

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **1999-03-26** | Period of Report: **1998-06-30**
SEC Accession No. **0000034551-99-000003**

(HTML Version on secdatabase.com)

FILER

FARM FISH INC

CIK: **34551** | IRS No.: **640474591** | State of Incorporation: **MS** | Fiscal Year End: **1231**
Type: **10QSB** | Act: **34** | File No.: **000-07320** | Film No.: **99574252**
SIC: **0200** Agricultural prod-livestock & animal specialties

Mailing Address
ROUTE 1 BOX 108A
ROUTE 1 BOX 108A
LOUISE, MS 39097-9707

Business Address
ROUTE 1 BOX 108A
LOUISE, MS 39097-9707
601-836-5188

FORM 10-QSB

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20001

QUARTERLY REPORT UNDER SECTION 13 OR 15 (D)
OF THE SECURITIES AND EXCHANGE ACT OF 1934

FOR QUARTER ENDED JUNE 30, 1998

COMMISSION FILE NUMBER 07320

FARM FISH, INC.

A MISSISSIPPI CORPORATION

E. I. NUMBER 64-0532896

Post Office Box 23109
Jackson, Mississippi 39225-3109

Telephone Number (601) 354-3801

Check whether in insurer (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Exchange Act during the past 12 months (or shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

State the number of shares outstanding of each of the insurers classes of common equity, as of the latest purchase date.

CLASS OUTSTANDING AS OF JUNE 30, 1998
Common Stock, No Par Value

2,688,605 SHARES
Number of Shares

FARM FISH, INC.

INDEX

	PAGE
PART I	
FINANCIAL INFORMATION	
Consolidated Condensed Balance Sheets June 30, 1998 and December 31, 1997	1
Consolidated Condensed Statements of Operations Three Months and Six Months Ended June 30, 1998 and 1997	2
Consolidated Condensed Statements of Cash Flows Six Months Ended June 30, 1998 and 1997	3
Notes to Consolidated Condensed Financial Statements	4
Management's Discussion and Analysis of Financial Condition and Results of Operations	5,6
PART II	
OTHER INFORMATION	7
EXHIBIT 27	8

PART I FINANCIAL INFORMATION

FARM FISH, INC.

CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 1998 (UNAUDITED) AND DECEMBER 31, 1997

	JUNE 30, 1998	DEC. 31, 1997
	(UNAUDITED)	(*NOTE)
ASSETS		
CURRENT ASSETS		
Cash	\$ 29,766	\$ 50,144
Accounts Receivable	191,007	207,264
Inventories - Note 2	4,938,702	5,067,783
Prepaid Expenses	10,867	11,480
	-----	-----
Total Current Assets	5,170,342	5,336,671
PROPERTY, PONDS, AND EQUIPMENT - NET	2,063,937	2,169,535
OTHER ASSETS	214,632	336,330
	-----	-----
TOTAL ASSETS	\$7,448,911	\$7,842,536
	=====	=====

LIABILITIES AND STOCKHOLDERS EQUITY

CURRENT LIABILITIES			
Accounts Payable	\$	97,982	\$ 11,428
Advances Payable to Shareholder & Current Maturities		2,651,709	3,309,853
Other Accrued Expenses and Payables		216,422	159,011
		-----	-----
TOTAL CURRENT LIABILITIES		2,966,113	3,480,292
DEFERRED INCOME TAXES		126,000	126,000
STOCKHOLDERS' EQUITY			
Common Stock - without par value, authorized 5,000,000 shares, subscribed and issued 2,688,605 shares at stated value at June 30, 1998 and 2,688,605 shares at December 31, 1997		4,424,336	4,424,336
Additional Paid-In Capital		475,776	475,776
Retained Earnings (Deficit)		(543,314)	(663,868)
		-----	-----
TOTAL STOCKHOLDERS' EQUITY		4,356,798	4,236,344
		-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	7,448,911	\$7,842,536
		=====	=====

See accompanying notes to consolidated condensed financial statements.

- 2 -

FARM FISH, INC.

CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS (UNAUDITED)

FOR THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 1998 AND 1997

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30		JUNE 30	
	1998	1997	1998	1997
NET SALES	\$ 864,130	\$ 852,812	\$1,773,877	\$1,813,450
OTHER INCOME	1,898	570	90,779	88,263
	-----	-----	-----	-----
	866,028	853,382	1,864,656	1,901,713
COST AND EXPENSES				
Cost of Sales	770,276	692,189	1,502,660	1,475,442
Selling, General, and				

Administrative Expenses	74,104	62,754	130,779	114,455
Interest	11,119	9,331	28,933	29,113
	-----	-----	-----	-----
Total Cost and Expense	855,499	864,274	1,662,372	1,619,010
INCOME BEFORE INCOME TAXES	10,529	89,108	202,284	282,703
INCOME TAX EXPENSE	(9,360)	(33,862)	(81,730)	(107,428)
	-----	-----	-----	-----
NET INCOME	\$ 1,169	\$ 55,246	\$120,554	\$175,275
	=====	=====	=====	=====
NET INCOME PER BASIC AND DILUTED SHARE	\$.00	\$0.02	\$.04	\$.07
	=====	=====	=====	=====
WEIGHTED AVERAGE BASIC AND DILUTED COMMON SHARES OUTSTANDING	2,688,605	2,688,605	2,688,605	2,688,605
	=====	=====	=====	=====

See accompanying notes to consolidated condensed financial statements

- 3 -

FARM FISH, INC.

CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS
(UNAUDITED)
FOR SIX MONTHS ENDED JUNE 30, 1998 AND 1997

	SIX MONTHS ENDED JUNE 30	
	1998	1997
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$720,469	\$523,140

INVESTING ACTIVITIES		
Purchase of Equipment	(72,439)	(35,058)
FINANCING ACTIVITIES		
Proceeds from Borrowing	0	0
Principal Payments on Borrowing	(676,997)	(505,000)
Advances from Shareholders	18,852	0
Payments on Shareholders Advances	0	(41,015)
	-----	-----
NET CASH USED IN FINANCING ACTIVITIES	(658,145)	(546,015)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,115)	(57,933)
CASH AND CASH EQUIVALENTS AT BEGINNING	50,144	80,815
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$40,029	\$22,882

See accompanying notes to consolidated condensed financial statements

- 4 -

FARM FISH, INC.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PRESENTATION

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-QSB and Rule 10-01 of Regulations S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six-month period ended June 30, 1998 are not necessarily indicative of the results that may be expected for the year ended December 31, 1998. For further information refer to consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-KSB for the year ended December 31, 1997.

NOTE 2: INVENTORIES

The components of inventory consist of the following:

	JUNE 30, 1998	DEC. 31, 1997
Live Fish	\$4,914,720	\$5,046,367
Feed and Supplies	23,982	21,416
	-----	-----
TOTAL INVENTORY	\$4,938,702	\$5,067,783
	=====	=====

FARM FISH, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATION

The following is Management's Discussion and Analysis of certain significant factors which have affected the Company's earnings during the periods included in the accompanying statements of income.

OPERATING INCOME:

SIX MONTHS ENDED JUNE 30, 1998, COMPARED TO SIX MONTHS ENDED JUNE 30, 1997

Sales for the period ending June 30, 1998 were \$1,773,877 compared to \$1,813,450 for the same period in 1997.

During the six month period ended June 30, 1998, Farm Fish, Inc. made a profit before taxes of \$202,284 compared to \$282,703 profit for the same period in 1997.

The price of live fish sold for the period averaged \$.80 per pound compared to \$.75 per pound for the same period in 1997. No fingerling sales were made for the first or second quarters of 1997 or 1998.

Cost of Sales was 89% of sales for the current period compared to 84% of sales for the same period of 1997. The average production cost of fish for the period was \$.5820 per pound compared to \$.5561 average production cost per pound for the same period last year. Increased production costs were due to higher feed costs for the past 24 months and an adjustment of \$47,387 for mortality.

The company had other income including dividends from a feed cooperative Of \$85,262 for the current period while other income for the first period of last year was \$80,778.

THREE MONTHS ENDED JUNE 30, 1998, COMPARED TO THREE MONTHS ENDED JUNE 30, 1997

Net sales for the three months ended June 30, 1998 increased by \$11,318 from 1997. The number of pounds of food fish sold during the period decreased by 28,812 pounds. The average selling price of food fish during this period increased by \$.05 per pound.

Cost of sales increased from 1997 by \$78,087 due primarily to an adjustment for mortality of \$41,659. General and Administrative expenses increased over 1997 by \$11,350. Legal and professional fees were significant portions of this increase.

FARM FISH, INC.

MANAGEMENTS DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY

As of June 30, 1998, current assets exceeded current liabilities by \$2,204,229 compared to \$1,760,331 for the same period ended June 30, 1997.

Delta Industries, Inc. made no payments for the company during the six month period this year or for the same period in 1997.

Farm Fish, Inc. had an unused line of credit with a local bank as of June 30, 1998 of \$1,500,000 compared to \$1,530,000 unused as of June 30, 1997. The total line of credit as of June 30, 1998 and 1997 was \$2,000,000. In addition to this line of credit and internally generated funds, the Company would rely on Delta Industries, Inc. to supply additional working capital, if needed.

PART II OTHER INFORMATION

FARM FISH, INC.

ITEM 1 - LEGAL PROCEEDINGS

The Registrant is not aware of any pending legal proceedings, other than ordinary routine litigation incidental to the business, involving the Registrant or its subsidiary of any property or assets.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Annual Meeting of the Stockholders' for Farm Fish, Inc., was held May 26, 1998, with election of T. L. Reed, III, Thomas R. Slough, Jr., Leland R. Speed, Robert Reed Doyle and W. D. Mounger as directors. The annual report for 1997 and all actions of the officer and directors of the corporation were adopted and approved.

ITEM 6 - EXHIBIT AND REPORT ON FORM 8-K

Exhibit 27 - Financial Data Schedule (attached)

There was no report on Form 8-K for the quarter ended June 30, 1998.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused

this report to be signed on its behalf by the undersigned thereunto duly authorized.

FARM FISH

(Registrant)

August 10, 1998

Date

Jayne Dew Secretary/Treasurer

<TABLE> <S> <C>

<ARTICLE> 5

<S>	<C>
<PERIOD-TYPE>	6-MOS
<FISCAL-YEAR-END>	DEC-31-1998
<PERIOD-END>	JUN-30-1998
<CASH>	29,766
<SECURITIES>	214,632
<RECEIVABLES>	191,007
<ALLOWANCES>	0
<INVENTORY>	4,938,702
<CURRENT-ASSETS>	5,374,107
<PP&E>	2,063,937
<DEPRECIATION>	133,050
<TOTAL-ASSETS>	7,448,911
<CURRENT-LIABILITIES>	2,966,113
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	0
<OTHER-SE>	0
<TOTAL-LIABILITY-AND-EQUITY>	7,448,911
<SALES>	1,773,877
<TOTAL-REVENUES>	1,864,656
<CGS>	1,502,660
<TOTAL-COSTS>	1,633,439
<OTHER-EXPENSES>	130,779
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	28,933
<INCOME-PRETAX>	202,284
<INCOME-TAX>	81,730
<INCOME-CONTINUING>	0
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	120,554
<EPS-PRIMARY>	.04
<EPS-DILUTED>	.04

</TABLE>