EXHIBIT 20

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A
Amendment No. 1

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): September 9, 2009

AgFeed Industries, Inc.
(Exact Name of Registrant as Specified in Charter)

Nevada	001-33674	20-2597168
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Suite A1001-1002, Tower 16, Hengmao Int'l Center
Nanchang City, Jiangxi Province, China 330003
(Address of principal executive offices; zip code)

Registrant's telephone number, including area code: 86-791-6669093

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e 4(c))

Explanatory Note

AgFeed Industries, Inc. (the "Company") filed a Current Report on Form 8-K ("Original Form 8-K") with the Securities and Exchange Commission on September 10, 2009, disclosing under Item 1.01, among others, a summary of the terms of an Equity Credit Agreement, dated as of September 9, 2009 (the "Agreement"), that the Company entered into with an institutional investor (the "Investor").

On November 9, 2009, the Company and the Investor amended and restated the Agreement to remove Section 2.1(c), which provided that if the closing bid price on any day during a Valuation Period was less than 80% of the average of the closing bid prices for the five trading days before the put notice (the "Floor Price"), the Investment Amount would have been reduced by 20%. If the closing bid price on any two days during the Valuation Period was less than 80% of the Floor Price, the Investment Amount would have been reduced to an

amount equal to 20% of the Investment Amount for each trading day during the Valuation Period that the closing bid price was 80% or more of the Floor Price. No other provisions of the Agreement were amended.

This Amendment No. 1 to the Original Form 8-K (this "Amendment") is being filed to amend the disclosure under Item 1.01 to correctly summarize the terms of the Agreement, as amended and restated on November 9, 2009. Accordingly, this Amendment hereby amends and restates Item 1.01 of the Original Form 8-K as follows:

Item 1.01. Entry into a Material Definitive Agreement.

On September 9, 2009, AgFeed Industries, Inc. (the "Company") entered into an Equity Credit Agreement with an institutional investor (the "Investor"), which was amended and restated as of November 9, 2009, providing for, among other things, the issuance of shares of its common stock (the "Shares") at any time and from time to time during the next two years for gross proceeds of up to $50,000,000. In connection with the closing of the transaction, the Company also issued warrants to purchase an additional 400,000 shares of its common stock during a five year period at an exercise price of $5.75 per share (the "Warrants").The Company also entered into a Registration Rights Agreement as part of the transaction. The closing took place on September 9, 2009.

The following is a summary of the Equity Credit Agreement, the Registration Rights Agreement and the Warrant, is not complete, and is qualified in its entirety by reference to the full text of those agreements. The Equity Credit Agreement, as amended and restated, is attached as an exhibit to this Current Report on Form 8-K/A and each of the Registration Rights Agreement and the Warrant is attached as an exhibit to the Original Form 8-K. Readers should review those agreements for a complete understanding of the terms and conditions associated with this financing.

The provisions of the Equity Credit Agreement, Registration Rights Agreement, and Warrant, including without limitation the representations and warranties contained therein, are not intended as documents for investors and the public to obtain factual information about the current state of affairs of the parties to those documents and agreements. Rather, investors and the public should look to other disclosures contained in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Equity Credit Agreement

Terms of Sale

The Company may require the Investor to purchase our shares of common stock from time to time under the equity credit agreement by delivering a put notice specifying the total purchase price for the shares to be purchased (the "Investment Amount"). The Investment Amount may not be greater than the lesser of (a) $2,500,000 or (b) 300% of the average dollar volume (closing bid price times the volume on the Nasdaq Global Market for a trading day) for the 20 trading days preceding the put notice.

The purchase price per share for the shares to be purchased for the Investment Amount will be 95% of the lowest closing bid price on the Nasdaq Global Market during the five trading days following the put notice (the "Valuation Period").

If within 15 trading days after the closing of any purchase and sale of shares under the equity credit agreement (a "Closing") the Company delivers a notice (a "Blackout Notice") to the Investor that the Company's Board of Directors has determined in good faith that (a) either (i) the Company possesses material information not ripe for disclosure in a registration statement or (ii) the Company is engaged in a material activity that would be adversely affected by disclosure in a registration statement and (b) the registration statement of which this prospectus supplement is a part would be materially misleading absent the inclusion of such information and the Investor still holds shares of common stock purchased at such Closing and the Company suspends the right of the Investor to sell the common stock for a period (a "Blackout Period"), the Company may be required to issue additional shares of common stock to the Investor if the closing bid price for the common stock on the first trading day following the Blackout Period (the "New Bid Price") is less than the closing bid price for the

common stock on the trading day immediately preceding the Blackout Period (the "Old Bid Price"). The number of additional shares to be issued, if any, will be equal to the difference between (a) the number of shares purchased at such Closing still held by the Investor (the "Remaining Shares") multiplied by the Old Bid Price, divided by the New Bid Price and (b) the Remaining Shares.

The Equity Credit Agreement contains representations and warranties of the Company and the Investor which are typical for transactions of this type. The representations and warranties made by the Company in the Equity Credit Agreement are qualified by reference to certain exceptions contained in disclosure schedules delivered to the Investor. Accordingly, the representations and warranties contained in the Equity Credit Agreement should not be relied upon by third parties who do not have access to those disclosure schedules.

The Equity Credit Agreement contains a variety of covenants on the part of the Company which are typical for transactions of this type, as well as the obligation, without the prior written consent of the Investor, not to enter into any other equity line of credit agreement with a third party during the term of the Equity Credit Agreement.

The Equity Credit Agreement also obligates the Company to indemnify the Investor and other holders of the securities issued to them for certain losses resulting from any misrepresentation or breach of any representation or warranty made by the Company or breach of any obligation of the Company.

Warrant

The Warrant entitles the Investor to purchase up to an aggregate of 400,000 shares of common stock. The Warrant is exercisable in whole or in part beginning on September 10, 2009 and remain exercisable until September 9, 2014. The exercise price of the Warrant is $5.75 per share of common stock, subject to adjustment in certain circumstances as set forth in the Warrant.

Registration Rights Agreement

The Registration Rights Agreement requires the Company to file a post-effective amendment or supplement to the Company's existing shelf registration statement on Form S-3, filed with the Securities and Exchange Commission (the "Commission") on June 26, 2009 and declared effective by the SEC on July 6, 2009 for the resale of the Shares and the shares of common stock issuable upon exercise of the Warrant. The post-effective amendment or supplement must be filed by September 25, 2009 and must remain effective and available for use until earlier of (a) six months after the completion of the last Closing Date under the Equity Credit Agreement, (b) the date the Investor has sold all of the securities covered by the registration statement and (c) the date the Investor can resell all of such securities pursuant to Rule 144 free of the manner of sale and volume limitations.

If the prospectus included in the registration statement, as then in effect, includes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (a "Registration Default"), and the Company fails to cure the Registration Default within 10 business days, the Company is required to pay liquidated damages in an amount equal to 2% of the Purchase Price of all registrable securities then held by the Investor and still subject to Rule 144 volume limitations for each thirty (30) calendar day period or portion thereof, beginning on the date of suspension. The Registration Rights Agreement provides for customary indemnification for the Company and the Investor.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.20 Equity Credit Agreement dated September 9, 2009, as amended and restated as of November 9, 2009

10.21 Registration Rights Agreement dated September 9, 2009 (filed as Exhibit 10.21 of the Original Form 8-K on September 10, 2009)

10.22 Form of Warrant (filed as Exhibit 10.22 of the Original Form 8-K on September 10, 2009)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 10, 2009

AGFEED INDUSTRIES, INC.

By: /s/ Junhong Xiong
Junhong Xiong
Chief Executive Officer

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Exhibit 10.20

EQUITY CREDIT AGREEMENT

BY AND BETWEEN

AGFEED INDUSTRIES, INC.

AND

SOUTHRIDGE PARTNERS II, LP

Dated
September 9, 2009

Amended and Restated November 9, 2009

THIS EQUITY CREDIT AGREEMENT was originally entered into as of the 9th day of September, 2009 and is hereby amended and restated in its entirety as of the 9th day of November, 2009 (this "AGREEMENT"), by and between **SOUTHRIDGE PARTNERS II, LP,** Delaware limited partnership ("INVESTOR"), and **AGFEED INDUSTRIES, INC.**, a corporation organized and existing under the laws of the State of Nevada (the "COMPANY").

WHEREAS, the parties desire that, upon the terms and subject to the conditions contained herein, the Company shall issue and sell to Investor, from time to time as provided herein, and Investor shall purchase, up to Fifty Million Dollars ($50,000,000) of its Common Stock (as defined below); and

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I
CERTAIN DEFINITIONS

Section 1.1 DEFINED TERMS as used in this Agreement, the following terms shall have the following meanings specified or indicated (such meanings to be equally applicable to both the singular and plural forms of the terms defined)

"AGREEMENT" shall have the meaning specified in the preamble hereof.

"BLACKOUT NOTICE" shall mean a written notice from the Company to the Investor with respect to the existence of a Potential Material Event.

“BLACKOUT PERIOD" shall have the meaning specified in Section 2.6

“BLACKOUT SHARES" shall have the meaning specified in Section 2.6

"BY-LAWS" shall have the meaning specified in Section 4.8.

"CERTIFICATE" shall have the meaning specified in Section 4.8.

"CLAIM NOTICE" shall have the meaning specified in Section 9.3(a).

"CLOSING" shall mean one of the closings of a purchase and sale of shares of Common Stock pursuant to Section 2.3.

“CLOSING BID PRICE” shall mean the closing bid price as reported by the Principal Market.

"CLOSING CERTIFICATE " shall mean the closing certificate of the Company in the form of Exhibit D hereto.

"CLOSING DATE" shall mean, with respect to a Closing, the sixth (6th) Trading Day following the Put Date related to such Closing, or such earlier date as the Company and Investor shall agree, provided all conditions to such Closing have been satisfied on or before such Trading Day.

"COMMITMENT PERIOD" shall mean the period commencing on the Effective Date, and ending on the earlier of (i) the date on which Investor shall have purchased Put Shares pursuant to this Agreement for an aggregate Purchase Price of the Maximum Commitment Amount, (ii) the date this Agreement is terminated pursuant to Section 2.5, or (iii) the date occurring twenty four (24) months from the date of commencement of the Commitment Period.

"COMMON STOCK" shall mean the Company's common stock, $0.001 par value per share, and any shares of any other class of common stock whether now or hereafter authorized, having the right to participate in the distribution of dividends (as and when declared) and assets (upon liquidation of the Company).

"COMMON STOCK EQUIVALENTS" shall mean any securities that are convertible into or exchangeable for Common Stock or any options or other rights to subscribe for or purchase Common Stock or any such convertible or exchangeable securities.

"COMPANY" shall have the meaning specified in the preamble to this Agreement.

"CONDITION SATISFACTION DATE" shall have the meaning specified in Section 7.2.

"DAMAGES" shall mean any loss, claim, damage, liability, cost and expense (including, without limitation, reasonable attorneys' fees and disbursements and costs and expenses of expert witnesses and investigation).

"DISPUTE PERIOD" shall have the meaning specified in Section 9.3(a).

“DOLLAR VOLUME” shall mean the product of (a) the Closing Bid Price times (b) the volume on the Principal Market on a Trading Day.

"DTC" shall have the meaning specified in Section 2.3.

"DWAC" shall have the meaning specified in Section 2.3.

"EFFECTIVE DATE" shall mean the date on which the SEC first declares effective a Registration Statement, or any amendment thereof, registering the Registrable Securities as set forth in Section 7.2(a) or, if later, the date on which the Company and the Investor originally executed and delivered this Agreement.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder.

"FAST" shall have the meaning specified in Section 2.3.

"FINRA" shall mean the Financial Industry Regulatory Authority, Inc.

"INDEMNIFIED PARTY" shall have the meaning specified in Section 9.3(a).

"INDEMNIFYING PARTY" shall have the meaning specified in Section 9.3(a).

"INDEMNITY NOTICE" shall have the meaning specified in Section 9.3(b).

"INVESTMENT AMOUNT" shall mean the dollar amount (within the range specified in Section 2.2) to be invested by Investor to purchase Put Shares with respect to any Put as notified by the Company to Investor in accordance with Section 2.2.

"INVESTOR" shall have the meaning specified in the preamble to this Agreement.

"LEGEND" shall have the meaning specified in Section 8.1.

"MARKET PRICE" shall mean the lowest Closing Bid Price during the Valuation Period.

"MATERIAL ADVERSE EFFECT" shall mean any effect on the business, operations, properties, or financial condition of the Company that is material and adverse to the Company and/or any condition, circumstance, or situation that would prohibit or otherwise materially interfere with the ability of the Company to enter into and perform its obligations under any of (a) this Agreement and (b) the Registration Rights Agreement.

"MAXIMUM COMMITMENT AMOUNT" shall mean Fifty Million Dollars ($50,000,000).

“MAXIMUM PUT AMOUNT” shall mean, with respect to any Put, the lesser of (a) Two Million Five Hundred Thousand Dollars ($2,500,000), or (b) Three Hundred (300%) percent of the average of the Dollar Volume for the twenty (20) Trading Days immediately preceding the Put Date.

"NEW BID PRICE" shall have the meaning specified in Section 2.6.

"OLD BID PRICE" shall have the meaning specified in Section 2.6.

"OUTSTANDING" shall mean, with respect to the Common Stock, at any date as of which the number of shares of Common Stock is to be determined, all issued and outstanding shares of Common Stock, including all shares of Common Stock issuable in respect of outstanding convertible securities, scrip or any certificates representing fractional interests in shares of Common Stock; provided, however, that Outstanding shall not include any shares of Common Stock then directly or indirectly owned or held by or for the account of the Company.

"PERSON" shall mean an individual, a corporation, a partnership, an association, a trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"POTENTIAL MATERIAL EVENT" shall mean any of the following: (a) the possession by the Company of material information not ripe for disclosure in a Registration Statement, which shall be evidenced by determinations in good faith by the Board of Directors of the Company that disclosure of such information in the Registration Statement would be detrimental to the business and affairs of the Company, or (b) any material engagement or activity by the Company which would, in the good faith determination of the Board of Directors of the Company, be adversely affected by disclosure in a Registration Statement at such time, which determination shall be accompanied by a good faith determination by the Board of Directors of the Company that the Registration Statement would be materially misleading absent the inclusion of such information.

"PRINCIPAL MARKET" shall mean the Nasdaq Global Market, or other principal exchange which is at the time the principal trading exchange or market for the Common Stock.

"PURCHASE PRICE" shall mean, with respect to any Put, 95% of the Market Price on such date on which the Purchase Price is calculated in accordance with the terms and conditions of this Agreement.

"PUT" shall mean the right of the Company to require the Investor to purchase shares of Common Stock, subject to the terms and conditions of this Agreement.

"PUT DATE" shall mean any Trading Day during the Commitment Period that a Put Notice is deemed delivered pursuant to Section 2.2(b).

"PUT NOTICE" shall mean a written notice, substantially in the form of Exhibit B hereto, to Investor setting forth the Investment Amount with respect to which the Company intends to require Investor to purchase shares of Common Stock pursuant to the terms of this Agreement.

"PUT SHARES" shall mean all shares of Common Stock issued or issuable pursuant to a Put that has been exercised or may be exercised in accordance with the terms and conditions of this Agreement.

"REGISTRABLE SECURITIES" shall mean the (a) Put Shares, (b) the Blackout Shares, (c) the Warrant Shares and (d) any securities issued or issuable with respect to any of the foregoing by way of exchange, stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (i) a Registration Statement has been declared effective by the SEC and such Registrable Securities have been disposed of pursuant to a Registration Statement, (ii) such Registrable Securities have been sold under circumstances under which all of the applicable conditions of Rule 144 are met, (iii) such time as such Registrable Securities have been otherwise transferred to holders who may trade such shares without restriction under the Securities Act or (iv) in the opinion of counsel to the Company, which counsel shall be reasonably acceptable to Investor, such Registrable Securities may be sold without registration under the Securities Act or the need for an exemption from any such registration requirements and without any time, volume or manner limitations pursuant to Rule 144(b)(i) (or any similar provision then in effect) under the Securities Act.

"REGISTRATION RIGHTS AGREEMENT" shall mean the registration rights agreement in the form of Exhibit A hereto.

"REGISTRATION STATEMENT" shall mean a registration statement on such form promulgated by the SEC for which the Company then qualifies and which counsel for the Company shall deem appropriate and which form shall be available for the resale of the Registrable Securities to be registered thereunder in accordance with the provisions of this Agreement and the Registration Rights Agreement and in accordance with the intended method of distribution of such securities, for the registration of the resale by Investor of the Registrable Securities under the Securities Act.

"REGULATION D" shall mean Regulation D promulgated under the Securities Act.

"REMAINING PUT SHARES" shall have the meaning specified in Section 2.6.

"RULE 144" shall mean Rule 144 under the Securities Act or any similar provision then in force under the Securities Act.

"SEC" shall mean the Securities and Exchange Commission.

"SECURITIES ACT" shall have the meaning specified in the recitals of this Agreement.

"SEC DOCUMENTS" shall mean, as of a particular date, all reports and other documents file by the Company pursuant to Section 13(a) or 15(d) of the Exchange Act since the beginning of the Company's then most recently completed fiscal year as of the time in question (provided that if the date in question is within ninety days of the beginning of the Company's fiscal year, the term shall include all documents filed since the beginning of the second preceding fiscal year).

“SHORT SALES” shall mean all “short sales” as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

"SUBSCRIPTION DATE" shall mean the date on which this Agreement is executed and delivered by the Company and Investor.

"THIRD PARTY CLAIM" shall have the meaning specified in Section 9.3(a).

“TRADING DAY” shall mean a day on which the Principal Market shall be open for business.

“TRANSACTION DOCUMENTS” shall mean this Equity Credit Agreement, the Registration Rights Agreement, Closing Certificate, and the Transfer Agent Instructions.

"TRANSFER AGENT" shall mean the transfer agent for the Common Stock (and to any substitute or replacement transfer agent for the Common Stock upon the Company's appointment of any such substitute or replacement transfer agent).

"UNDERWRITER" shall mean any underwriter participating in any disposition of the Registrable Securities on behalf of Investor pursuant to a Registration Statement.

"VALUATION EVENT" shall mean an event in which the Company at any time during a Valuation Period takes any of the following actions:

(a) subdivides or combines the Common Stock;

(b) pays a dividend in shares of Common Stock or makes any other distribution of shares of Common Stock, except for dividends paid with respect to any series of preferred stock authorized by the Company, whether existing now or in the future;

(c) issues any options or other rights to subscribe for or purchase shares of Common Stock other than pursuant to this Agreement and the price per share for which shares of Common Stock may at any time thereafter be issuable pursuant to such options or other rights shall be less than the Closing Bid Price in effect immediately prior to such issuance;

(d) issues any securities convertible into or exchangeable for shares of Common Stock and the consideration per share for which shares of Common Stock may at any time thereafter be issuable pursuant to the terms of such convertible or exchangeable securities shall be less than the Closing Bid Price in effect immediately prior to such issuance;

(e) issues shares of Common Stock otherwise than as provided in the foregoing subsections (a) through (d), at a price per share less, or for other consideration lower, than the Closing Bid Price in effect immediately prior to such issuance, or without consideration; or

(f) makes a distribution of its assets or evidences of indebtedness to the holders of Common Stock as a dividend in liquidation or by way of return of capital or other than as a dividend payable out of earnings or surplus legally available for dividends under applicable law or any distribution to such holders made in respect of the sale of all or substantially all of the Company's assets (other than under the circumstances provided for in the foregoing subsections (a) through (e).

"VALUATION PERIOD" shall mean the period of five (5) Trading Days immediately following the date on which the applicable Put Notice is deemed to be delivered and during which the Purchase Price of the Common Stock is valued; provided, however, that if a Valuation Event occurs during any Valuation Period, a new Valuation Period shall begin on the Trading Day immediately after the occurrence of such Valuation Event and end on the fifth (5th) Trading Day thereafter.

“WARRANT” shall mean the Common Stock Purchase Warrant delivered to Investor upon filing, after the Subscription Date, of the Registration Statement, or an applicable supplement or amendment, in accordance with Section 2.1(b) hereof, which Warrant shall be exercisable immediately and have a term of exercise equal to 5 years, in the form of Exhibit E attached hereto.

“WARRANT SHARES” shall mean the shares of Common Stock issuable upon exercise of the Warrant.

ARTICLE II
PURCHASE AND SALE OF COMMON STOCK

Section 2.1 INVESTMENTS.

(a) PUTS. Upon the terms and conditions set forth herein (including, without limitation, the provisions of Article VII), on any Put Date the Company may exercise a Put by the delivery of a Put Notice. The number of Put Shares that Investor shall purchase pursuant to such Put shall be determined by dividing the Investment Amount specified in the Put Notice by the Purchase Price with respect to such Put Notice.

(b) WARRANT. As a condition for the execution of this Agreement by the Investor, the Company shall grant the Investor a transferable, divisible Warrant to purchase 400,000 shares of Common Stock, at an exercise price equal to $5.75, with a five year term, and cashless exercise rights in the form annexed hereto as Exhibit E. The Warrant and the Warrant Shares shall be included in the Registration Statement, and any amendment or supplement thereto. The Warrant shall be delivered to the Investor upon filing, after the Subscription Date, of the Registration Statement, or an applicable supplement or amendment.

Section 2.2 MECHANICS.

(a) PUT NOTICE. At any time and from time to time during the Commitment Period, the Company may deliver a Put Notice to Investor, subject to the conditions set forth in Section 7.2; provided, however, that the Investment Amount identified in the applicable Put Notice shall not be greater than the Maximum Put Amount and, when taken together with any prior Put Notices, shall not exceed the Maximum Commitment.

(b) DATE OF DELIVERY OF PUT NOTICE. A Put Notice shall be deemed delivered on (i) the Trading Day it is received by facsimile or otherwise by Investor if such notice is received on or prior to 12:00 noon New York time, or (ii) the immediately succeeding Trading Day if it is received by facsimile or otherwise after 12:00 noon New York time on a Trading Day or at anytime on a day which is not a Trading Day.

