

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re AgFeed USA, LLC, et al.

Case No. 13-11761 (BLS)
Reporting Period: _____ Period 2 (February) _____

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				
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*

March 28, 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.

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

**In re: AgFeed USA, LLC, et al.
Case No. 13-11761 thru 13-11776**

Reporting Period: February 1, 2014 – February 28, 2014

MONTHLY OPERATING REPORT

Enclosed herein is the eighth Monthly Operating Report ("MOR") for the abovementioned Debtors. As further explained below, two separate MOR's are included in this filing – AgFeed USA, LLC ("AgFeed USA") consolidated with its subsidiaries and AgFeed Industries, Inc. ("Industries"). Please note:

- Sixteen related entities filed for Chapter 11 bankruptcy protection on July 15, 2013 ("Petition Date"). The Debtors maintain two separate sets of books and records – one for AgFeed USA and its fourteen subsidiaries and one for Industries, the parent of AgFeed USA and other non-Debtor foreign entities. Consistent with past practices, including financial reporting and tax preparation, this MOR depicts results for AgFeed USA (consolidated) and Industries separately.
- While the Debtors' management and advisors have exercised reasonable best efforts to ensure that the MOR is accurate and complete based on information that was available at the time of preparation, these reports are a product of the Company's financial reporting system and are unaudited and subject to change.
- In 2013, The Debtors reported on a 5-4-4 accounting calendar. After January 1, 2014, however, the Debtors will begin reporting financials based on calendar month end in an effort to align cash flow statements more closely with bank reconciliations included in the MOR's. The Petition Date of July 15, 2013 falls in the middle of the July reporting period. Except as described in various notes on MOR pages directly, the cumulative results reflected in this MOR reflect the time period spanning from Petition Date through the period end close.
- The Company's cash management system underwent a transition in October 2013. AgFeed USA previously utilized two primary operating accounts (Cobank XXX1887, Wachovia XXX0740), which were migrated into one new primary operating account (Bank of the West XXX2187). Industries continues to manage one primary operating account (SunTrust XXX3958). AgFeed USA and Industries share two health benefits accounts (Wells Fargo XXX0315, XXX0570). Additionally, the Debtors maintain a restricted cash deposit account (Bank of the West XXX8154). The former accounts are no longer active and were closed in January 2014.
- The presentation methodology reflected herein provides the complete MOR for AgFeed USA followed by the complete MOR for Industries.
- These global notes along with statements which are included as footnotes on certain MOR submissions, are incorporated by reference in, and comprise an integral part of, the MOR, and should be referred to and reviewed in connection with any review of the MOR.

In re AgFeed USA, LLC, et al.
Debtors

Case No. 13-11761 (BLS)
Reporting Period: Period 2 (February)

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" columns must equal the sum of the four bank account columns. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS FINANCIAL REPORT (FORM 1231). 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 MOR-1 (CONT)]

	BANK ACCOUNTS			CURRENT MONTH		CUMULATIVE FILING TO DATE		
	OPER	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL	PROJECTED
Cash Beginning of Month ⁽¹⁾	\$ 11,365,379				\$ 11,365,379		\$ 633,911	
RECEIPTS								
Home Market Sales	\$ -				\$ -		\$ 75,957,894	
Call Sales - Finishing	-				-		2,230,553	
Call Sales - Sows	-				-		1,394,096	
Net Sales Proceeds	-				-		52,331,862	
Misc. Income	-				-		1,269,096	
External Feed Sales	-				-			
Total Receipts							132,553,461	
DISBURSEMENTS								
Payroll	3,542				3,542		2,618,853	
401k/IRA/Insurance	-				-		461,785	
Purchased Wean Egs (CH/MP/3rd Party)	-				-		753,052	
Boar Purchases	-				-		338	
Feed Costs - Finishing	7,597				7,597		27,137,354	
Feed Ingredient Costs - Farrowing	101,747				101,747		2,444,043	
Producer Fees	-				-		5,729,432	
Vet/Meds	-				-		829,420	
Rent - Offices	-				-		60,918	
CRO & Other Restructuring Management	-				-		1,213,840	
AF Parent Overhead	-				-		3,214,010	
Trucking	-				-		2,300,066	
Utilities	46,854				46,854		320,537	
Repairs & Maintenance	-				-		461,405	
Insurance	1,702				1,702		566,376	
Vehicle/Fleet Costs	-				-		71,178	
Truck Wash	-				-		65,081	
Business Meals/Travel	-				-		357,326	
Misc./Supplies	13,621				13,621		671,214	
Total Operating Disbursements	125,063				125,063		49,176,147	
Net Operating Cash Flow	(175,063)				(175,063)		83,377,114	
Non Operating Disbursements								
Principal Payment	-				-		64,374,030	
Interest Payment - FCSA Revolver	-				-		1,383,502	
Interest Payment Other Debt (IRC + HM)	-				-		38,111	
Capital Expenditures	-				-		738	
Professional Fees	142,961				142,961		3,167,785	
Total Non Operating Disbursements	142,961				142,961		72,963,667	
Total Disbursements	318,024				318,024		122,139,814	
Net Cash Flow	\$ (318,024)				\$ (318,024)		\$ 10,413,447	
Cash End of Month	\$ 11,047,355				\$ 11,047,355		\$ 11,047,358	
Disbursement for Calculating U.S. Trustee Quarterly Fees								
Total Disbursements							\$ 318,024	
Less: Transfers to Debtor in Possession Accounts								
Plus: Estate Disbursements Made by Outside Sources								
Total Disbursements for Calculating U.S. Trustee Quarterly Fees							\$ 318,024	

