

AGWAY LIQUIDATING TRUST

D. Clark Ogle, Trustee
Agway Inc.
Agway Liquidating Trust
PO Box 4933
Syracuse, NY 13221

July 30, 2004

**NOMINEES: IMPORTANT TIME-SENSITIVE INFORMATION.
PLEASE FORWARD IMMEDIATELY.**

**To: The Interest Holders of the AGWAY Liquidating Trust, namely,

Former Holders of Allowed General Unsecured Claims Against
Agway, Inc.**

Ladies and Gentlemen:

In the chapter 11 case of *In re: Agway, Inc.* (the "Debtor"), Ch. 11 Case No. 02-65872 through 02-65877, the U.S. Bankruptcy Court, Northern District of New York (the "Court"), issued an Order dated April 28, 2004 confirming the Debtors' First Amended Joint Chapter 11 Plan of Liquidation dated February 26, 2004 (as modified by the Debtors' Second Amended Joint Chapter 11 Plan of Liquidation dated April 21, 2004, as the same has been or may be further amended, the "Plan"). As of the May 1, 2004 effective date of the Plan (the "Effective Date"), the interests of holders of allowed general unsecured claims (the "Claims") were deemed converted to interests in the Agway Liquidating Trust (the "Liquidating Trust") and the holders of such interests (the "Interest Holders") are entitled to distributions from the Liquidating Trust as provided in the Plan and in accordance with the Court's orders and the Liquidating Trust Agreement dated as of April 30, 2004.

Pursuant to the Plan and the Liquidating Trust Agreement, the Liquidating Trust notifies you as follows:

1. Pursuant to the Plan, the Liquidating Trustee is obligated to determine the value of the Liquidating Trust Assets and Claims and Cash transferred to the Liquidating Trust. The annexed schedule reflects the Liquidating Trustee's best judgment of the valuation of the Liquidating Trust Assets and Claims and Cash received from Agway, Inc. on the Effective Date (the "Valuation").

2. Interest Holders should be aware that:
- (a) they are obligated, pursuant to the Plan, to use the Valuation for all federal income tax purposes;
 - (b) pursuant to the Plan, they are deemed to have received, on the Effective Date, from Agway, Inc. their pro-rata share of such Liquidating Assets and Claims and Cash, valued at the Valuation, and to have recontributed such pro-rata share to the Liquidating Trust;
 - (c) there likely will be future transfers of Liquidating Assets and Claims to the Liquidating Trust from Agway, Inc.; and
 - (d) the amount that ultimately may be realized by the Liquidating Trust on collection or disposition of the Liquidating Trust Assets and Claims may differ (potentially materially) from the valuation
 - (e) each interest holder's pro-rata share of the Liquidating Assets and Claims and Cash is based upon their allowed claim amount as a percentage of the total unsecured allowed claim amount on the annexed schedule. For instance, if your allowed claim was \$10,000, your interest in the Net Assets of the Liquidating Trust would be \$10,000 divided by the Unsecured Allowed claims against Net Assets of \$436,809,000 (.0022893%) times the Net Assets of \$232,351,000 = \$5,319.21.

No response is required to this communication.

Very truly yours,

AGWAY LIQUIDATING TRUST



D. Clark Ogle, Liquidating Trustee