Income							
10								
11	Bull Calf Sales	15,400.00		15,400.00		17,700.00		17,700.00
12	Heifer Calf Sales	12,600.00		12,600.00		14,500.00		14,500.00
13	Total Calf Sales	28,000.00		28,000.00		32,200.00		32,200.00
14	Cull Cow Income	30,000.00		30,000.00		30,000.00		30,000.00
15	Milk Cow Sales	882,450.00		882,450.00		795,500.00		795,500.00
16	Total Cow Sales	912,450.00		912,450.00		825,500.00		825,500.00
17								
18	Manure Income							
19	Avg. Total head milking 3700							
20	Milk Contracted							
21	Milk Sold to SFCR							
22	Milk Sales (shipped previous month)	728,829.70		728,829.70		722,975.81		722,975.81
23	Total Milk	728,829.70		728,829.70		722,975.81		722,975.81
24								
25	Total Income	1,669,279.70		1,669,279.70		1,580,675.81		1,580,675.81
26								
27	Expenses							
28	Bank Service Charges/FSB	250.00		250.00		250.00		250.00
29	Cleaning Supplies							
30	Consulting Fees/Cargill	6,500.00				6,500.00		
31	Legal Fees	1,750.00		1,750.00		1,750.00		1,750.00
32	License & Permit Fees & Visas							
33	Management Fees/PRM	39,000.00				39,000.00		
34	Meals & Lodging	0.00		0.00		0.00		0.00
35	Office Expense	850.00		850.00		850.00		850.00
36	Office Supplies	500.00		500.00		500.00		500.00
37	Travel Expenses	1,500.00		1,500.00		1,500.00		1,500.00
38	Total Administration Expense	50,350.00		4,850.00		50,350.00		4,850.00
39								
40	Drugs (Stockmen's cv)	16,000.00		16,000.00		16,000.00		16,000.00
41	Transition Drugs	4,400.00		4,400.00		4,400.00		4,400.00
42	Vet Supplies Expense	1,500.00		1,500.00		1,500.00		1,500.00
43	Veterinarian Expense	1,800.00		1,800.00		1,800.00		1,800.00
44	Total Animal Health Expenses	23,700.00		23,700.00		23,700.00		23,700.00
45								
46	Sand Bedding	5,700.00		5,700.00		5,700.00		5,700.00
47	Straw Bedding	250.00		250.00		250.00		250.00
48	Total Bedding Expense	5,950.00		5,950.00		5,950.00		5,950.00
49								
50	Breeding Drugs/ Stockmen's	5,000.00		5,000.00		5,000.00		5,000.00
51	Preg Checks/PRM			8,200.00				8,200.00
52	Semen/MN SS	8,500.00		8,500.00		8,500.00		8,500.00
53	Total Breeding Expenses	13,500.00		21,700.00		13,500.00		21,700.00
54								
55	BST - Production Enhancer	27,000.00		27,000.00		27,000.00		27,000.00

	A	I	J	K	L	M	N	O
1	Veblen East							
2	Profit & Loss							
3								
4		8.01.10-8.17.10		8.18.10-8.31.10		9.01.10-9.17.10		9.18.10-9.30.10
6	Beginning Cash	\$ 60,882.76		\$ 108,712.46		\$ 177,863.89		\$ 205,239.70
7	Ending Cash	\$ 108,712.46		\$ 177,863.89		\$ 205,239.70		\$ 253,937.23
56								
57	Total Alfalfa - High	28,000.00		28,000.00		28,000.00		28,000.00
58	Total Alfalfa - Low	20,000.00		20,000.00		20,000.00		20,000.00
59	Corn	27,000.00		27,000.00		27,000.00		27,000.00
60	Corn- High Moisture							
61	Corn Silage	51,000.00		51,000.00		51,000.00		51,000.00
62	Liquid Feed	10,550.00		10,550.00		10,550.00		10,550.00
63	Energy Booster	9,500.00		9,500.00		9,500.00		9,500.00
64	Gluten	25,000.00		25,000.00		25,000.00		25,000.00
65	Hay - Dry Cow	5,500.00		5,500.00		5,500.00		5,500.00
66	Haylage	50,000.00				50,000.00		
67	Mineral	800.00		800.00		800.00		800.00
68	Mineral - Anionic Pack	4,000.00		4,000.00		4,000.00		4,000.00
69	Mineral - Close	8,500.00		8,500.00		8,500.00		8,500.00
70	Mineral - Dry Cow	2,300.00		2,300.00		2,300.00		2,300.00
71	Mineral - Fresh							
72	Mineral - Lactation	28,000.00		28,000.00		28,000.00		28,000.00
73	Other Feed	500.00		500.00		500.00		500.00
74	SBM	25,000.00		25,000.00		25,000.00		25,000.00
75	Soy Hulls	11,500.00		11,500.00		11,500.00		11,500.00
76	Straw	8,500.00		8,500.00		8,500.00		8,500.00
77	WDG	9,200.00		9,200.00		9,200.00		9,200.00
78	Weighbacks	(3,500.00)		(3,500.00)		(3,500.00)		(3,500.00)
79	Total Feed Expense	321,350.00		271,350.00		321,350.00		271,350.00
80								
81	Milk Hauling	18,000.00		18,000.00		18,000.00		18,000.00
82	Trucking - Livestock	7,500.00		7,500.00		7,500.00		7,500.00
83	Total Freight and Trucking	25,500.00		25,500.00		25,500.00		25,500.00
84								
