

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re AgFeed USA, LLC, et al.

Case No. 13-11761 (BLS)
Reporting Period: August 1, 2014 - August 31, 2014

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month.

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit/Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	X		
Schedule of Professional Fees Paid	MOR-1b	X		
Copies of bank statements		X		
Cash disbursements journals				
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Postpetition Taxes	MOR-4	X		
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Postpetition Debts	MOR-4	X		
Listing of aged accounts payable	MOR-4	X		
Accounts Receivable Reconciliation and Aging	MOR-5	X		
Debtor Questionnaire	MOR-5	X		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date

/s/ Keith A. Maib
Signature of Authorized Individual*

9/30/2014
Date

Keith A. Maib
Printed Name of Authorized Individual

Chief Restructuring Officer
Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

Case No. 13-11761 (BLS)
Reporting Period: _____ Period 8 (August) _____

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be per the debtor's books, not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS INITIAL REPORT (FORM IR-1). Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. (See MCR-1 (CONT))

	BANK ACCOUNTS				CURRENT MONTH		CUMULATIVE FILING TO DATE	
	OPER	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL (1)	PROJECTED
Cash Beginning of Month	\$ 8,025,355				\$ 8,025,355		\$ 633,911	
RECEIPTS								
Hormel Market Sales	\$				\$		\$ 75,357,884	
Cull Sales- Finishing							2,240,553	
Cull Sales- Sows							1,864,096	
Net Sales Proceeds							52,331,682	
Misc Income							1,426,767	
External Feed Sales								
Total Receipts							132,708,992	
DISBURSEMENTS								
Payroll							2,618,853	
401k/H.S.A./Insurance							461,785	
Purchased Wean Pigs (CH/MP/3rd Party)							753,052	
Boar Purchases							338	
Feed Costs- Finishing							27,137,354	
Feed Ingredient Costs- Farrowing							2,444,043	
Producer Fees							5,732,880	
Vet/Meds							878,015	
Rent-Offices							60,918	
CEO & Other Restructuring Management	3,250				3,250		1,386,979	
AF- Parent Overhead	468,750				468,750		5,510,675	
Utilities							2,287,412	
Repairs & Maintenance	1,821				1,821		307,806	
Insurance							464,327	
Vehicle/Fleet Costs							475,441	
Truck Wash							71,178	
Business Mesh/Travel							65,091	
Misc/Supplies	986				986		257,326	
Total Operating Disbursements	474,807				474,807		715,902	
Net Operating Cash Flow	(474,807)				(474,807)		81,125,618	
Non-Operating Disbursements								
Principal Payment							68,374,030	
Interest Payment - FCSA Revolver							1,383,502	
Interest Payment Other Debt (NC + HM)							38,111	
Capital Expenditures							738	
Restructuring Professional Fees	24,039				24,039		4,437,637	
Total Non-Operating Disbursements	24,039				24,039		74,234,018	
Total Disbursements	498,846				498,846		125,816,392	
Net Cash Flow	(498,845)				(498,845)		6,892,600	
Cash End of Month	\$ 7,526,510				\$ 7,526,510		\$ 7,526,511	
Disbursement for Calculating U.S. Trustee Quarterly Fees								
Total Disbursements							\$ 486,845	
Less: Transfers to Debtor In Possession Accounts							468,750	
Plus: Estate Disbursements Made by Outside Sources								
Total Disbursements for Calculating U.S. Trustee Quarterly Fees							\$ 30,095	

Notes:
(1) Beginning cash balance (Cumulative Filing to Date) has been adjusted to reflect actual cash as of 1/3/2014 and is consistent with bank balances.

In re AgFeed USA, LLC, et al.
Debtors

Case No. 13-11761 (BLS)
Reporting Period: _____ Period 8 (August)_____

BANK RECONCILIATIONS
Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The Debtor's bank reconciliation may be substituted for this page.

The following accounts are included in the enclosed bank reconciliations:

Bank Account Name	Bank Account Number
Bank of The West Operating Account	XXX2187
Bank of the West Credit Card Deposit Account	XXX9251

AGFEED USA BOTW OPERATING ACCOUNT
Bank of the West Account 032-432187 Analyzed Checking

Bank balance 8/31/14	\$	7,526,510
Deposits in Transit		-
Outstanding checks		
	Check	<u>2,266</u>
	Total o/s checks	<u>2,266</u>
Register balance as of 8/31/2014	\$	<u><u>7,524,244</u></u>

In re AgFeed USA, LLC, et al.
Debtors

Case No. 13-11761 (BLS)
Reporting Period: _____ Period 8 (August) _____

111

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

This schedule is to include all retained professional payments from case inception to current month.