Notes:

- (1) The Debtors have provided projections to its secured lender and this Court previously when filing cash collateral motions. Those orders are incorporated by reference herein.
- (2) Beginning cash balance (Current Month and Cumulative Filing to Date) has been adjusted to reflect actual cash as of 1/31/2014 and is consistent with bank balances.
- (3) Beginning cash reflects beginning balances in each cash account: i) Company's primary BOTW Operating Account; ii) BOTW Restricted Cash Account; and iii) Benefits / Account, which is shared with AgFeed Industries, Inc.

In re AgFeed USA, LLC, et al.
Debtors

Case No. 13-11761 (BLS)
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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
Wells Fargo Benefits I Account	XXX0315
Bank of The West Restricted Cash Account	XXX8154
Bank of The West Operating Account	XXX2187
Bank of the West Credit Card Deposit Account	XXX9251

Note: Four accounts were closed during January 2014.

Wells Fargo

Benefits | Account

WELLS FARGO BENEFITS I ACCOUNT

Wells Fargo Account 9839570315 Analyzed Business Checking

Bank balance 2/28/14			14,170
Deposits in Transit			
	#		13.00
	#		86.00
	#		91.00
	#		145.00
	#		<u>45.00</u>
			380
Outstanding checks			
			49.00
	#	4234243	277.13
	#	4234244	82.00
	#	4234288	45.00
	#	4235068	45.00
	#	4235069	364.00
	#	4235094	<u>114.00</u>
			<u>976</u>
Register balance as of 2/28/2014			<u><u>13,574</u></u>

Analyzed Business Checking

Account number: 9839570315 ■ February 1, 2014 - February 28, 2014 ■ Page 1 of 2



AGFEED USA, LLC
 1920 PHILADELPHIA ST STE 107
 AMES IA 50010-8786

Questions?

Available by phone 24 hours a day, 7 days a week:
1-800-CALL-WELLS (1-800-225-5935)

Online: wellsfargo.com

Write: Wells Fargo Bank, N.A. (163)
 Grand Junction Downtown Business Banking
 PO Box 5247
 Denver, CO 80274

Account summary

Analyzed Business Checking

Account number	Beginning balance	Total credits	Total debits	Ending balance
9839570315	\$14,187.06	\$0.00	-\$17.02	\$14,170.04

Debits

Electronic debits/bank debits

Effective date	Posted date	Amount	Transaction detail
	02/11	17.02	Client Analysis Svc Chrg 140210 Svc Chge 0114 000009839570315
		\$17.02	Total electronic debits/bank debits
		\$17.02	Total debits

Daily ledger balance summary

Date	Balance	Date	Balance
01/31	14,187.06	02/11	14,170.04
Average daily ledger balance		\$14,176.11	



IMPORTANT ACCOUNT INFORMATION

We want to let you know of the following fee change effective April 1, 2014:

- Collections - Domestic: Auto Draft - \$25 per item

If you have questions about these changes, or would like a complimentary financial review to ensure that you have the right accounts to meet your financial goals, please contact your local banker or call the phone number listed at the top of your statement.

Bank of the West

Restricted Cash
Account

BOTW Utility Escrow Account
Bank of the West Account 032-238154 Money Market Plus

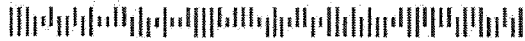
Bank balance 2/28/14	526,734
Deposits in Transit	-
Outstanding checks	<u>-</u>
Register balance as of 2/28/2014	<u><u>526,734</u></u>



Account Statement

February 1, 2014 - February 28, 2014

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>006234 3972716 0001 008230 10Z

AG FEED USA LLC
 RESTRICTED DEPOSIT ACCOUNT
 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.

06234 3972716 012359 024717 0001/0002

MONEY MARKET PLUS - BUS 032-238154

AG FEED USA LLC
 RESTRICTED DEPOSIT ACCOUNT

ACCOUNT SUMMARY

Beginning Balance	\$526,677.06
1 Credits	56.56
0 Deposits	0.00
0 Withdrawals	0.00
0 Checks	0.00
Ending Balance	\$526,733.62

EARNINGS SUMMARY

Interest this statement period	\$56.56
Interest credited year-to-date	\$122.92
Interest credited prior year	\$456.21
Annual percentage yield earned	0.14%
Average monthly balance	\$526,677.06

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.