85	Diesel (Baus cv)	9,200.00		9,200.00		9,200.00		9,200.00
86	Diesel - Feed Center	10,000.00		10,000.00		10,000.00		10,000.00
87	Fuel - Other	1,000.00		1,000.00		1,000.00		1,000.00
88	Gas	200.00		200.00		200.00		200.00
89	Gas - Feed Center	150.00		150.00		150.00		150.00
90	Total Fuel	20,550.00		20,550.00		20,550.00		20,550.00
91	Net cow sales			144,600.00				107,000.00
92	Dry Cow Feed Income/Expense							
93	Herd Replacement - Cows Purchased	495,900.00		495,900.00		427,750.00		427,750.00
94	Herd Replacement - Culls	69,375.00		69,375.00		69,375.00		69,375.00
95	Herd Replacement - Deaths	13,875.00		13,875.00		13,875.00		13,875.00
96	Herd Replacement - Purchases	261,000.00	180	261,000.00		261,000.00	180	261,000.00
97	Total Herd Replacement Expense	840,150.00		840,150.00		772,000.00		772,000.00
98								
99	Cattle Insurance	4,500.00				4,500.00		
100	Liability Insurance							
101	Insurance Expense - Other			17,000.00				17,000.00
102	Total Insurance Expense	4,500.00		17,000.00		4,500.00		17,000.00
103								
104	Bond Interest (REED & IRB)			2,780.01				2,780.01
105	Interest-Feed & Cattle			74,165.40				74,165.40
106	Interest-Equipment			4,500.00				4,500.00
107	AgStar Payment	-		-		-		-
108	Interest Property			29,432.86				29,432.86
109	Total Interest Expense	0.00		110,878.27		0.00		110,878.27

	A	I	J	K	L	M	N	O
1	Veblen East							
2	Profit & Loss							
3								
4		8.01.10-8.17.10		8.18.10-8.31.10		9.01.10-9.17.10		9.18.10-9.30.10
6	Beginning Cash	\$ 60,882.76		\$ 108,712.46		\$ 177,863.89		\$ 205,239.70
7	Ending Cash	\$ 108,712.46		\$ 177,863.89		\$ 205,239.70		\$ 253,937.23
110								
111	Workmans Comp Insurance			7,800.00				7,800.00
112	Labor Expense	100,000.00		100,000.00		100,000.00		100,000.00
113	Total Labor Expense	100,000.00		107,800.00		100,000.00		107,800.00
114								
115	Marketing Expenses - Livestock							
116	Marketing Expenses - Milk							
117	Total Marketing Expenses	0.00		0.00		0.00		0.00
118								
119	Manure Equipment	25,000.00		25,000.00		25,000.00		25,000.00
120	Manure Consulting			2,500.00				2,500.00
121	Manure Expenses							
122	Total Nutrient Management Expenses	25,000.00		27,500.00		25,000.00		27,500.00
123								
124	Dry Cow Faciltiy Rent							
125	Feed Center Rent							
126	Machinery Lease - Long Term	10,000.00		10,000.00		10,000.00		10,000.00
127	Machinery Lease - Short Term	15,000.00		15,000.00		15,000.00		15,000.00
128	Machinery Rental	5,000.00		5,000.00		5,000.00		5,000.00
129	Total Rent Expense	30,000.00		30,000.00		30,000.00		30,000.00
130								
131	Building Repairs	1,500.00		1,500.00		1,500.00		1,500.00
132	Equipment Repairs	14,000.00		14,000.00		14,000.00		14,000.00
133	Equipment Storage							
134	Feed Center Repairs	5,500.00		5,500.00		5,500.00		5,500.00
135	Feed Truck Repairs	1,500.00		1,500.00		1,500.00		1,500.00
136	Parlor Repairs (Schumacher's cv)	3,500.00		3,500.00		3,500.00		3,500.00
137	Total Repairs & Maintenance	26,000.00		26,000.00		26,000.00		26,000.00
138								
139	Farm Supplies (Grobe's cv)	1,500.00		1,500.00		1,500.00		1,500.00
140	Parlor Supplies	10,000.00		10,000.00		10,000.00		10,000.00
141	Shop Supplies	1,000.00		1,000.00		1,000.00		1,000.00
142	Supplies - Other							
143	Total Supplies	12,500.00		12,500.00		12,500.00		12,500.00
144								
145	Property Taxes							
146	Sales Tax							
147	Total Taxes	0.00		0.00		0.00		0.00
148								
149	Garbage	1,200.00		1,200.00		1,200.00		1,200.00
150	Gas & Electric	66,000.00				66,000.00		
151	LP	3,500.00		3,500.00		3,500.00		3,500.00
152	Telephone / Internet	1,500.00				1,500.00		
153	Water	200.00				200.00		
154	Total Utilities	72,400.00		4,700.00		72,400.00		4,700.00
155								
156	Total Expense	1,571,450.00		1,550,128.27		1,503,300.00		1,481,978.27
157								
158	Net Ordinary Income	\$ 97,829.70		\$ 119,151.43		\$ 77,375.81		\$ 98,697.54
159								
160	Bankruptcy Specific Expenses	50,000.00		50,000.00		50,000.00		50,000.00
161								
162	Net Income	47,829.70		69,151.43		27,375.81		48,697.54