FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-06-13** | Period of Report: **1995-04-30**
SEC Accession No. 0000922358-95-000010

FILER

FERRELLGAS PARTNERS L P
CIK:**922358**| IRS No.: **431675728** | State of Incorp.:**DE** | Fiscal Year End: **0731**
Type: **10-Q** | Act: **34** | File No.: **001-11331** | Film No.: **95546741**
SIC: **5990** Retail stores, nec

Mailing Address
ONE LIBERTY PLAZA
LIBERTY MO 64068

Business Address
ONE LIBERTY PLAZA
LIBERTY MO 64068
8167921600

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended April 30, 1995

OR

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from...........to..............

Commission file number 1-11331

Ferrellgas Partners, L.P.

(Exact name of registrants as specified in their charters)

Delaware	43-1698480
(States or other jurisdictions of incorporation or organization)	(I.R.S. Employer Identification Nos.)

One Liberty Plaza, Liberty, Missouri 64068

(Address of principal executive offices) (Zip Code)

Registrants' telephone number, including area code (816) 792-1600

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of May 31, 1995:

Ferrellgas Partners, L.P. - 14,398,942 Common Units
16,593,721 Subordinated Units

FERRELLGAS PARTNERS, L.P.
FERRELLGAS, L.P.
FERRELLGAS FINANCE CORP.

Table of Contents

PART 1 - FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
(in thousands, except unit data)

ASSETS	April 30, 1995 (unaudited)	July 31, 1994
<S>	<C>	<C>
Current Assets:		
Cash and cash equivalents	$ 17,029	$ 14,535
Accounts and notes receivable, net	67,522	50,780
Inventories	31,973	43,562
Prepaid expenses and other current assets	3,533	2,042
Total Current Assets	120,057	110,919
Property, plant and equipment, net	353,861	294,765
Intangible assets, net	66,701	63,291
Other assets, net	8,372	8,218

Total Assets	$548,991	$477,193

LIABILITIES AND PARTNERS' CAPITAL		
Current Liabilities:		
Accounts payable	$ 46,392	$ 46,368
Other current liabilities	28,169	26,603
Short-term borrowing	-	3,000
Total Current Liabilities	74,561	75,971
Long-term debt	320,162	267,062
Other liabilities	11,743	11,528
Minority interest	1,441	1,239
Partners' Capital		
Common unitholders (14,398,942 and 14,100,000 units outstanding in 1995 and 1994, respectively)	94,812	84,532
Subordinated unitholders (16,593,721 units outstanding in 1995 and 1994)	103,723	99,483
General partner	(57,451)	(62,622)
Total Partners' Capital	141,084	121,393
Total Liabilities and Partners' Capital	$548,991	$477,193

See notes to consolidated financial statements.

</TABLE>
<TABLE>
<CAPTION>

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands, except unit data)
(unaudited)

	Three Months Ended		Nine Months Ended	
	April 30, 1995	April 30, 1994 (Predecessor)	April 30, 1995	April 30, 1994 (Predecessor)
<S>	<C>	<C>	<C>	<C>
Revenues:				
Gas liquids and related product sales	$162,821	$140,606	$483,290	$430,401
Other	5,192	5,735	22,797	20,076
Total revenues	168,013	146,341	506,087	450,477
Costs and expenses:				
Cost of product sold	94,759	73,347	285,059	229,326
Operating	40,638	38,261	120,335	113,202
Depreciation and amortization	8,443	6,910	23,855	21,688
General and administrative	3,118	2,756	8,366	7,613
Vehicle leases	1,080	1,059	3,227	3,203
Total costs and expenses	148,038	122,333	440,842	375,032
Operating income	19,975	24,008	65,245	75,445
Interest expense	(8,221)	(14,409)	(23,536)	(44,233)
Interest income	433	1,098	947	2,791
Loss on disposal of assets	(126)	(478)	(429)	(888)
Earnings before income taxes, minority interest				

and extraordinary loss	12,061	10,219	42,227	33,115
Income tax provision	-	3,906	-	12,759
Minority interest	122	-	427	-
Earnings before extraordinary loss	11,939	6,313	41,800	20,356
Loss on early extinguishment of debt, net of $531 tax benefit	-	867	-	867
Net earnings	$ 11,939	$ 5,446	$ 41,800	$ 19,489
Net earnings per limited partner unit	$0.38		$1.34	
Weighted average number of units outstanding	30,992,663		30,879,571	

See notes to consolidated financial statements.

</TABLE>
<TABLE>
<CAPTION>

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
(in thousands, except unit data)
(unaudited)

	Number of units					Total
	Common	Subordinated	Common	Subordinated	General partner	partners' capital
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance August 1, 1994	14,100,000	16,593,721	$84,532	$99,483	($62,622)	$121,393
Special allocation of prior year operating loss (note D)	-	-	(2,312)	(2,664)	4,976	-
Contributed capital (note H)	-	-	3,324	3,830	72	7,226
Common units issued in connection with acquisitions	298,942	-	6,600	-	66	6,666
Quarterly distributions	-	-	(16,557)	(19,083)	(361)	(36,001)
Net earnings	-	-	19,225	22,157	418	41,800
Balance April 30, 1995	14,398,942	16,593,721	$94,812	$103,723	($57,451)	$141,084

See notes to consolidated financial statements.