Payee	Period Covered	Amount Approved	Payor	Check		Amount Paid		Applied to Date	
				Number	Date	Fees	Expenses	Fees	Expenses
Lowenstein Sandler LLP	4/1/14 - 4/30/14	\$ 10,656	AgFeed USA, LLC	Wire	8/8/2014	10,379	\$ 277	\$ 592,821	\$ 5,112
BMC Group, Inc.	5/1/14-6/30/14	9,684	AgFeed USA, LLC	Wire	8/8/2014	4,894	4,790	139,973	72,719
Greenberg Traurig LLP	1/1/14-3/31/14	3,699	AgFeed USA, LLC	Wire	8/8/2014	3,280	419	179,775	5,401
Total		\$ 24,039				\$ 18,553	\$ 5,486	\$ 81,637	\$ 2,907

Bank of the West
Operating Account



Account Statement

August 1, 2014 - August 31, 2014

Page 1 of 4



>005586 4480503 0001 008230 10Z
 AGFEED USA LLC
 OPERATING ACCOUNT
 1920 PHILADELPHIA ST, SUITE 107
 AMES IA 50010-8197

At your service

bankofthewest.com

1-800-488-2265

Thank you for banking with Bank of the West. We appreciate your business and look forward to continuing to serve your banking needs.

ANALYZED CHECKING 032-432187

AGFEED USA LLC
 OPERATING ACCOUNT

ACCOUNT SUMMARY

Beginning Balance	\$8,025,353.10
0 Credits	0.00
0 Deposits	0.00
6 Withdrawals	-493,774.54
2 Checks	-5,071.21
Ending Balance	\$7,526,507.35

EARNINGS SUMMARY

Interest this statement period	\$0.00
Interest credited year-to-date	\$0.00
Annual percentage yield earned	0.00%
Average monthly balance	\$7,640,746.85

For your protection:

Examine this statement promptly. Any discrepancy must be reported within 30 days. Consumer customers: A discrepancy regarding an electronic payment or line of credit must be reported within 60 days.

In South Dakota, Bank of the West operates under the name of Bank of the West California.



05586 4480503 011006 022011 0001/0002



Account Statement

August 1, 2014 - August 31, 2014

Page 2 of 4

ANALYZED CHECKING xxx-xx2187 (continued)

ACCOUNT DETAIL

Withdrawals

<i>Date</i>	<i>Amount</i>	<i>Description</i>
08/08	\$3,699.28	OUTGOING WIRE REFERENCE # 140808003896 WIRE DEBIT SENDING BANK REFERENCE # WT14080803612782
08/08	9,683.58	OUTGOING WIRE REFERENCE # 140808003899 WIRE DEBIT SENDING BANK REFERENCE # WT14080803612780
08/08	10,656.08	OUTGOING WIRE REFERENCE # 140808003895 WIRE DEBIT SENDING BANK REFERENCE # WT14080803612783
08/08	468,750.00	OUTGOING WIRE REFERENCE # 140808003897 WIRE DEBIT SENDING BANK REFERENCE # WT14080803612781
08/08	750.00	ACH SETTLEMENT AG FEED USA MISC 080814
08/20	235.60	CASH MANAGEMENT CHG -ACCOUNT ANALYSIS CHARGES

6 withdrawals for a total of \$493,774.54

Checks Paid

<i>Number</i>	<i>Date paid</i>	<i>Amount</i>	<i>Number</i>	<i>Date paid</i>	<i>Amount</i>
20022	08/14	1,821.21	20023	08/19	3,250.00

2 checks paid for a total of \$5,071.21



Bank of the West
Credit Card Deposit
Account



Account Statement

August 1, 2014 - August 31, 2014

Page 1 of 4



>006539 4480503 0001 008230 10Z
 AG FEED USA LLC
 1920 PHILADELPHIA ST, STE 107
 AMES IA 50010-8197

At your service

bankofthewest.com

1-800-488-2265

Thank you for banking with Bank of the West. We appreciate your business and look forward to continuing to serve your banking needs.

MONEY MARKET SELECT BUSINESS 032-159251

AG FEED USA LLC

ACCOUNT SUMMARY

Beginning Balance	\$50,135.77
1 Credits	12.77
0 Deposits	0.00
0 Withdrawals	0.00
0 Checks	0.00
Ending Balance	\$50,148.54

EARNINGS SUMMARY

Interest this statement period	\$12.77
Interest credited year-to-date	\$100.04
Annual percentage yield earned	0.30%
Average monthly balance	\$50,135.77

For your protection:

Examine this statement promptly. Any discrepancy must be reported within 30 days. Consumer customers: A discrepancy regarding an electronic payment or line of credit must be reported within 60 days.