Section 2.3 CLOSINGS. On or prior to each Closing Date for any Put, (a) the Company shall deliver to the Investor one or more certificates, at Investor's option, representing the Put Shares purchased by Investor pursuant to Section 2.1 herein, registered in the name of Investor and (b) Investor shall deliver the Investment Amount specified in the Put Notice by wire transfer of immediately available funds to an account designated by the Company within twenty four (24) hours of receipt of the Put Shares. In lieu of delivering physical certificates representing the Common Stock issuable in accordance with clause (a) of this Section 2.3, and provided that the Transfer Agent then is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer ("FAST") program, upon request of Investor, but subject to the applicable provisions of Article VIII hereof, the Company shall use its commercially reasonable efforts to cause the Transfer Agent to electronically transmit, prior to the applicable Closing Date, the applicable Put Shares by crediting the account of the Investor's prime broker with DTC through its Deposit Withdrawal Agent Commission ("DWAC") system, and provide proof satisfactory to the Investor of such delivery. In addition, on or prior to such Closing Date, each of the Company and Investor shall deliver to each other all documents, instruments and writings required to be delivered or reasonably requested by either of them pursuant to this Agreement in order to implement and effect the transactions contemplated herein.

Section 2.4 [INTENTIONALLY OMITTED]

Section 2.5 [INTENTIONALLY OMITTED]

Section 2.6 BLACKOUT SHARES.

(a) If at any time or from time to time after the date of effectiveness of the Registration Statement, the Company delivers a Blackout Notice to the Investor, the Investor shall not offer or sell any Put Shares, Warrant Shares, or Blackout Shares (as defined below), or engage in any other transaction involving or relating the such shares, from the time of the Blackout Notice until Investor receives written notice from the Company that such Potential Material Event either has been disclosed to the public or no longer constitutes a Potential Material Event (such period, a "Blackout Period").

(b) In the event that, (i) within fifteen (15) Trading Days following any Closing Date, the Company delivers a Blackout Notice to Investor, and (ii) the Closing Bid Price on the Trading Day immediately preceding the applicable Blackout Period ("OLD BID PRICE") is greater than the Closing Bid Price on the first Trading Day following such Blackout Period that Investor may sell its Registrable Securities pursuant to an effective Registration Statement ("NEW BID PRICE"), then the Company shall issue to Investor the number of additional shares of Registrable Securities (the "BLACKOUT SHARES") equal to the excess of (x) the product of the number of Put Shares held by Investor immediately prior to the Blackout Period that were issued on the most recent Closing Date (the "REMAINING PUT SHARES") multiplied by the Old Bid Price, divided by the New Bid Price, over (y) the Remaining Put Shares.

Section 2.7 [INTENTIONALLY OMITTED]

Section 2.8 LIQUIDATED DAMAGES. Each of the Company and Investor acknowledge and agree that the requirement to issue Blackout Shares under Section 2.6 shall give rise to liquidated damages and not penalties. Each of the Company and Investor further acknowledge that (a) the amount of loss or damages likely to be incurred is incapable or is difficult to precisely estimate, (b) the amount specified in such Section bears a reasonable proportion and is not plainly or grossly disproportionate to the probable loss likely to be incurred by Investor in connection with a Blackout Period, and (c) each of the Company and Investor are sophisticated business parties and have been represented by sophisticated and able legal and financial counsel and negotiated this Agreement at arm's length.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF INVESTOR

Investor represents and warrants to the Company that:

Section 3.1 INTENT. Investor is entering into this Agreement for its own account and Investor has no present arrangement (whether or not legally binding) at any time to sell the Common Stock to or through any person or entity; provided, however, that Investor reserves the right to dispose of the Common Stock at any time in accordance with federal and state securities laws applicable to such disposition.

Section 3.2 NO LEGAL ADVICE FROM THE COMPANY. The Investor acknowledges that it has had the opportunity to review this Agreement and the transactions contemplated by this Agreement with its own legal counsel and investment and tax advisors. The Investor is relying solely on such counsel and advisors and not on any statements or representations of the Company or any of its representatives or agents for legal, tax or investment advice with respect to this investment, the transactions contemplated by this Agreement or the securities laws of any jurisdiction.

Section 3.3 SOPHISTICATED INVESTOR. Investor is a sophisticated investor (as described in Rule 506(b)(2)(ii) of Regulation D) and an accredited investor (as defined in Rule 501 of Regulation D), and Investor has such experience in business and financial matters that it is capable of evaluating the merits and risks of an

investment in the Common Stock. Investor acknowledges that an investment in the Common Stock is speculative and involves a high degree of risk.

Section 3.4 AUTHORITY. (a) Investor has the requisite power and authority to enter into and perform its obligations under this Agreement and the transactions contemplated hereby in accordance with its terms; (b) the execution and delivery of this Agreement and the Registration Rights Agreement, and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action and no further consent or authorization of Investor or its partners is required; and (c) each of this Agreement and the Registration Rights Agreement has been duly authorized and validly executed and delivered by Investor and constitutes a valid and binding obligation of Investor enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

Section 3.5 NOT AN AFFILIATE. Investor is not an officer, director or "affiliate" (as that term is defined in Rule 405 of the Securities Act) of the Company.

Section 3.6 ORGANIZATION AND STANDING. Investor is a limited partnership duly organized, validly existing and in good standing under the laws of the Delaware and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Investor is duly qualified and in good standing in every jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, other than those in which the failure so to qualify would not have a material adverse effect on Investor.

Section 3.7 ABSENCE OF CONFLICTS. The execution and delivery of this Agreement and any other document or instrument contemplated hereby, and the consummation of the transactions contemplated hereby and thereby, and compliance with the requirements hereof and thereof, will not (a) violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on Investor, (b) violate any provision of any indenture, instrument or agreement to which Investor is a party or is subject, or by which Investor or any of its assets is bound, or conflict with or constitute a material default thereunder, (c) result in the creation or imposition of any lien pursuant to the terms of any such indenture, instrument or agreement, or constitute a breach of any fiduciary duty owed by Investor to any third party, or (d) require the approval of any third-party (that has not been obtained) pursuant to any material contract, instrument, agreement, relationship or legal obligation to which Investor is subject or to which any of its assets, operations or management may be subject.

Section 3.8 DISCLOSURE; ACCESS TO INFORMATION. Investor had an opportunity to review copies of the SEC Documents filed on behalf of the Company and has had access to all publicly available information with respect to the Company.

Section 3.9 MANNER OF SALE. At no time was Investor presented with or solicited by or through any leaflet, public promotional meeting, television advertisement or any other form of general solicitation or advertising.

Section 3.10 FINANCIAL CAPABILITY. Investor presently has the financial capacity and the necessary capital to perform its obligations hereunder.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Investor that, except as disclosed in the SEC Documents:

Section 4.1 ORGANIZATION OF THE COMPANY. The Company is a corporation duly organized and validly existing and in good standing under the laws of the State of Nevada and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted. The Company is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, other than those in which the failure so to qualify would not have a Material Adverse Effect.

Section 4.2 AUTHORITY. (a) The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement and the Registration Rights Agreement and to issue the Put Shares, Warrant Shares and Blackout Shares, if any; (b) the execution and delivery of this Agreement and the Registration Rights Agreement by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action and no further consent or authorization of the Company or its Board of Directors or stockholders is required; and (c) each of this Agreement and the Registration Rights Agreement has been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

Section 4.3 CAPITALIZATION. As of the date hereof, the authorized capital stock of the Company consists of (i) 75,000,000 shares of Common Stock, $0.001 par value per share, of which 42,200,263 shares are outstanding as of the date hereof.

Except as otherwise disclosed in the SEC Documents, there are no outstanding securities which are convertible into shares of Common Stock, whether such conversion is currently exercisable or exercisable only upon some future date or the occurrence of some event in the future.

All of the outstanding shares of Common Stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable.

Section 4.4 COMMON STOCK. The Company has registered the Common Stock pursuant to Section 12(b) or 12(g) of the Exchange Act and is in full compliance with all reporting requirements of the Exchange Act, and the Company has maintained all requirements for the continued listing or quotation of the Common Stock, and such Common Stock is currently listed or quoted on the Principal Market. The Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the SEC is contemplating terminating such registration.

Section 4.5 SEC DOCUMENTS. The Company may make available to Investor true and complete copies of the SEC Documents (including, without limitation, proxy information and solicitation materials). To the Company’s knowledge, the Company has not provided to Investor any information that, according to applicable law, rule or regulation, should have been disclosed publicly prior to the date hereof by the Company, but which has not been so disclosed. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and other federal, state and local laws, rules and regulations applicable to such SEC Documents, and none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Documents comply as to form and substance in all material respects with applicable accounting requirements and the published rules and regulations of the SEC or other applicable rules and regulations with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except (a) as may be otherwise indicated in such financial statements or the notes thereto or (b) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments).

Section 4.6 VALID ISSUANCES. When issued and paid for as herein provided, the Put Shares, the Warrant Shares, and the Blackout Shares, if any, shall be duly and validly issued, fully paid, and non-assessable. Neither the sales of the Put Shares or the Blackout Shares, if any, pursuant to, nor the Company's performance of its obligations under, this Agreement or the Registration Rights Agreement shall (a) result in the creation or imposition of any liens, charges, claims or other encumbrances upon the Put Shares, Warrant Shares or Blackout Shares, if any, or any of the assets of the Company, or (b) entitle the holders of outstanding shares of Common Stock to preemptive or other rights to subscribe to or acquire the Common Stock or other securities of the Company. The Put Shares, Warrant Shares and Blackout Shares, if any, shall not subject Investor to personal liability, in excess of the subscription price by reason of the ownership thereof.

Section 4.7 [INTENTIONALLY OMITTED]

Section 4.8 [INTENTIONALLY OMITTED]

Section 4.9 NO CONFLICTS. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby, including without limitation the issuance of the Put Shares and the Blackout Shares, if any, do not and will not (a) result in a violation of the Certificate or By-Laws or (b) conflict with, or constitute a material default (or an event that with notice or lapse of time or both would become a material default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any material agreement, indenture, instrument or any "lock-up" or similar provision of any underwriting or similar agreement to which the Company is a party, or (c) result in a violation of any federal, state or local law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations) applicable to the Company or by which any property or asset of the Company is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect) nor is the Company otherwise in violation of, conflict with or in default under any of the foregoing. The business of the Company is not being conducted in violation of any law, ordinance or regulation of any governmental entity, except for possible violations that either singly or in the aggregate do not and will not have a Material Adverse Effect. The Company is not required under federal, state or local law, rule or regulation to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under this Agreement or issue and sell the Common Stock in accordance with the terms hereof (other than any SEC, FINRA or state securities filings that may be required to be made by the Company subsequent to any Closing, any registration statement that may be filed pursuant hereto, and any shareholder approval required by the rules applicable to companies whose common stock trades on the Nasdaq Global Market); provided that, for purposes of the representation made in this sentence, the Company is assuming and relying upon the accuracy of the relevant representations and agreements of Investor herein.

Section 4.10 NO MATERIAL ADVERSE CHANGE. Since June 30, 2009 no event has occurred that would have a Material Adverse Effect on the Company, except as disclosed in the SEC Documents.

Section 4.11 NO UNDISCLOSED LIABILITIES. The Company has no liabilities or obligations that are material, individually or in the aggregate, and that are not disclosed in the SEC Documents or otherwise publicly announced, other than those incurred in the ordinary course of the Company's businesses since June 30, 2009 and which, individually or in the aggregate, do not or would not have a Material Adverse Effect on the Company.

Section 4.12 NO UNDISCLOSED EVENTS OR CIRCUMSTANCES. Since June 30, 2009, no event or circumstance has occurred or exists with respect to the Company or its businesses, properties, operations or financial condition, that, under applicable law, rule or regulation, requires public disclosure or announcement prior to the date hereof by the Company but which has not been so publicly announced or disclosed in the SEC Documents.

Section 4.13 [INTENTIONALLY OMITTED]

Section 4.14 LITIGATION AND OTHER PROCEEDINGS. Except as may be set forth in the SEC Documents, there are no lawsuits or proceedings pending or to the knowledge of the Company threatened,

against the Company, nor has the Company received any written or oral notice of any such action, suit, proceeding or investigation, which would have a Material Adverse Effect. Except as set forth in the SEC Documents, no judgment, order, writ, injunction or decree or award has been issued by or, so far as is known by the Company, requested of any court, arbitrator or governmental agency which would have a Material Adverse Effect.

Section 4.15 MATERIAL NON-PUBLIC INFORMATION. The Company is not in possession of, nor has the Company or its agents disclosed to Investor, any material non-public information that (a) if disclosed, would reasonably be expected to have a materially adverse effect on the price of the Common Stock or (b) according to applicable law, rule or regulation, should have been disclosed publicly by the Company prior to the date hereof but which has not been so disclosed.

Section 4.16 SARBANES-OXLEY; INTERNAL ACCOUNTING CONTROLS. The Company is in material compliance with all provisions of the Sarbanes-Oxley Act of 2002 which are applicable to it. The Company and its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company has established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. The Company's certifying officers have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by the Company's most recently filed periodic report under the Exchange Act (such date, the "EVALUATION DATE"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the Company's internal control over financial reporting (as such term is defined in the Exchange Act) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Section 4.17 DIRECTOR AND OFFICERS LIABILITY POLICY. The Company maintains a Directors' and Officers' liability insurance policy. Such policy is in full force and effect, and has not been modified, cancelled or terminated and the Company has not received any notice of cancellation, modification or non renewal .

ARTICLE V
COVENANTS OF INVESTOR

Section 5.1 COMPLIANCE WITH LAW; TRADING IN SECURITIES. Investor's trading activities with respect to shares of the Common Stock will be in compliance with all applicable state and federal securities laws, rules and regulations and the rules and regulations of FINRA and the Principal Market on which the Common Stock is listed or quoted.

Section 5.2 SHORT SALES AND CONFIDENTIALITY. Neither Investor nor any affiliate of the Investor acting on its behalf or pursuant to any understanding with it will execute any Short Sales during the period from the date hereof to the end of the Commitment Period. For the purposes hereof, and in accordance with Regulation SHO, the sale after delivery of a Put Notice of such number of shares of Common Stock reasonably expected to be purchased under a Put Notice shall not be deemed a Short Sale.

Other than to other Persons party to this Agreement, Investor has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction).

ARTICLE VI

COVENANTS OF THE COMPANY

Section 6.1 REGISTRATION RIGHTS. The Company shall use its best efforts to cause the Registration Rights Agreement to remain in full force and effect and the Company shall comply in all respects with the terms thereof.

Section 6.2 RESERVATION OF COMMON STOCK. As of the date hereof, the Company has available and the Company shall reserve and keep available at all times, free of preemptive rights, 400,000 shares of Common Stock for the purpose of enabling the Company to satisfy its obligation to issue the Warrant Shares. The Company will, from time to time as needed in advance of a Closing Date, reserve and keep available until the consummation of such Closing, free of preemptive rights sufficient shares of Common Stock for the purpose of enabling the Company to satisfy its obligation to issue the Put Shares to be issued in connection therewith. The number of shares so reserved from time to time, as theretofore increased or reduced as hereinafter provided, may be reduced by the number of shares actually delivered hereunder.

Section 6.3 LISTING OF COMMON STOCK. If the Company applies to have the Common Stock traded on any other Principal Market, it shall include in such application the Put Shares, the Warrant Shares, and the Blackout Shares, if any, and shall take such other action as is necessary or desirable in the reasonable opinion of Investor to cause the Common Stock to be listed on such other Principal Market as promptly as possible. The Company shall use its commercially reasonable efforts to continue the listing and trading of the Common Stock on the Principal Market (including, without limitation, maintaining sufficient net tangible assets) and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the FINRA and the Principal Market.

Section 6.4 EXCHANGE ACT REGISTRATION. The Company shall take all commercially reasonable steps to cause the Common Stock to continue to be registered under Section 12(g) or 12(b) of the Exchange Act, will use its commercially reasonable efforts to comply in all material respects with its reporting and filing obligations under said act, and will not take any action or file any document (whether or not permitted by said act or the rules thereunder) to terminate or suspend such registration or to terminate or suspend its reporting and filing obligations under the Exchange Act.

Section 6.5 NOTICE OF CERTAIN EVENTS AFFECTING REGISTRATION; SUSPENSION OF RIGHT TO MAKE A PUT. The Company shall promptly notify Investor upon the occurrence of any of the following events in respect of a registration statement or related prospectus in respect of an offering of Registrable Securities: (a) receipt of any request by the SEC or any other federal or state governmental authority during the period of effectiveness of the registration statement for amendments or supplements to the Registration Statement or related prospectus; (b) the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for that purpose; (c) receipt of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; (d) the happening of any event that makes any statement made in such Registration Statement or related prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in the registration statement, related prospectus or documents so that, in the case of a Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the related prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (e) the Company's reasonable determination that a post-effective amendment to the registration statement would be appropriate, and the Company shall promptly make available to Investor any such supplement or amendment to the related prospectus. The Company shall not deliver to Investor any Put Notice during the continuation of any of the foregoing events.

Section 6.6 CONSOLIDATION; MERGER. The Company shall not at any time after the date hereof effect any merger or consolidation of the Company unless the resulting successor or acquiring entity (if not the Company) assumes by written instrument the obligation to deliver to Investor such shares of Common Stock and/or securities as Investor is entitled to receive pursuant to this Agreement.

Section 6.7 REIMBURSEMENT. If (i) Investor, other than by reason of its gross negligence or willful misconduct, becomes involved in any capacity in any action, proceeding or investigation brought by any shareholder of the Company, in connection with or as a result of the consummation of the transactions contemplated by the Transaction Documents, or if Investor is impleaded in any such action, proceeding or investigation by any person, or (ii) Investor, other than by reason of its gross negligence or willful misconduct or by reason of its trading of the Common Stock in a manner that is illegal under the federal securities laws, becomes involved in any capacity in any action, proceeding or investigation brought by the SEC against or involving the Company or in connection with or as a result of the consummation of the transactions contemplated by the Transaction Documents, or if Investor is impleaded in any such action, proceeding or investigation by any person, then in any such case, the Company will reimburse Investor for its reasonable legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith, as such expenses are incurred. The reimbursement obligations of the Company under this section shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to any affiliates of Investor that are actually named in such action, proceeding or investigation, and partners, directors, agents, employees and controlling persons (if any), as the case may be, of Investor and any such affiliate, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, Investor and any such affiliate and any such person.

Section 6.8 DILUTION. The number of shares of Common Stock issuable as Put Shares may increase substantially in certain circumstances, including, but not necessarily limited to, the circumstance wherein the trading price of the Common Stock declines during the period between the Effective Date and the end of the Commitment Period. The Company’s executive officers and directors have studied and fully understand the nature of the transactions contemplated by this Agreement and recognize that they have a potential dilutive effect. The board of directors of the Company has concluded, in its good faith business judgment, that such issuance is in the best interests of the Company. The Company specifically acknowledges that its obligation to issue the Put Shares is binding upon the Company and enforceable regardless of the dilution such issuance may have on the ownership interests of other shareholders of the Company.

Section 6.9 CERTAIN AGREEMENTS. The Company covenants and agrees that it will not, without the prior written consent of the Investor, enter into any other equity line of credit agreement with a third party during the Commitment Period having terms and conditions substantially comparable to this Agreement. For the avoidance of doubt, nothing contained in the Transaction Documents shall restrict, or require the Investor's consent for, any agreement providing for the issuance or distribution of (or the issuance or distribution of) any equity securities pursuant to any agreement or arrangement that is not commonly understood to be an "equity line of credit."

ARTICLE VII
CONDITIONS TO DELIVERY OF PUT NOTICES AND CONDITIONS TO CLOSING

Section 7.1 CONDITIONS PRECEDENT TO THE OBLIGATION OF THE COMPANY TO ISSUE AND SELL COMMON STOCK. The obligation hereunder of the Company to issue and sell the Put Shares to Investor incident to each Closing is subject to the satisfaction, at or before each such Closing, of each of the conditions set forth below.

(a) ACCURACY OF INVESTOR'S REPRESENTATIONS AND WARRANTIES. The representations and warranties of Investor shall be true and correct in all material respects as of the date of this Agreement and as of the date of each such Closing as though made at each such time, except for changes which have not had a Material Adverse Effect.

(b) PERFORMANCE BY INVESTOR. Investor shall have performed, satisfied and complied in all respects with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by Investor at or prior to such Closing.

(c) Principal Market Regulation. The Company shall not issue any Put Shares, Warrant Shares or Blackout Shares, if any, and the Investor shall not have the right to receive any Put Shares, Warrant Shares or Blackout Shares, if the issuance of such shares would exceed the aggregate number of shares of Common Stock which the Company may issue without breaching the Company's obligations under the rules or regulations of the Principal Market (the "EXCHANGE CAP"), except that such limitation shall not apply in the event that the Company obtains the approval of its stockholders as required by the applicable rules of the Principal Market for issuances of Common Stock in excess of such amount, which such approval the Company will use its best efforts to obtain. Until such approval is obtained, Investor shall not be issued under the Transaction Documents, shares of Common Stock in an amount greater than the Exchange Cap.

Section 7.2 CONDITIONS PRECEDENT TO THE RIGHT OF THE COMPANY TO DELIVER A PUT NOTICE AND THE OBLIGATION OF INVESTOR TO PURCHASE PUT SHARES. The right of the Company to deliver a Put Notice and the obligation of Investor hereunder to acquire and pay for the Put Shares incident to a Closing is subject to the satisfaction, on (i) the date of delivery of such Put Notice and (ii) the applicable Closing Date (each a "CONDITION SATISFACTION DATE"), of each of the following conditions:

(a) EFFECTIVE REGISTRATION STATEMENT. As set forth in the Registration Rights Agreement, a Registration Statement, and any amendment or supplement thereto, shall have previously become effective for the resale by Investor of the Registrable Securities subject to such Put Notice, and such Registration Statement shall remain effective on each Condition Satisfaction Date and (i) neither the Company nor Investor shall have received notice that the SEC has issued or intends to issue a stop order with respect to such Registration Statement or that the SEC otherwise has suspended or withdrawn the effectiveness of such Registration Statement, either temporarily or permanently, or intends or has threatened to do so (unless the SEC's concerns have been addressed and Investor is reasonably satisfied that the SEC no longer is considering or intends to take such action), and (ii) no other suspension of the use or withdrawal of the effectiveness of such Registration Statement or related prospectus shall exist.