</TABLE>
<TABLE>
<CAPTION>

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended April 30, 1995	Nine Months Ended April 30, 1994 (Predecessor)
<S>	<C>	<C>
Cash Flows From Operating Activities:		
Net earnings	$41,800	$19,489
Reconciliation of net earnings to net cash from operating activities:		
Depreciation and amortization	23,855	21,688
Extraordinary loss	-	867
Minority interest	427	-
Other	2,283	4,127
Changes in operating assets and liabilities net of effects from business acquisitions:		
Accounts and notes receivable	(10,344)	(4,610)
Inventories	19,505	(6,129)
Prepaid expenses and other current assets	(1,143)	(1,374)
Accounts payable	(6,270)	1,320
Accrued interest expense	5,208	6,863
Other current liabilities	(9,775)	3,415
Other liabilities	(100)	(49)
Deferred income taxes	-	12,639
Net cash provided by operating activities	65,446	58,246
Cash Flows From Investing Activities:		
Business acquisitions	(17,135)	(2,385)
Capital expenditures	(13,273)	(5,945)
Proceeds from asset sales	1,093	643
Net short-term investment activity	-	(4,305)
Net additions to intangible assets and other assets	(637)	(333)
Net cash used by investing activities	(29,952)	(12,325)
Cash Flows From Financing Activities:		
Net reductions of short-term borrowing	(3,000)	-
Additions to long-term debt	60,000	-
Reductions of long-term debt	(53,750)	(13,336)
Distributions	(36,001)	-
Minority activity	(299)	-
Additional payments to retire debt	-	(1,190)
Additions to financing costs	-	(53)
Contribution from general partner	66	-
Net advances to related party	-	(2,249)
Net advances to general partner and affiliate	(16)	(2,993)
Net cash used by financing activities	(33,000)	(19,821)
Increase in cash and cash equivalents	2,494	26,100
Cash and cash equivalents - beginning of period	14,535	32,706
Cash and cash equivalents - end of period	$17,029	$58,806
Cash paid for interest	$17,153	$35,062

See notes to consolidated financial statements.

</TABLE>

[FN]

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED APRIL 30, 1995 AND 1994
(unaudited)

A. Reference should be made to the Notes to Consolidated Financial Statements for the period ending July 31, 1994, (specifically Notes A and N regarding organization and formation and pro forma earnings) included in the Ferrellgas Partners, L.P. and Subsidiary (the "Partnership") annual financial statements on Form 10-K filed with the SEC. The presentation of the financial statements has been changed to reflect the predecessor statements of earnings and cash flow on the face of the financial statements and the pro forma earnings are contained in the notes thereto.

B. The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the interim periods presented. All adjustments to the financial statements were of a normal, recurring nature. Certain expense reclassifications have been made to the prior year amounts to conform to the current year presentation. Such reclassifications had no effect on net earnings.

C. The propane industry is seasonal in nature with peak activity during the winter months. Therefore, the results of operations for the periods ended April 30, 1995 and predecessor April 30, 1994, are not necessarily indicative of the results to be expected for a full year.

D. The Agreement of Limited Partnership of Ferrellgas Partners, L.P. (the "Partnership Agreement") contains specific provisions for the allocation of net income and loss to each of the partners for purposes of maintaining the partner capital accounts. In addition, the Partnership Agreement contains a special provision to allocate the first year's operating loss ($5,026,000) 100% to the general partner and reallocate, based on ownership percentages, an amount equal to 99% of this net loss ($4,976,000) to the limited partners in the following year. The fiscal 1995 special allocation of the prior year operating loss to the limited partners resulted in a reduction in equity of $0.16 per limited partner unit.

E. The Partnership is threatened with or named as a defendant in various lawsuits which, among other items, claim damages for product liability. It is not possible to determine the ultimate disposition of these matters; however, after taking into consideration the Partnership's insurance coverage and its existing reserves, management is of the opinion that there are no known uninsured claims or known contingent claims that are likely to have a material adverse effect on the results of operations or financial condition of the Partnership.

In connection with the formation of the Partnership, the General Partner contributed certain assets including customer relationships and customer tanks. The Internal Revenue Service ("IRS") has examined the General Partner's consolidated income tax returns for the years ended July 31, 1987 and 1986, and has proposed certain adjustments which relate to these contributed assets. The General Partner has reached a tentative settlement agreement with the IRS (pending final IRS approval) which may result in an additional capital contribution by the General

Partner and an increase in the Partnership's intangibles (to be amortized prospectively over the remaining life of the related assets). Such adjustments are not expected to be material to financial position or results of operations and will not impact the limited partners' tax basis in the Partnership's units.

F. The accompanying pro forma consolidated statements of earnings for the three and nine months ended April 30, 1994, were derived from the historical statements of operations of the Predecessor and reflect the pro forma effects on the historical financial information as if the formation of the Partnership had occurred on August 1, 1993. Significant pro forma adjustments represent the elimination of income taxes under the Partnership structure and the net reduction of interest expense resulting from retirement of $477,600,000 of indebtedness offset by the issuance of $250,000,000 senior notes. The pro forma consolidated statements of earnings of the Partnership should be read in conjunction with the consolidated financial statements of the Partnership and the Predecessor and the notes thereto. The accompanying pro forma consolidated statements of earnings are for comparative purposes and are not necessarily indicative of the results of future operations of the Partnership:

