

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH DAKOTA

* * * * * * * * * * * * *		
<p>In re:</p> <p>MIDWEST FARM, L.L.C., EIN/ITIN: 26-2871748, EIN/ITIN: 37-1850745, Debtor.</p>	<p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p>	<p>Bankr. Case No. 17-40091 Chapter 11</p> <p>DEBTOR'S MOTION FOR AUTHORITY TO USE CASH COLLATERAL (OCTOBER 1, 2017 THROUGH JANUARY 31, 2018)</p>
* * * * * * * * * * * * *		

COMES NOW the Debtor, Midwest Farm, L.L.C., by and through its attorneys of record, and hereby moves the Court pursuant to Section 363 of the Bankruptcy Code and Rule 4001 of the Federal Rules of Bankruptcy Procedure and Bankr. D.S.D.R. 4001-2, for an order authorizing Debtor's use of cash collateral, and a final hearing on this Motion, as needed, and in support thereof respectfully states:

1. This Court has jurisdiction to consider this motion pursuant to 28 U.S.C. §157 and §1334. Venue is proper under 28 U.S.C. §1408 and §1409.
2. Debtor runs a grain farming and custom farming operation with facilities located in and around Aurora, South Dakota, and farms real estate located in Brookings County, South Dakota; Moody County, South Dakota; and Lincoln County, Minnesota.
3. On March 24, 2017, Debtor filed a petition seeking relief under Chapter 11 of the bankruptcy code. Pursuant to 11 U.S.C. §1203, §1107(a), and §1108, Debtor continues to operate its business and manage its affairs as Debtor in Possession.
4. Debtor proposes to use a total of \$1,515,527.27 as listed on Exhibit 1, and intended to be a part hereof, in "cash collateral", as that term is defined under 11 U.S.C. §363(a), to maintain the operation of its business for the time period October 1, 2017, through January 31, 2018. This is the term during which Debtor requests final authorization to use cash collateral specified herein. The cash collateral proposed to be used includes post-petition proceeds from the sale of Debtor's 2017 grain, post-petition 2017 farm program payments, and post-petition funds from Debtor's custom work and other funds received.
5. Plains Commerce Bank holds a first pre-petition security interest through an agricultural business blanket lien, a first pre-petition security interest in the pre-petition proceeds Debtor earns from its farming operation, and a first pre-petition mortgage position on real estate used in Debtor's operation. However, Plains Commerce Bank does not hold a lien on Debtor's

2017 crops, crop products and proceeds from Debtor's 2017 crops, insurance on Debtor's 2017 crops, and government program proceeds or payments regarding Debtor's 2017 crops. Therefore, the only use of collateral of Plains Commerce Bank being requested in this Motion is as it relates to Debtor's custom work income disclosed.

6. Bill Landsman holds a first post-petition security interest and PHI Financial Services, Inc. holds a second post-petition security interest, both as approved by the Court, in Debtor's 2017 crops, crop products and proceeds from Debtors 2017 crops, insurance on Debtor's 2017 crops, and government program payments or proceeds regarding Debtors 2017 crops. Neither secured creditor will be impaired by this request because they will both be paid in full from Debtor's 2017 crop proceeds as disclosed on Exhibit 1.

7. Debtor will continue to run and operate in the ordinary course of business.

8. The secured creditor to this date neither refuses nor agrees to the use of cash collateral proposed herein.

9. Debtor requests final authorization to use a total of \$1,515,527.27 in cash collateral as detailed in Exhibit 1. Debtor will need to have \$997,671.00 of these funds as shown on Exhibit 1 by October 1, 2017; an additional \$236,785.27 by November 1, 2017; an additional \$234,000.00 by December 1, 2017; and an additional \$47,071.00 by January 1, 2018, or shortly thereafter. These funds are crucial to maintain operations uninterrupted.

10. As adequate protection, Debtor proposes to grant Plains Commerce Bank replacement liens, excluding any lien on the 2017 crops, crop products and proceeds, crop insurances, and government program proceeds or payments, in the same form and priority it held pre-petition for the time periods requested herein for the use of cash collateral solely to the extent such collateral is used. Furthermore, Debtor grants Plains Commerce Bank the right to inspect the collateral, upon reasonable notice, and Debtor agrees to keep the collateral insured and to maintain the collateral in its present condition, ordinary wear and tear accepted. Plains Commerce Bank is also adequately protected based upon a large equity cushion on all assets, which Plains Commerce Bank is vastly oversecured by approximately \$3,000,000.00 with its position.

WHEREFORE, Debtor requests authorization to use cash collateral of \$997,671.00 by October 1, 2017; \$236,785.27 by November 1, 2017; \$234,000.00 by December 1, 2017; and \$47,071.00 by January 1, 2018, for a total of \$1,515,527.27, all in the operation of its business, upon the terms and conditions set forth in this Motion and the Exhibit attached hereto; and if any party objects to said Motion, Debtor requests a hearing on or before September 29, 2017 (but not on September 28, 2017 as Debtor's counsel is not available because she will be presenting at a seminar that day); and for such other and further relief as appropriate in the premises.

Dated this 6th day of September, 2017.

GERRY & KULM ASK, PROF. LLC:

By: /s/ Laura L. Kulm Ask
LAURA L. KULM ASK
Attorneys for Debtor
507 W. 10th Street
P.O. Box 966
Sioux Falls, SD 57101-0966
Telephone: (605)336-6400
Fax: (605)336-6842
Email ask@sgsllc.com