Account Statement

February 1, 2014 - February 28, 2014

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MONEY MARKET PLUS - BUS xxx-xx8154 (continued)

ACCOUNT DETAIL

Credits

<i>Date</i>	<i>Amount</i>	<i>Description</i>
02/28	\$56.56	INTEREST PAID
1 credit for a total of \$56.56		



Account Statement

February 1, 2014 - February 28, 2014

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IMPORTANT INFORMATION

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

(For accounts that are maintained primarily for personal, family or household purposes.)

Telephone us at (800) 488-2265, or write us at Bank of the West*, Branch Service Center, P.O. Box 2573, Omaha, NE 68103-2573 as soon as you can if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared. We will need to know the following:

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (20 business days for transactions involving new accounts) to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

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Bank of the West Operating Account

AGFEED USA BOTW OPERATING ACCOUNT

Bank of the West Account 032-432187 Analyzed Checking

Bank balance 2/28/14		10,506,452
Deposits in Transit		-
Outstanding checks		
Check	2,265.50	
Check	472.80	
20001	76.99	
20002	1,960.00	
20003	33.02	
20004	1,200.00	
20005	1,960.00	
20006	8.89	
20007	1,960.00	
20008	803.58	
	<u>Total o/s checks</u>	<u>10,741</u>
Register balance as of 2/28/2014		<u><u>10,495,711</u></u>

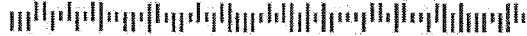


P.O. Box 2830, Omaha, NE 68103-2830

Account Statement

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>001539 3972718 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.

01539 3972718 002969 005937 0001/0002

ANALYZED CHECKING 032-432187

AGFEED USA LLC
 OPERATING ACCOUNT

ACCOUNT SUMMARY

Beginning Balance	\$10,824,514.55
0 Credits	0.00
0 Deposits	0.00
3 Withdrawals	-108,992.36
72 Checks	-209,070.44
Ending Balance	\$10,506,451.75

EARNINGS SUMMARY

Interest this statement period	\$0.00
Interest credited year-to-date	\$0.00
Interest credited prior year	\$0.00
Annual percentage yield earned	0.00%
Average monthly balance	\$10,637,262.09

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.





Account Statement

February 1, 2014 - February 28, 2014

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ANALYZED CHECKING xxx-xx2187 (continued)

ACCOUNT DETAIL

Withdrawals

Date	Amount	Description
02/10	\$28,125.15	OUTGOING WIRE REFERENCE # 140210006505 WIRE DEBIT SENDING BANK REFERENCE # WT14021003425081
02/14	80,631.15	ACH SETTLEMENT AG FEED USA MISC 021414
02/20	236.06	CASH MANAGEMENT CHG -ACCOUNT ANALYSIS CHARGES

3 withdrawals for a total of \$108,992.36

Checks Paid

Number	Date paid	Amount	Number	Date paid	Amount	Number	Date paid	Amount
10195	02/03	1,605.80 ✓	10312	02/05	331.10 ✓	10336	02/14	694.40 ✓
10214*	02/12	2,360.00 ✓	10313	02/04	806.75 ✓	10337	02/03	342.30 ✓
10256*	02/04	6,454.00 ✓	10314	02/10	477.40 ✓	10338	02/03	1,343.40 ✓
10273*	02/04	1,598.80 ✓	10315	02/03	473.00 ✓	10339	02/06	488.20 ✓
10287*	02/11	3,716.84 ✓	10316	02/12	4,720.00 ✓	10340	02/11	3,886.00 ✓
10291*	02/11	3,541.67 ✓	10317	02/04	845.25 ✓	10341	02/24	1,384.20 ✓
10292*	02/05	34,204.50 ✓	10318	02/14	227.80 ✓	10342	02/12	1,439.40 ✓
10294	02/07	1,399.20 ✓	10319	02/14	227.80 ✓	10343	02/06	4,660.00 ✓
10295	02/04	1,626.10 ✓	10320	02/04	412.30 ✓	10344	02/11	465.80 ✓
10296	02/03	1,729.70 ✓	10321	02/12	851.20 ✓	10345	02/03	1,265.45 ✓
10297	02/06	1,428.60 ✓	10322	02/06	461.00 ✓	10347*	02/06	1,203.65 ✓
10298	02/11	1,362.00 ✓	10323	02/04	837.90 ✓	10348	02/05	4,446.00 ✓
10299	02/04	1,353.60 ✓	10324	02/20	1,317.60 ✓	10349	02/06	4,578.00 ✓
10300	02/04	1,615.60 ✓	10325	02/03	409.50 ✓	10350	02/14	4,531.00 ✓
10302*	02/14	1,605.80 ✓	10326	02/14	3,963.00 ✓	10351	02/03	1,880.00 ✓
10303	02/05	380.40 ✓	10327	02/10	1,408.80 ✓	10352	02/03	1,960.00 ✓
10304	02/05	813.75 ✓	10328	02/10	410.20 ✓	10355*	02/06	806.05 ✓
10305	02/04	1,369.80 ✓	10329	02/18	1,664.60 ✓	10356	02/13	1,860.00 ✓
10306	02/04	1,706.60 ✓	10330	02/12	418.20 ✓	10357	02/11	1,227.76 ✓
10307	02/10	2,276.00 ✓	10331	02/06	474.80 ✓	10358	02/10	1,702.32 ✓
10308	02/06	1,307.40 ✓	10332	02/05	3,917.80 ✓	10359	02/13	7,596.79 ✓
10309	02/25	1,362.60 ✓	10333	02/04	854.00 ✓	10360	02/13	1,960.00 ✓
10310	02/04	463.60 ✓	10334	02/04	5,238.30 ✓	10361	02/11	799.36 ✓
10311	02/04	456.80 ✓	10335	02/04	5,187.40 ✓	20007*	02/28	46,853.50 ✓