In South Dakota, Bank of the West operates under the name of Bank of the West California.



06539 4480503 012912 025823 00010000Z



Account Statement

August 1, 2014 - August 31, 2014

Page 2 of 4

MONEY MARKET SELECT BUSINESS xxx-xx9251 *(continued)*

ACCOUNT DETAIL

Credits

<i>Date</i>	<i>Amount</i>	<i>Description</i>
08/29	\$12.77	INTEREST PAID
1 credit for a total of \$12.77		



In re AgFeed USA, LLC, et al.
Debtors

Case No. 13-11761 (BLS)
Reporting Period: _____ Period 8 (August) _____

STATEMENT OF OPERATIONS
(Consolidated Statements of Income)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

Revenue	Month	Cumulative Filing to Date ⁽¹⁾
Net Market Hog Sales	\$ -	\$ 73,542,483
Other Hog Sales	-	77,355
Other Revenue	-	47,423
Net Revenue	\$ -	\$ 73,667,261
Cost of sales		\$ 69,562,171
Gross profit	\$ -	\$ 4,105,090
Other (expense)		
General and Administrative	\$ 469,086	\$ 8,973,110
Interest Expense	-	1,092,584
Extraordinary Items	-	27,653
Total Other Expenses	\$ 469,086	\$ 10,093,347
Net income (loss) Before Reorganization Items	\$ (469,086)	\$ (5,988,257)
Reorganization Items		
Restructuring Professional Fees	\$ 206,674	\$ 3,196,224
CRO and Other Restructuring Management Expense	-	888,448
U. S. Trustee Quarterly Fees	13,137	180,523
Interest Earned on Accumulated Cash from Chapter 11	-	-
Loss (Gain) from Sale of Assets ⁽²⁾	-	11,193,899
Other Reorganization Expenses	-	-
Total Reorganization Expenses	\$ 219,811	\$ 15,459,094
Income Taxes		-
Net Profit (Loss)	\$ (688,897)	\$ (21,447,351)

Notes:

(1) Reflects postpetition time period from July 15, 2013 through period end.

(2) Effective September 12, 2013, AgFeed USA, LLC, completed their sale of the Sellers' farrowing and feed operations in Colorado, Oklahoma and North Carolina, the Sellers' finishing operations in Iowa and approximately 41% of the Sellers' finishing herd to Murphy-Brown LLC and entities owned by TriOak Foods, Inc, (Cohoma Pork, LLC and High Plains Pork, LLC). On October 12, 2013, the Debtors concluded a bulk sale of 64,000 additional pigs to the same Buyers for approximately \$5.9 million in gross proceeds.

In re AgFeed USA, LLC, et al.

Debtor

Case No. 13-11761 (BLS)