	Pro Forma Periods Ended April 30, 1994	
	Three Months	Nine Months
	(in thousands, except unit data)	
Revenues:		
Gas liquids and related product sales	$140,606	$430,401
Other	5,735	20,076
Total revenues	146,341	450,477
Costs and expenses:		
Cost of product sold	73,347	229,326
Operating	38,261	113,202
Depreciation and amortization	6,910	21,688
General and administrative	2,881	7,988
Vehicle leases	1,059	3,203
Total costs and expenses	122,458	375,407
Operating income	23,883	75,070
Interest expense	(6,888)	(21,291)
Interest income	529	879
Loss on disposal of assets	(478)	(888)
Earnings before minority interest and extraordinary loss	17,046	53,770
Minority interest	(172)	(543)
Earnings before extraordinary loss	$16,874	$53,227
Earnings before extraordinary loss per limited partner unit	$0.55	$1.72
Weighted average number of units outstanding	30,693,721	30,693,721

G. On October 14, 1994, the General Partner adopted the Ferrellgas, Inc. Unit Option Plan (the "Unit

Option Plan"), which authorizes the issuance of options (the "Unit Options") covering up to 850,000 Subordinated Units to certain officers and employees of the General Partner, of which 718,000 options were issued and outstanding at April 30, 1995. The Unit Options granted have exercise prices ranging from $16.80 to $18.54 per unit (which is an estimate of the fair market value of the Subordinated Units at the time of grant), will vest over a one to five year period (depending on the employee), are exercisable beginning after July 31, 1999, assuming the subordination period has elapsed and will expire on the tenth anniversary of the date of grant. Upon conversion of the Subordinated Units held by the General Partner and its affiliates, the Unit Options granted will convert to Common Unit Options.

H. On November 1, 1994, the General Partner purchased all of the capital stock of Vision Energy Resources, Inc. ("Vision") for a cash purchase price of $45 million. Immediately following the closing of the purchase of Vision, the General Partner (i) caused Vision and each of its subsidiaries to be merged into the General Partner (except for a trucking subsidiary which dividended substantially all of its assets to the General Partner) and (ii) contributed all of the assets of Vision and its subsidiaries to Ferrellgas, L.P. (the "Operating Partnership"). As a result of the contribution, the Operating Partnership assumed substantially all of the liabilities, whether known or unknown, associated with Vision and its subsidiaries (excluding income tax liabilities), including obligations of the General Partner under a $45,000,000 loan agreement under which the General Partner borrowed funds to pay the purchase price for Vision. The Operating Partnership repaid the loan immediately after the transfer of assets with funds borrowed under its Credit Facility. In consideration of the retention by the General Partner of certain income tax liabilities, the Partnership issued 138,392 Common Units to the General Partner. The Operating Partnership received a contribution of $7,300,000 from the General Partner, representing the excess of the value of the assets over the liabilities conveyed and the units issued to the General Partner. This contribution is allocated to each partner based on their relative ownership percentages following the closing of the Vision acquisition. The total assets contributed to the Operating Partnership of approximately $57,400,000 (the General Partner's cost basis) was preliminarily allocated as follows (i) working capital of $2,347,000 (ii) property, plant and equipment of $47,863,000, and (iii) intangible assets of $7,190,000. The transaction has been accounted for similar to purchase accounting and, accordingly, the results of operations of Vision have been included in the consolidated financial statements from the date of contribution.

The following pro forma financial information assumes the Vision transaction occurred at the beginning of each of the periods presented and also includes the pro forma effects of the Partnership formation as of August 1, 1993 (as described in Note F):

	Nine months ended April 30	
	1995	1994
	(unaudited; in thousands except per unit data)	
Total revenues	$521,878	$509,159
Net earnings	42,367	57,951
Net earnings per limited partner unit	1.36	1.86

I. During the nine months ended April 30, 1995, the Partnership made acquisitions and received contributions of businesses totaling $68,735,000. This total consists of $45,000,000 debt assumed (Note H), cash paid of $17,135,000 and issuance of Partnership units of $6,600,000.

J. On November 14, 1994, the Partnership filed Amendment No. 1 to Registration Statement on Form S-1 with the Securities and Exchange Commission to register 2,400,000 Common Units representing limited partner interests in the Partnership. The registration statement was declared effective November 15, 1994. The Common Units may be issued from time to time by the Partnership in exchange for other businesses, properties or securities in business combination transactions.

K. On December 14, 1994, the Partnership paid an initial cash distribution of $0.65 per unit. This initial distribution covers the period from July 5, 1994, when the Partnership began operations, to October 31, 1994, the end of the first full fiscal quarter. The distribution was, accordingly, prorated. Additionally, on March 14, 1995, the Partnership paid a cash distribution of $0.50 per unit for the quarter ended January 31, 1995. On May 19, 1995, the Partnership declared its third-quarter cash distribution of $0.50 per unit, payable June 12, 1995.

[/FN]
<TABLE>
<CAPTION>

FERRELLGAS, L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands)

ASSETS	April 30, 1995 (unaudited)	July 31, 1994
<S>	<C>	<C>
Current Assets:		
Cash and cash equivalents	$17,029	$ 14,535
Accounts and notes receivable, net	67,522	50,780
Inventories	31,973	43,562
Prepaid expenses and other current assets	3,533	2,042
Total Current Assets	120,057	110,919
Property, plant and equipment, net	353,861	294,765
Intangible assets, net	66,701	63,291
Other assets, net	8,372	8,218
Total Assets	$548,991	$477,193
LIABILITIES AND PARTNERS' CAPITAL		
Current Liabilities:		
Accounts payable	$ 46,392	$ 46,368
Other current liabilities	28,168	26,603
Short-term borrowing	-	3,000
Total Current Liabilities	74,560	75,971
Long-term debt	320,162	267,062
Other liabilities	11,743	11,528
Partners' Capital		
Limited partner	141,085	121,393
General partner	1,441	1,239
Total Partners' Capital	142,526	122,632

Total Liabilities and Partners' Capital	$548,991	$477,193

See notes to consolidated financial statements.