72 checks paid for a total of \$209,070.44

* Break in check number sequence.



Account Statement

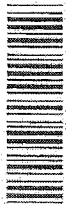
February 1, 2014 - February 28, 2014

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IMPORTANT INFORMATION

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

(For accounts that are maintained primarily for personal, family or household purposes.)



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01539 39/2/18 002970 005999 0002/0002

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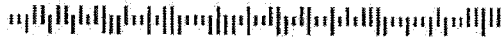
Bank of the West
Credit Card Deposit
Account



Account Statement

February 1, 2014 - February 28, 2014

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>003054 3972686 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.

03054 397 2686 004000 009313 0001/00007

MONEY MARKET SELECT BUSINESS 032-159251

AG FEED USA LLC

ACCOUNT SUMMARY

Beginning Balance	\$50,061.25
1 Credits	11.52
0 Deposits	0.00
0 Withdrawals	0.00
0 Checks	0.00
Ending Balance	\$50,072.77

EARNINGS SUMMARY

Interest this statement period	\$11.52
Interest credited year-to-date	\$24.27
Interest credited prior year	\$48.50
Annual percentage yield earned	0.30%
Average monthly balance	\$50,061.25

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.





Account Statement

February 1, 2014 - February 28, 2014

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MONEY MARKET SELECT BUSINESS xxx-xx9251 (continued)

ACCOUNT DETAIL

Credits

<i>Date</i>	<i>Amount</i>	<i>Description</i>
02/28	\$11.52	INTEREST PAID

1 credit for a total of \$11.52





Account Statement

February 1, 2014 - February 28, 2014

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IMPORTANT INFORMATION

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Account Statement

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In re AgFeed USA, LLC, et al.
Debtors

Case No. 13-11761 (BLS)
Reporting Period: _____ Period 2 (February) _____

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	Check Date	Amount Paid		Applied to Date	
						Fees	Expenses	Fees	Expenses
BMC Group, Inc.	10/1/13-12/31/13	28,125	AgFeed USA, LLC	Wire	2/5/2014	20,289	7,836	74,549	67,817
Young Conaway Stargatt & Taylor, LLP	10/1 - 11/30	80,631	AgFeed USA, LLC	Wire	2/14/2014	77,973	2,658	568,599	41,088
Total⁽¹⁾		\$ 108,756				\$ 98,262	\$ 10,494	\$ 643,148	\$ 108,905

1) Total Professional Fees on MOR 1 Includes \$34,205 of UST fees.

In re AgFeed USA, LLC, et al.
Debtors

Case No. 13-11761 (BLS)
Reporting Period: _____ Period 2 (February) _____

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 ⁽³⁾
Net Market Hog Sales ⁽¹⁾	\$ -	\$ 73,542,483
Other Hog Sales ⁽²⁾	-	77,355
External Feed Sales & Misc.	-	-
Net Revenue	\$ -	\$ 73,619,838
 Cost of sales	 \$ -	 \$ 69,522,782
Gross profit	\$ -	\$ 4,097,056
 Other (expense)		
General and Administrative	\$ 389,265	\$ 6,154,429
Interest Expense	-	1,092,584
Extraordinary Items	-	27,653
Total Other Expenses	\$ 389,265	\$ 7,274,666
 Net Income (loss) Before Reorganization Items	 \$ (389,265)	 \$ (3,177,610)
 Reorganization Items		
Restructuring Professional Fees	\$ 20,000	\$ 2,743,831
CR0 and Other Restructuring Management Expense	36,399	888,448
U. S. Trustee Quarterly Fees	11,517	92,134
Interest Earned on Accumulated Cash from Chapter 11	-	-
Loss (Gain) from Sale of Assets ⁽⁴⁾	-	11,193,899
Other Reorganization Expenses	-	-
Total Reorganization Expenses	\$ 67,916	\$ 14,918,312
 Income Taxes	 -	 -
 Net Profit (Loss)	 \$ (457,181)	 \$ (18,095,922)

Notes:

- (1) Consistent with GAAP and historical accounting practices, sow and finishing cull sales are recognized as offsets to Cost of Goods Sold.
- (2) Consistent with GAAP and historical accounting practices, gilt cull sales are recognized as revenue.
- (3) Reflects postpetition time period from July 15, 2013 through period end.
- (4) 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 2 (February)