Reporting Period: _____ Period 8 (August) _____

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

	Book Value on Current Report		Book Value on Petition Date ⁽¹⁾	
Current Assets				
Unrestricted Cash ⁽²⁾		7,524,243		298,952
Restricted Cash		-		-
Total Cash ⁽³⁾	\$	7,524,243	\$	298,952
Accounts Receivable		-		2,462,280
Intercompany Receivables		-		176,047
Finishing Inventories		-		57,664,348
Farrowing Inventories		-		9,429,898
Feed & Grain Inventories		-		547,339
Other Inventories		-		163,299
Prepaid Expenses ⁽⁴⁾		531,383		2,960,603
Other Current Assets		51,345		14,200
Total Other Current Assets		582,728		73,418,014
Total Current Assets		8,106,971		73,716,966
Fixed Assets				
Fixed Assets		-		20,164,082
Less Accumulated Depreciation		-		(5,451,395)
Breeding Stock		-		7,934,190
Net Fixed Assets		-		22,646,877
Other Non-Current Assets				
Intangible Assets, Net of Amortization		2,840,434		6,597,203
Deferred Loan Origination Fees, Net of Amortization		-		41,833
Other Assets		-		246,110
Net Other Non-Current Assets		2,840,434		6,885,146
Total Assets	\$	10,947,405	\$	103,248,989
Liabilities Not Subject to Compromise (Post-petition)				
Drafts Outstanding	\$	-	\$	-
Accounts Payable		103		-
Accrued Payroll & Benefits		-		-
Accrued Interest Payable		-		-
Other Accrued Liabilities		-		-
Intercompany Payables		937,500		-
CRO and Other Restructuring Management Expense		13,137		-
Restructuring Professional Fees		141,569		-
Total Post Petition Liabilities		1,092,309		-
Liabilities Subject to Compromise (Pre-petition)				
Drafts Outstanding		-		3,587,945
Accounts Payable		541,840		2,869,532
Accrued Payroll & Benefits		-		953,257
Accrued Interest Payable		-		115,199
Other Accrued Liabilities		-		297,332
Intercompany Payables		437,467		437,466
Line of Credit Balance Outstanding		-		55,394,132
Short Term Loan Payable		-		495,902
Current Portion of Long Term Debt		-		1,861,845
Note Payable- Hormel Finance		2,840,434		2,840,434
Farm Credit Term Loan, Less Current Portion		-		6,561,424
Total Pre-petition Liabilities		3,819,741		75,414,468
Total Liabilities	\$	4,912,050	\$	75,414,468
Equity				
Retained Earnings	\$	(10,262,221)	\$	2,093,284
Common Stock		24,250,301		24,250,301
Member Distributions		(3,300,000)		(3,300,000)
Current month Income (loss)		(688,897)		4,790,937
Prior months' income (loss) - current year		(3,963,828)		-
Total Equity		6,035,355		27,834,522
Total Liabilities and Equity	\$	10,947,404	\$	103,248,990

In re AgFeed USA, LLC, et al.

Debtor

Case No. 13-11761 (BLS)

Reporting Period: _____ Period 8 (August) _____

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

	Book Value on Current Report	Book Value on Petition Date ⁽¹⁾
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Notes:

(1) The most recent month end closing prior to the Petition Date was July 6, 2013. The books and records of the Debtors from that closing are used as a proxy for the Petition Date for purposes of this MOR submission.

(2) Includes primary BOTW operating account only. Restricted cash account closed May 2014 and all funds transferred to Primary Operating account.

(3) The balance sheet above reflects book balance cash, the cash receipts and disbursements submitted in MOR 1 reflects bank balance cash.

4) Primarily consists of professional fee retainers.

In re AgFeed USA, LLC, et al.
 Debtor

Case No. 13-11761 (BLS)
 Reporting Period: _____ Period 8 (August) _____

STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero. Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes. Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Federal						
Withholding	-					-
FICA-Employee	-					-
FICA-Employer	-					-
Social Security - Employee	-					-
Social Security - Employer	-					-
Medicare - Employee	-					-
Medicare - Employer	-					-
Unemployment	-					-
Income	-					-
Other:	-					-
Total Federal Taxes	-	-	-		-	-
State and Local						
Withholding	-					-
Sales	-					-
Excise	-					-
Unemployment Insurance	-					-
Unemployment Disability	-					-
Real Property	-					-
Personal Property	-					-
Other:	-					-
Total State and Local	-	-	-		-	-
Total Taxes	-	-	-		-	-

In re AgFeed USA, LLC, et al.
Debtor

Case No. 13-11761 (BLS)
Reporting Period: _____ Period 8 (August) _____

STATUS OF POSTPETITION TAXES

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable.

	Current	0-30	31-60	61-90	Over 90	Total
Accounts Payable	\$ 103					
Wages Payable						
Taxes Payable						
Rent/Leases-Building						
Rent/Leases-Equipment						
Secured Debt/Adequate Protection Payments						
Professional Fees						
Amounts Due to Insiders*						
Other:						
Other:						
Total Postpetition Debts	\$ 103					

Explain how and when the Debtor intends to pay any past-due postpetition debts.

*"Insider" is defined in 11 U.S.C. Section 101(31).

In re AgFeed USA, LLC, et al.
Debtor

Case No. 13-11761 (BLS)
Reporting Period: _____ Period 8 (August) _____

SUMMARY OF UNPAID POSTPETITION DEBTS

Vendor ID	Vendor Name	Amount
Accounts Payable		
	Lightedge	\$ 103
		103
Professional fees payable		
	<i>Total Postpetition Debts</i>	\$ 103

Notes:
- All postpetition debts are current excepting certain professional fees which remain subject to court approval

In re AgFeed USA, LLC, et al.
Debtors

Case No. 13-11761 (BLS)
Reporting Period: _____ Period 8 (August) _____

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Adjustments (Write-offs of uncollectible receivables)	-
Total Accounts Receivable at the end of the reporting period	\$ -

Accounts Receivable Aging	Amount
0 - 30 days old	-
31 - 60 days old	-
61 - 90 days old	-
91+ days old	-
Total Accounts Receivable	\$ -

Amount considered uncollectible (Bad Debt) _____

Accounts Receivable (Net) \$0

In re AgFeed USA, LLC, et al.
Debtors

Case No. 13-11761 (BLS)
Reporting Period: _____ Period 8 (August) _____

DEBTOR QUESTIONNAIRE

	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re AgFeed Industries, Inc, et al.