</TABLE>
<TABLE>
<CAPTION>

FERRELLGAS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands)
(unaudited)

	Three Months Ended		Nine Months Ended	
	April 30, 1995	April 30, 1994	April 30, 1995	April 30, 1994
		(Predecessor)		(Predecessor)
<S>	<C>	<C>	<C>	<C>
Revenues:				
Gas liquids and related product sales	$162,821	$140,606	$483,290	$430,401
Other	5,192	5,735	22,797	20,076
Total revenues	168,013	146,341	506,087	450,477
Costs and expenses:				
Cost of product sold	94,759	73,347	285,059	229,326
Operating	40,638	38,261	120,334	113,202
Depreciation and amortization	8,443	6,910	23,855	21,688
General and administrative	3,118	2,756	8,366	7,613
Vehicle leases	1,080	1,059	3,227	3,203
Total costs and expenses	148,038	122,333	440,841	375,032
Operating income	19,975	24,008	65,246	75,445
Interest expense	(8,221)	(14,409)	(23,536)	(44,233)
Interest income	433	1,098	947	2,791
Loss on disposal of assets	(126)	(478)	(429)	(888)
Earnings before income taxes and extraordinary loss	12,061	10,219	42,228	33,115
Income tax provision	-	3,906	-	12,759
Earnings before extraordinary loss	12,061	6,313	42,228	20,356
Loss on early extinguishment of debt, net of $531 tax benefit	-	867	-	867
Net earnings	$12,061	$5,446	$42,228	$19,489

See notes to consolidated financial statements.

</TABLE>
<TABLE>
<CAPTION>

FERRELLGAS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
(in thousands)
(unaudited)

<S>	Limited partner <C>	General partner <C>	Total partners' capital <C>
Balance August 1, 1994	$121,393	$1,239	$122,632
Contributed capital (note F)	7,226	74	7,300
Additions to capital in connection with acquisitions	6,666	69	6,735
Quarterly distributions	(36,001)	(368)	(36,369)
Net earnings	41,801	427	42,228
Balance April 30, 1995	$141,085	$1,441	$142,526

See notes to consolidated financial statements.

</TABLE>
<TABLE>
<CAPTION>

FERRELLGAS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended	
	April 30, 1995	April 30, 1994 (Predecessor)
<S>	<C>	<C>
Cash Flows From Operating Activities:		
Net earnings	$42,228	$19,489
Reconciliation of net earnings to net cash from operating activities:		
Depreciation and amortization	23,855	21,688
Extraordinary loss	-	867
Other	2,283	4,127
Changes in operating assets and liabilities net of effects from business acquisitions:		
Accounts and notes receivable	(10,344)	(4,610)
Inventories	19,505	(6,129)
Prepaid expenses and other current assets	(1,143)	(1,374)
Accounts payable	(6,270)	1,320
Accrued interest expense	5,208	6,863
Other current liabilities	(9,776)	3,415
Other liabilities	(100)	(49)
Deferred income taxes	-	12,639
Net cash provided by operating activities	65,446	58,246
Cash Flows From Investing Activities:		
Business acquisitions	(17,135)	(2,385)
Capital expenditures	(13,273)	(5,945)
Proceeds from asset sales	1,093	643
Net short-term investment activity	-	(4,305)
Net additions to intangible assets and other assets	(637)	(333)
Net cash used by investing activities	(29,952)	(12,325)
Cash Flows From Financing Activities:		
Net reductions of short-term borrowing	(3,000)	-
Additions to long-term debt	60,000	-
Reductions of long-term debt	(53,750)	(13,336)
Distributions	(36,369)	-

Additional payments to retire debt	-	(1,190)
Additions to financing costs	-	(53)
Contribution from partners	135	-
Net advances to related party	-	(2,249)
Net advances to general partner and affiliate	(16)	(2,993)
Net cash used by financing activities	(33,000)	(19,821)
Increase in cash and cash equivalents	2,494	26,100
Cash and cash equivalents - beginning of period	14,535	32,706
Cash and cash equivalents - end of period	$17,029	$58,806
Cash paid for interest	$17,153	$35,062

See notes to consolidated financial statements.

</TABLE>

[FN]

FERRELLGAS, L.P. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED APRIL 30, 1995 AND 1994
(unaudited)

A. Reference should be made to the Notes to Consolidated Financial Statements for the period ending July 31, 1994, (specifically Notes A and M regarding organization and formation and pro forma earnings) included in the Ferrellgas, L.P. and Subsidiaries (the " Operating Partnership") annual financial statements on Form 10-K filed with the SEC. The presentation of the financial statements has been changed to reflect the predecessor statements of earnings and cash flow on the face of the financial statements and the pro forma earnings are contained in the notes thereto.

B. The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the interim periods presented. All adjustments to the financial statements were of a normal, recurring nature. Certain expense reclassifications have been made to the prior year amounts to conform to the current year presentation. Such reclassifications had no effect on net earnings.