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⁾		10,509,285		298,952
Restricted Cash		526,734		
Total Cash ⁽³⁾	\$	11,036,019	\$	298,952
Accounts Receivable		5,390		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⁾		731,394		2,960,603
Other Current Assets		69,280		14,200
Total Other Current Assets		806,064		73,418,014
Total Current Assets		11,842,083		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	\$	14,682,517	\$	103,248,989
Liabilities Not Subject to Compromise (Post-petition)				
Drafts Outstanding	\$	-	\$	-
Accounts Payable		20,486		-
Accrued Payroll & Benefits		-		-
Accrued Interest Payable		-		-
Other Accrued Liabilities		-		-
Intercompany Payables		860,040		-
CRO and Other Restructuring Management Expense		101,409		-
Restructuring Professional Fees		1,119,606		-
Total Post Petition Liabilities		2,101,541		-
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		-		437,466
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		3,382,274		75,414,468
Total Liabilities	\$	5,483,815	\$	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		(457,181)		4,790,937
Prior month's loss reported		(1,032,197)		-
Total Equity		9,198,702		27,834,522
Total Liabilities and Equity	\$	14,682,517	\$	103,248,989

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 and Benefits 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 2 (February) _____

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 1 (February) _____

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	\$ 13,553					
Wages Payable						
Taxes Payable						
Rent/Leases-Building						
Rent/Leases-Equipment						
Secured Debt/Adequate Protection Payments						
Professional Fees	6,933					
Amounts Due to Insiders*	-					
Other:						
Other:						
Total Postpetition Debts	\$ 20,486					

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 2 (February) _____

SUMMARY OF UNPAID POSTPETITION DEBTS

Vendor ID	Vendor Name	Amount
Accounts Payable		
	Ace Tire Center	2,922
	Bankcard Center	89
	Lightedge	2,341
	Nutrablend LLC, other	(82)
	Trioak Foods West	8,160
	U S Cellular	123
		<u>13,553</u>
Professional fees payable		
	ADP	6,202
	Holland & Hart LLP	731
		<u>6,933</u>
	Total Postpetition Debts	<u><u>20,486</u></u>

Notes:

- All postpetition debts are current excepting professional fees which remain subject to court approval.

In re AgFeed USA, LLC, et al.
Debtors

Case No. 13-11761 (BLS)
Reporting Period: _____ Period 2 (February) _____

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	\$ 24,618
Amounts billed during the period	-
Amounts collected during the period	-
Adjustments (Write-offs of uncollectible receivables)	(19,228)
Total Accounts Receivable at the end of the reporting period	\$ 5,390
Accounts Receivable Aging	Amount
0 - 30 days old	-
31 - 60 days old	-
61 - 90 days old	5,390
91+ days old	-
Total Accounts Receivable	\$ 5,390
Amount considered uncollectible (Bad Debt)	-
Accounts Receivable (Net)	\$5,390

In re AgFeed USA, LLC, et al.
Debtors

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

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: _____ Period 2 (February) _____

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				
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

March 28, 2014

Signature of Authorized Individual*

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.

In re AgFeed Industries, Inc.
Debtors

Case No. 13-11762 (BLS)
Reporting Period: _____ Period 2 (February) _____

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 MOR-1 (CON'T)]

	OPER ⁽¹⁾		PAYROLL	TAX	OTHER	CURRENT MONTH		CUMULATIVE FILING TO DATE		
	ACTUAL	PROJECTED				ACTUAL ⁽²⁾	PROJECTED			
Cash beginning of period	\$	45,088,246				\$	45,088,246	\$	69,178	
RECEIPTS										
Technical Services Fee	\$	-				\$	-	\$	234,260	
Management Services Fee									3,147,185	
Miscellaneous									4,178	
China Sale Transaction									45,804,503	
Total Receipts									49,190,126	
DISBURSEMENTS										
Payroll and Related									227,967	
Temporary Accounting Services			5,138			5,138			137,925	
Rent									34,698	
IT / Technology			201			201			10,710	
Other			28,226			28,226			39,661	
Board of Directors									168,750	
D&O Installments									91,211	
SunTrust Bank Fees									1,019	
Insurance			238,400			238,400			468,024	
Business Meals/Travel									18,454	
CRO and Restructuring Management									657,681	
Bankruptcy / Transaction			4,826			4,826			150,787	
Tax returns									50,000	
Bankruptcy Professional Fees			575,635			575,635			2,966,598	
Total Disbursements			852,426			852,426			5,023,485	
Net Cash Flow			\$ (852,426)			\$ (852,426)			\$ 44,166,641	
Cash End of Month			\$			\$	44,235,820		\$	44,235,820
Disbursement for Calculating U.S. Trustee Quarterly Fees										
Total Disbursements										
Less: Transfers to Debtor in Possession Accounts										
Plus: Estate Disbursements Made by Outside Sources										
Total Disbursements for Calculating U.S. Trustee Quarterly Fees										

Notes:
 (1) All of the Debtors' accounts are considered operating accounts. Because of its employment of ADP, the Debtors do not maintain payroll accounts. The Debtors share one benefits accounts with AgFeed USA, LLC, and the average balance is approximately \$14,000. This account is funded each pay period from the Debtors' primary operating account at SunTrust.
 (2) Petition Date through period end.

