

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF ILLINOIS

IN RE: ) In Proceedings  
) Under Chapter 12  
DORR PARTNERSHIP, )  
) No. BK 87-30660  
Debtor. )

MEMORANDUM AND ORDER

This matter is before the Court on Production Credit Association's ("PCA") Objection to Motion for Authority to Use Cash Collateral. PCA claims a perfected security interest in all of debtor's stored grain. Checks aggregating \$9,855.42 are presently being held by Taber Grain Co., Cripe Grain Co., Grant Elevator and Lotz Trucking Co. for grain sold in 1986. Debtors seek to use a portion of those checks to pay for current operating expenses. As adequate protection, debtors have offered PCA a lien on their 1988 crops. PCA contends that a replacement lien on nonexistent crops does not constitute adequate protection under 11 U.S.C. §363(e).

Section 363(e) provides as follows:

Notwithstanding any other provision of this section, at any time, on request of an entity that has an interest in property used, sold, or leased, or proposed to be used, sold, or leased, by the trustee, the court, with or without a hearing, shall prohibit or condition such use, sale, or lease as is necessary to provide adequate protection of such interest.

In First Bank of Miller, Miller, S.D. v. Wieseler, 45 B.R. 871 (C.D. S.D. 1985), the court held that "a bare replacement lien in non-existent crops will not be enough protection to allow a debtor to proceed on a cash collateral motion." Id. at 876. See also In re

Berens, 41 B.R. 524 (Bankr. D. Minn. 1984). This Court agrees.

Accordingly, PCA's Objection to Motion for Authority to Use Case Collateral is ALLOWED. Debtor's Motion for Authority to Use Cash Collateral is DENIED.

\_\_\_\_\_/s/ Kenneth J. Meyers  
U.S. BANKRUPTCY JUDGE

ENTERED: January 6, 1988