C. The propane industry is seasonal in nature with peak activity during the winter months. Therefore, the results of operations for the periods ended April 30, 1995 and predecessor April 30, 1994, are not necessarily indicative of the results to be expected for a full year.

D. The Operating Partnership is threatened with or named as a defendant in various lawsuits which, among other items, claim damages for product liability. It is not possible to determine the ultimate disposition of these matters; however, after taking into consideration the Operating Partnership's insurance coverage and its existing reserves, management is of the opinion that there are no known uninsured claims or known contingent claims that are likely to have a material adverse effect on the results of operations or financial condition of the Operating Partnership.

In connection with the formation of the Operating Partnership, the General Partner contributed certain assets including customer relationships and customer tanks. The Internal Revenue Service ("IRS") has examined the General Partner's consolidated income tax returns for the years ended July 31, 1987 and 1986, and has proposed certain adjustments which relate to these contributed assets. The General Partner has reached a tentative settlement agreement with the IRS (pending final IRS approval) which may result in an additional capital contribution by the General Partner and an increase in the Operating Partnership's intangibles (to be amortized prospectively over the remaining life of the related assets). Such adjustments are not expected to be material to financial position or results of operations and will not impact the limited partners' tax basis in the Operating Partnership's units.

E. The accompanying pro forma consolidated statements of earnings for the three and nine months ended April 30, 1994, were derived from the historical statements of operations of the Predecessor and reflect the pro forma effects on the historical financial information as if the formation of the Partnership had occurred on August 1, 1993. Significant pro forma adjustments represent the elimination of income taxes under the Partnership structure and the net reduction of interest expense resulting from retirement of $477,600,000 of indebtedness offset by the issuance of $250,000,000 senior notes. The pro forma consolidated statements of earnings of the Partnership should be read in conjunction with the consolidated financial statements of the Partnership and the Predecessor and the notes thereto. The accompanying pro forma consolidated statements of earnings are for comparative purposes and are not necessarily indicative of the results of future operations of the Partnership:

	Pro Forma Periods Ended April 30, 1994	
	Three Months	Nine Months
	(in thousands)	
Revenues:		
Gas liquids and related product sales	$140,606	$430,401
Other	5,735	20,076
Total revenues	146,341	450,477
Costs and expenses:		
Cost of product sold	73,347	229,326
Operating	38,261	113,202
Depreciation and amortization	6,910	21,688
General and administrative	2,881	7,988
Vehicle leases	1,059	3,203
Total costs and expenses	122,458	375,407
Operating income	23,883	75,070
Interest expense	(6,888)	(21,291)
Interest income	529	879
Loss on disposal of assets	(478)	(888)
Earnings before extraordinary loss	$17,046	$53,770

F. On November 1, 1994, the General Partner purchased all of the capital stock of Vision Energy Resources, Inc. ("Vision") for a cash purchase price of $45 million. Immediately following the closing of the purchase of Vision, the General Partner (i) caused Vision and each of its subsidiaries to be merged into the General Partner (except for a trucking subsidiary which dividended substantially all of its assets to the General Partner) and (ii) contributed all of the assets of Vision and its subsidiaries to the Operating Partnership. As a result of the contribution, the Operating Partnership assumed substantially all of the liabilities, whether known or unknown, associated with Vision and its subsidiaries (excluding income tax liabilities), including obligations of the General Partner under a $45,000,000 loan agreement under which the General Partner borrowed funds to pay the purchase price for Vision. The Operating Partnership repaid the loan immediately after the transfer of assets with funds borrowed under its Credit Facility. In consideration of the retention by the General Partner of certain income tax liabilities, the Partnership issued 138,392 Common Units to the General Partner. The Operating Partnership received a contribution of $7,300,000 from the General Partner, representing the excess of the value of the assets over the liabilities conveyed and the units issued to the General Partner. This contribution is allocated to each partner based on their relative ownership percentages following the closing of the Vision acquisition. The total assets contributed to the Operating Partnership of approximately $57,400,000 (the General Partner's cost basis) was preliminarily allocated as follows (i) working capital of $2,347,000 (ii) property, plant and equipment of $47,863,000, and (iii) intangible assets of $7,190,000. The transaction has been accounted for similar to purchase accounting and, accordingly, the results of operations of Vision have been included in the consolidated financial statements from the date of contribution.

The following pro forma financial information assumes the Vision transaction occurred at the beginning of each of the periods presented and also includes the pro forma effects of the Operating Partnership formation as of August 1, 1993 (as described in Note E):

	Nine months ended April 30	
	1995	1994
	(unaudited; in thousands)	
Total revenues	$521,878	$509,159
Net earnings	42,799	58,542

G. During the nine months ended April 30, 1995, the Operating Partnership made acquisitions and received contributions of businesses totaling $68,735,000. This total consists of $45,000,000 debt assumed (Note F), cash paid of $17,135,000 and contribution from the Partnership of $6,600,000 in connection with the issuance of units for businesses.

H. On December 14, 1994, the Operating Partnership paid an initial cash distribution of $20,556,000 for the period from July 5, 1994, when the Partnership began operations, to October 31, 1994, the end of the first full fiscal quarter. Additionally, on March 14, 1995, the Operating Partnership paid a cash distribution of $15,813,000 for the quarter ended January 31, 1995. On May 19, 1995, the Operating Partnership declared its third-quarter cash distribution of $15,813,000, payable June 12, 1995.