In re AgFeed Industries, Inc.
Debtors

Case No. 13-11762 (BLS)
Reporting Period: _____ Period 2 (February) _____

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	Bank Account Number
SunTrust	XXX3958
Wells Fargo Benefits Account ⁽¹⁾	XXX0315

Notes:

(1) AgFeed Industries, Inc. utilizes the same health benefits accounts at Wells Fargo as AgFeed USA, LLC. Please reference the AgFeed USA, LLC MOR for bank reconciliation associated with this account.

SUNTRUST BANK - OPERATING ACCOUNT
ANALYZED BUSINESS CHECKING ACCOUNT 1000103433958

Bank balance 2/28/14		44,235,820
Deposits in Transit		-
Outstanding checks		
Pony Mailbox center	1,209	
R J Young	100	
AT&T Mobility	247	
Anne H Clemons CPA	4,745	
	<u> </u>	<u>(6,301)</u>
Register balance 2/28/14		<u>44,229,519</u>

SUNTRUST BANK
 PO BOX 305183
 NASHVILLE TN 37230-5183

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 36/E00/0175/0 /54
 1000103433958
 02/28/2014
 0000



Account Statement

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

Questions? Please call
 1-800-786-8787

HOW CAN WE HELP YOU MAKE THE RIGHT FINANCIAL CHOICES FOR TODAY AND TOMORROW?
 WITH OUR VARIETY OF SOLUTIONS AND FINANCIAL GUIDANCE.
 WE VALUE YOU AS A CLIENT AND WANT TO HELP YOU BANK THE WAY THAT FITS YOUR LIFE.
 LEARN MORE AT SUNTRUST.COM.

Account Summary	Account Type	Account Number	Statement Period
	ANALYZED BUSINESS CHECKING	1000103433958	02/01/2014 - 02/28/2014

Description	Amount	Description	Amount
Beginning Balance	\$45,088,245.29	Average Balance	\$44,664,392.50
Deposits/Credits	\$120.09	Average Collected Balance	\$44,664,383.92
Checks	\$39,520.06	Number of Days in Statement Period	28
Withdrawals/Debits	\$813,025.01		
Ending Balance	\$44,235,820.31		

Deposits/Credits	Date	Amount	Serial #	Description
	02/10	120.09		MAIL DEPOSIT

Deposits/Credits: 1 Total Items Deposited: 2

Checks	Check Number	Amount	Date Paid	Check Number	Amount	Date Paid	Check Number	Amount	Date Paid
	10645	525.00	02/03	*10669	1,046.30	02/06	10675	22,648.47	02/12
	*10663	4,826.25	02/05	10670	10.25	02/11	10676	5,137.89	02/13
	*10666	125.00	02/14	*10672	137.90	02/14			
	10667	5,000.00	02/11	*10674	63.00	02/12			

Checks: 10 *Break in check sequence

Withdrawals/Debits	Date Paid	Amount	Serial #	Description
	02/04	35.90		ELECTRONIC/ACH DEBIT DELUXE BUS SYS. CHK ORDERS 68671650
	02/12	408,060.36		ACH PREFUNDING SETTLEMENT AGFEED IND ACH PRFUND -SETT-A.OTMCORP
	02/18	325,610.69		ACH PREFUNDING SETTLEMENT AGFEED IND ACH PRFUND -SETT-A.OTMCORP
	02/21	79,318.06		ACH PREFUNDING SETTLEMENT AGFEED IND ACH PRFUND -SETT-A.OTMCORP

Withdrawals/Debits: 4

Balance Activity History	Date	Balance	Collected Balance	Date	Balance	Collected Balance
	02/01	45,088,245.29	45,088,245.29	02/11	45,076,921.68	45,076,801.68
	02/03	45,087,720.29	45,087,720.29	02/12	44,646,149.85	44,646,149.85
	02/04	45,087,684.39	45,087,684.39	02/13	44,641,011.96	44,641,011.96
	02/05	45,082,858.14	45,082,858.14	02/14	44,640,749.06	44,640,749.06
	02/06	45,081,811.84	45,081,811.84	02/18	44,315,138.37	44,315,138.37
	02/10	45,081,931.93	45,081,811.93	02/21	44,235,820.31	44,235,820.31