Case No. 13-11762 (BLS)

Reporting Period: August 1, 2014 - August 31, 2014

MONTHLY OPERATING REPORT

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Copies of bank statements		X		
Cash disbursements journals				
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Postpetition Taxes	MOR-4	X		
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
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Listing of aged accounts payable	MOR-4	X		
Accounts Receivable Reconciliation and Aging	MOR-5	X		
Debtor Questionnaire	MOR-5	X		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date

/s/ Keith A. Maib
Signature of Authorized Individual*

9/30/2014
Date

Keith A. Maib
Printed Name of Authorized Individual

Chief Restructuring Officer
Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

Case No. 13-11762 (BLS)
 Reporting Period: _____ Period 8 (August) _____

in re AgFeed Industries, Inc.
 Debtors

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

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	OPER ⁽¹⁾			CURRENT MONTH			CUMULATIVE FILING TO DATE	
	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL ⁽²⁾	PROJECTED	
Cash beginning of period	36,606,088			\$ 36,606,088		\$ 69,178		
RECEIPTS								
Technical Services Fee			\$			\$ 234,260		
Management Services Fee	468,750			468,750		5,443,850		
Miscellaneous						4,178		
China Sale Transaction						45,804,503		
Total Receipts	468,750			468,750		51,486,791		
DISBURSEMENTS								
Payroll and Related						227,967		
Temporary Accounting Services	134,534			134,534		289,349		
Rent						34,698		
IT / Technology	2,155			2,155		12,865		
Other						72,301		
Board of Directors						281,250		
D&O Installments						91,211		
SunTrust Bank Fees						1,019		
Insurance	2,093			2,093		473,256		
Business Meals/Travel						18,454		
CRO and Restructuring Management	41,213			41,213		1,300,402		
Bankruptcy / Transaction	3,250			3,250		178,412		
Tax returns						101,950		
Bankruptcy Professional Fees	252,557			252,557		7,533,796		
Cash settlement to satisfy long-term debt						4,300,000		
Total Disbursements	435,801			435,801		14,916,929		
Net Cash Flow	\$ 32,949			\$ 32,949		\$ 36,569,862		
Cash End of Month	\$ 36,639,037			\$ 36,639,037		\$ 36,639,040		
Disbursement for Calculating U.S. Trustee Quarterly Fees								
Total Disbursements	\$ 435,801			\$ 435,801				
Less: Transfers to Debtor in Possession Accounts								
Plus: Estate Disbursements Made by Outside Sources								
Total Disbursements for Calculating U.S. Trustee Quarterly Fees	\$ 435,801			\$ 435,801				

Notes:
 (1) Debtor maintains one primary operating account at Sun Trust.

In re AgFeed Industries, Inc.
Debtors

Case No. 13-11762 (BLS)
Reporting Period: _____ Period 8 (August) _____

BANK RECONCILIATIONS

Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The Debtor's bank reconciliation may be substituted for this page.

The following account is included in the enclosed bank reconciliation:

Bank Account Name SunTrust
Bank Account Number XXX3958

Notes:

In re AgFeed Industries, Inc.
Debtors

Case No. 13-11762 (BLS)
Reporting Period: _____ Period 8 (August)

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

This schedule is to include all retained professional payments from case inception to current month.

Payee	Period Covered	Amount Approved	Payor	Check Number	Date	Amount Paid		Applied to Date	
						Fees	Expenses	Fees	Expenses
NERA	1/1/14 - 5/31/14	139,064	AgFeed Industries, Inc.	Wire	8/8/14 & 8/22/14	137,550	1,514	137,550	
Greenberg Traurig LLP	4/1/14-4/30/14	7,353	AgFeed Industries, Inc.	Wire	8/8/2014	6,520	833	379,197	5,657
Lowenstein Sandler LLP	4/1/14-4/30/14	11,069	AgFeed Industries, Inc.	Wire	8/8/2014	10,781	288	312,032	9,428
Young Conaway Stargatt & Taylor, LLP	5/1/14-5/31/14	61,618	AgFeed Industries, Inc.	Wire	8/26/2014	60,407	1,211	1,147,035	24,035
Total		\$ 219,104				\$ 215,258	\$ 3,846	\$ 4,583,811	\$ 93,083