[/FN]
<TABLE>
<CAPTION

FERRELLGAS FINANCE CORP.
(a wholly owned subsidiary of Ferrellgas, L.P.)

BALANCE SHEETS

	April 30, 1995 (unaudited)	July 31, 1994
<S>	<C>	<C>
ASSETS		
Cash	$960	$1,000
Total Assets	$960	$1,000
LIABILITIES AND STOCKHOLDER'S EQUITY		
Payable to affiliate	$263	$ -
Common stock, $1.00 par value; 2,000 shares authorized; 1,000 shares issued and outstanding	1,000	1,000
Accumulated deficit	(303)	-
Total Stockholder's Equity	697	1,000
Total Liabilities and Stockholder's Equity	$960	$1,000

See notes to financial statements.

</TABLE>
<TABLE>
<CAPTION>

FERRELLGAS FINANCE CORP.
(a wholly owned subsidiary of Ferrellgas, L.P.)

STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended April 30, 1995	Nine Months Ended April 30, 1995
<S>	<C>	<C>
Revenues	$ -	$ -
General and administrative expense	263	303
Net loss	($263)	($303)

See notes to financial statements.

</TABLE>
<TABLE>
<CAPTION>

FERRELLGAS FINANCE CORP.
(a wholly owned subsidiary of Ferrellgas, L.P.)

STATEMENT OF CASH FLOWS
(unaudited)

	Nine Months Ended April 30, 1995
<S>	<C>
Cash Flows From Operating Activities:	
Net loss	($303)

Cash used by operating activities	(303)
Cash Flows From Investing Activities:	
Cash provided by investing activities	-
Cash Flows From Financing Activities:	
Net advance from affiliate	263
Cash provided by financing activities	263
Decrease in cash	(40)
Cash - beginning of period	1,000
Cash - end of period	$960

See notes to financial statements.

</TABLE>
[FN]

FERRELLGAS FINANCE CORP.
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED APRIL 30, 1995 and 1994
(unaudited)

A. Reference should be made to the Notes to Financial Statements for the period ending July 31, 1994, included in the Ferrellgas Finance Corp. annual financial statements on Form 10-K filed with the SEC.

B. The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the interim periods presented. All adjustments to the financial statements were of a normal, recurring nature.

[/FN]

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the historical and predecessor results of operations of the Operating Partnership and liquidity and capital resources of the Partnership. Since the Operating Partnership accounts for all of the consolidated assets, sales and earnings of the Partnership, a separate discussion of the results of operations of the Partnership is not presented.

Ferrellgas Finance Corp. has nominal assets and does not conduct any operations. Accordingly, a discussion of the results of operations and liquidity and capital resources is not presented.

Results of Operations (Operating Partnership)

The propane industry is seasonal in nature with peak activity during the winter months. Due to the seasonality of the business, results of operations for the three and nine months ended April 30, 1995, are not necessarily indicative of the results to be expected for a full year. Other factors affecting the results of operations include variations in weather, fluctuations in propane prices, competitive conditions and demand for product.

Three Months Ended April 30, 1995 vs. Predecessor April 30, 1994

Total Revenues. Total revenues increased 14.8% to $168,013,000 as compared to $146,341,000 for the prior period. The increase is attributable to acquisitions of propane businesses during November 1994 and to revenues from other operations net trading operations, wholesale propane marketing and chemical feedstocks marketing) increasing 101.1% to $35,446,000. These increases were offset by a decrease in revenues from existing retail operations due to warmer temperatures as compared to normal and to the prior period that have affected the majority of the Operating Partnership's areas of operation. For the quarter, fiscal 1995 winter temperatures, as reported by the American Gas Association, are 7.2% warmer than normal and 7.0% warmer than the same period last year. The average degree days in regions served by the Company have historically varied on an annual basis by a greater amount than the average national degree days.

The increase in revenues from other operations is primarily due to an increase in demand for chemical feedstocks generating increases in sales volume and selling prices. The volume and price increases are a result of increased product availability from refineries and increased demand from petrochemical companies.

Gross Profit. Despite the increase in sales volume, gross profit increased only modestly to $73,254,000 as compared with $72,994,000 for the prior period due primarily to the weather impact on higher margin residential gallons. Total retail gallons sold increased 4% to 163 million as compared to 157 million for the prior period. This increase is due to sales contributed by acquisitions, partially offset by warmer temperatures. Other operations gross profit decreased due to the warmer weather impact on trading margins as compared to the prior period.

Operating Expenses. Operating expenses increased 6.2% to $40,638,000 as compared to $38,261,000 for the prior period. The increase is primarily attributable to acquisitions of propane businesses as well as general increases in various components of operating expenses, partially offset by a reduction in incentive compensation accruals as compared to the prior period.

Depreciation and Amortization. Depreciation and amortization expense increased 22.2% to $8,443,000 as compared to $6,910,000 for the prior period due primarily to acquisitions of propane businesses.

Net Earnings. Net earnings increased to $12,061,000 as compared to $5,446,000 for the prior period. This increase is primarily due to the decline in interest expense resulting from the reduction in long-term debt in connection with the Partnership formation and the elimination of income tax expense under the Partnership structure, offset by the decrease in operating results described above.