SUNTRUST BANK
PO BOX 305183
NASHVILLE TN 37230-5183

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1000103433958
02/28/2014



Account Statement

AGFEED INDUSTRIES, INC.
100 BLUEGRASS COMMONS BLVD.
SUITE 310
NASHVILLE, TN 37278

10645

Nov 17, 2013 \$152.00

PAY TO THE ORDER OF
SORESON LLC
220 PARK AVE S #3300
NEW YORK, NY 10020

Five Hundred Twenty Five Dollars And 00 Cents

Signature: *[Handwritten Signature]*

⑆010645⑆ ⑆004000046⑆ 1000103433958⑆

Ck # 10645 02/03 \$252.00

AGFEED INDUSTRIES, INC.
100 BLUEGRASS COMMONS BLVD.
SUITE 310
NASHVILLE, TN 37278

10670

Feb 7, 2014 \$10.25

PAY TO THE ORDER OF
Bankcard Center
PO Box 4171
Atlanta, GA 30324-0417

Ten Dollars And 25 Cents

Signature: *[Handwritten Signature]*

⑆010670⑆ ⑆004000046⑆ 1000103433958⑆

Ck # 10670 02/11 \$10.25

AGFEED INDUSTRIES, INC.
100 BLUEGRASS COMMONS BLVD.
SUITE 310
NASHVILLE, TN 37278

10663

Feb 12, 2014 \$4,826.25

PAY TO THE ORDER OF
U. S. Trustee Payment Center
P.O. Box 3100
Miami, FL 33102-0300

Four Thousand Eight Hundred Twenty Six Dollars And 25 Cents

Signature: *[Handwritten Signature]*

⑆010663⑆ ⑆004000046⑆ 1000103433958⑆

Ck # 10663 02/05 \$4,826.25

AGFEED INDUSTRIES, INC.
100 BLUEGRASS COMMONS BLVD.
SUITE 310
NASHVILLE, TN 37278

10672

Feb 7, 2014 \$137.90

PAY TO THE ORDER OF
LightEdge Solutions, Inc.
210 343 Street
Boca Raton, FL 33433

One Hundred Thirty Seven Dollars And 90 Cents

Signature: *[Handwritten Signature]*

⑆010672⑆ ⑆004000046⑆ 1000103433958⑆

Ck # 10672 02/14 \$137.90

AGFEED INDUSTRIES, INC.
100 BLUEGRASS COMMONS BLVD.
SUITE 310
NASHVILLE, TN 37278

10666

Feb 26, 2014 \$125.00

PAY TO THE ORDER OF
Oklahoma Tax Commission
1900 N. STEE
OKMORSE SQ. #2000
PO - 254718
2012 P&M 67-00

One Hundred Twenty Five Dollars And 00 Cents

Signature: *[Handwritten Signature]*

⑆010666⑆ ⑆004000046⑆ 1000103433958⑆

Ck # 10666 02/14 \$125.00

AGFEED INDUSTRIES, INC.
100 BLUEGRASS COMMONS BLVD.
SUITE 310
NASHVILLE, TN 37278

10674

Feb 7, 2014 \$63.00

PAY TO THE ORDER OF
RJ Young
611 Coates
PO Box 4042
Baltimore, TN 37024

Sixty Three Dollars And 00 Cents

Signature: *[Handwritten Signature]*

⑆010674⑆ ⑆004000046⑆ 1000103433958⑆

Ck # 10674 02/12 \$63.00

AGFEED INDUSTRIES, INC.
100 BLUEGRASS COMMONS BLVD.
SUITE 310
NASHVILLE, TN 37278

10667

Feb 26, 2014 \$5,000.00

PAY TO THE ORDER OF
MISSISSIPPI REVENUE
110 SOUTH 1ST
SUITE 1000
PO - 254718
2012 P&M 67-00

Five Thousand Dollars And 00 Cents

Signature: *[Handwritten Signature]*

⑆010667⑆ ⑆004000046⑆ 1000103433958⑆

Ck # 10667 02/11 \$5,000.00

AGFEED INDUSTRIES, INC.
100 BLUEGRASS COMMONS BLVD.
SUITE 310
NASHVILLE, TN 37278

10675

Feb 7, 2014 \$22,648.47

PAY TO THE ORDER OF
BROADBENT
PO Box 4171
Atlanta, GA 30324-0417

Twenty Two Thousand Six Hundred Forty Eight Dollars And 47 Cents

Signature: *[Handwritten Signature]*

⑆010675⑆ ⑆004000046⑆ 1000103433958⑆

Ck # 10675 02/12 \$22,648.47

AGFEED INDUSTRIES, INC.
100 BLUEGRASS COMMONS BLVD.
SUITE 310
NASHVILLE, TN 37278

10669

Feb 4, 2014 \$1,046.30

PAY TO THE ORDER OF
TRUCK FOODS WEST
150 HANCOCK RD
Petaluma, CA 94952

One Thousand Forty Six Dollars And 30 Cents

Signature: *[Handwritten Signature]*

⑆010669⑆ ⑆004000046⑆ 1000103433958⑆

Ck # 10669 02/06 \$1,046.30

AGFEED INDUSTRIES, INC.
100 BLUEGRASS COMMONS BLVD.
SUITE 310
NASHVILLE, TN 37278

10676

Feb 7, 2014 \$5,137.89

PAY TO THE ORDER OF
VICO, LLC
110 HANCOCK RD
PETALUMA, CA 94952

Five Thousand One Hundred Thirty Seven Dollars And 89 Cents

Signature: *[Handwritten Signature]*

⑆010676⑆ ⑆004000046⑆ 1000103433958⑆

Ck # 10676 02/13 \$5,137.89

In re AgFeed Industries, Inc.
Debtors:

