

03 JUL -7 AM 8:47

RECD. FILED
CAMERON S. BURKE
CLERK IDAHO**TRUSTEE'S REPORT**

RE: KETTERLING, Lynn and Jeanne
Dba Ketterling Farms

Case # 03-41318 - Chapter 12

Attorney for Debtor: D. Blair Clark

HEARING: MOTION FOR USE OF CASH COLLATERAL

LOCATION: U. S. FEDERAL BUILDING AND COURT HOUSE
550 West Fort Street
Boise, Idaho

DATE & TIME: Thursday, July 10, 2003 - 9:30 AM

1. EX PARTE MOTION TO SHORTEN TIME
This hearing is scheduled on short notice.
2. TRUSTEE'S REVIEW OF MOTION
 - A. Business is raising calves for resale.
 - B. Approximately 465 head on hand.
 - C. Request to use cash on hand and funds received from the sale of calves.
3. TRUSTEE'S CONVERSATIONS WITH DEBTORS
 - A. Funds on hand are approximately \$600.00.
 - B. Has purchased, post petition, about \$2,200.00 worth of grain and feed, paid upon delivery.
 - C. Debtor projects he will have adequate funds and feed on hand to last until July 14, 2003.
 - D. Projected date for the next sale of cattle is July 14, 2003.
 - E. Projected revenue to be received from sale of cattle on July 14, 2003 is approximately \$11,000.00.
4. MONTH TO MONTH CASH FLOW - JULY THROUGH DECEMBER 2003 - EXHIBIT A
The attached Exhibit A was included in the Motion to Use Cash Collateral.

5. FUTURE USE OF CASH COLLATERAL OR UNTIL A FINAL HEARING

A. To assist the Court in determining the future use of cash collateral, the Trustee has broken the budget into increments of four weeks, three weeks and two weeks.

The month to month cash flow provided with the Motion included payments on equipment. The Trustee has removed those payments from the budget and would ask that those payments not be paid until approved by the Court. There is a lease included in the proposed payments.

B. Budget

INCOME	FOUR WEEKS	THREE WEEKS	TWO WEEKS
Cattle sale	\$22,725.	\$17,043.	\$11,362.
Sugar beets	2,500.	0.	0.
Custom feeding	1,000.	750.	500.
Rebate, seed	1,074.	0.	0.
TOTAL	\$27,299.	\$17,793.	\$11,862.
EXPENSES			
Feed grain	\$4,500.	\$3,375.	\$2,250.
Feed milk	3,900.	2,955.	1,970.
Phone	160.	160.	160.
Fuel	400.	300.	200.
Life Insurance	70.	70.	70.
Health Insurance	330.	330.	330.
Other Insurance	560.	560.	560.
Elmer Ketterling	500.	500.	500.
Employee	3,680.	2,760.	1,840.
Repairs	400.	300.	200.
Vet service	600.	450.	300.
Power	500.	500.	500.
Living expense	1,300.	975.	650.
TOTALS	\$16,900.	\$13,235.	\$9,530.
MARGIN	\$10,399.	\$4,558.	\$2,332.

NOTE: Per the Debtor, it is uncertain when income will be received from the sugar beets and the rebate on seed.

6. TRUSTEE'S REVIEW OF UCC'S PROVIDED BY THE IDAHO SECRETARY OF STATE
Attached as Exhibit B.

7. SUMMARY OF UCC'S WHICH RELATE TO BEEF CATTLE, CALVES, DAIRY CATTLE

#	Date	UCC #	Creditor	Collateral
25	2/21/96	F50574	D. L. Evans Bank	Beef Cattle
24	5/3/01	F66017	Farm Service	Beef Cattle, calves, dairy cattle
29	7/18/02	F38004	D. L. Evans Bank	Dairy cattle
23	9/14/00	B6392307	D. L. Evans Bank	Continuation 695415 - 2/21/96
21	9/14/00	B6362309	D. L. Evans Bank	Continuation 695416 - 2/21/96
19	9/14/00	B6362309	D. L. Evans Bank	Continuation 695423 - 2/21/96
28	2/01/01	F36348	D. L. Evans Bank	Continuation 50574 - 2/21/96

According to the Trustee's analysis, D. L. Evans has a senior position on the filing date and Farm Service has a junior position on filing date.

The Trustee would look to Counsel and the Court for guidance in the following:

- A. All of the animals on Debtor's property are five (5) months or younger, and all are male. The Trustee would call this type of animal a calf or multiples of animals; calves.
- B. The filing by D. L. Evans on 2/21/96 refers to beef cattle.
- C. The filing of Farm Service on 5/3/01 refers to beef, calves, dairy cattle.
- D. The filing of D. L. Evans on 7/18/02 refers to dairy cattle.
- E. The question the Trustee has for Counsel and Court is: Since Farm Service specifically stated calves, does that give Farm Service a position over D. L. Evans Bank?