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Page 1 of 3
 36/E00/0175/0 /54
 1000103433958
 08/31/2014
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Account Statement

AGFEED INDUSTRIES INC -DIP-
 US CHECKING ACCOUNT
 CASE NO 13-11761
 816 CONGRESS AVE STE 1280
 AUSTIN TX 78701

Questions? Please call
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Account Summary	Account Type	Account Number	Statement Period
	ANALYZED BUSINESS CHECKING	1000103433958	08/01/2014 - 08/31/2014

Description	Amount	Description	Amount
Beginning Balance	\$36,606,087.65	Average Balance	\$33,262,435.62
Deposits/Credits	\$468,750.00	Average Collected Balance	\$33,262,435.62
Checks	\$40,944.00	Number of Days in Statement Period	31
Withdrawals/Debits	\$11,453,666.94		
Ending Balance	\$25,580,226.71		

Deposits/Credits	Date	Amount	Serial #	Description
	08/08	468,750.00		INCOMING FEDWIRE CR TRN #008425
Deposits/Credits:		1	Total Items Deposited: 0	

Checks	Check Number	Amount	Date Paid	Check Number	Amount	Date Paid	Check Number	Amount	Date Paid
	10701	3,250.00	08/19	10703	2,791.50	08/29			
	10702	1,450.00	08/21	10704	33,452.50	08/29			
Checks: 4									

Withdrawals/Debits	Date Paid	Amount	Serial #	Description
	08/08	7,353.42		OUTGOING FEDWIRE DR TRN #008483
	08/08	11,068.85		OUTGOING FEDWIRE DR TRN #008484
	08/08	79,325.35		OUTGOING FEDWIRE DR TRN #008482
	08/22	2,092.60		OUTGOING FEDWIRE DR TRN #009413
	08/22	59,739.00		OUTGOING FEDWIRE DR TRN #009414
	08/22	989,948.00		OUTGOING FEDWIRE DR TRN #009412
	08/22	1,252,360.03		OUTGOING FEDWIRE DR TRN #009411
	08/22	2,780,000.00		OUTGOING FEDWIRE DR TRN #009409
	08/22	6,012,501.46		OUTGOING FEDWIRE DR TRN #009410
	08/26	102,830.97		ACH PREFUNDING SETTLEMENT AGFEED IND ACH PRFUND -SETT-A.OTMCCORP
	08/26	705.00		OUTGOING FEDWIRE DR TRN #005347
	08/26	24,000.00		OUTGOING FEDWIRE DR TRN #005348
	08/27	131,742.26		OUTGOING FEDWIRE DR TRN #009858
Withdrawals/Debits: 13				

Balance Activity History	Date	Balance	Collected Balance	Date	Balance	Collected Balance
	08/01	36,606,087.65	36,606,087.65	08/22	25,875,748.94	25,875,748.94
	08/08	36,977,090.03	36,977,090.03	08/26	25,748,212.97	25,748,212.97
	08/19	36,973,840.03	36,973,840.03	08/27	25,616,470.71	25,616,470.71
	08/21	36,972,390.03	36,972,390.03	08/29	25,580,226.71	25,580,226.71

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Page 3 of 3
36/E00/0175/0 /54
1000103433958
08/31/2014



Account Statement

AgFeed Industries, Inc. 10701

DATE: 8/19/2014

AMOUNT: \$3,250.00

MEMO: U.S. Trustee

MEMO: Account # 111-11-11762

010701 60640000461000103433958*

Ck # 10701 08/19 \$3,250.00

AgFeed Industries, Inc. 10703

DATE: 8/29/2014

AMOUNT: \$2,791.50

MEMO: AME-Consol. CPA

MEMO: July Invoice

010703 60640000461000103433958*

Ck # 10703 08/29 \$2,791.50

AgFeed Industries, Inc. 10702

DATE: 8/21/2014

AMOUNT: \$1,450.00

MEMO: Invoice 20140605

010702 60640000461000103433958*

Ck # 10702 08/21 \$1,450.00

AgFeed Industries, Inc. 10704

DATE: 8/29/2014

AMOUNT: \$33,452.50

MEMO: Inv. 00032928-109 (AgFeed)