(b) ACCURACY OF THE COMPANY'S REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Company shall be true and correct in all material respects as of each Condition Satisfaction Date as though made at each such time (except for representations and warranties specifically made as of a particular date) with respect to all periods, and as to all events and circumstances occurring or existing to and including each Condition Satisfaction Date, except for any conditions which have temporarily caused any representations or warranties herein to be incorrect and which have been corrected with no continuing impairment to the Company or Investor.

(c) PERFORMANCE BY THE COMPANY. The Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Agreement and the Registration Rights Agreement to be performed, satisfied or complied with by the Company at or prior to each Condition Satisfaction Date.

(d) NO INJUNCTION. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or adopted by any court or governmental authority of competent jurisdiction that prohibits or directly and materially adversely affects any of the transactions contemplated by this Agreement, and no proceeding shall have been commenced that may have the effect of prohibiting or materially adversely affecting any of the transactions contemplated by this Agreement.

(e) ADVERSE CHANGES. Since the date of filing of the Company's most recent SEC Document, no event that had or is reasonably likely to have a Material Adverse Effect has occurred.

(f) NO SUSPENSION OF TRADING IN OR DELISTING OF COMMON STOCK. The trading of the Common Stock shall not have been suspended by the SEC, the Principal Market or the FINRA and the Common Stock shall have been approved for listing or quotation on and shall not have been delisted from the Principal Market.

(g) LEGAL OPINION. The Company shall have caused to be delivered to Investor, prior to the first Closing, an opinion of the Company's legal counsel in the form of Exhibit C hereto, addressed to Investor.

(h) FIVE PERCENT LIMITATION. On each Closing Date, the number of Put Shares then to be purchased by Investor shall not exceed the number of such shares that, when aggregated with all other shares of Registrable Securities then owned by Investor beneficially or deemed beneficially owned by Investor, would result in Investor owning more than 4.99% of all of such Common Stock as would be outstanding on such Closing Date, as determined in accordance with Section 16 of the Exchange Act and the regulations promulgated thereunder. For purposes of this Section, in the event that the amount of Common Stock outstanding as determined in accordance with Section 16 of the Exchange Act and the regulations promulgated thereunder is greater on a Closing Date than on the date upon which the Put Notice associated with such Closing Date is given, the amount of Common Stock outstanding on such Closing Date shall govern for purposes of determining whether Investor, when aggregating all purchases of Common Stock made pursuant to this Agreement and Blackout Shares, if any, would own more than 4.99% of the Common Stock following such Closing Date.

(i) Principal Market Regulation. The Company shall not issue any Put Shares, Warrant Shares or Blackout Shares, if any, and the Investor shall not have the right to receive any Put Shares, Warrant Shares or Blackout Shares, if the issuance of such shares would exceed the Exchange Cap, except that such limitation shall not apply in the event that the Company obtains the approval of its stockholders as required by the applicable rules of the Principal Market for issuances of Common Stock in excess of such amount, which such approval the Company will use its best efforts to obtain. Until such approval is obtained, Investor shall not be issued under the Transaction Documents, shares of Common Stock in an amount greater than the Exchange Cap.

(j) NO KNOWLEDGE. The Company shall have no knowledge of any event more likely than not to have the effect of causing such Registration Statement to be suspended or otherwise ineffective (which event is more likely than not to occur within the fifteen Trading Days following the Trading Day on which such Notice is deemed delivered).

(k) SHAREHOLDER VOTE. The issuance of shares of Common Stock with respect to the applicable Closing, if any, shall not violate the shareholder approval requirements of the Principal Market.

(l) NO VALUATION EVENT. No Valuation Event shall have occurred since the Put Date.

(m) OTHER. On each Condition Satisfaction Date, Investor shall have received a certificate in substantially the form and substance of Exhibit D hereto, executed by an executive officer of the Company and to the effect that all the conditions to such Closing shall have been satisfied as at the date of each such certificate.

ARTICLE VIII
LEGENDS

Section 8.1 LEGENDS. Prior to the execution hereof, the Company shall execute the Transfer Agent Instructions in the form annexed hereto as Exhibit E. Until such time as the Registrable Securities have been registered under the Securities Act, as contemplated by the Registration Rights Agreement, and sold in accordance with an effective Registration Statement or otherwise in accordance with another effective registration statement, or until such Registrable Securities can otherwise be sold without restriction, whichever is earlier, each certificate representing Registrable Securities will bear the following legend (the "LEGEND"):

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

The Company warrants that it will give the Transfer Agent no instructions inconsistent with the provisions hereof. It is the intent and purpose of such instructions, as provided therein, to require the Transfer Agent to issue to Investor certificates evidencing shares of Common Stock incident to a Closing, free of the Legend; provided that (a) a Registration Statement shall then be effective, (b) Investor confirms to the Transfer Agent and the Company that it has sold or intends to sell such Common Stock to a third party which is not an affiliate of Investor or the Company and Investor agrees to redeliver the certificate representing such shares of Common Stock to the Transfer Agent to add the Legend in the event the Common Stock is not sold, and (c) Investor confirms to the transfer agent and the Company that Investor has complied, or will comply with the prospectus delivery requirement under the Securities Act.

Section 8.2 NO OTHER LEGEND OR STOCK TRANSFER RESTRICTIONS. No legend other than the one specified in Section 8.1 has been or shall be placed on the share certificates representing the Common Stock.

Section 8.3 COVER. If the Company fails for any reason to take or cause to be taken all steps necessary on the part of the Company to deliver the Put Shares on such Closing Date and the holder of the Put Shares (a "Investor") purchases, in an open market transaction or otherwise, shares of Common Stock (the "Covering Shares") in order to make delivery in satisfaction of a sale of Common Stock by such Investor (the "Sold Shares"), which delivery such Investor anticipated to make using the Put Shares (a "Buy-In"), then the Company shall pay to such Investor, in addition to all other amounts contemplated in other provisions of the Transaction Documents, and not in lieu thereof, the Buy-In Adjustment Amount (as defined below). The "Buy-In Adjustment Amount" is the amount equal to the excess, if any, of (x) such Investor's total purchase price (including brokerage commissions, if any) for the Covering Shares over (y) the net proceeds (after brokerage commissions, if any) received by such Investor from the sale of the Sold Shares. The Company shall pay the Buy-In Adjustment Amount to such Investor in immediately available funds immediately upon demand by such Investor. By way of illustration and not in limitation of the foregoing, if such Investor purchases Covering Shares having a total purchase price (including brokerage commissions) of $11,000 to cover a Buy-In with respect to shares of Common Stock that it sold for net proceeds of $10,000, the Buy-In Adjustment Amount that the Company will be required to pay to such Investor will be $1,000.

Section 8.4 INVESTOR'S COMPLIANCE. Nothing in this Article VIII shall affect in any way Investor's obligations under any agreement to comply with all applicable securities laws upon resale of the Common Stock.

ARTICLE IX
NOTICES; INDEMNIFICATION

Section 9.1 NOTICES. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (a) personally served, (b) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (c) delivered by reputable air courier service with charges prepaid, or (d) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice given in accordance herewith. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (i) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day

following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (ii) on the second business day following the date of mailing by express courier service or on the fifth business day after deposited in the mail, in each case, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur.

The addresses for such communications shall be:

If to the Company:

AgFeed Industries, Inc.
10/F, Tower A16, Hengmao Int'l Center
333 S.Guangchang Rd.
Nanchang, Jiangxi
China 330002
Tel: 011-86-0791-6669093
Fax: 011-86-0791-6669090

With a copy to:

Buchanan Ingersoll & Rooney PC
Two Liberty Place, Suite 3200
Philadelphia, PA 19102
Attn: William Uchimoto, Esq.
Tel: 215-665-3813
Fax: 215-665-8760

If to Investor:

Southridge Partners II, LP
90 Grove Street
Ridgefield, Connecticut 06877
Tel: 203-431-8300
Fax: 203-431-8301

Either party hereto may from time to time change its address or facsimile number for notices under this Section 9.1 by giving at least ten (10) days' prior written notice of such changed address or facsimile number to the other party hereto.

Section 9.2 INDEMNIFICATION. The Company agrees to indemnify and hold harmless Investor and its officers, directors, employees, and agents, and each Person or entity, if any, who controls Investor within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, together with the Controlling Persons (as defined in the Registration Rights Agreement) from and against any Damages, joint or several, and any action in respect thereof to which Investor, its partners, affiliates, officers, directors, employees, and duly authorized agents, and any such Controlling Person becomes subject to, resulting from, arising out of or relating to any misrepresentation, breach of warranty or nonfulfillment of or failure to perform any covenant or agreement on the part of Company contained in this Agreement, as such Damages are incurred, except to the extent such Damages result primarily from Investor's failure to perform any covenant or agreement contained in this Agreement or Investor's or its officer's, director's, employee's, agent's or Controlling Person's negligence, recklessness or bad faith in performing its obligations under this Agreement.

Section 9.3 METHOD OF ASSERTING INDEMNIFICATION CLAIMS. All claims for indemnification by any Indemnified Party (as defined below) under Section 9.2 shall be asserted and resolved as follows:

(a) In the event any claim or demand in respect of which any person claiming indemnification under any provision of Section 9.2 (an "INDEMNIFIED PARTY") might seek indemnity under Section 9.2 is asserted against or sought to be collected from such Indemnified Party by a person other than a party hereto or an affiliate thereof (a "THIRD PARTY CLAIM"), the Indemnified Party shall deliver a written notification, enclosing a copy of all papers served, if any, and specifying the nature of and basis for such Third Party Claim and for the Indemnified Party's claim for indemnification that is being asserted under any provision of Section 9.2 against any person (the "INDEMNIFYING PARTY"), together with the amount or, if not then reasonably ascertainable, the estimated amount, determined in good faith, of such Third Party Claim (a "CLAIM NOTICE") with reasonable promptness to the Indemnifying Party. If the Indemnified Party fails to provide the Claim Notice with reasonable promptness after the Indemnified Party receives notice of such Third Party Claim, the Indemnifying Party shall not be obligated to indemnify the Indemnified Party with respect to such Third Party Claim to the extent that the Indemnifying Party's ability to defend has been prejudiced by such failure of the Indemnified Party. The Indemnifying Party shall notify the Indemnified Party as soon as practicable within the period ending thirty (30) calendar days following receipt by the Indemnifying Party of either a Claim Notice or an Indemnity Notice (as defined below) (the "DISPUTE PERIOD") whether the Indemnifying Party disputes its liability or the amount of its liability to the Indemnified Party under Section 9.2 and whether the Indemnifying Party desires, at its sole cost and expense, to defend the Indemnified Party against such Third Party Claim.

(i) If the Indemnifying Party notifies the Indemnified Party within the Dispute Period that the Indemnifying Party desires to defend the Indemnified Party with respect to the Third Party Claim pursuant to this Section 9.3(a), then the Indemnifying Party shall have the right to defend, with counsel reasonably satisfactory to the Indemnified Party, at the sole cost and expense of the Indemnifying Party, such Third Party Claim by all appropriate proceedings, which proceedings shall be vigorously and diligently prosecuted by the Indemnifying Party to a final conclusion or will be settled at the discretion of the Indemnifying Party (but only with the consent of the Indemnified Party in the case of any settlement that provides for any relief other than the payment of monetary damages or that provides for the payment of monetary damages as to which the Indemnified Party shall not be indemnified in full pursuant to Section 9.2). The Indemnifying Party shall have full control of such defense and proceedings, including any compromise or settlement thereof; provided, however, that the Indemnified Party may, at the sole cost and expense of the Indemnified Party, at any time prior to the Indemnifying Party's delivery of the notice referred to in the first sentence of this clause (i), file any motion, answer or other pleadings or take any other action that the Indemnified Party reasonably believes to be necessary or appropriate to protect its interests; and provided further, that if requested by the Indemnifying Party, the Indemnified Party will, at the sole cost and expense of the Indemnifying Party, provide reasonable cooperation to the Indemnifying Party in contesting any Third Party Claim that the Indemnifying Party elects to contest. The Indemnified Party may participate in, but not control, any defense or settlement of any Third Party Claim controlled by the Indemnifying Party pursuant to this clause (i), and except as provided in the preceding sentence, the Indemnified Party shall bear its own costs and expenses with respect to such participation. Notwithstanding the foregoing, the Indemnified Party may takeover the control of the defense or settlement of a Third Party Claim at any time if it irrevocably waives its right to indemnity under Section 9.2 with respect to such Third Party Claim.

(ii) If the Indemnifying Party fails to notify the Indemnified Party within the Dispute Period that the Indemnifying Party desires to defend the Third Party Claim pursuant to Section 9.3(a), or if the Indemnifying Party gives such notice but fails to prosecute vigorously and diligently or settle the Third Party Claim, or if the Indemnifying Party fails to give any notice whatsoever within the Dispute Period, then the Indemnified Party shall have the right to defend, at the sole cost and expense of the Indemnifying Party, the Third Party Claim by all appropriate proceedings, which proceedings shall be prosecuted by the Indemnified Party in a reasonable manner and in good faith or will be settled at the discretion of the Indemnified Party(with the consent of the Indemnifying Party, which consent will not be unreasonably withheld). The Indemnified Party will have full control of such defense and proceedings, including any compromise or settlement thereof; provided, however, that if requested by the Indemnified Party, the Indemnifying Party will, at the sole cost and expense of the Indemnifying Party, provide reasonable cooperation to the Indemnified Party and its counsel in contesting any Third Party Claim which the Indemnified Party is contesting. Notwithstanding the foregoing

provisions of this clause (ii), if the Indemnifying Party has notified the Indemnified Party within the Dispute Period that the Indemnifying Party disputes its liability or the amount of its liability hereunder to the Indemnified Party with respect to such Third Party Claim and if such dispute is resolved in favor of the Indemnifying Party in the manner provided in clause (iii) below, the Indemnifying Party will not be required to bear the costs and expenses of the Indemnified Party's defense pursuant to this clause (ii) or of the Indemnifying Party's participation therein at the Indemnified Party's request, and the Indemnified Party shall reimburse the Indemnifying Party in full for all reasonable costs and expenses incurred by the Indemnifying Party in connection with such litigation. The Indemnifying Party may participate in, but not control, any defense or settlement controlled by the Indemnified Party pursuant to this clause (ii), and the Indemnifying Party shall bear its own costs and expenses with respect to such participation.

(iii) If the Indemnifying Party notifies the Indemnified Party that it does not dispute its liability or the amount of its liability to the Indemnified Party with respect to the Third Party Claim under Section 9.2 or fails to notify the Indemnified Party within the Dispute Period whether the Indemnifying Party disputes its liability or the amount of its liability to the Indemnified Party with respect to such Third Party Claim, the amount of Damages specified in the Claim Notice shall be conclusively deemed a liability of the Indemnifying Party under Section 9.2 and the Indemnifying Party shall pay the amount of such Damages to the Indemnified Party on demand. If the Indemnifying Party has timely disputed its liability or the amount of its liability with respect to such claim, the Indemnifying Party and the Indemnified Party shall proceed in good faith to negotiate a resolution of such dispute; provided, however, that if the dispute is not resolved within thirty (30) days after the Claim Notice, the Indemnifying Party shall be entitled to institute such legal action as it deems appropriate.

(b) In the event any Indemnified Party should have a claim under Section 9.2 against the Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party shall deliver a written notification of a claim for indemnity under Section 9.2 specifying the nature of and basis for such claim, together with the amount or, if not then reasonably ascertainable, the estimated amount, determined in good faith, of such claim (an "INDEMNITY NOTICE") with reasonable promptness to the Indemnifying Party. The failure by any Indemnified Party to give the Indemnity Notice shall not impair such party's rights hereunder except to the extent that the Indemnifying Party demonstrates that it has been irreparably prejudiced thereby. If the Indemnifying Party notifies the Indemnified Party that it does not dispute the claim or the amount of the claim described in such Indemnity Notice or fails to notify the Indemnified Party within the Dispute Period whether the Indemnifying Party disputes the claim or the amount of the claim described in such Indemnity Notice, the amount of Damages specified in the Indemnity Notice will be conclusively deemed a liability of the Indemnifying Party under Section 9.2 and the Indemnifying Party shall pay the amount of such Damages to the Indemnified Party on demand. If the Indemnifying Party has timely disputed its liability or the amount of its liability with respect to such claim, the Indemnifying Party and the Indemnified Party shall proceed in good faith to negotiate a resolution of such dispute; provided, however, that if the dispute is not resolved within thirty (30) days after the Claim Notice, the Indemnifying Party shall be entitled to institute such legal action as it deems appropriate.

(c) The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar rights of the Indemnified Party against the Indemnifying Party or others, and (ii) any liabilities the Indemnifying Party may be subject to.

ARTICLE X
MISCELLANEOUS

Section 10.1 GOVERNING LAW; JURISDICTION. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York without regard to the principles of conflicts of law. Each of the Company and Investor hereby submit to the exclusive jurisdiction of the United States Federal and state courts located in New York County, New York with respect to any dispute arising under this Agreement, the agreements entered into in connection herewith or the transactions contemplated hereby or thereby.

Section 10.2 JURY TRIAL WAIVER. The Company and the Investor hereby waive a trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other in respect of any matter arising out of or in connection with the Transaction Documents.

Section 10.3 ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the Company and Investor and their respective successors and permitted assigns. Neither this Agreement nor any rights of Investor or the Company hereunder may be assigned by either party to any other person without the prior written consent of the other party.

Section 10.4 THIRD PARTY BENEFICIARIES. This Agreement is intended for the benefit of the Company and Investor and their respective successors and permitted assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

Section 10.5 TERMINATION. The Company may terminate this Agreement at any time by written notice to the Investor. Additionally, this Agreement shall terminate at the end of Commitment Period or as otherwise provided herein (unless extended by the agreement of the Company and Investor); provided, however, that the provisions of Articles V, VI, VIII, and Sections 9.2, 9.3 10.1, 10.2 and 10.4 shall survive the termination of this Agreement.

Section 10.6 ENTIRE AGREEMENT, AMENDMENT; NO WAIVER. This Agreement and the instruments referenced herein contain the entire understanding of the Company and Investor with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor Investor makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the party to be charged with enforcement.

Section 10.7 FEES AND EXPENSES. Each of the Company and Investor agrees to pay its own expenses in connection with the preparation of this Agreement and performance of its obligations hereunder, except that the Company shall pay Investor upon execution hereof, a single fee of $7,500 to cover its expenses related to the consummation of this Agreement. In addition, the Company shall pay all reasonable fees and expenses incurred by the Investor in connection with any amendments, modifications or waivers of this Agreement or the Registration Rights Agreement or incurred in connection with the enforcement of this Agreement and the Registration Rights Agreement, including, without limitation, all reasonable attorneys fees and expenses. The Company shall pay all stamp or other similar taxes and duties levied in connection with issuance of the Shares pursuant hereto.

Section 10.8 [INTENTIONALLY OMITTED]

Section 10.9 COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which may be executed by less than all of the Company and shall be deemed to be an original instrument which shall be enforceable against the parties actually executing such counterparts and all of which together shall constitute one and the same instrument. This Agreement may be delivered to the other parties hereto by facsimile transmission of a copy of this Agreement bearing the signature of the parties so delivering this Agreement.

Section 10.10 SURVIVAL; SEVERABILITY. The representations, warranties, covenants and agreements of the Company hereto shall survive each Closing hereunder for a period of one (1) year thereafter. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided that such severability shall be ineffective if it materially changes the economic benefit of this Agreement to any party.

Section 10.11 FURTHER ASSURANCES. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates,

instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

Section 10.12 NO STRICT CONSTRUCTION. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

Section 10.13 EQUITABLE RELIEF. The Company recognizes that in the event that it fails to perform, observe, or discharge any or all of its obligations under this Agreement, any remedy at law may prove to be inadequate relief to Investor. The Company therefore agrees that Investor shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

Section 10.14 TITLE AND SUBTITLES. The titles and subtitles used in this Agreement are used for the convenience of reference and are not to be considered in construing or interpreting this Agreement.

Section 10.15 REPORTING ENTITY FOR THE COMMON STOCK. The reporting entity relied upon for the determination of the Closing Bid Price of the Common Stock on any given Trading Day for the purposes of this Agreement shall be the Principal Market or any successor thereto. The written mutual consent of Investor and the Company shall be required to employ any other reporting entity.

Section 10.16 PUBLICITY. The Company and Investor shall consult with each other in issuing any press releases or otherwise making public statements with respect to the transactions contemplated hereby and no party shall issue any such press release or otherwise make any such public statement without the prior written consent of the other parties, which consent shall not be unreasonably withheld or delayed, except that no prior consent shall be required if such disclosure is required by law, in which such case the disclosing party shall provide the other parties with prior notice of such public statement. Notwithstanding the foregoing, the Company shall not publicly disclose the name of Investor without the prior written consent of such Investor, except to the extent required by law. Investor acknowledges that this Agreement and all or part of the Transaction Documents may be deemed to be "material contracts" as that term is defined by Item 601(b)(10) of Regulation S-K, and that the Company may therefore be required to file such documents as exhibits to reports or registration statements filed under the Securities Act or the Exchange Act. Investor further agrees that the status of such documents and materials as material contracts shall be determined solely by the Company, in consultation with its counsel.

[SIGNATURES ON FOLLOWING PAGE]

[SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Equity Credit Agreement, as amended and restated, to be executed by the undersigned, thereunto duly authorized, as of the date first set forth above.

SOUTHRIDGE PARTNERS II, LP

BY Southridge Advisors LLC

By: /s/ Stephen Hicks
Name: Stephen Hicks
Title: Manager

AGFEED INDUSTRIES, INC.

By: /s/ Songyan Li

Name: Songyan Li
Title: Chairman

EXHIBIT 21

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): September 30, 2009

AgFeed Industries, Inc.
(Exact Name of Registrant as Specified in Charter)

Nevada	001-33674	20-2597168
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Suite A1001-1002, Tower 16, Hengmao Int'l Center
Nanchang City, Jiangxi Province, China 330003
(Address of principal executive offices; zip code)

Registrant's telephone number, including area code: 86-791-6669093

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e 4(c))

Item 7.01. Regulation FD Disclosure.