Nine Months Ended April 30, 1995 vs. Predecessor April 30, 1994

Total Revenues. Total revenues increased 12.3% to $506,087,000 as compared to $450,477,000 for the prior period. The increase is attributable to acquisitions of propane businesses during November 1994 and to revenues from other operations (net trading operations, wholesale propane marketing and chemical feedstocks marketing) increasing 94.7% to $109,467,000. These increases were offset by a decrease in revenues from existing retail operations due to warmer temperatures as compared to normal and to the prior period that have affected the majority of the Operating Partnership's areas of operation. To date, fiscal 1995 winter temperatures, as reported by the American Gas Association, are 10.3% warmer than normal and 12.4% warmer than the same period last year. The average degree days in regions served by the Company have historically varied on an annual basis by a greater amount than the average national degree days.

The increase in revenues from other operations is primarily due to an increase in chemical feedstocks marketing generated by increases in sales volume and selling prices. The volume and price increases are a result of increased product availability from refineries and increased demand from petrochemical companies.

Gross Profit. Despite the increase in sales volume, gross profit decreased slightly to $221,028,000 as compared with $221,151,000 for the prior period due primarily to the weather impact on higher margin residential gallons. Total retail gallons sold increased 1% to 494 million as compared to 490 million for the prior period. This increase is due to sales contributed by acquisitions, offset by warmer temperatures. Other operations gross profit also decreased due to the warmer weather impact on trading margins as compared to the prior period.

Operating Expenses. Operating expenses increased 6.3% to $120,334,000 as compared to $113,202,000 for the prior period. The increase is primarily attributable to acquisitions of propane businesses offset by a reduction in incentive compensation accruals as compared to the prior period. Vehicle expenses increased due to increased emphasis on completing planned preventive maintenance and repairs as compared to the prior period.

Depreciation and Amortization. Depreciation and amortization expense increased 10.0% to $23,855,000 as compared to $21,688,000 for the prior period due primarily to acquisitions of propane businesses.

Net Earnings. Net earnings increased to $42,228,000 as compared to $19,489,000 for the prior period. This increase is primarily due to the decline in interest expense resulting from the reduction in long-term debt in connection with the Partnership formation and the elimination of income tax expense under the Partnership structure, offset by the decrease in operating results described above.

Liquidity and Capital Resources (The Partnership)

Cash Flows From Operating Activities. Cash provided by operating activities was $65,446,000 for the nine months ended April 30, 1995, compared to $58,246,000 in the prior period. This increase is due to the $17,909,000 decrease in interest payments offset by lower earnings before interest, taxes, depreciation and amortization.

Cash Flows From Investing Activities. On November 1, 1994, the General Partner completed the acquisition of Vision Energy Resources, Inc. ("Vision") for a cash purchase price of $45 million. Following the closing of the acquisition, the General Partner contributed the net assets (excluding income tax liabilities) of Vision to the Operating Partnership, in exchange for the assumption of a $45 million loan obligation and issuance of $3,100,000 common units to the General Partner. During the nine months ended April 30, 1995, the Partnership also completed the acquisition of other propane businesses that were not individually significant, totaling $17,135,000 cash and $3,500,000 in common units.

During the nine months ended April 30, 1995, the Partnership made growth and maintenance capital expenditures of $13,273,000 consisting primarily of additions to company-owned customer storage facilities. The Partnership maintains its vehicle and transportation equipment fleet by leasing light and medium duty trucks and tractors. The General Partner believes vehicle leasing is a cost effective method for meeting the Partnership's transportation equipment needs. Capital requirements for repair and maintenance of property, plant and equipment are relatively low since technological change is limited and the useful lives of propane tanks and cylinders, the Partnership's principal physical assets, are generally long.

The Partnership continues seeking to expand its operations through strategic acquisitions of smaller retail propane operations located throughout the United States. These acquisitions will be funded through internal cash flow, external borrowings or the issuance of additional Partnership interests.

Cash Flows From Financing Activities. On November 14, 1994, the Partnership filed Amendment No. 1 to Form S-1 Registration Statement with the Securities and Exchange Commission to register 2,400,000 Common Units representing limited partner interests in the Partnership. The registration statement was declared effective November 15, 1994. The Common Units may be issued from time to time by the Partnership in exchange for other businesses, properties or securities in business combination transactions. During the nine months ended April 30, 1995, the Partnership issued 298,942 Common Units in connection with the acquisition of propane businesses.

During the nine months ended April 30, 1995, the Partnership paid cash distributions of $1.15 per unit. These distributions covered the period from July 5, 1994, when the Partnership began operations, to January 31, 1995, the end of the FY 1995 second quarter.

On May 19, 1995, the Partnership declared its third-quarter cash distribution of $0.50 per unit, payable June 12, 1995. The Partnership's annualized distribution is presently $2.00 per unit.

During the nine months ended April 30, 1995, the Partnership borrowed $60,000,000 from its Credit Facility. These borrowings, along with cash provided by operations, were used to fund acquisitions of propane businesses and purchases of property, plant and equipment.

Effects of Inflation. In the past the Company has been able to adjust its sales price of product in response to market demand, cost of product, competitive factors and other industry trends. Consequently, changing prices as a result of inflationary pressures has not had a material adverse effect on profitability although revenues may be affected. Inflation has not materially impacted the results of operations and the Company does not believe normal inflationary pressures will have a material adverse effect on the profitability of the Company in the future.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27 Financial Data Schedules (filed in electronic format only)

(b) Reports on Form 8-K.

The registrants filed no reports on Form 8-K during the quarter ended April 30, 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

FERRELLGAS PARTNERS, L.P.