010704 60640000461000103433958*

Ck # 10704 08/29 \$33,452.50

In re AgFeed Industries, Inc.
Debtors

Case No. 13-11762 (BLS)
Reporting Period: _____ Period 8 (August) _____

STATEMENT OF OPERATIONS
(Consolidated Statements of Income)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

Revenue	Month	Cumulative Filing to Date ⁽¹⁾
Management Services Revenue	\$ 468,750	\$ 5,625,169
Technical Services Revenue	-	134,343
Gross profit	468,750	5,759,512
General and administrative		
Payroll	-	231,125
Contract Labor/Service	134,744	315,086
Travel & Entertainment	-	7,429
Facility	-	48,795
Insurance	40,290	831,367
Depreciation & Amortization	-	42,771
Professional Fees	-	526,034
Board & Director Expenses	-	353,085
Other	2,991	54,457
Bank Charges	-	1,667
Total general and administrative expense	178,025	2,411,816
Income from Operations	\$ 290,726	\$ 3,347,697
Non-operating		
Interest Income	-	-
Interest Expense	-	275,114
Financing Costs	-	-
Foreign Currency	-	-
Other : reserve for Board indemnification	-	(742,939)
Total non-operating income (expense)	-	(467,825)
Income before income taxes	\$ 290,726	\$ 3,815,522
Provision for taxes	-	-
Net income (Before Reorganization Items)	\$ 290,726	\$ 3,815,522
Minority Interest	-	-
Reorganization Items		
Restructuring Professional Fees	694,672	\$ 6,691,604
CRO and Other Restructuring Management Expense	60,956	1,134,040
U. S. Trustee Quarterly Fees	5,933	38,562
Settlement of Long-term debt and accrued interest below book value	-	(4,597,858)
Interest Earned on Accumulated Cash from Chapter 11	-	-
Write down on Assets / Stock Held for Sale ⁽²⁾	688,897	26,933,502
Other Reorganization Expenses	-	-
Total Reorganization Expenses	\$ 1,450,458	\$ 30,199,850
Net Profit (Loss)	\$ (1,159,733)	\$ (26,384,329)

Notes:

(1) Reflects postpetition time period from July 15, 2013 through August 31, 2014.

(2) See separate schedule provided in Aug 2013 MOR which reconciles the Write Down on Assets Held for Sale in August. From that date on, the income or loss of subsidiary is recorded so that Investment in Subsidiary (Agfeed USA) reflects its net equity position.

In re AgFeed Industries, Inc.
Debtors

Case No. 13-11762 (BLS)
Reporting Period: _____ Period 8 (August) _____

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations

	Book Value on Current Report ⁽¹⁾	Book Value on Petition Date ^{(1), (8)}
Current Assets		
Cash and Cash Equivalents ⁽²⁾	\$ 25,580,228	\$ 77,766
Other receivables	558,432	(4,894)
Prepaid expense	116,250	327,617
Total Current Assets	26,254,910	400,489
Long-Term Assets		
Intercompany Receivable ⁽³⁾	1,374,966	9,964,228
Property & Equipment	7,433	7,433
Accumulated depreciation	(7,433)	(6,132)
Intangible assets	-	119,783
Deferred Tax Asset	8,517,314	9,141,688
Investment in Subsidiaries ⁽⁴⁾	6,035,355	136,510,577
Total Long-Term Assets	15,927,635	155,737,578
Total Assets	\$ 42,182,545	\$ 156,138,067
Liabilities Not Subject to Compromise (Post-petition)		
Accounts payable	32,916	-
Accrued expenses	-	-
Reserve for Indemnification of Board members ⁽⁵⁾	741,939	-
CRO and Other Restructuring Management Expense	60,956	-
Restructuring Professional Fees	2,017,959	-
Total Post Petition Liabilities	2,853,770	-
Liabilities Subject to Compromise (Pre-petition)		
Accounts payable	3,213,642	4,915,853
Accrued Expenses ⁽⁶⁾	-	10,199,602
Accrued Payroll	200,000	553,606
Hypor loan	-	-
Tax and Welfare Payable	2,040,221	1,575,669
Acquisition payable ⁽⁷⁾	-	2,179,424
Intercompany Payable	-	4,117,036
Convertible Debenture ⁽⁷⁾	-	(1,377,677)
LT Debt ⁽⁷⁾	-	7,622,010
Total Pre-petition Liabilities	5,453,863	29,785,522
Total Liabilities	\$ 8,307,633	\$ 29,785,522
Shareholder's Equity		
Common stock	\$ 70,139	\$ 69,118
Additional paid-in capital	164,960,167	164,960,593
Treasury stock	(1,893,028)	(1,893,028)
Retained Earnings	(126,434,296)	(33,535,993)
Prior period adjustment: insurance	131,915	-
Current Month's Income (Loss)	(1,159,733)	-
Prior Months' Income (Loss) - current year	(1,800,252)	(3,248,147)
Total Shareholder's Equity	33,874,912	126,352,543
Total Liabilities and Shareholder's Equity	\$ 42,182,545	\$ 156,138,066