On October 6, 2008, AgFeed Industries, Inc. (the "Company") announced that key members of the Company's management had agreed to enter into one year share lock up agreements with the Company. This announcement was filed in a Current Report on Form 8-K filed with the SEC on October 7, 2008. On December 24, 2008, the Company reported in a Current Report on Form 8-K filed with the SEC that, in connection with the gifting of shares to Mr. JunQing Xiong by Mr. Junhong Xiong, AgFeed's CEO, JunQing Xiong had agreed to entered into a lock up agreement similar to the one agreed to by Junhong Xiong with respect to all of his shares of the Company's common stock. Each of these lock up agreements was scheduled to expire by their terms on October 6, 2009.

On September 30, 2009, each of Songyan Li, Feng Zhou, Zhengru Xiong, Yunlin Zheng and JunQing Xiong (each a "signatory") entered into new lock up agreements with the Company pursuant to which each signatory

agreed generally not to offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right, or warrant for the sale of, or otherwise dispose of or transfer shares of the Company's common stock for the period beginning on September 30, 2009 until October 6, 2010, except in limited circumstances. JunQing Xiong's lock up agreement extends only to the shares that he received as a gift from Junhong Xiong in late 2008. Under the terms of each of the new lock up agreements, each signatory may pledge some of his shares as collateral for a loan between the signatory and a bona fide lender.

On September 30, 2009, the Company consented to the pledge by each signatory of a portion of the shares of common stock held by such signatory in connection with a loan agreement each signatory has entered into with an unrelated third party lender. If consummated, the loan transactions would result in the pledge of an aggregate of 5,000,000 shares of the Company's common stock. Each loan agreement provides for a three year term loan commencing on the date of funding. The Company is not a party to these transactions and understands that they have not been consummated as of the date hereof.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 6, 2009

AGFEED INDUSTRIES, INC.

By: /s/ Gerard Daignault
Gerard Daignault
Chief Operating Officer

EXHIBIT 22

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 10, 2009

AgFeed Industries, Inc.
(Exact Name of Registrant as Specified in Charter)

Nevada	001-33674	20-2597168
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Rm. A1001-1002, Tower 16
Hengmao Int'l Center
333 S. Guangchang Rd.
Nanchang City, Jiangxi Province
China, 330003
(Address of principal executive offices; zip code)

Registrant's telephone number, including area code: 86-0791-6669093

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e 4(c))

Item 2.02 Results of Operations and Financial Condition.

On November 10, 2009, AgFeed Industries, Inc. ("AgFeed" or the "Company") issued a press release announcing its financial results for the quarter ended September 30, 2009. The information contained in the press release is deemed to be "filed" under the Securities Exchange Act of 1934 as Exhibit 99.1 to this report, and such press release is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Press Release of AgFeed Industries, Inc. dated November 10, 2009. Exhibit 99.1 is deemed to be

99.1 "filed" under the Securities Exchange Act of 1934 in this Current Report on Form 8-K.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 10, 2009

AGFEED INDUSTRIES, INC.

By:/s/ Junhong Xiong

Junhong Xiong
President and Chief Executive Officer

EX-99.1 2 v165426_ex99-1.htm

Exhibit 99.1

AgFeed Industries, Inc. Announces Third Quarter 2009 Financial Results

NEW YORK, Nov. 10 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED), one of the largest commercial hog producers and the largest animal nutrients company in China, today announced financial results for the third quarter and first nine months of 2009:

Highlights

- Revenue of $45.12 million and $117.07 million, compared to $49.43 million and $97.21 million for the quarter and nine month periods of 2008, respectively.
- Income from continuing operations of $3.71 million and $9.16 million, compared to $9.31 million and $19.81 million for the quarter and nine month periods of 2008, respectively.
- Net income of $2.9 million and $7.1 million for the quarter and first nine months of 2009, compared to $8.2 million and $13.1 million for the comparable 2008 periods.
- Earnings per share on income from continuing operations of $0.09 and $0.23 for the quarter and nine months of 2009 periods, compared to $0.28 and $0.64 for the comparable 2008 periods. Earnings per share of $0.07 and $0.18 for the quarter and nine months of 2009 periods, compared to $0.25 and $0.42 for the comparable 2008 periods;
- Gross profit of $7.6 million and $18.6 million for the third quarter and first nine months of 2009, as compared to $12.3 million and $26.8 million for the third quarter and first nine months of 2008, respectively.
- Balance sheet was strong; cash and cash equivalents on hand at September 30, 2009 was $36.5 million, an increase of $5.6 million in the third quarter of 2009; the current ratio was 5.47:1 at September 30, 2009; total assets were $157.9 million and book value was $142.8 million at September 30, 2009.
- Gross margins for the third quarter and first nine months of 2009 were 16.8% and 15.1%, respectively, compared to 24.9% and 27.5% for the corresponding 2008 periods.

Management Comments

Dr. Songyan Li, AgFeed's Chairman, commented that, "I am pleased to report that nine months into our transition year we are accomplishing much of what we set out to do. I am happy with the operating results in both of our business segments in spite of a number of market challenges that we faced in the hog industry and in our regional economy. Our operating income for the third quarter was a commendable $3.71 million. We finished the quarter with a strong balance sheet and $36.5 million in cash to fund our operations and growth. Our animal nutrients business performed exceptionally well in the third quarter, aided by the recent implementation of the Food Safety Laws and the Green-Certified label on our products.

Dr. Li continued, "Earlier this year we announced our intention to adopt the Western model of hog production. We are well on our way to a full transition in 2009 to that model with our new alliance with Hypor, the formation of AgFeed International Protein Technology, our joint venture with M2P2 LLC, and our ongoing investment in upgrading our existing farms. As we continue to invest in our genetics programs, improve our bio-security and upgrade our environmental protection systems over the next 25 months we believe that AgFeed will become the standard for top quality, green-certified pork in China."

In discussing AgFeed's animal nutrients business, Junhong Xiong, AgFeed's Chief Executive Officer, asserted, "Our revenues of $17.1 million in the third quarter of 2009 were significantly higher, reaching approximately 80% of the revenues we posted for the first half of 2009. We expect that our animal nutrients business segment will remain strong through the end of 2009, meeting and exceeding our projections of 100,000 metric tons sold in 2009." Mr. Xiong added, "AgFeed is responding to the market demand for "complete" feed with plans to upgrade and expand our production capabilities in this key market segment. We believe this will provide an opportunity for us to triple our animal nutrient business revenues by the end of 2011."

Gerard Daignault, AgFeed's Chief Operating Officer, commenting on the Company's hog business, said "AgFeed is focused on bio-security and expanding its breeding hog inventory. The recent pure lines stocking of the Lushan Breeder Farm has produced record birth-rate results. AgFeed's second breeder farm, Ganda (Guangxi Province) will begin its pure lines stocking in December. The building of the Wunnin nucleus farm located in Jiangxi Province was completed on November 3 and will also be stocked with world class Hypor genetic breeding stock." Mr. Daignault added, "AgFeed's first Western-model farm located in Da Hua (Guangxi Province) opened this morning China time, with a groundbreaking ceremony sponsored by the PRC regional government. We currently anticipate that these facilities will house 10,000 sows producing 250,000 hogs by 2011 helping to meet the goal of selling 2.5 million hogs from 2009 to 2011."

Edward Pazdro, Chief Financial Officer of AgFeed International Protein Technology, reported, "Dr. Songyan Li is working with regional Chinese governments in targeted areas to introduce our joint venture concept. He is pursuing the identification and selection of additional farm sites and negotiation of agreements with local government officials, banks and farmers that will provide us with the opportunity to bring the success of our experience in Da Hua to other locations, affording AgFeed and AgFeed International Protein Technology the opportunity to expand their Western-model hog production model to new sites."

About AgFeed Industries, Inc.
NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix and blended animal feed and hog production. AgFeed is China's largest commercial hog producer in terms of total annual hog production as well as the largest premix feed company in terms of revenues. China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U.S. China also has the world's largest consumer base for pork consumption. Over 62% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

Safe Harbor Disclosure Notice
The information contained in this earnings release and the attachments is as of November 10, 2009. The Company assumes no obligation to update any forward-looking statements contained in this earnings release or the attachments as a result of new information or future events or developments.

This earnings release and the attachments contain forward-looking information about the Company's financial results and estimates, business plans and prospects that involve substantial risks and uncertainties. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance or business plans and prospects. Among the factors that could cause actual results to differ materially are the following: the availability and prices of live hogs, raw materials, fuel and supplies; food safety; livestock disease; live hog production costs; product pricing; the competitive environment and related market conditions; operating efficiencies; interest rate and foreign currency exchange rate fluctuations; access to capital; the cost of compliance with environmental and health standards; actions of the Chinese government; governmental laws and regulations affecting our operations, including tax obligations; the ability to make effective acquisitions at the prices we expect and successfully integrate newly acquired businesses into existing operations; the success of our research and development activities, changes in generally accepted accounting principles; uncertainties related to general economic, political, business, industry, regulatory and market conditions; any changes in business, political and economic conditions due to the threat of terrorist activity; and other risks and uncertainties described in the Company's Annual Report on Form 10-K for the year ended December 31, 2008 and in its subsequent Quarterly Reports on Form 10-Q. Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement that the Company makes speaks only as of the date of such statement, and the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Contact:
Investor Relations:
AgFeed Industries, Inc.
Tel: (917) 804-3584
Email: ir@agfeedinc.com

The Company's policy is to handle all questions by email to ir@agfeedinc.com and they will be answered as soon as possible.

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	September 30, 2009 (unaudited)	December 31, 2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 36,480,253	$ 24,839,378
Accounts receivable, net of allowance for doubtful accounts of $246,847 and $520,413	16,222,992	9,462,380
Advances to suppliers	1,211,852	518,829
Other receivables	408,620	2,066,030
Inventory	22,019,710	20,616,560
Prepaid expenses	1,506,462	1,166,646
Debt issue costs	42,291	246,223
Total current assets	77,892,180	58,916,046
PROPERTY AND EQUIPMENT, net	23,060,443	20,810,094
CONSTRUCTION-IN-PROCESS	10,276,793	10,853,389
INTANGIBLE ASSETS	43,819,722	43,833,705
OTHER ASSETS	2,887,066	2,641,902
TOTAL ASSETS	$157,936,204	$137,055,136
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Short-term loans	$ 4,401,000	$ -
Accounts payable	6,738,882	5,214,596
Other payables	1,104,883	5,766,741
Unearned revenue	365,163	321,664
Accrued expenses	452,612	164,558
Accrued payroll	685,234	818,052
Tax and welfare payable	385,503	465,875
Interest payable	102,531	121,139
Total current liabilities	14,235,808	12,872,625
CONVERTIBLE NOTES, net of debt discount of $99,524 and $579,444	900,476	3,220,556
TOTAL LIABILITIES	15,136,284	16,093,181
COMMITMENTS AND CONTINGENCIES (Note 11)	-	-
EQUITY:		
AgFeed stockholders' equity:		
Common stock, $0.001 per share; 75,000,000 shares authorized; 43,917,558 issued and 43,550,263 outstanding at September 30, 2009 38,300,436 issued and 37,933,141 outstanding at December 31, 2008	43,918	38,300
Additional paid-in capital	107,654,125	90,903,261
Other comprehensive income	4,187,956	4,167,217
Statutory reserve	4,230,516	3,236,054
Treasury stock (367,295 shares)	(1,811,746)	(1,811,746)
Retained earnings	28,458,229	22,311,258

Total AgFeed stockholders' equity	142,762,998	118,844,344
Noncontrolling interest	36,922	2,117,611
Total equity	142,799,920	120,961,955
TOTAL LIABILITIES AND EQUITY	$157,936,204	$137,055,136

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues	$45,115,442	$49,426,274	$117,072,486	$97,208,685
Cost of goods sold	37,554,278	37,124,058	98,486,258	70,438,683
Gross profit	7,561,164	12,302,216	18,586,228	26,770,002
Operating expenses				
Selling expenses	960,574	970,268	2,823,783	2,597,470
General and administrative expenses	2,888,845	2,021,549	6,606,537	4,364,858
Total operating expenses	3,849,419	2,991,817	9,430,320	6,962,328
Income from operations	3,711,745	9,310,399	9,155,908	19,807,674
Non-operating income (expense):				
Other expense	(387,979)	(257,493)	(384,503)	(283,063)
Interest income	75,344	44,860	188,460	171,095
Interest and financing costs	(192,963)	(605,391)	(970,391)	(5,244,592)
Foreign currency transaction loss	(18,121)	(10,007)	(14,819)	(553,753)
Total non-operating income (expense)	(523,719)	(828,031)	(1,181,253)	(5,910,313)
Income before provision for income taxes	3,188,026	8,482,368	7,974,655	13,897,361
Provision for income taxes	292,647	201,904	794,155	414,993
Net income including noncontrolling interest	2,895,379	8,280,464	7,180,500	13,482,368
Less: Net income (loss) attributed to noncontrolling interest	(962)	64,309	39,067	425,403
Net income attributed to AgFeed	2,896,341	8,216,155	7,141,433	13,056,965
Other comprehensive income				
Foreign currency translation gain	168,640	315,925	20,739	3,104,053
Comprehensive Income	$ 3,064,981	$ 8,532,080	$ 7,162,172	$16,161,018
Weighted average shares outstanding :				
Basic	42,420,914	33,267,815	39,984,438	31,049,732
Diluted	43,329,228	33,557,457	40,641,679	31,377,267
Earnings per share attributed to AgFeed common stockholders:				
Basic	$ 0.07	$ 0.25	$ 0.18	$ 0.42
Diluted	$ 0.07	$ 0.24	$ 0.18	$ 0.42

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 2009 (unaudited)	2008 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income including noncontrolling interest	$ 7,180,500	$ 13,482,368
Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities:		
Depreciation	1,952,213	973,164
Amortization	49,286	35,240
Loss on disposal of assets	882,854	16,774
Stock based compensation	427,551	55,962
Amortization of debt issuance costs	203,932	1,441,624
Amortization of discount on convertible debt	479,920	3,392,619
(Increase) / decrease in assets:		
Accounts receivable	(6,759,546)	(3,439,556)
Other receivables	1,201,329	(1,837,551)
Inventory	(1,777,302)	(8,312,612)
Advances to suppliers	(716,870)	(478,535)
Prepaid expenses	(340,333)	(261,938)
Other assets	(244,980)	(1,552,469)
Increase / (decrease) in current liabilities:		
Accounts payable	1,624,279	3,454,401
Other payables	(2,347,476)	2,849,755
Unearned revenue	43,465	118,530
Accrued expenses	287,838	571,447
Accrued payroll	(132,716)	374,101
Tax and welfare payable	(80,312)	213,163
Interest payable	(18,608)	251,319
Net cash provided by operating activities	1,915,024	11,347,806
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(7,486,470)	(9,052,476)
Acquisition of intangible assets	(35,314)	(72,262)
Cash paid for purchase of subsidiaries	(2,518,089)	(65,134,359)
Cash from the sale of subsidary	835,770	-
Net cash used in investing activities	(9,204,103)	(74,259,097)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the sale of common stock	10,000,000	57,200,058
Offering costs paid	(1,740,072)	(6,079,530)
Proceeds from short-term loans	4,541,500	-
Proceeds from exercise of warrants	6,580,010	2,138,848
Proceeds from issuance of convertible notes	-	19,000,000
Issuance costs for convertible notes	-	(1,716,666)
Payment on note payable	-	(1,161,297)
Capital contributed by noncontrolling interest holders	118,664	936,320
Repayment of contribution of noncontrolling interest holder	(586,800)	-
Net cash provided by financing activities	18,913,302	70,317,733
Effect of exchange rate changes on cash and cash equivalents	16,652	462,472

NET INCREASE IN CASH & CASH EQUIVALENTS	11,640,875	7,868,914
CASH & CASH EQUIVALENTS, BEGINNING BALANCE	24,839,378	7,696,209
CASH & CASH EQUIVALENTS, ENDING BALANCE	$36,480,253	$ 15,565,123
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$ 212,414	$ 164,810
Income taxes paid	$ 616,693	$ 209,582

EXHIBIT 23

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 11, 2009

AgFeed Industries, Inc.
(Exact Name of Registrant as Specified in Charter)

Nevada	001-33674	20-2597168
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Suite A1001-1002, Tower 16, Hengmao Int'l Center
Nanchang City, Jiangxi Province, China 330003
(Address of principal executive offices; zip code)

Registrant's telephone number, including area code: 86-791-6669093

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e 4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On December 11, 2009, AgFeed Industries, Inc. ("AgFeed BVI"), a company formed under the laws of the British Virgin Islands and subsidiary of AgFeed Industries, Inc., a Nevada corporation ("AgFeed NV"), and Hypor B.V., a company incorporated under the laws of The

Netherlands ("Hypor"), formed a joint venture, Hypor AgFeed Breeding Company Inc. ("Hypor AgFeed Breeding" or the "Company" and, together with AgFeed BVI and Hypor, the "Parties"), which is incorporated under the laws of the Peoples' Republic of China as a Wholly Owned Foreign Entity ("WOFE"). the purpose of the joint venture is to develop, operate and market a new genetic nucleus farm in Wuning, China to produce cross bred stock to supply farms owned by AgFeed NV and to sell to customers of AgFeed NV and third parties within a specified geographic territory in China.

In connection with the formation of Hypor AgFeed Breeding, the parties entered into a Shareholders Agreement (the "Shareholders Agreement") that sets forth the business agreement between the Parties, as well as several ancillary agreements. Pursuant to the Shareholders Agreement, the parties have agreed to make aggregate capital contributions of RMB18,500,000 (approximately $2.7 million based on a conversion rate of RMB1 = $0.146464 on December 11, 2009). AgFeed BVI will contribute RMB15,725,000 (approximately $2.3 million) and Hypor will contribute RMB2,775,000 (approximately $0.6 million) to the Company. Each party will also make a loan in an amount equal to its capital contribution to the Company. Following the contributions of capital and the making of the loans to Hypor AgFeed Breeding, AgFeed BVI will own an 85% interest (15,725 shares of capital stock) and Hypor will own a 15% interest (2,775 shares of capital stock) in the Company .

Shareholders Agreement

The Shareholders Agreement will serve as Hypor AgFeed Breeding's primary operating document and provide for the management and governance of the Company. Pursuant to the Shareholder Agreement, Hypor AgFeed Breeding will be managed by a board of directors initially consisting of three directors. AgFeed BVI shall be entitled to appoint two persons to be directors for as long as it holds an equity interest in the Company greater than 50%. In the event that AgFeed BVI's equity interest in the Company is equal to or less than 50%, its representation right will be reduced to one director. Hypor shall be entitled to appoint one person to be a director for as long as it holds an equity interest in the Company equal to or less than 50%. In the event that Hypor's equity interest in the Company is greater than 50%, its representation right will be increased to two directors.

The Shareholders Agreement contains an enumerated list of approval rights requiring the prior written consent or casting of an affirmative vote of at least one director appointed by AgFeed BVI and at least one director appointed by Hypor. These "major actions" include:

- appointment of the Chief Executive Officer of the Company and establishment of the CEO's duties;
- requesting additional capital contributions;
- exercise of the option to convert a loan by a contributing shareholder or third party pursuant to Section 2.3.2 of the Shareholders Agreement;
- admission of any additional shareholder by the allotment or transfer of shares, or issuance of options, warrants or other securities, of the Company;

- approval of any employee benefit plans, including, without limitation, any stock option plans or other employee incentive plans;

- approval of the annual budget and business plan and any amendments thereto;

- approval of expenditures not included in an approved annual budget and business plan or in excess of 105% of any line item in an approved annual budget and business plan;

- entering into, amending or enforcing any contracts (i) in excess of $100,000, (ii) not in the approved annual budget and business plan, (iii) that are not cancellable with 30 days prior notice, or (iv) that are otherwise material to the business of the Company;

- engaging in or settling any litigation in which the Company is a party;

- approval of the compensation on an annual basis for any employee or consultant receiving compensation on an annual basis in excess of $150,000, which compensation shall be included in the approved annual budget and business plan;

- changing the tax status or accounting methods of the Company;

- extending the statute of limitations for assessing or computing any tax liability against the Company or the amount of any Company tax item;

- commencing the dissolution, winding-up or liquidation of the Company except pursuant to the terms of the Shareholders Agreement;

- a sale of all or substantially all of the Company's property or any sale of the Company in a single transaction or a series of related transactions to a third party or a group of third parties, other than to an affiliate of a shareholder, acting in concert (a) pursuant to which such third party or group desires to acquire all of the shares (whether by merger, consolidation, recapitalization, reorganization or otherwise), in each case for cash or marketable securities (b) which has been approved by the Board and (c) pursuant to which all holders of shares in the Company receive (whether in such transaction or, with respect to an asset sale, upon a subsequent liquidation) the same form and amount of consideration pro rata for its shares or, if any shareholders are given an option as to the form and amount of consideration to be received, all shareholders are given the same option.

- a merger, consolidation or other acquisition of the Company with or into any other person or any public offering of the Company;

- any amendment to the formation documents, provided that the formation documents may be amended by a resolution of shareholders in respect of which both AgFeed BVI and Hypor vote in favor without the approval of any of the directors;

- any material property sale, exchange, or other disposition of the Company not in the ordinary course of business and not in the approved annual budget and business plan;

- the borrowing of money, incurring Indebtedness or otherwise committing the credit of the Company, the granting of any collateral or security interest in any Company's property, or the granting of any guaranty; and

- the approval of any distributions of "distributable cash" to the Shareholders not in accordance with the terms of the Shareholders Agreement.

Additionally, the board of directors shall not have the authority to:

(i) without the prior written consent of AgFeed BVI (a) enter into, amend, terminate, rescind, enforce or waive any rights under the Production and Distribution Agreement or any other agreements between the Company and Hypor or one of its affiliates or (b) determine whether a default has occurred thereunder; or

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(ii) without the prior written consent of Hypor (a) enter into, amend, terminate, rescind, enforce or waive any rights under the Facilities Lease Agreement or any other agreements between the Company and AgFeed BVI or one of its affiliates or (b) determine whether a default has occurred thereunder.

Except as set forth above, Board decisions will be made by majority vote.