07/01/03 13:33 FAX 200310087

KIMBER CLARK

A	B	C	D	E	F	G	I
2003 INCOME							
Lynn & Jeanne Ketterling							
	July-03 100 head	August-03 100 head	September-03 100 head	October-03 100 head	November-03 64 head	December-03	Totals
CATTLE SALES	22,728.00	22,728.00	22,725.00	22,725.00	15,936.00		106,836.00
2003 OTHER INCOME							
RENT					12,145.00		12,145.00
SUGAR BEETS	2,500.00			12,500.00			15,000.00
CUSTOM FEEDING	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	6,000.00
TEACHING			2,200.00	2,200.00	2,200.00	2,200.00	8,800.00
REBATE (Arvin Schenk)	1,074.00						1,074.00
TOTAL	27,299.00	23,728.00	25,925.00	38,425.00	31,281.00	3,200.00	149,855.00
EXPENSES	18,895.00	14,877.00	9,895.00	9,895.00	6,742.00	6,636.00	85,939.00
DIFFERENCE	8,404.00	8,848.00	16,030.00	28,530.00	24,539.00	-2,436.00	83,916.00

A	B	C	D	E	F	G	H
Jeanne & Lynn Ketterling							
Calf Raising Business							
	July-03	Aug-03	Sept-03	Oct-03	Nov-03	Dec-03	TOTALS
FEED- GRAIN	4500	3400	2400	2400	1200	0	13900
FEED- MILK	3940	1320					5260
PHONES	160	160	160	160	160	160	960
FUEL	400	400	400	400	400	260	2260
LIFE INSURANCE	70	172	70	70	172	70	624
HEALTH INSURANCE	330	330	330	330	330	330	1980
OTHER INSURANCE	560	560	0	0	500	500	2120
ELMER KETTERLING	500	500	500	500	500	500	3000
EMPLOYEES	3680	3680	1880	1680	800		11520
REPAIR/MAINTAIN	400	400	400	400			1600
VET SUPPLIES	600	200	200	200			1200
TAXES	0	0	0	0	0	1135	1135
POWER	500	500	500	500	500	500	3000
FORD MTR.	560	560	560	560	560	560	3360
LEASE PAYMENTS	512	512	512	512			2048
JOHN DEERE GATOR	100	100	100	100			400
JOHN DEERE SKID	463	463	463	463			1852
Living Expenses	1300	1300	1300	1300	1300	1300	7800
Onyx (Pickup)	320	320	320	320	320	320	1920
TOTALS	18895	14877	9895	9895	6742	5635	65939

EXHIBIT B
UCC's AS REGISTERED BY IDAHO SECRETARY OF STATE - 7/3/03

#	Date	UCC #	Creditor	Collateral
25	2/21/96	F50574	D. L. Evans	beets, hay, barley, beef cattle
22	2/21/96	B695415	D. L. Evans	93 bed, 93 defoliator
20	2/21/96	B695416	D. L. Evans	95 Ford 9030 tractor, NH header
17	2/21/96	B695423	D. L. Evans	Exhibit - cattle, crops, feed
15	8/15/96	B718651	D. L. Evans	NH baler
13	11/12/96	B72A970	D. L. Evans	91 JD 4555 tr; 93 Omaha bed 20'
26	3/12/97	F31367	D. L. Evans	wheat, beans, corn
12	4/10/99	B831634	Farm Service	Snake River Sugar stock
11	4/15/99	B832049	Deere & Co	JD 8875 Skip loader
18	4/19/99	B6349667	D. L. Evans	change address
27	4/19/99	F34187	D. L. Evans	ensilage
9	5/24/00	B870734	Western Farm	equipment list, ag products
10	9/12/99	B847718	Deere & Co.	JD 4 x L Gator
23	9/14/00	B6392307	D. L. Evans	continuation 695415 - 2/21/96
21	9/14/00	B6362309	D. L. Evans	continuation 695416 - 2/21/96
19	9/14/00	B6362308	D. L. Evans	continuation 695423 - 2/21/96
28	2/01/01	F36348	D. L. Evans	continuation 50574 - 2/21/96
28 A	2/29/01	892676	John Deere	JD 544 G wheel loader
16	3/14/01	B6366331	D. L. Evans	amend address
8	4/12/01	B897343	Telmark LLC	120 calf condo
24	5/3/01	F66017	Farm Service	detailed crops, beef calves, dairy cattle
14	6/18/01	B6368503	D. L. Evans	change address
7	10/29/01	0910994-4	Agco Finance	Heston 4755 baler
6	11/01/01	0911195-3	Agco Finance	Heston 4755 baler
5	11/08/01	0911621-6	D. L. Evans	equipment, vinyl calf pens
4	3/21/02	0919534-4	Christensen Imp.	JH 4555 tractor
3	4/22/02	0921821-7	D. L. Evans	1995 Allen rake
2	5/24/02	0924496	Farm Cr. Leas	bale runner
1	5/28/02	024554-5	D. L. Evans	equipment
29	7/18/03	F38004	D. L. Evans	dairy cattle