By: Ferrellgas, Inc.
(General Partner)

Date: June 12, 1995

/s/ Danley K. Sheldon
By: Danley K. Sheldon
Senior Vice President/
Chief Financial Officer
(Principal Financial and
Accounting Officer)

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FERRELLGAS PARTNERS, L.P. AND SUBSIDIARY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>
<CIK> 0000922358
<NAME> FERRELLGAS PARTNERS, L.P.
<MULTIPLIER> 1,000
<CURRENCY> U S DOLLARS

<S>	<C>
<PERIOD-TYPE>	9-MOS
<FISCAL-YEAR-END>	JUL-31-1995
<PERIOD-START>	AUG-01-1994
<PERIOD-END>	APR-30-1995
<EXCHANGE-RATE>	1
<CASH>	17,029
<SECURITIES>	0
<RECEIVABLES>	68,840
<ALLOWANCES>	1,318
<INVENTORY>	31,973
<CURRENT-ASSETS>	120,057
<PP&E>	525,497
<DEPRECIATION>	171,636
<TOTAL-ASSETS>	548,991
<CURRENT-LIABILITIES>	74,561
<BONDS>	320,162
<COMMON>	198,535
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<OTHER-SE>	(57,451)
<TOTAL-LIABILITY-AND-EQUITY>	548,991
<SALES>	483,290
<TOTAL-REVENUES>	506,087
<CGS>	285,059
<TOTAL-COSTS>	432,476
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	23,536
<INCOME-PRETAX>	42,227
<INCOME-TAX>	0
<INCOME-CONTINUING>	41,800
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	41,800

<EPS-PRIMARY>	1.34
<EPS-DILUTED>	1.34

</TABLE>

WARNING: THE EDGAR SYSTEM ENCOUNTERED ERROR(S) WHILE PROCESSING THIS SCHEDULE.

```
<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
FERRELLGAS, L.P. AND SUBSIDIARIES AND IS QUALIFIED IN ITS ENTIRETY
BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>
<CIK> 0000922359
<NAME> FERRELLGAS, L.P.
<MULTIPLIER> 1,000
<CURRENCY> U S DOLLARS

<S>                               <C>
<PERIOD-TYPE>                     9-MOS
<FISCAL-YEAR-END>                          JUL-31-1995
<PERIOD-START>                             AUG-01-1994
<PERIOD-END>                               APR-30-1995
<EXCHANGE-RATE>                                      1
<CASH>                                          17,029
<SECURITIES>                                         0
<RECEIVABLES>                                   68,840
<ALLOWANCES>                                     1,318
<INVENTORY>                                     31,973
<CURRENT-ASSETS>                               120,057
<PP&E>                                         525,497
<DEPRECIATION>                                 171,636
<TOTAL-ASSETS>                                 548,991
<CURRENT-LIABILITIES>                           74,560
<BONDS>                                        320,162
<COMMON>                                             0
<PREFERRED-MANDATORY>                                0
<PREFERRED>                                          0
<OTHER-SE>                                     142,526
<TOTAL-LIABILITY-AND-EQUITY>                   548,991
<SALES>                                        483,290
<TOTAL-REVENUES>                               506,087
<CGS>                                          285,059
<TOTAL-COSTS>                                  432,475
<OTHER-EXPENSES>                                     0
<LOSS-PROVISION>                                     0
<INTEREST-EXPENSE>                              23,536
<INCOME-PRETAX>                                 42,228
<INCOME-TAX>                                         0
<INCOME-CONTINUING>                             42,228
<DISCONTINUED>                                       0
<EXTRAORDINARY>                                      0
```

<CHANGES>	0
<NET-INCOME>	42,228
<EPS-PRIMARY>	0
<EPS-DILUTED>	0

</TABLE>

WARNING: THE EDGAR SYSTEM ENCOUNTERED ERROR(S) WHILE PROCESSING THIS SCHEDULE.

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
FERRELLGAS FINANCE CORP. AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE
TO SUCH FINANCIAL STATEMENTS.
</LEGEND>
<CIK> 0000922360
<NAME> FERRELLGAS FINANCE CORP.
<MULTIPLIER> 1
<CURRENCY> U S DOLLARS

<S> <C>
<PERIOD-TYPE> 9-MOS
<FISCAL-YEAR-END> JUL-31-1995
<PERIOD-START> AUG-01-1994
<PERIOD-END> APR-30-1995
<EXCHANGE-RATE> 1
<CASH> 960
<SECURITIES> 0
<RECEIVABLES> 0
<ALLOWANCES> 0
<INVENTORY> 0
<CURRENT-ASSETS> 960
<PP&E> 0
<DEPRECIATION> 0
<TOTAL-ASSETS> 960
<CURRENT-LIABILITIES> 263
<BONDS> 0
<COMMON> 1000
<PREFERRED-MANDATORY> 0
<PREFERRED> 0
<OTHER-SE> (303)
<TOTAL-LIABILITY-AND-EQUITY> 960
<SALES> 0
<TOTAL-REVENUES> 0
<CGS> 0
<TOTAL-COSTS> 0
<OTHER-EXPENSES> 0
<LOSS-PROVISION> 0
<INTEREST-EXPENSE> 0
<INCOME-PRETAX> (303)
<INCOME-TAX> 0
<INCOME-CONTINUING> (303)
<DISCONTINUED> 0
<EXTRAORDINARY> 0

<CHANGES>	0
<NET-INCOME>	(303)
<EPS-PRIMARY>	0
<EPS-DILUTED>	0

</TABLE>