The Shareholders Agreement generally prohibit the transfer by either AgFeed BVI or Hypor of any of their respective ownership interest in the Company except to affiliates. Upon the occurrence pf certain enumerated trigger events, the unaffected shareholder shall be granted am option to purchase any or all of the shares held by the affected shareholder for the fair market value of such shares (or, in the case of an affected shareholder's receipt of a bona fide offer, the bona fide offer price). The trigger events include:

- any attempt by an affected shareholder to sell, assign, transfer or in any way dispose of any or all of such shareholder's chares, or the beneficial interests therein; or

- any pledge or the creation of any encumbrance on any or all of the shares held by such shareholder, except to secure an obligation owed to another shareholder; or

- any other transfer of any or all of the shares held by such shareholder, or the beneficial interests therein, whether voluntary or involuntary, by operation of law or otherwise, including all executions or legal processes attaching such shares and all processes affecting the interest of any shareholder with respect to such shares; or

- such shareholder becoming bankrupt; or

- the receipt by such shareholder of a bona fide offer from a third party to purchase all, but not less than all, of such shareholder's shares, which offer such shareholder desires to accept; or

- A material breach by a shareholder of any of the terms or covenants contained herein or of the confidentiality or intellectual property provisions of any agreement between the Company and such shareholder; or any wrongful and intentional act or omission by such shareholder which has had or would reasonably be expected to have a material adverse impact on the business, properties, results of operations, condition (financial or otherwise) or prospects of the Company.

The Shareholders Agreement contains standard confidentiality and non-disclosure provisions, representations and warranties and provisions relating to dissolution and termination.

Additional Agreements

Production and Distribution Agreement

The Production and Distribution Agreement, dated as of December 11, 2009, by and among Hypor, AgFeed BVI, and Hypor AgFeed Breeding, sets forth terms and conditions pursuant to which (i) Hypor AgFeed Breeding shall purchase from Hypor and Hypor shall sell to Hypor AgFeed Breeding, stock and genetic material for production, (ii) Hypor shall provide Hypor AgFeed Breeding with expertise, know-how and other information relating to the production and selection of stock, (iii) Hypor shall grant Hypor AgFeed Breeding the right to use its trademark "Hypor" in connection with the sale of stock in a prescribed territory within China and (iv) AgFeed will purchase stock from Hypor AgFeed Breeding. The initial term of the Production and Distribution Agreement is five years, and it is renewable for successive two year periods.

Facilities Lease Agreement

The Facilities Lease Agreement, made and effective December 11, 2009, by and between AgFeed NV and Hypor AgFeed Breeding provides for the leasing of certain premises in Futian Village, Futian Township, China upon which the Wuning Farm will be developed by AgFeed NV to Hypor AgFeed Breeding. The initial term of the lease is ten years, subject to renewal on terms that are acceptable at the time of such renewal.

Intra Group Loan Agreements

Each of Hendrix Genetics B.V., parent of Hypor, and AgFeed BVI has entered into a loan agreement with Hypor AgFeed Breeding pursuant to which the lender has agreed to make a loan to Hypor AgFeed Breeding for the sole purpose of settlement of accounts, purchase of capital

equipment and running of the business of Hypor AgFeed Breeding. The principal amount of the loan is equal to the capital contribution made by respective party in the formation of the joint venture - for AgFeed BVI, RMB15,725,000 (approximately $2.3 million) and for Hypor, RMB2,775,000 (approximately $0.6 million). The loan shall be advanced to the Company upon request by it. Repayment of the principal amount of the loan shall be due on the termination of the loan and interest is payable quarterly in arrears at a floating annual interest rate equal to one month's Euribor at the date prior to the date interest is due plus the interest margin charged by the Company's finance provider and a margin of 0.7% for administrative and treasury services.

Each of the Shareholders Agreement, Production and Distribution Agreement, Facilities Lease Agreement and Intra Group Loan Agreements contain standard and customary terms and provisions. The foregoing descriptions of the formation of Hypor AgFeed Breeding, the Shareholders Agreement, Production and Distribution Agreement, Facilities Lease Agreement and Intra Group Loan Agreements do not purport to be complete. The summaries set forth above are qualified in their entirety by reference to the Shareholders Agreement, Production and Distribution Agreement, Facilities Lease Agreement and Intra Group Loan Agreements, copies of which are filed as Exhibits to this Current Report and which are incorporated herein by reference. Readers should review those agreements for a complete understanding of the terms and conditions associated with this transaction.

Item 7.01. Regulation FD Disclosure.

On December 17, 2009, AgFeed Industries, Inc. (Nevada) announced the formation of a joint venture - Hypor AgFeed Breeding Company Inc. - with Hypor, B.V., a Hendrix Genetics company, a leading provider of superior swine genetics and technology. The press release announcing the formation of Hypor AgFeed Breeding Company Inc. is filed as an exhibit to this Current Report and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.23 Shareholders Agreement of Hypor AgFeed Breeding Company Inc., dated as of December 11, 2009

10.24 Production and Distribution Agreement, dated as of December 11, 2009

10.25 Facilities Lease Agreement, made and effective December 11, 2009

10.26 Intra Group Loan Agreement, dated as of December 11, 2009 (AgFeed BVI)

10.27 Intra Group Loan Agreement, dated as of December 11, 2009 (Hendrix Genetics B.V.)

99.1 AgFeed December 17, 2009 press release

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 17, 2009

AGFEED INDUSTRIES, INC.

By: /s/ Junhong Xiong

Junhong Xiong

Chief Executive Officer

EXHIBIT 24

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8-K 1 v169227_8k.htm

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 14, 2009

AgFeed Industries, Inc.
(Exact Name of Registrant as Specified in Charter)

Nevada	001-33674	20-2597168
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Suite A1001-1002, Tower 16, Hengmao Int'l Center
Nanchang City, Jiangxi Province, China 330003
(Address of principal executive offices; zip code)
Registrant's telephone number, including area code: 86-791-6669093

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e 4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 14, 2009, Mr. Fredric Rittereiser, age 73, retired as a director of AgFeed Industries, Inc. ("AgFeed" or the "Company"), including the standing committees of the board of directors upon which he served.

Mr. K. Ivan F. Gothner was appointed to serve as a director, filling the vacancy created by Mr. Rittereiser's retirement. Mr. Gothner will also serve as Chairman of the audit and compensation committees and a member of the nominating and corporate governance committee of AgFeed's board of directors.

Mr. Gothner, age 51, has been Managing Director and founder of Adirondack Partners, LLC, a private merchant-banking firm that focuses on serving small and mid-size growth companies, since 1993. He has been active as a merchant banker focusing on small and mid-size growth companies for his entire career. His work has focused on companies experiencing rapid growth as a result of introducing new technologies and products or by entering new markets. Prior to founding Adirondack Partners, Mr. Gothner was Senior Vice President of Barclays Bank from 1990 to 1992, responsible for establishing an investment banking unit to serve small and mid-sized companies. Mr. Gothner joined Kleinwort Benson Limited in 1986 and from 1987 to 1990, he served as a Senior Vice President of the firm and General Manager of the KB Mezzanine Fund, L.P., a specialized fund which invested in the equity and junior capital of small and mid-sized businesses. Currently, Mr. Gothner serves on the Board of Directors of ArtID, LLC, Covenant Group Holdings, Inc. and Best Buddies of Massachusetts. Mr. Gothner received a Bachelor's of Art from Columbia College in political science and economics and a MIA from Columbia University's School of International Affairs in international economic policy and finance.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 16, 2009

AGFEED INDUSTRIES, INC.

By: /s/ Junhong Xiong

Junhong Xiong

Chief Executive Officer

EXHIBIT 25

8-K 1 v171254_8k.htm

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 13, 2010

AgFeed Industries, Inc.
(Exact Name of Registrant as Specified in Charter)

Nevada	001-33674	20-2597168
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Suite A1001-1002, Tower 16, Hengmao Int'l Center
Nanchang City, Jiangxi Province, China 330003
(Address of principal executive offices; zip code)

Registrant's telephone number, including area code: 86-791-6669093

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

On January 13, 2010, AgFeed Industries, Inc. (the "Company") issued a press release announcing that its Board of Directors had authorized a strategic internal reorganization of the Company to more efficiently align its business platforms in order to maximize the results of its anticipated growth in the Chinese hog and animal nutrients markets. That exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 AgFeed Press Release, dated January 13, 2010

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 13, 2010

AGFEED INDUSTRIES, INC.
By: /s/ Gerard Daignault
Gerard Daignault
Chief Operating Officer

EXHIBIT 26

8-K 1 v172705_8k.htm

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 29, 2010

AgFeed Industries, Inc.
(Exact Name of Registrant as Specified in Charter)

Nevada	001-33674	20-2597168
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Suite A1001-1002, Tower 16, Hengmao Int'l Center
Nanchang City, Jiangxi Province, China 330003
(Address of principal executive offices; zip code)

Registrant's telephone number, including area code: 86-791-6669093

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

On January 29, 2010, AgFeed Industries, Inc. (the "Company") issued a press release announcing the identification of key individuals to lead its animal nutrients and hog business units going forward. A copy of that press release is filed herewith as Exhibit 99.1. That exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 AgFeed Press Release, dated January 29, 2010

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 29, 2010

AGFEED INDUSTRIES, INC.

By: /s/ Gerard Daignault

Gerard Daignault
Chief Operating Officer

EXHIBIT 27

8-K 1 v173642_8k.htm

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 9, 2010

AgFeed Industries, Inc.
(Exact Name of Registrant as Specified in Charter)

Nevada	001-33674	20-2597168
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Suite A1001-1002, Tower 16, Hengmao Int'l Center
Nanchang City, Jiangxi Province, China 330003
(Address of principal executive offices; zip code)

Registrant's telephone number, including area code: 86-791-6669093

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

On February 9, 2010, AgFeed Industries, Inc. (the "Company") issued a press release announcing the proposed sale of a maximum of 20% of its animal nutrients feed subsidiary via a listing and initial public offering of the subsidiary's common stock. A copy of that press release is filed herewith as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 AgFeed Press Release, dated February 9, 2010

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

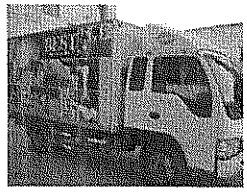
Dated: February 9, 2010

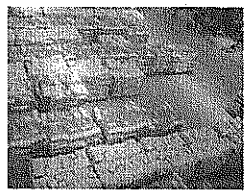
AGFEED INDUSTRIES, INC.

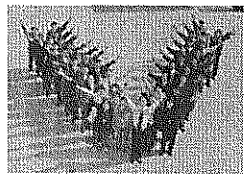
By: /s/ Gerard Daignault
Gerard Daignault
Chief Operating Officer

EXHIBIT 28

China's Largest Premix Feed Company
& a Leading Hog Producer







Press Releases

Chinese Government Issues a New Policy as a Method to Help Prevent Large Declines in Hog Prices

Monday January 26, 8:55 am ET

NEW YORK, Jan. 26 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED - News), the largest commercial hog producer and the largest premix feed company in China, today commented on a recently released Chinese central government administrative regulation that could prevent large declines in hog prices with a view toward stabilizing hog production and hog prices in order to protect the interests of hog farms.

"The action taken by the Chinese government," stated Dr. Songyan Li, AgFeed's Chairman, "underscores the importance of pork to the Chinese economy and the dietary preferences of the people of China. We are pleased that the government has taken this action and we are hopeful that these measures will result in a stabilization of our pork prices and have a positive impact on our operations going forward." Gerry Daignault, AgFeed's COO adds that, "the recent government action gives confidence to AgFeed's future investment plans, which include modernization of our pork production facilities, investment in our employees, environmental programs and bio security. These actions are part of our effort to, among other things, assure consistent high quality and safe pork."

The Chinese regulation sets out measures to be taken in the event that certain levels of hog price declines occur. Decline levels are based on pre-established "Grain-to-Hog" price ratios, the number of slaughtered sows and monthly sow inventories. Depending on the severity of any decreases in hog prices, the Chinese government shall implement one or more of the following strategic initiatives: publish hog price decline warnings, purchase market hogs for its strategic reserve, grant subsidies to farms, or adjust pork imports and exports. The government may also take other remedial action. In the event of a sever drop in hog prices, hog farms in the largest hog producing areas will receive a subsidy of $15 for each gestation sow and nationally designated hog breeding farms will receive a subsidy of $15 for each breeding boar.

As part of the regulation, the Government vowed to promote the collaboration between large pork consuming areas and large hog producing areas. For example, large pork consuming areas are encouraged to sign long-term supply agreements with large hog producing areas and to set up hog production plants in large hog producing areas. In addition, hog farms are encouraged to negotiate long-term sales contracts with slaughter houses and wholesale markets to maintain hog price stability. In addition, the Government plans to strengthen pork quality inspection to ensure feed safety and to address unreasonable government taxes and fees to hog raising, transportation, slaughtering and hog sales.

ABOUT AGFEED INDUSTRIES, INC.

NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix animal feed and hog production. AgFeed is China's largest commercial hog producer in terms of total annual hog production as well as the largest premix feed company in terms of revenues. China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U.S. China also has the world's largest consumer base for pork consumption. Over 65% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

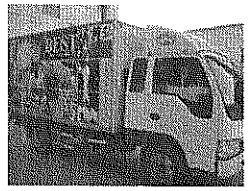
SAFE HARBOR DISCLOSURE NOTICE: This release contains forward-looking information about the Company's financial results and estimates, business plans and prospects that involve substantial risks and uncertainties. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance or business plans and prospects. Among the factors that could cause actual results to differ materially are the following: the availability and prices of live hogs, raw materials, fuel and supplies; food safety; livestock disease; live hog production costs; product pricing; the competitive environment and related market conditions; operating efficiencies; interest rate and foreign currency exchange rate fluctuations; access to capital; the cost of compliance with environmental and health standards; actions of the PRC government; governmental laws and regulations affecting our operations, including tax obligations; the ability to make effective acquisitions at the prices we expect and successfully integrate newly acquired businesses into existing operations; the success of our research and development activities; changes in generally accepted accounting principles; uncertainties related to general economic, political, business, industry, regulatory and market conditions; any changes in business, political and economic conditions due to the threat of terrorist activity; and other risks and uncertainties described in the Company's Annual Report on Form 10-K for the year ended December 31, 2007 and in its subsequent Quarterly Reports on Form 10-Q. Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement that the Company makes speaks only as of the date of such statement, and the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

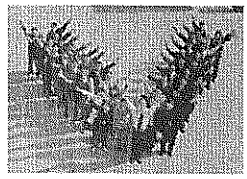
Contact:

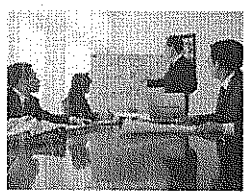
Contact Information:
Gerry Daignault
Chief Operating Officer
AgFeed Industries, Inc.
Tel: 615-480-7847

EXHIBIT 29

China's Largest Premix Feed Company
& a Leading Hog Producer







Press Releases

AgFeed Industries, Inc. Reports Record 2008 Financial Results

Monday March 16, 2009, 6:55 am EDT

NEW YORK, March 16 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED - News), the largest commercial hog producer and the largest premix feed company in China, today announced record financial results for the year of 2008:

-- Earnings of $0.54 per share compared to 2007 Earnings per Share of $0.26

-- Net Income of $16.95 million compared to 2007 Net Income of $6.66 million

-- Adjusted Earnings Per Share of $0.74

-- Adjusted Net Income of $23.21 Million

-- Revenue was $143.66 million up from $36.16 million in 2007

-- Gross Profit was $34.44 million

-- Cash and cash equivalents are $24.84 million as of December 31, 2008

-- Total Assets of $137.05 million as of December 31, 2008

Record 2008 Revenue

AgFeed experienced phased-in hog production revenue during the course of 2008, as new farms were brought on line. AgFeed sold approximately 410,000 hogs during the development of an annual capacity of up to 650,000 hogs. Revenue from premix and blended feed sales was $51.75 million, up from $36.07 million in 2007. Revenue from hog production was $91.92 million in 2008, up from less than one million dollars in 2007. Premix and blended feed accounted for 36% of revenue while hog sales accounted for 64%. The increase in premix and blended feed sales was due to AgFeed's relationship with 1,006 independently owned, exclusive AgFeed retail distribution stores. In addition, AgFeed broadened its direct sales efforts to over 660 commercial hog farms.

Record 2008 Earnings

AgFeed reported premix and blended feed related income from operations of $7.78 million on revenue of $51.75 million and net income on hog sales of $16.92 million on hog sales of $91.92 million, prior to the cost of the holding company of $6.66 million. These results reflected 23.97% gross profit margin for the company. Premix and blended feed earnings were driven by efficient cost management, increased economies of scale on raw material purchases, and long term annual supply agreements. AgFeed's income from hog operations was driven by the phasing-in of 30 producing hog farms starting in late 2007.

Management Comments

"2008 was a milestone year for the Company. As the year progressed, amid the dysfunctional international economic and credit crisis, AgFeed continued its acquisition program recognizing that the next couple of years will be taxing on all businesses," said Dr. Songyan Li, Chairman.

Gerry Daignault, COO said that, "In 2008 AgFeed improved all of the financial metrics that are key to building the Company's enterprise value. AgFeed's total assets were $137.05 million or $3.61/share as of December 31. AgFeed's cash and cash equivalents were $24.84 million and working capital was $46.04 million. Our operating cash flow was positive and the current asset to liability ratio is 4.58:1."

Reconciliation of Adjusted Net Income and Earnings per Share to GAAP Results

Adjusted net income excludes one time, non-operational, non-cash charges of $6.26 million, primarily related to investor conversion of $15.2 million of the $19 million, 3 year convertible note offering completed in February 2008. The remainder of this convertible note is $3.8 million as of December 31, 2008. Details of the one time, non-operational, non-cash charges are as follows: a) Amortization of the convertible note related warrant issuance, warrant beneficial conversion feature related charges and placement agent commissions paid to the placement agent amounted to a total of $5.7 million; and b) Currency translation loss of $0.6 million related to the conversion of our US dollars into Chinese RMB during the year.

Internal Controls

AgFeed's management, under the supervision and with the participation of its chief executive officer, chief financial officer and with the assistance of its internal controls consultant, Protiviti Shanghai Co. Ltd. has performed an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures and has concluded that no significant deficiency or material weakness was found in AgFeed's internal control process and the internal control over financial reporting was effective as of December 31, 2008. Furthermore, the material weaknesses disclosed in the 2007 audit have all been successfully remediated.

2009 Strategic Plan

AgFeed's plan will direct its mission through 2010 and 2011 during which time the Company believes that the Chinese markets will once again attain double-digit growth rates. Increasing urbanization and the swift growth of the Chinese middle class, strongly position AgFeed for the expanding Chinese consumer pork market.

AgFeed's strategic plan calls for a series of phases that encompasses the following programs:

1. Continue to build a strong financial base.

2. Consolidate the Company's hog farms through the implementation of advanced management and process systems.

3. Advance to the next levels of hog production by the implementation of a science based set of genetic programs which would increase throughput and birthing rates.

4. Invest in the expansion of distribution networks while fully branding AgFeed's products.

5. Expand AgFeed's marketing of its premix business products through the "BEST" brand label.

Future Sow Base Expansion

AgFeed intends to invest heavily in genetics with a target to support the expanding sow base from 2009's 31,500 sows to 50,000 sows over the next 24 months. The Company has started building its nucleus farm in Wuning China and will stock with pure lines while substantially upgrading the Company's farm environment with world-class bio security measures.

Stock Buy-Back Program

After initiating a Company stock buy-back program in early October, AgFeed decided to suspend this activity for a period of time. At its discretion, AgFeed, depending upon market conditions, may reinstitute the buy-back program.

2009 Annual Meeting of Shareholders

The Company announced that its 2009 annual meeting of shareholders will be held in the offices of Buchanan, Ingersoll & Rooney PC, located at Two Liberty Place, 50 S. 16th Street, Suite 3200, Philadelphia, PA 19102, on June 11, 2009 at 10:00 a.m. Eastern Daylight Time. April 15, 2009 has been established as the record date for determining the shareholders eligible to vote at the annual meeting. All shareholders are invited and encouraged to attend the meeting.

AgFeed currently expects that members of the Board of Directors and senior management will be present to meet with shareholders.

About AgFeed Industries, Inc.

NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix and blended animal feed and hog production. AgFeed is China's largest commercial hog producer in terms of total annual hog production as well as the largest premix feed company in terms of revenues. China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U.S. China also has the world's largest consumer base for pork consumption. Over 65% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

Safe Harbor Disclosure Notice

The information contained in this earnings release and the attachments is as of March 16, 2009. The Company assumes no obligation to update any forward- looking statements contained in this earnings release or the attachments as a result of new information or future events or developments.