Notes:

(1) The most recent month end closing prior to the Petition Date was June 30, 2013. The books and records of the Debtors from that closing are used as a proxy for the Petition Date for purposes of this MOR submission.

(2) The balance sheet above reflects book balance cash, the cash receipts and disbursements submitted in MOR 1 reflects bank balance cash flows.

(3) Represents management services fees owed from USA to Industries.

(4) Represents investment in AgFeed USA and is adjusted to reflect AgFeed USA equity.

(5) Reserve for indemnification of former Directors & Officers related to defense of individuals claims brought by SEC.

(6) Pre-petition accrued expenses were recategorized to pre-petition accounts payable after filing.

(7) AF Sellico Secured Promissory Note was reclassified into LT Debt (previously recorded in Acquisition Payable, Convertible Debenture and LT Debt).

(8) Significant accounting adjustments have occurred since filing.

In re AgFeed Industries, Inc.
Debtors

Case No. 13-11762 (BLS)
Reporting Period: _____ Period 8 (August) _____

STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.
Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.
Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Federal						
Withholding	-					-
FICA-Employee	-					-
FICA-Employer	-					-
Social Security - Employee	-					-
Social Security - Employer	-					-
Medicare - Employee	-					-
Medicare - Employer	-					-
Medicare Surtax - Employee	-					-
Income	-					-
Other: _____	-					-
Total Federal Taxes	-	-	-		-	-
State and Local						
Withholding	-	-	-			-
Sales	-					-
Excise	-					-
Unemployment Insurance	-	-	-			-
Unemployment Disability	-	-	-			-
Real Property	-					-
Personal Property	-					-
Other: _____	-					-
Total State and Local	-	-	-		-	-
Total Taxes	-	-	-		-	-

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable

	Current	Number of Days Past Due				Total
		0-30	31-60	61-90	Over 90	
Accounts Payable	12,537					
Wages Payable	-					
Taxes Payable	-					
Rent/Leases-Building	-					
Rent/Leases-Equipment	-					
Secured Debt/Adequate Protection Payment:	-					
Professional Fees	20,379					
Amounts Due to Insiders*	-					
Other: _____						
Other: _____						
Total Postpetition Debts	32,916					

Explain how and when the Debtor intends to pay any past-due postpetition debts.

In re AgFeed Industries, Inc.
 Debtors

Case No. 13-11762 (BLS)
 Reporting Period: _____ Period 8 (August) _____

Vendor Name	Amount
Anne H Clemons CPA (April 2014)	2,473
Anne H Clemons CPA (August 2014)	2,297
James Regnante	141
Nationwide Agribusiness	1,574
Nationwide Agribusiness	170
Vaco LLC	1,350
Tri Oak	1,046
Bank of the West	89
Broadridge	750
Broadridge	1,500
Bruch Hanna LLP	19,723
Intertrust	990
Mintz Levin	656
Xerox	157
Total	\$ 32,916

Notes:
 - All postpetition debts are current, except certain professional fees not yet authorized by the Courts to be paid.

In re AgFeed Industries, Inc.
Debtors

Case No. 13-11762 (BLS)
Reporting Period: _____ Period 8 (August) _____

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Adjustments (write down of workers' compensation receivable)	-
Total Accounts Receivable at the end of the reporting period	\$ -

Accounts Receivable Aging	Amount
0 - 30 days old	\$ -
31 - 60 days old	-
61 - 90 days old	-
91+ days old	-
Total Accounts Receivable	\$ -
Amount considered uncollectible (Bad Debt)	-
Accounts Receivable (Net)	\$ -

Notes:

- AgFeed Industries, Inc's only source of recurring revenue is a Management Services Fee from AgFeed USA, LLC. No Accounts Receivable is recorded and AgFeed USA is current in its payment of the Management Services Fee.

In re AgFeed Industries, Inc.
Debtors

Case No. 13-11762 (BLS)
Reporting Period: _____ Period 8 (August) _____

DEBTOR QUESTIONNAIRE

	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X