Case No. 13-11762 (BLS)
Reporting Period: _____ Period 2 (February) _____

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	\$ 3,281,419
Technical Services Revenue ⁽²⁾	-	134,343
Gross profit	468,750	3,415,762
General and administrative		
Payroll	-	231,125
Contract Labor/Service	-	163,196
Travel & Entertainment	-	7,429
Facility	-	48,795
Insurance	13,402	636,893
Depreciation & Amortization	-	42,771
Professional Fees	-	525,784
Board & Director Expenses	-	240,585
Other	4,495	22,049
Bank Charges	37	1,667
Total general and administrative expenses	17,934	1,920,294
Income from Operations	\$ 450,816	\$ 1,495,468
Non-operating		
Interest Income	-	-
Interest Expense	-	275,114
Financing Costs	-	-
Foreign Currency	-	-
Other: reserve for Board indemnification	(741,939)	(742,939)
Total non-operating income (expense)	(741,939)	(467,825)
Income before income taxes	\$ (291,123)	\$ 1,963,293
Provision for taxes	-	-
Net income (Before Reorganization Items)	\$ (291,123)	\$ 1,963,293
Minority Interest	-	-
Reorganization Items		
Restructuring Professional Fees	826,750	\$ 4,270,672
CRO and Other Restructuring Management Expense	96,398	753,270
U. S. Trustee Quarterly Fees	2,167	42,459
Interest Earned on Accumulated Cash from Chapter 11	-	-
Write down on Assets / Stock Held for Sale ⁽³⁾⁽⁴⁾	(1,704,305)	21,435,608
Other Reorganization Expenses	-	-
Total Reorganization Expenses	\$ (778,990)	\$ 26,502,009
Net Profit (Loss)	\$ 487,867	\$ (24,538,716)

Notes:

(1) Reflects postpetition time period from July 15, 2013 through February 28, 2014

(2) Management Services Revenue was errantly misclassified in the July MOR as Technical Services Revenue. Cash received from China (Technical Services Revenue) is booked at the time of invoicing (last activity occurred prepetition) and receipt of the cash reduces the Intercompany Accounts Receivable. In September, cash was received that exceed the previously booked receivable, thus the recordation of revenue.

(3) See separate schedule provided in Aug MOR which reconciles the Write Down on Assets Held for Sale in August. September write down is to account for the loss on sale of AgFeed USA's assets. October write down is to reflect AgFeed USA's October change in equity.

4) Write down in February related to recognizing change in net equity of AgFeed USA, LLC.

In re AgFeed Industries, Inc.,
Debtors

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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 ⁽⁷⁾		Book Value on Petition Date ^{(1), (8)}	
Current Assets				
Cash and Cash Equivalents ⁽²⁾	\$	44,229,519	\$	77,766
Other receivables		558,432		(4,894)
Prepaid expense		341,250		327,517
Total Current Assets		45,129,201		400,489
Long-Term Assets				
Intercompany Receivable ⁽³⁾		860,039		9,964,228
Property & Equipment		7,438		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⁾		9,010,962		136,510,577
Total Long-Term Assets		18,388,315		155,737,578
Total Assets	\$	63,517,516	\$	156,138,067
Liabilities Not Subject to Compromise (Post-petition)				
Accounts payable		4,560		-
Accrued expenses		328,244		-
Reserve for Indemnification of Board members ⁽⁵⁾		741,939		-
CRO and Other Restructuring Management Expense		234,677		-
Restructuring Professional Fees		3,770,551		-
Total Post Petition Liabilities		5,079,971		-
Liabilities Subject to Compromise (Pre-petition)				
Accounts payable		14,272,451		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⁾		8,569,614		7,622,010
Total Pre-petition Liabilities		25,082,286		29,785,522
Total Liabilities	\$	30,162,257	\$	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 Year Earnings		(71,028)		(3,248,147)
Total Shareholder's Equity		36,763,869		126,352,543
Total Liabilities and Shareholder's Equity	\$	66,926,126	\$	156,138,066
		3,408,610		

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. In current month, 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 Sellco 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.

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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	3,577					
Wages Payable	-					
Taxes Payable	-					
Rent/Leases-Building	-					
Rent/Leases-Equipment	-					
Secured Debt/Adequate Protection Payments	-					
Professional Fees	983					
Amounts Due to Insiders*	-					
Other:						
Other:						
Total Postpetition Debts	4,560					

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

In re AgFeed Industries, Inc.
Debtors

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Vendor ID	Vendor Name	Amount
Accounts Payable		
	Bank of the West	89
	Intertrust	990
	Lightedge Solutions	2,341
	RJ Young	
	Vaco LLC	
	Xerox	157
	Total	\$ 3,577
Professional fees Payable		
	Bass Berry	327
	Mintz Levin	656
	Total	\$ 983

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

In re AgFeed Industries, Inc.
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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)	\$ -
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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

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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