This earnings release and the attachments contain forward-looking information about the Company's financial results and estimates, business plans and prospects that involve substantial risks and uncertainties. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance or business plans and prospects. Among the factors that could cause actual results to differ materially are the following: the availability and prices of live hogs, raw materials, fuel and supplies; food safety; livestock disease; live hog production costs; product pricing; the competitive environment and related market conditions; operating efficiencies; interest rate and foreign currency exchange rate fluctuations; access to capital; the cost of compliance with environmental and health standards; actions of the PRC government; governmental laws and regulations affecting our operations, including tax obligations; the ability to make effective acquisitions at the prices we expect and successfully integrate newly acquired businesses into existing operations; the success of our research and development activities, changes in generally accepted accounting principles; uncertainties related to general economic, political, business, industry, regulatory and market conditions; any changes in business, political and economic conditions due to the threat of terrorist activity; and other risks and uncertainties described in the Company's Annual Report on Form 10-K for the year ended December 31, 2008 and in its subsequent Quarterly Reports on Form 10-Q. Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement that the Company makes speaks only as of the date of such statement, and the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

This press release and its attachments include the following financial measures defined as non-GAAP financial measures by the Securities and Exchange Commission. AgFeed believes that the "adjusted net income," and "adjusted earnings per share" information

contained in this press release, when taken in conjunction with reported results, provide useful a measure of financial performance since they eliminate the impact of certain non-recurring, non-cash charges and provide investors with the same information used by management to evaluate performance. These non-GAAP measures should not be considered in isolation or as a substitute for the most comparable GAAP measures. Investors are cautioned that non-GAAP financial measures utilized by the company may not be comparable to non-GAAP financial measures used by other companies, a reconciliation of these non-GAAP financial measures to the most comparable GAAP measures is set forth below:

Adjusted Net Income and Earnings Per Share	For the Year Ended December 31, 2008
Net Income	$16,948,815
Adjustments	
Interest and financing costs related to conversion of convertible debentures	$5,704,358
Foreign currency loss	$559,299
Adjusted Net Income	$23,212,472
Basic Weighted Shares Outstanding	31,557,742
Adjusted EPS	$0.74

Contact:
Investor Relations:
AgFeed Industries, Inc.
Tel: (917) 804-3584
Email: ir@agfeedinc.com

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2008 AND 2007

	2008	2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$24,839,378	$7,696,209
Accounts receivable, net of allowance for doubtful accounts of $520,413 and $191,497	9,462,380	6,107,491
Advances to suppliers	518,829	442,851
Other receivable	2,066,030	459,034
Inventory	20,616,560	2,728,160
Prepaid expense	1,166,646	644,183
Debt issue costs	246,223	-
Total current assets	58,916,046	18,077,928
PROPERTY AND EQUIPMENT, net	20,810,094	3,930,715
CONSTRUCTION-IN-PROCESS	10,853,389	221,819
INTANGIBLE ASSETS	43,833,705	839,802
OTHER ASSETS	2,641,902	-
TOTAL ASSETS	$137,055,136	$23,070,264
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$5,214,596	$1,458,010
Other payables	5,766,741	705,150
Unearned revenue	321,664	99,848
Accrued expenses	164,558	18,223
Accrued payroll	818,052	168,560
Short term loans	-	1,110,413
Tax and welfare payable	465,875	9,534
Interest payable	121,139	-
Total current liabilities	12,872,625	3,569,738
CONVERTIBLE NOTES, net of debt discount of $579,444 and $0	3,220,556	-
TOTAL LIABILITIES	16,093,181	3,569,738
COMMITMENTS AND CONTINGENCIES (Note 13)	-	-

MINORITY INTEREST	2,117,611	-
STOCKHOLDERS' EQUITY:		
Common stock, $0.001 per share; 75,000,000 shares authorized; 38,300,436 issued and 37,933,141 outstanding in 2008 27,026,756 issued and 27,026,756 outstanding in 2007	38,300	27,027
Additional paid-in capital	90,903,261	10,094,095
Other comprehensive income	4,167,217	780,907
Statutory reserve	3,236,054	752,225
Treasury stock	(1,811,746)	
Retained earnings	22,311,258	7,646,272
Total stockholders' equity	118,844,344	19,500,526
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$137,055,136	$23,070,264

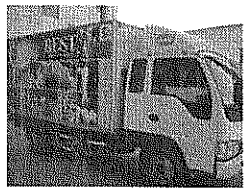
AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2008, 2007 AND 2006

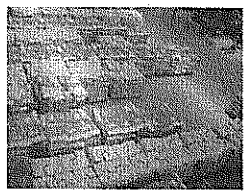
	2008	2007	2006
Net Revenue	$143,661,485	$36,163,339	$8,594,876
Cost of Revenue	109,224,565	25,763,479	5,446,332
Gross profit	34,436,920	10,399,860	3,148,544
Operating expenses			
Selling expenses	3,941,247	2,693,613	1,287,110
General and administrative expenses	5,754,742	1,385,476	827,540
Total operating expenses	9,695,989	4,079,089	2,114,650
Income from operations	24,740,931	6,320,771	1,033,894
Non-operating income (expense):			
Other income (expense)	(710,683)	160,496	35,681
Interest income	190,965	142,148	28,851
Interest and financing costs	(5,704,358)	(153,723)	(23,532)
Foreign currency transaction loss	(559,299)	-	-
Total non-operating income (expense)	(6,783,375)	148,921	41,000
Income before minority interest and provision for income taxes	17,957,556	6,469,692	1,074,894
Minority interest in subsidiaries	(421,519)	-	-
Income before provision for income taxes	17,536,037	6,469,692	1,074,894
Provision (benefit) for income taxes	587,222	(193,203)	(100,386)
Net income	$16,948,815	$6,662,895	$1,175,280
Other comprehensive income			
Foreign currency translation gain	3,386,310	664,061	84,382
Comprehensive Income	$20,335,125	$7,326,956	$1,259,662
Weighted average shares outstanding:			
Basic	31,557,742	26,093,376	17,911,296
Diluted	31,713,977	26,174,973	17,911,296
Earnings per share:			
Basic	$0.54	$0.26	$0.07
Diluted	$0.53	$0.25	$0.07

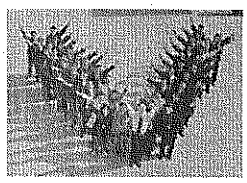
EXHIBIT 30

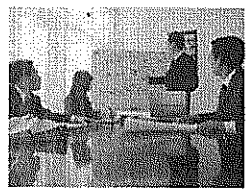
A NASDAQ Global Market Listed US Public Company
Stock Symbol: FEED

China's Largest Premix Feed Company
& a Leading Hog Producer









Press Releases

AgFeed Industries Enters Into Hog Genetic Program Arrangement with Hypor, the Pig Breeding Division of Hendrix Genetics B.V.

Wednesday April 15, 2009, 6:55 am EDT

NEW YORK, April 15 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (FEED), one of the largest independent hog production and animal nutrient companies in China, today announced its entry into a genetics program arrangement with Hypor, a Hendrix Genetics Company. Hypor is world renowned as a leading provider of superior swine genetics and technology. Hypor has, over the past 50 years, established itself to be one of the world's largest broad-based breeding pyramids supporting commercial producers in 25 countries.

Dr. Songyan Li, AgFeed's Chairman commented, "I have traveled the world in order to establish the requisites the Company needs to be successful in superior hog production. Genetic development of our swine has been AgFeed's goal since it acquired the Jiangxi Lushan Breeding Farm and now AgFeed will advance to the next level by our implementation of science-based genetic programs and Hypor is our choice for the first phase of our program."

AgFeed's strategic plan calls for development of a platform for the production and sale of approximately 2,000,000 hogs into the Chinese market during 2010-2011. The key element to this future growth is scientific breeding which is underscored by our arrangement with Hypor. We intend to begin this growth by stocking the 1200 sow farrow to finish Jiangxi Lushan Breeding Farm with the Hypor Large White Pureline Sows, the Hypor Landrace Pureline Boars and the Duroc Terminal Sire and build on the Company's "Green" certification status by producing "Green" high quality pork products. Gerry Daignault, Chief Operating Officer of AgFeed, who has extensive experience with Hypor said, "Hypor, with its reputation for breeding technology innovation, offers AgFeed a robust breeding animal that thrives under all conditions. This is a key requirement in China today."

Raf Beeren, Director of Hypor Asia, continued "Hypor is committed to providing superior genetics which results in greater profitability for hog producers. We have done our due diligence on Lushan and believe AgFeed is taking the appropriate steps to assure the success of this venture and Hypor is pleased to be part of the expansion in AgFeed's growth in China."

ABOUT AGFEED INDUSTRIES, INC.

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ABOUT HYPOR, a Hendrix Genetics company

Hypor is one of the world's leading suppliers of swine genetics. Hypor is committed to providing superior genetics, which support profitability in the pork meat value chain. With its head office located in Kitchener, Ontario, Canada, the company has strategically located breeding centers in North America, Europe and Asia.

SAFE HARBOR DISCLOSURE NOTICE

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are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Contact:
Investor Relations:

AgFeed Industries, Inc.
Tel: 917-804-3584 (US)
Email: ir@agfeedinc.com

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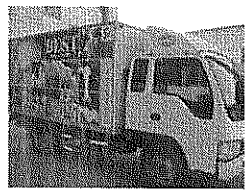
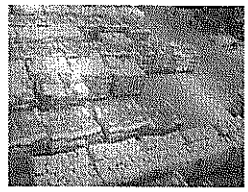
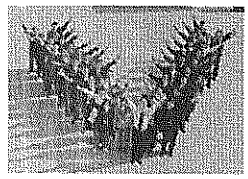
EXHIBIT 31

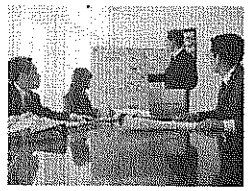
A NASDAQ Global Market Listed US Public Company
Stock Symbol: FEED

China's Largest Premix Feed Company
& a Leading Hog Producer









Press Releases

AgFeed Industries, Inc. Names Selina Jin Chief Financial Officer, Receives Nasdaq Letter

Friday April 17, 2009, 2:00 pm EDT

NEW YORK, April 17 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (FEED - News), one of the largest independent hog production and animal nutrient companies in China, announced today that Selina Jin has been appointed as its Chief Financial Officer.

AgFeed also announced that it has received a letter from Nasdaq indicating that AgFeed's issuance of common stock and warrants in December 2008 without shareholder approval violated Marketplace Rule 5635(d)(2) and providing AgFeed an extension until June 12, 2009 to evidence compliance with Nasdaq's shareholder approval requirements. To remedy this matter, AgFeed agreed to seek shareholder approval at its 2009 Annual Meeting of Shareholders of the referenced transaction. AgFeed's 2009 Annual Meeting is scheduled to be held on June 11, 2009.

APPOINTMENT OF SELINA JIN AS CHIEF FINANCIAL OFFICER

Selina Jin was appointed Chief Financial Officer of AgFeed on April 16, 2009. Mr. Liangfan Yan, AgFeed's former Chief Financial Officer, will remain with AgFeed as its Internal Controller.

Ms. Jin joined AgFeed as its Assistant Chief Financial Officer in June 2008. She brings to AgFeed 12 years of extensive experience in financial management, researching, budgeting, reporting, investment analysis, internal controls, and design of corporate performance evaluation. She is familiar with the latest PRC GAAP, US GAAP and IFRS and is English speaking.

Dr. Songyan Li, Chairman of AgFeed commented, "Ms. Jin is skilled at establishing financial analysis modules and integrating and implementing financial accounting controls and procedures. I believe she will be of great help in advancing our financial management."

Ms. Jin possesses a Bachelor's degree in Accounting from the School of International Business at Hunan University and a Masters of Business Administration in Finance and Accounting from Shanghai University of Financial and Economics. Ms. Jin is a member of the China Association of Chief Financial Officers, the Institute of Management Accountants, and the International Financial Management Association.

Prior to joining AgFeed, Ms. Jin served as the Chief Financial Officer of Changsha Zhan Hong Energy Chemical Co., Ltd., where she directed an array of financial functions, including effective variance analyses on financial performance, financial budgeting and financial ratio monitoring. Under her leadership, the financial department assisted management with strategic planning, budgeting, management process control, corporate performance evaluation, and, most importantly, increasing shareholder value. From 2003 to 2004, Ms. Jin was the Assistant Chief Executive Officer of Citia International Ltd. N. Z., where she established that company's financial and operational infrastructure and designed and implemented internal controls for its financial and operating systems. Ms. Jin began her career as an assistant professor in the Business School of Central South University, where her responsibilities included teaching courses and conducting research in financial accounting, corporate finance analysis, taxation, and management information systems for accounting.

While an MBA candidate, Ms. Jin directed a number of projects, including setting up a customized enterprise performance evaluation system based on a corporation's unique situations and EVA, BSC, and KPI principles, evaluating the opportunities/risks of investing in limestone mining and deep processing for China Minmetals Corporation, a Fortune 500 global company, as well as analyzing and forecasting the general trend of the stock market for real-estate enterprises.

NASDAQ LETTER

On April 13, 2009, AgFeed received a letter from Nasdaq indicating that AgFeed's sale of common stock and warrants in a December 2008 registered direct offering violated the shareholder approval requirement of Nasdaq Marketplace Rule 5635(d)(2). Nasdaq also provided an extension until June 12, 2009 to evidence compliance with Nasdaq's shareholder approval requirements. AgFeed's 2009 Annual Meeting is scheduled for June 11, 2009.

In a registered direct offering which closed on December 31, 2008, AgFeed sold to four institutional investors 5,000,006 units, each consisting of one share of our common stock and a warrant to purchase seven-tenths of one share of our common stock for aggregate gross proceeds of $8,750,010.25, or $1.75 per unit.

The 5,000,006 shares of common stock were sold at a discount to market price, but only represented approximately 15.2% of AgFeed's outstanding common stock prior to the sale, well below the 20% limit of Marketplace Rule 5635(d)(2). However, the 3,500,004 shares of common stock issuable upon exercise of the warrants represented approximately 10.6% of AgFeed's common stock prior to the sale. While the $2.50 exercise price of the warrants was greater than the market price of AgFeed's common stock at the time of the sale, it was less than $3.29 book value of AgFeed's shares, as reflected in the financial statements included in AgFeed's Form 10-Q Quarterly Report for the third quarter ended September 30, 2008.

As previously reported, in a letter to Nasdaq dated February 27, 2009, AgFeed agreed to seek shareholder approval at its 2009 Annual Meeting of Shareholders for its sale of common stock and warrants in the December transaction. In the letter and subsequent

conversations with Nasdaq's staff, AgFeed also agreed to not effect exercises of the warrants prior to the date of shareholder approval.

Members of the Company's management having the right to vote 11,460,024 shares of the Company's common stock (representing approximately 30% of AgFeed's outstanding common stock) have agreed to vote to approve the December transaction at the 2009 Annual Meeting. The December transaction will be approved if a majority of the votes cast on the transaction at the annual meeting vote to approve it, not counting any votes represented by the shares purchased in the December transaction which are voted by an investor in that transaction.

ABOUT AGFEED INDUSTRIES, INC.

Nasdaq Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix animal feed and hog production. AgFeed is China's largest commercial hog producer in terms of total annual hog production as well as the largest premix feed company in terms of revenues. China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U.S. China also has the world's largest consumer base for pork consumption. Over 65% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

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Additional Information and Where to Find It

AgFeed has filed with the SEC a preliminary proxy statement on Schedule 14A in connection with its 2009 Annual Meeting. STOCKHOLDERS OF AGFEED AND OTHER INTERESTED PERSONS ARE ADVISED TO READ, WHEN AVAILABLE, AGFEED'S DEFINITIVE PROXY STATEMENT IN CONNECTION WITH THE SOLICITATION OF PROXIES FOR THE ANNUAL MEETING BECAUSE THIS PROXY STATEMENT WILL CONTAIN IMPORTANT INFORMATION. The definitive proxy statement will be mailed to stockholders as of the record date for the Annual Meeting. Stockholders will also be able to obtain a copy of the definitive proxy statement, without charge, once available. The definitive proxy statement, when filed, and other relevant documents can also be obtained, without charge, at the SEC's Internet site http://www.sec.gov or by contacting AgFeed at (917) 804-3584. As a result of the review by the SEC of the preliminary proxy statement, AgFeed may be required to make changes to the information contained in the preliminary proxy statement.

Contact:
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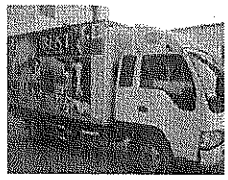
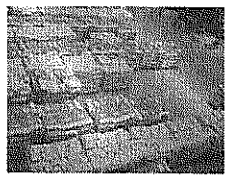
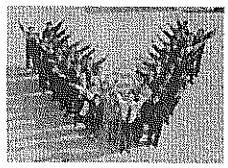
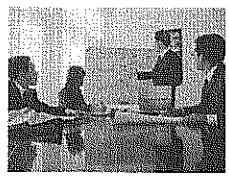
EXHIBIT 32

China's Largest Premix Feed Company
& a Leading Hog Producer









Press Releases

AgFeed Industries, Inc. Announces $10 Million Private Placement

On Thursday May 7, 2009, 6:55 am EDT

NEW YORK, May 7 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED - News), one of the largest independent hog production and animal nutrient companies in China, announced today that it has agreed to sell 2,329,645 shares of its Common Stock at a price of $4.2925 per share (approximately $10 million in the aggregate) to several institutional investors in a private placement transaction referred to as a PIPE transaction. The transaction will include warrants to purchase an additional 1,164,822 shares of common stock at an exercise price of $4.50 per share. The warrants will be exercisable immediately upon the closing of the transaction, and have a term of five years. The Company has agreed to register the shares and warrant shares for resale.

Dr. Songyan Li stated, "I am very pleased with our ability to acquire this type of equity financing given the nature of the global tight markets. It speaks well of how the investment community views AgFeed." The Company intends to use the net proceeds from this financing for the development of its genetic program and other growth initiatives.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities. There shall not be any sale of these securities in any jurisdiction in which such offering would be unlawful. The securities offered and sold in the private placement have not been registered under the Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration, or an applicable exemption from registration under the Securities Act and applicable state securities laws.

ABOUT AGFEED INDUSTRIES, INC.

NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix animal feed and hog production. AgFeed is China's largest commercial hog producer in terms of total annual hog production as well as the largest premix feed company in terms of revenues. China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U.S. China also has the world's largest consumer base for pork consumption. Over 65% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

Dr. Songyan Li, Chairman of AgFeed commented, "Ms. Jin is skilled at establishing financial analysis modules and integrating and implementing financial accounting controls and procedures. I believe she will be of great help in advancing our financial management."

SAFE HARBOR DISCLOSURE NOTICE

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This press release may contain forward-looking information about the Company. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance or business plans and prospects. Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement that the Company makes speaks only as of the date of such statement, and the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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EXHIBIT 33

China's Largest Premix Feed Company
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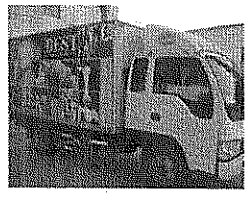

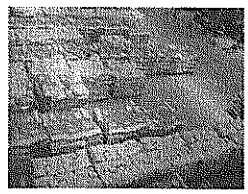

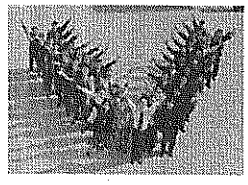

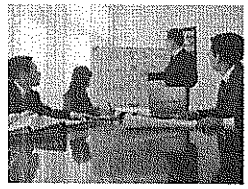

Press Releases

AgFeed Industries, Inc. Announces First Quarter 2009 Financial Results

On Monday May 11, 2009, 6:55 am EDT

NEW YORK, May 11 /PRNewswire-Asia/ – AgFeed Industries, Inc. (Nasdaq: FEED - News), one of the largest commercial hog producer and the largest animal nutrients company in China, today announced financial results for the first quarter of 2009:

- Earnings per share of $0.08 compared to $0.03 for the first quarter of 2008.
- Net income of $3.02 million compared to $0.91 million for the comparable 2008 period.
- Revenue of $33.43 million, up from $12.15 million in the first quarter of 2008.
- Gross Profit of $5.80 million.

Management Comments

Dr. Songyan Li, AgFeed's Chairman, commented that, "We are pleased with the results of operations for the first quarter of 2009 in spite of tough market conditions. Our year to year margins suffered due to external inventory hangover, a mild macro decline in the economy and the higher cost of corn and soy which forced our production costs to rise. The recent H1N1 flu had some effect on our businesses but the Chinese government has taken aggressive measures to curtail this problem in China. Hog prices will continue at low levels until late summer and I believe prices will begin to climb by September as the Chinese economy accelerates."

Junhong Xiong, CEO commented, "China's adoption of the Food Safety Law which goes into effect on June 1,2009 will enhance our animal nutrient business by removing competing substandard products from our market. As a feed operating company we have received 'Green Certification' for our 'BEST' label pre-mix products from the Minister of Agriculture. This combination of the new law and green certification should propel our sales in 2009 and beyond."

Gerry Daignault COO added, "We have made great headway in the last few months investing in AgFeed's science-based genetics programs and standardizing production practices. These plans will result in increasing the sow birth rates over the next two years (2010-11) to be in position to sell 2,000,000 hogs in that period while also improving other key production metrics. AgFeed is in the final stages of completing the construction of the nucleus farm near Wuning China and will stock the farm with pure lines in the third quarter. This farm will be at the top of our genetics pyramid and will support our future genetics programs. Hypor, our genetics partner, has provided us with a great deal of support in planning this farm, including design, stocking plans as well as maximizing the benefits across our production system."

2009 Strategic Plan

AgFeed senior management has developed a three year strategic plan through 2011. The Chinese $586 billion stimulus plan will have positive effects on the economy and the consumer as urbanization and the swift growth of the Chinese middle class, strongly position AgFeed for the expanding Chinese consumer pork market. The plan provides for the implementation of a series of measures that are designed to:

- Strengthen the Company's financial foundation;
- Improve the Company's existing hog farms using advanced management and process systems;
- Continue to invest in a broad, science-based genetics programs designed to increase throughput and profit margins; and
- Expand AgFeed's product branding, and distribution strategies in both of its lines of business - capitalizing on the recognizability of the brand labels "AgFeed" and "BEST."

About AgFeed Industries, Inc.

NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix and blended animal feed and hog production. AgFeed is China's largest commercial hog producer in terms of total annual hog production as well as the largest premix feed company in terms of revenues. China is the world's largest hog producing country that produced 625 million hogs in 2008, compared to approximately 100 million hogs in the U.S. China also has the world's largest consumer base for pork consumption. Over 65% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

Safe Harbor Disclosure Notice

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AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2009 AND DECEMBER 31, 2008

	March 31, 2009 (unaudited)	December 31, 2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$20,382,671	$24,839,378
Accounts receivable, net of allowance for doubtful accounts of $282,958 and $520,413	11,972,363	9,462,380
Advances to suppliers	487,620	518,829
Other receivable	2,687,318	2,066,030
Inventory	20,587,466	20,616,560
Prepaid expense	864,025	1,166,646
Debt issue costs	218,030	246,223
Total current assets	57,199,493	58,916,046
PROPERTY AND EQUIPMENT, net	22,754,806	20,810,094
CONSTRUCTION-IN-PROCESS	10,466,343	10,853,389
INTANGIBLE ASSETS	43,796,461	43,833,705
OTHER ASSETS	2,429,339	2,641,902
TOTAL ASSETS	$136,646,442	$137,055,136
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$6,409,881	$5,214,596
Other payables	1,892,659	5,766,741
Unearned revenue	116,401	321,664

Accrued expenses	164,064	164,558
Accrued payroll	643,587	818,052
Tax and welfare payable	235,600	465,875
Interest payable	46,511	121,139
Total current liabilities	9,508,703	12,872,625
CONVERTIBLE NOTES, net of debt discount of $513,095 and $579,444	3,286,905	3,220,556
TOTAL LIABILITIES	12,795,608	16,093,181
COMMITMENTS AND CONTINGENCIES (Note 10)	-	-
EQUITY:		
AgFeed stockholders' equity:		
Common stock, $0.001 per share; 75,000,000 shares authorized; 38,300,436 issued and 37,933,141 outstanding at March 31, 2009 38,300,436 issued and 37,933,141 outstanding at December 31, 2008	38,300	38,300
Additional paid-in capital	90,764,907	90,903,261
Other comprehensive income	4,013,363	4,167,217
Statutory reserve	3,580,436	3,236,054
Treasury stock (367,295 shares held in treasury)	(1,811,746)	(1,811,746)
Retained earnings	24,985,716	22,311,258
Total AgFeed stockholders' equity	121,570,976	118,844,344
Noncontrolling interest	2,279,858	2,117,611
Total equity	123,850,834	120,961,955
TOTAL LIABILITIES AND EQUITY	$136,646,442	$137,055,136

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND 2008

	2009 (unaudited)	2008 (unaudited)
Revenues	$33,429,274	$12,147,084
Cost of goods sold	27,625,869	8,714,123
Gross profit	5,803,405	3,432,961
Operating expenses		
Selling expenses	863,867	753,622
General and administrative expenses	1,757,172	954,221
Total operating expenses	2,621,039	1,707,843
Income from operations	3,182,366	1,725,118
Non-operating income (expense):		
Other income (expense)	192,681	(14,571)
Interest income	60,562	50,175
Interest and financing costs	(152,914)	(326,642)
Foreign currency transaction loss	(1,831)	(224,473)

Total non-operating income (expense)	98,498	(515,511)
Income before provision for income taxes	3,280,864	1,209,607
Provision for income taxes	215,550	96,263
Net income including noncontrolling interest	$3,065,314	$1,113,344
Less: Net income attributed to noncontrolling interest	46,474	194,047
Net income attributed to AgFeed	$3,018,840	$919,297
Other comprehensive income		
Foreign currency translation gain (loss)	$153,854	1,011,701
Comprehensive Income	$2,864,986	$1,930,998
Weighted average shares outstanding :		
Basic	37,933,141	27,802,640
Diluted	37,933,141	28,046,455
Earnings per share attributed to AgFeed common stockholders:		
Basic	$0.08	$0.03
Diluted	$0.08	$0.03

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND 2008

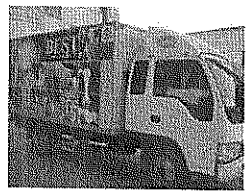
	2009 (unaudited)	2008 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income including noncontrolling interest	$3,065,314	$1,113,344
Adjustments to reconcile net income including noncontrolling interest to net cash used in operating activities:		
Depreciation	610,706	185,753
Amortization	12,779	12,598
Loss on disposal of assets	-	16,774
Stock based compensation	138,531	16,108
Amortization of debt issuance costs	28,193	54,821
Amortization of discount on convertible debt	66,349	129,011
(Increase) / decrease in assets:		
Accounts receivable	(2,523,056)	(2,082,250)
Other receivable	(623,691)	(641,521)
Inventory	985	(3,077,865)
Advances to suppliers	30,505	304,242
Prepaid expense	301,104	490,590
Other assets	208,976	-
Increase / (decrease) in current liabilities:		
Accounts payable	1,202,475	1,482,467
Other payables	(3,866,938)	539,211
Due to related party	-	287,055
Unearned revenue	(204,837)	(54,019)
Accrued expenses	(306)	177,017
Accrued payroll	(173,358)	(40,086)
Tax and welfare payable	(229,655)	92,948

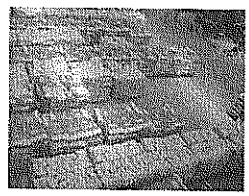
Interest payable	(74,628)	125,409
Net cash used in operating activities	(2,030,552)	(868,393)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(2,211,649)	(635,952)
Acquisition of intangible assets	(35,294)	(70,654)
Cash paid for purchase of subsidiary	-	(5,290,747)
Net cash used in investing activities	(2,246,943)	(5,997,353)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the sale of common stock	-	22,000,032
Offering costs paid	(276,885)	(3,432,670)
Proceeds from the issuance of convertible notes	-	19,000,000
Issuance costs for convertible notes	-	(1,716,666)
Capital contributed by noncontrolling interest holders	118,664	-
Net cash provided by (used in) financing activities	(158,221)	35,850,696
Effect of exchange rate changes on cash and cash equivalents	(20,991)	242,976
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(4,456,707)	29,227,926
CASH & CASH EQUIVALENTS, BEGINNING BALANCE	24,839,378	7,696,209
CASH & CASH EQUIVALENTS, ENDING BALANCE	$20,382,671	$36,924,135
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$133,000	$51,223
Income taxes paid	$176,640	$-

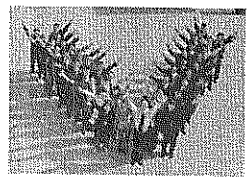
EXHIBIT 34

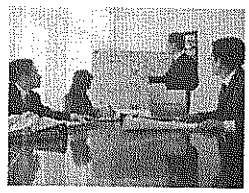
A NASDAQ Global Market Listed US Public Company
Stock Symbol: FEED

China's Largest Premix Feed Company
& a Leading Hog Producer









Press Releases

AgFeed Industries Announces Entry into Letter of Intent to Create Joint Venture to Establish Pan Asian Pork Production Management Company Using Western Technology

On Wednesday May 13, 2009, 6:55 am EDT

NEW YORK, May 13 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED - News), one of the largest independent hog production and animal nutrient companies in China, today announced that it has entered into a letter of intent to form a joint venture with M2P2, a leading US hog production and industry management consulting company. Formed in 2003, M2P2 merges expertise in all phases of hog production, from birth to market, into one company. Today, M2P2 operates in six states throughout the U.S. and owns and operates 28,500 sows and finishes 1,200,000 market hogs annually.

The joint venture will be a Pan Asian based production management company focused on introducing the western model of modern production systems. The management services offered will include facility planning, international staff training, science based genetics, bio security and interactive information systems to upgrade pork production systems throughout Asia.

AgFeed will be the first customer of this joint venture. AgFeed's expansion plans will utilize the expertise in this joint venture to design, build, and operate a western model of hog production. AgFeed's operation will be staffed by U.S. trained Chinese employees applying proven western management production technology to maximize production with superior genetic animals that are "green" certified and exceed the standards of the food safety laws to be introduced in China in June 2009.

The following steps will be taken by the joint venture to assure the success of this first project:

1. utilizing M2P2's personnel, it will provide the expertise working with AgFeed's hog production team to engineer and build world-class sow farms, boar studs and finishing facilities.

2. through M2P2, it will train Chinese farm managers from AgFeed on the M2P2 efficient western style production systems used in the U.S. This will include training on sow farms, boar studs, finishing systems including health management and management information systems.

3. the joint venture will lever the success of these initial AgFeed operations into a separate operating company to employ its hog production expertise across the pan Asian market.

Additionally, AgFeed, Hypor and M2P2 will explore the joint development of genetics programs to distribute world-class genetics and best bio-security practices across Pan Asian markets.

The joint venture will be majority owned by AgFeed. After the initial beta-site project the joint venture will offer the proven services to hog producers in China and Asia as well as international companies seeking a foothold in the Pan-Asian market where 65% of the world's hog production is consumed.

AgFeed's Chairman, Dr. Songyan Li, stated, "our new partner M2P2 was the obvious choice for the introduction of western style hog production technology." He added, "I have always sought experts in genetics and hog production technology to increase our production rates. With our genetics program with Hypor in place and our joint venture with M2P2, we can increase our production rate by up to 30% while substantially upgrading the quality and the health of our herds."

Gerry Daignault, AgFeed's Chief Operating Officer, added, "M2P2 is a very focused production group of professionals that can implement and design processes and training to move AgFeed to the next level of production performance. It is our plan as part of the joint venture to leverage this knowledge to offer these services throughout the Pan Asian Market."

Glenn McClelland, the Chief Executive Officer of M2P2, stated "our organization is excited about working with AgFeed in developing progressive production systems in China. The combination of both companies creates a company which blends the expertise in modern pork production with the local knowledge of the Chinese culture to create a unique approach to Chinese swine production that will assure success. The modern western systems will only work when applied with local knowledge and expertise."

ABOUT AGFEED INDUSTRIES, INC.

NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix animal feed and hog production. AgFeed is China's largest commercial hog producer in terms of total annual hog production as well as the largest premix feed company in terms of revenues. China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U.S. China also has the world's largest consumer base for pork consumption. Over 65% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

ABOUT M2P2, LLC

M2P2 is a progressive pork production company and employer of choice in the industry. Formed in 2003, M2P2 merges expertise in all

phases of hog production, from birth to market, into one company. Today, M2P2 operates in six states throughout the U.S. and is leading the way in the pork production industry. M2P2 owns and operates 28,500 sows and finishes 1,200,000 market hogs annually.

SAFE HARBOR DISCLOSURE NOTICE

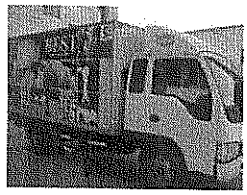
This press release contains forward-looking information about AgFeed, M2P2, and the joint venture contemplated by the letter of intent. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "goal," "potential," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance, business plans and prospects, and the planned joint venture. Readers are cautioned not to place undue reliance on such forward-looking statements because risks and uncertainties may cause actual results to differ materially from those expressed in, or implied by, such statements. Among such risks and uncertainties are the Company's ability to successfully negotiate and complete the definitive documentation for the joint venture and the risk factors described in the reports filed by the Company with the Securities and Exchange Commission. Any forward-looking statement that AgFeed or M2P2 make speaks only as of the date of such statement, and neither AgFeed nor M2P2 undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

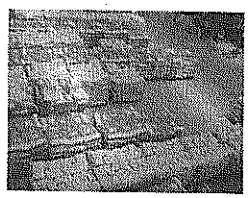
Contact:
Investor Relations:

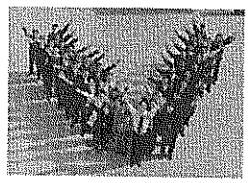
AgFeed Industries, Inc.
Tel: 917-804-3584 (US)
Email: ir@agfeedinc.com

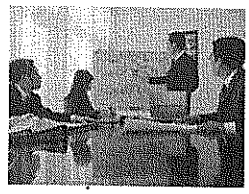
EXHIBIT 35

China's Largest Premix Feed Company
& a Leading Hog Producer









Press Releases

AgFeed Industries, Inc. Announces Results of Annual Meeting of Shareholders

On Wednesday June 17, 2009, 6:55 am EDT

NEW YORK, June 17 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED - News), one of the largest commercial hog producer and the largest animal nutrients company in China, today announced that the company's five directors, Songyan Li, Fredric Rittereiser, Arnold Staloff, Junhong Xiong and Lixiang Zhang, were re-elected to one-year terms.

In other voting, shareholders approved the sale and issuance in December 2008 to institutional investors of 5,000,006 shares of its common stock and warrants to purchase up to an additional 3,500,004 shares, as required to be in compliance with Nasdaq Marketplace Rule 5635(d)(2). As a result of this approval, AgFeed is in compliance with Nasdaq Marketplace Rules and its shares are no longer subject to being delisted from the Nasdaq Global Market.

The final results have been verified by the independent inspector of elections and will appear in AgFeed's next 10-Q report.

ABOUT AGFEED INDUSTRIES, INC.

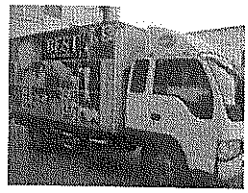
NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix animal feed and hog production. AgFeed is China's largest commercial hog producer in terms of total annual hog production as well as the largest premix feed company in terms of revenues. China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U.S. China also has the world's largest consumer base for pork consumption. Over 65% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

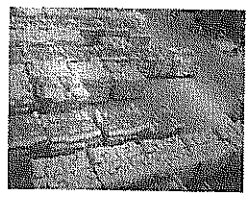
Contact:
Investor Relations:

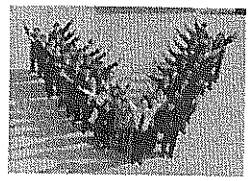
AgFeed Industries, Inc.
Tel: 917-804-3584 (US)
Email: ir@agfeedinc.com

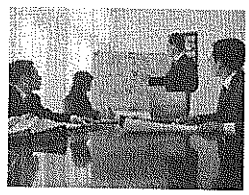
EXHIBIT 36

China's Largest Premix Feed Company & a Leading Hog Producer









Press Releases

AgFeed Industries Forms Joint Venture – AgFeed International Protein Technology with M2P2 to Further Pan Asian Pork Production Using Western Technology
On Thursday July 16, 2009, 6:55 am EDT

NEW YORK, July 16 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED - News), one of the largest independent hog production and animal nutrient companies in China, today announced the formation of a joint venture with M2P2, a leading U.S. hog production and industry management consulting company. The new company, AgFeed International Protein Technology Corp. will focus on enhancing hog production systems for Chinese and other Pan Asian clients based on modern western standards to increase productivity and ensure the highest bio-security health standards in the Pan Asian hog industry. The joint venture was formed to take advantage of the coming commercialization and consolidation of the hog industry being fostered by the Chinese central and local governments. The joint venture has commenced operations on July 13, 2009 and AgFeed Industries is the joint venture's first client.

Glenn McClelland, Chief Executive Officer of M2P2, has been appointed to serve as the President of AgFeed International Protein Technology. The new company will be owned 80.1% by AgFeed Industries and certain affiliates and 19.9% by M2P2.

"The demand for alternative sources of pork is predicted to increase by 45% by 2015 according to China's National Bureau of Statistics," commented Junhong Xiong, AgFeed Industries' Chief Executive Officer. "The Government's rural to urban policy coupled with the new food safety laws will reduce the role of the farms raising less than 100 hogs and the increasing demand for pork will only be able to be met by accelerating the commercialization of the hog industry."

In describing the joint venture's initial plans, Gerard Daignault, AgFeed Industries' Chief Operating Officer, stated that "the joint venture will advise AgFeed Industries in building two initial beta-sites on two 600 plus acre sites, one in Gao'an City, Jiangxi Province, China, 50 miles southwest of Nanchang, and the other in Dahua City, Guangxi Province in southern China. At both locations, AgFeed Industries will build 5,000 head sow farms designed as pristine modern facilities with a combined output of 225,000 to 250,000 animals annually. M2P2's personnel working through the joint venture will assist in the design, engineering and construction of the facilities. M2P2 will train Chinese farm managers on M2P2 farms in the U.S. Midwest on the western style of production. The joint venture will then leverage the success of this initial program to build additional large farms for AgFeed Industries and extend its services to international companies seeking entrance into the Pan Asian markets."

AgFeed Industries' Chairman Songyan Li commented, "we have had the vision and generated sufficient resources to engage two very powerful overseas partners, M2P2 and Hypor, a Hendrix Genetics company, in our quest to become the recognized leader in introducing the western model of hog production supported by a world class genetics partner to achieve superior results. This complementary combination working with AgFeed Industries and AgFeed International Protein Technology will efficiently deliver a steady long term supply of healthy top quality animals through our distribution channels, while reducing our production costs and increasing yields to maximize profits."

ABOUT AGFEED INDUSTRIES, INC.

Nasdaq Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix animal feed and hog production. AgFeed is China's largest commercial hog producer in terms of total annual hog production as well as the largest premix feed company in terms of revenues China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U S China also has the world's largest consumer base for pork consumption. Over 65% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

ABOUT M2P2, LLC

M2P2 is a progressive pork production company and employer of choice in the industry. Formed in 2003, M2P2 merges expertise in all phases of hog production, from birth to market, into one company. Today, M2P2 operates in six states throughout the U.S. and is leading the way in the pork production industry. M2P2 owns and operates facilities hosting 28,500 sows and finishes 1,200,000 market hogs annually.

ABOUT HYPOR

Hypor, a Hendrix Genetics company, is one of the world's leading suppliers of swine genetics. Hypor is committed to providing superior genetics, which support profitability in the pork meat value chain. With its head office located in Kitchener, Ontario, Canada, the company has strategically located breeding centers in North America, Europe and Asia.

SAFE HARBOR DISCLOSURE NOTICE

This press release contains forward-looking information about AgFeed Industries, M2P2, Hypor and AgFeed International Protein Technology. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "goal," "potential," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance, business plans and prospects. Readers are cautioned not to place undue

reliance on such forward-looking statements because risks and uncertainties may cause actual results to differ materially from those expressed in, or implied by, such statements. Among such risks and uncertainties are the Company's ability to successfully implement the JV and the **risk** factors described in the reports filed by the Company with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date of such statement, and AgFeed Industries does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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EXHIBIT 37

China's Largest Premix Feed Company
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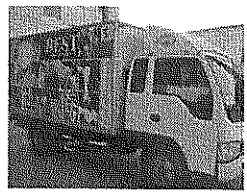

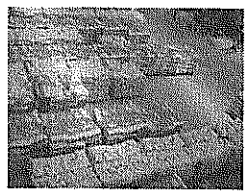

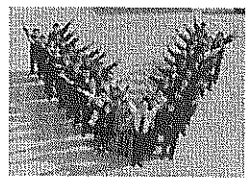

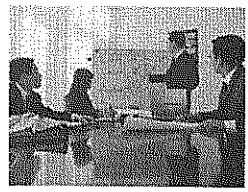

Press Releases

AgFeed Industries, Inc. Announces Second Quarter 2009 Financial Results

On Tuesday August 11, 2009, 6:55 am EDT

NEW YORK, Aug. 11 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED - News), one of the largest commercial hog producers and the largest animal nutrients company in China, today announced financial results for the second quarter and first six months of 2009:

- --Revenue of $38.5 million and $71.9 million, up from $35.6 million and $47.8 million for the second quarter and first six months of 2008, respectively.
- --Income from operations of $2.3 million and $5.4 million, compared to $8.8 million and $10.5 million for the three and six month periods of 2008, respectively.
- --Net Income of $1.2 million and $4.2 million for the three and six month 2009 periods, compared to $3.9 million and $4.8 million for the comparable 2008 periods.
- --Earnings per share of $0.03 and $0.11 for the three and six month 2009 periods, compared to $0.12 and $0.16 for the comparable 2008 periods.
- --Gross Profit of $5.2 million and $11.0 million, as compared to $11.0 million and $14.5 million for the second quarter and first six months of 2008, respectively.
- --Balance sheet is strong; cash and cash equivalents on hand on June 30, 2009 was $30.9 million.
- --Gross margins for the first six months of 2009 were 26.76% in the Company's animal nutrients business and 10.53% (an average price of $159.40 versus a cost of $142.40 per head) on the sale of 316,000 hogs in that business segment.

Management Comments

Dr. Songyan Li, AgFeed's Chairman, commented that, "I am pleased to report on the progress we are making in implementing our previously announced strategic plan. Our second quarter results were stronger, in light of the challenges that we faced - the macro decline in the global economy, hog prices that dipped to a two-year low and the rising cost of corn, soy and fuel. In spite of this, our operating income was a healthy $2.26 million. Hog prices are generally beginning to firm and I believe we will see these prices rise about 15% in the short run and over 25% by 2010 from recent lows. In several key markets, we have already begun to see our hog prices rise significantly above the average national average."

Dr. Li continued, "We are on target across the various phases of our strategic plan. Earlier this year we announced our intention to lead the way in China with the adoption of the western model of hog production. We have begun the transition with our alliance with Hypor, the formation of AgFeed International Protein Technology, our joint venture with M2P2 LLC, and the ongoing upgrading of our existing farms. As we continue to upgrade our facilities and invest in our genetics programs, improve our bio-security, and upgrade our environmental protection systems over the next 30 months we believe that AgFeed will be the standard for top quality, green-certified pork in China. We anticipate producing approximately 2.5 million hogs from now through 2011."

In discussing AgFeed's animal nutrients business, Junhong Xiong, AgFeed's Chief Executive Officer, provided "our revenues in this business were $11.1 million in the second quarter and $21.2 million for the first six months of 2009. Our pre-mix, condensed, complete and fine feed sales totaled 43,500 metric tons for six months. We were able to meet our earlier projections in this business in spite of the down hog market and we are poised to meet our goal of 100,000 metric tons to be sold in 2009. We also added significant numbers to our distribution network, including more than 200 independently owned, AgFeed-exclusive feed distribution chain stores and over 100 large-size commercial hog farms to our network in the last six months for totals of 1,239 stores and 712 farms, respectively. We believe that all of these signs are indicative of an increasing recognition of our brand and the quality of our 'green-certified' feed products and signal a rise in both production and sales going forward."

Mr. Xiong additionally commented on the opportunities the changing Chinese diet presents for AgFeed's animal nutrients business, saying "food preferences in China are rapidly changing and there is a growing diversity in the consumer's meat diets. Distribution and standardization of a wider range of animal feed is becoming more important to the commercial market for meat and meat products. We see a major opportunity for AgFeed to diversify its manufacturing ability to provide quality feed and nutrients for the expanding meat markets, including poultry, lamb, mutton, veal and beef, as the urbanization of the population continues and the demand for a wider diversity of products increases as the standard of life in China continues to improve."

Gerard Daignault, AgFeed's Chief Operating Officer, commented specifically on the growth of the hog business, saying "AgFeed's hog sales for the first six months of the year totaled 316,000 hogs, with 183,000 sold in the second quarter. This puts us in line to meet our goal of 650,000 hogs produced for 2009." Mr. Daignault continued, "The rural to urban migration of the Chinese population is fostering the industrialization and consolidation by the central and local government of the pork industry. As small farmers are slowly eliminated and larger scale commercial breeding farms (typically holding 3000-5000 head) evolve, opportunities unfold for AgFeed in the hog

production of weaned pigs. We have been able to capitalize on this trend and we are making great strides to continue this growth, reaching tentative agreements with local governments in Jiangxi and Guangxi provinces to begin the building of very large farms as a reflection of the consolidation of the hog industry in China."

About AgFeed Industries, Inc.

NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix and blended animal feed and hog production. AgFeed is China's largest commercial hog producer in terms of total annual hog production as well as the largest premix feed company in terms of revenues. China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U.S. China also has the world's largest consumer base for pork consumption. Over 62% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

Safe Harbor Disclosure Notice

The information contained in this earnings release and the attachments is as of August 10, 2009. The Company assumes no obligation to update any forward-looking statements contained in this earnings release or the attachments as a result of new information or future events or developments.

This earnings release and the attachments contain forward-looking information about the Company's financial results and estimates, business plans and prospects that involve substantial risks and uncertainties. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance or business plans and prospects. Among the factors that could cause actual results to differ materially are the following: the availability and prices of live hogs, raw materials, fuel and supplies; food safety; livestock disease; live hog production costs; product pricing; the competitive environment and related market conditions; operating efficiencies; interest rate and foreign currency exchange rate fluctuations; access to capital; the cost of compliance with environmental and health standards; actions of the Chinese government; governmental laws and regulations affecting our operations, including tax obligations; the ability to make effective acquisitions at the prices we expect and successfully integrate newly acquired businesses into existing operations; the success of our research and development activities, changes in generally accepted accounting principles; uncertainties related to general economic, political, business, industry, regulatory and market conditions; any changes in business, political and economic conditions due to the threat of terrorist activity; and other risks and uncertainties described in the Company's Annual Report on Form 10-K for the year ended December 31, 2008 and in its subsequent Quarterly Reports on Form 10-Q. Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement that the Company makes speaks only as of the date of such statement, and the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues	$38,527,770	$35,635,327	$71,957,044	$47,782,411
Cost of goods sold	33,306,111	24,600,502	60,931,980	33,314,625
Gross profit	5,221,659	11,034,825	11,025,064	14,467,786
Operating expenses				
Selling expenses	999,342	873,580	1,863,209	1,627,202
General and administrative expenses	1,960,520	1,389,088	3,717,692	2,343,309
Total operating expenses	2,959,862	2,262,668	5,580,901	3,970,511
Income from				

operations	2,261,797	8,772,157	5,444,163	10,497,275
Non-operating income (expense):				
Other income (expense)	(189,205)	(10,999)	3,476	(25,570)
Interest income	52,554	76,060	113,116	126,235
Interest and financing costs	(624,514)	(4,312,559)	(777,428)	(4,639,201)
Foreign currency transaction gain (loss)	5,133	(319,273)	3,302	(543,746)
Total non-operating income (expense)	(756,032)	(4,566,771)	(657,534)	(5,082,282)
Income before provision for income taxes	1,505,765	4,205,386	4,786,629	5,414,993
Provision for income taxes	285,958	116,826	501,508	213,089
Net income including noncontrolling interest	1,219,807	4,088,560	4,285,121	5,201,904
Less: Net income (loss) attributed to noncontrolling interest	(6,445)	167,047	40,029	361,094
Net income attributed to AgFeed	1,226,252	3,921,513	4,245,092	4,840,810
Other comprehensive income				
Foreign currency translation gain (loss)	5,953	1,776,427	(147,901)	2,788,128
Comprehensive Income	$1,232,205	$5,697,940	$4,097,191	$7,628,938
Weighted average shares outstanding:				
Basic	39,549,944	32,054,366	38,746,009	29,928,503
Diluted	41,446,344	32,404,339	39,581,891	30,233,681
Earnings per share attributed to AgFeed common stockholders:				
Basic	$0.03	$0.12	$0.11	$0.16
Diluted	$0.03	$0.12	$0.11	$0.16

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2009 AND DECEMBER 31, 2008

	June 30, 2009	December 31, 2008
	(unaudited)	
ASSETS		

CURRENT ASSETS:		
Cash and cash equivalents	$30,912,081	$24,839,378
Accounts receivable, net of allowance for doubtful accounts of $69,660 and $520,413	14,610,095	9,462,380
Advances to suppliers	689,152	518,829
Other receivables	93,811	2,066,030
Inventory	22,519,961	20,616,560
Prepaid expenses	1,351,221	1,166,646
Debt issue costs	49,875	246,223
Total current assets	70,226,196	58,916,046
PROPERTY AND EQUIPMENT, net	23,547,427	20,810,094
CONSTRUCTION-IN-PROCESS	12,573,209	10,853,389
INTANGIBLE ASSETS	43,770,481	43,833,705
OTHER ASSETS	2,498,826	2,641,902
TOTAL ASSETS	$152,616,139	$137,055,136

LIABILITIES AND EQUITY

CURRENT LIABILITIES:		
Short-term loans	$4,541,500	$-
Accounts payable	6,357,298	5,214,596
Other payables	3,716,938	5,766,741
Unearned revenue	263,329	321,664
Accrued expenses	302,681	164,558
Accrued payroll	661,496	818,052
Tax and welfare payable	282,867	465,875
Interest payable	84,642	121,139
Total current liabilities	16,210,751	12,872,625
CONVERTIBLE NOTES, net of debt discount of $117,371 and $579,444	882,629	3,220,556
TOTAL LIABILITIES	17,093,380	16,093,181
COMMITMENTS AND CONTINGENCIES (Note 11)	-	-
EQUITY:		
AgFeed stockholders' equity:		
Common stock, $0.001 per share; 75,000,000 shares authorized; 41,285,554 issued and 40,918,259 outstanding at June 30, 2009 38,300,436 issued and 37,933,141 outstanding at December 31, 2008	41,286	38,300
Additional paid-in capital	102,179,512	90,903,261
Other comprehensive income	4,019,316	4,167,217
Statutory reserve	3,838,442	3,236,054
Treasury stock (367,295 shares held in treasury)	(1,811,746)	(1,811,746)
Retained earnings	25,953,962	22,311,258
Total AgFeed stockholders' equity	134,220,772	118,844,344
Noncontrolling interest	1,301,987	2,117,611
Total equity	135,522,759	120,961,955
TOTAL LIABILITIES AND EQUITY	$152,616,139	$137,055,136

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

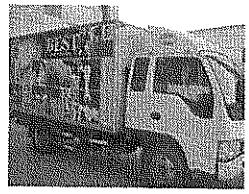
	Six Months Ended June 30,	
	2009	2008
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income including noncontrolling interest	$4,285,121	$5,201,904
Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities:		
Depreciation	1,282,959	548,435
Amortization	38,779	26,297
Loss on disposal of assets	524,409	16,774
Stock based compensation	282,497	30,882
Amortization of debt issuance costs	196,348	1,292,858
Amortization of discount on convertible debt	462,073	3,042,523
(Increase) / decrease in assets:		
Accounts receivable	(5,163,082)	(1,181,173)
Other receivable	1,530,631	(261,770)
Inventory	(1,932,432)	(6,734,125)
Due from former stockholders	-	(320,799)
Advances to suppliers	(171,112)	(716,690)
Prepaid expense	(186,209)	(152,889)
Other assets	139,541	(1,714,363)
Increase / (decrease) in current liabilities:		
Accounts payable	1,150,362	1,752,653
Other payables	(2,011,532)	2,754,802
Due to related party		-
Unearned revenue	(57,926)	(32,436)
Accrued expenses	138,378	385,186
Accrued payroll	(155,514)	157,328
Tax and welfare payable	(182,459)	122,047
Interest payable	(36,497)	296,033
Net cash provided by operating activities	134,335	4,513,477
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(6,336,942)	(3,097,732)
Acquisition of intangible assets	(35,309)	(71,646)
Cash paid for purchase of subsidiaries	(1,266,374)	(47,798,825)
Cash from the sale of subsidiary	307,650	-
Net cash used in investing activities	(7,330,975)	(50,968,203)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the sale of common stock	10,000,000	57,200,058
Offering costs paid	(1,380,720)	(5,908,325)
Proceeds from short-term loans	4,541,500	-
Proceeds from the exercise of warrants	-	2,061,760
Proceeds from the issuance of convertible notes	-	19,000,000
Issuance costs for convertible notes	-	(1,716,666)
Payment on note payable	-	(1,110,413)
Capital contributed by noncontrolling interest holders	118,664	-

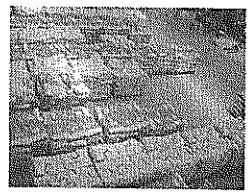
Net cash provided by financing activities	13,279,444	69,526,414
Effect of exchange rate changes on cash and cash equivalents	(10,101)	499,830
NET INCREASE IN CASH & CASH EQUIVALENTS	6,072,703	23,571,518
CASH & CASH EQUIVALENTS, BEGINNING BALANCE	24,839,378	7,696,209
CASH & CASH EQUIVALENTS, ENDING BALANCE	$30,912,081	$31,267,727
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$147,982	$40,696
Income taxes paid	$416,012	$90,878

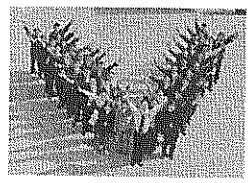
EXHIBIT 38

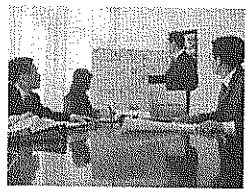
A NASDAQ Global Market Listed US Public Company
Stock Symbol: FEED

China's Largest Premix Feed Company & a Leading Hog Producer









Press Releases

AgFeed Industries, Inc. Announces $50 Million Equity Credit Transaction; Participation in Global Investment Conference

On Thursday September 10, 2009, 6:55 am EDT

NEW YORK, Sept. 10 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED - News), one of the largest independent hog production and animal nutrient companies in China, announced today that it has entered into a two year Equity Credit Agreement with an institutional investor pursuant to which it may, from time to time, sell shares of its common stock to the investor for aggregate gross proceeds of up to $50,000,000. The shares would be sold to the investor at a slight discount to then-current market price of AgFeed common stock. The Company has no obligation to sell, nor does the investor have any right to force the Company to sell, to the investor any shares of its common stock at any time during the term of the agreement. Additionally, the Company is not prohibited from accessing other sources of financing at any time during the term of the agreement. Any decision to sell shares under this agreement will be made solely by the Company and its Board of Directors at the time of a proposed sale.

The Company also agreed to issue to the investor warrants to purchase 400,000 shares of its common stock at an exercise price of $5.75 per share. The warrants will be exercisable immediately after issuance, and have a term of five years. The warrants and any shares issued to the investor under the agreement or the warrant will be issued pursuant to the Company's existing shelf registration statement.

Dr. Songyan Li, AgFeed's Chairman, stated, "AgFeed has no immediate need for additional capital, nor current intention to access capital, through this financing tool or any other for the remainder of the calendar year. We believe that this agreement ensures our access to capital, on highly favorable terms, in support of the execution of our long term business plan through 2010 and beyond. This financing vehicle enables us to move forward on the implementation of our business plan from a position of strength, by providing us with access to capital without being exposed to the changing market conditions and terms, while at all times allowing us the flexibility to review other opportunities and control our own financing destiny."

President & CEO Mr. Junhong Xiong commented that, "We believe the global economy will continue to affect access to the capital markets over the next two to three years which would, in turn, impact our ability to execute our overall strategy. Accordingly, we, upon advice of our Board, working closely with our management and advisors, have taken a strong positive step to assure our ongoing access to capital."

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities. There shall not be any sale of these securities in any jurisdiction in which such offering would be unlawful.

Participation in Global Investment Conference

AgFeed further announced that representatives from the Company will attend the Rodman & Renshaw Annual Global Investment Conference (Asia Track)at the New York Palace Hotel, 455 Madison Avenue, New York, NY 10022, where they are scheduled to present to investors at 10:25 a.m. on Thursday, September 10, 2009. Presenters for AgFeed include Mr. Ed Pazdro, financial reporting and management control consultant for AgFeed and Chief Financial Officer of AgFeed International Protein Technology Corp. ("AIPTC"), AgFeed's joint venture with M2P2 LLC.

Mr. Pazdro brings more than 25 years of financial expertise to AIPTC and AgFeed. For the past five years, he served as the Controller for PIC USA, Inc., a subsidiary of biotechnology leader Genus plc and international leader in providing genetically superior pig breeding stock and technical support for maximizing genetic potential to the global pork chain. Ed was responsible for PIC's financial management, financial reporting, tax and audit coordination, management of cash and internal controls. Additionally, he developed inventory valuation models for compliance with US generally accepted accounting principles and international accounting standards, including agriculture-specific requirements for biological assets.

Mr. Pazdro possesses broad-based financial management experience gained at National Futures Association and global organizations including Tate & Lyle North America, Inc. and Gambro, Inc. Mr. Pazdro has been a Certified Public Accountant since 1981.

ABOUT AGFEED INDUSTRIES, INC.

NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- animal nutrients in premix and blended animal feed and hog production. AgFeed is one of China's largest commercial hog producers in terms of total annual hog production as well as one of the largest premix feed company in terms of revenues. China is the world's largest hog producing country that produced over 625 million hogs in 2008, compared to approximately 100 million hogs produced annually in the U.S. China also has the world's largest consumer base for pork consumption. Over 62% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

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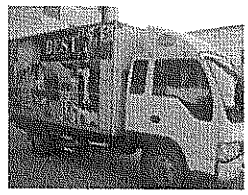

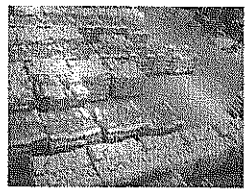

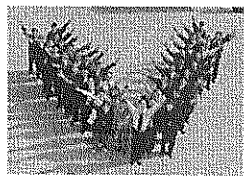

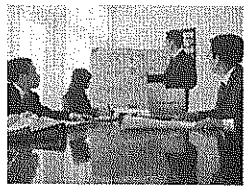

Press Releases

AgFeed Industries, Inc. to be Added to S-Network ITG Agriculture Index(SM)

On Monday September 14, 2009, 6:55 am EDT

NEW YORK, Sept. 14 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED - News), one of the largest independent hog production and animal nutrient companies in China, announced today that effective as of 6:00 PM (EDT) on Sunday, September 20, 2009, AgFeed will be included among the 30 stock components that comprise the S-Network ITG Agriculture Index(SM).

According to its website, "the S-Network ITG Agriculture Index(SM) is an equity index designed to serve as an equity benchmark for globally traded stocks that are principally engaged in the Global Agriculture Industry. Companies included in the [index] are engaged in 'primary' agricultural operations, specifically the production of agricultural commodities."

Songyan Li, AgFeed's Chairman, commented: "AgFeed is pleased to be included among the elite group of global agricultural companies that comprise the S-Network ITG Agriculture Index(SM). We believe we will continue to provide shareholder value as we implement the phases of our strategic plan."

ABOUT AGFEED INDUSTRIES, INC.

NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- animal nutrients in premix and blended animal feed and hog production. AgFeed is one of China's largest commercial hog producers in terms of total annual hog production as well as one of the largest premix feed companies in terms of revenues. China is the world's largest hog producing country that produced over 625 million hogs in 2008, compared to approximately 100 million hogs produced annually in the U.S. China also has the world's largest consumer base for pork consumption. Over 62% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

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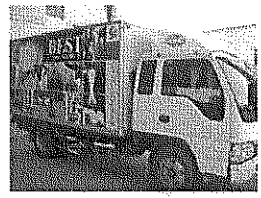
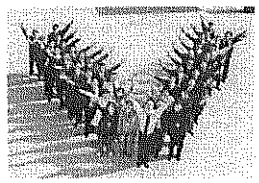
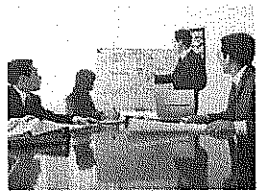
EXHIBIT 40

China's Largest Premix Feed Company
& a Leading Hog Producer







Press Releases

AgFeed Industries, Inc. Announces Third Quarter 2009 Financial Results

On 6:55 am EST, Tuesday November 10, 2009

NEW YORK, Nov. 10 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED - News), one of the largest commercial hog producers and the largest animal nutrients company in China, today announced financial results for the third quarter and first nine months of 2009:

Highlights

- Revenue of $45.12 million and $117.07 million, compared to $49.43 million and $97.21 million for the quarter and nine month periods of 2008, respectively.
- Income from continuing operations of $3.71 million and $9.16 million, compared to $9.31 million and $19.81 million for the quarter and nine month periods of 2008, respectively.
- Net income of $2.9 million and $7.1 million for the quarter and first nine months of 2009, compared to $8.2 million and $13.1 million for the comparable 2008 periods.
- Earnings per share on income from continuing operations of $0.09 and $0.23 for the quarter and nine months of 2009 periods, compared to $0.28 and $0.64 for the comparable 2008 periods. Earnings per share of $0.07 and $0.18 for the quarter and nine months of 2009 periods, compared to $0.25 and $0.42 for the comparable 2008 periods;
- Gross profit of $7.6 million and $18.6 million for the third quarter and first nine months of 2009, as compared to $12.3 million and $26.8 million for the third quarter and first nine months of 2008, respectively.
- Balance sheet was strong; cash and cash equivalents on hand at September 30, 2009 was $36.5 million, an increase of $5.6 million in the third quarter of 2009; the current ratio was 5.47:1 at September 30, 2009; total assets were $157.9 million and book value was $142.8 million at September 30, 2009.
- Gross margins for the third quarter and first nine months of 2009 were 16.8% and 15.1%, respectively, compared to 24.9% and 27.5% for the corresponding 2008 periods.

Management Comments

Dr. Songyan Li, AgFeed's Chairman, commented that, "I am pleased to report that nine months into our transition year we are accomplishing much of what we set out to do. I am happy with the operating results in both of our business segments in spite of a number of market challenges that we faced in the hog industry and in our regional economy. Our operating income for the third quarter was a commendable $3.71 million. We finished the quarter with a strong balance sheet and $36.5 million in cash to fund our operations and growth. Our animal nutrients business performed exceptionally well in the third quarter, aided by the recent implementation of the Food Safety Laws and the Green-Certified label on our products."

Dr. Li continued, "Earlier this year we announced our intention to adopt the Western model of hog production. We are well on our way to a full transition in 2009 to that model with our new alliance with Hypor, the formation of AgFeed International Protein Technology, our joint venture with M2P2 LLC, and our ongoing investment in upgrading our existing farms. As we continue to invest in our genetics programs, improve our bio-security and upgrade our environmental protection systems over the next 25 months we believe that AgFeed will become the standard for top quality, green-certified pork in China."

In discussing AgFeed's animal nutrients business, Junhong Xiong, AgFeed's Chief Executive Officer, asserted, "Our revenues of $17.1 million in the third quarter of 2009 were significantly higher, reaching approximately 80% of the revenues we posted for the first half of 2009. We expect that our animal nutrients business segment will remain strong through the end of 2009, meeting and exceeding our projections of 100,000 metric tons sold in 2009." Mr. Xiong added, "AgFeed is responding to the market demand for "complete" feed with plans to upgrade and expand our production capabilities in this key market segment. We believe this will provide an opportunity for us to triple our animal nutrient business revenues by the end of 2011."

Gerard Daignault, AgFeed's Chief Operating Officer, commenting on the Company's hog business, said "AgFeed is focused on bio-security and expanding its breeding hog inventory. The recent pure lines stocking of the Lushan Breeder Farm has produced record birth-rate results. AgFeed's second breeder farm, Ganda (Guangxi Province) will begin its pure lines stocking in December. The building of the Wunnin nucleus farm located in Jiangxi Province was completed on November 3 and will also be stocked with world class Hypor genetic breeding stock." Mr. Daignault added, "AgFeed's first Western-model farm located in Da Hua (Guangxi Province) opened this morning China time, with a groundbreaking ceremony sponsored by the PRC regional government. We currently anticipate that these facilities will house 10,000 sows producing 250,000 hogs by 2011 helping to meet the goal of selling 2.5 million hogs from 2009 to 2011."

Edward Pazdro, Chief Financial Officer of AgFeed International Protein Technology, reported, "Dr. Songyan Li is working with regional Chinese governments in targeted areas to introduce our joint venture concept. He is pursuing the identification and selection of additional farm sites and negotiation of agreements with local government officials, banks and farmers that will provide us with the opportunity to bring the success of our experience in Da Hua to other locations, affording AgFeed and AgFeed International Protein Technology the opportunity to expand their Western-model hog production model to new sites."

About AgFeed Industries, Inc.

NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix and blended animal feed and hog production. AgFeed is China's largest commercial hog producer in terms of total annual hog production as well as the largest premix feed company in terms of revenues. China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U.S. China also has the world's largest consumer base for pork consumption. Over 62% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

Safe Harbor Disclosure Notice

The information contained in this earnings release and the attachments is as of November 10, 2009. The Company assumes no obligation to update any forward-looking statements contained in this earnings release or the attachments as a result of new information or future events or developments.

This earnings release and the attachments contain forward-looking information about the Company's financial results and estimates, business plans and prospects that involve substantial risks and uncertainties. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance or business plans and prospects. Among the factors that could cause actual results to differ materially are the following: the availability and prices of live hogs, raw materials, fuel and supplies; food safety; livestock disease; live hog production costs; product pricing; the competitive environment and related market conditions; operating efficiencies; interest rate and foreign currency exchange rate fluctuations; access to capital; the cost of compliance with environmental and health standards; actions of the Chinese government; governmental laws and regulations affecting our operations, including tax obligations; the ability to make effective acquisitions at the prices we expect and successfully integrate newly acquired businesses into existing operations; the success of our research and development activities, changes in generally accepted accounting principles; uncertainties related to general economic, political, business, industry, regulatory and market conditions; any changes in business, political and economic conditions due to the threat of terrorist activity; and other risks and uncertainties described in the Company's Annual Report on Form 10-K for the year ended December 31, 2008 and in its subsequent Quarterly Reports on Form 10-Q. Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement that the Company makes speaks only as of the date of such statement, and the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Contact:
Investor Relations:

AgFeed Industries, Inc.
Tel: (917) 804-3584
Email: ir@agfeedinc.com

The Company's policy is to handle all questions by email to ir@agfeedinc.com and they will be answered as soon as possible.

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

September 30, December 31,

	2009	2008
	(unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$36,480,253	$24,839,378
Accounts receivable, net of allowance for doubtful accounts of $246,847 and $520,413	16,222,992	9,462,380
Advances to suppliers	1,211,852	518,829
Other receivables	408,620	2,066,030
Inventory	22,019,710	20,616,560
Prepaid expenses	1,506,462	1,166,646
Debt issue costs	42,291	246,223
Total current assets	77,892,180	58,916,046
PROPERTY AND EQUIPMENT, net	23,060,443	20,810,094
CONSTRUCTION-IN-PROCESS	10,276,793	10,853,389
INTANGIBLE ASSETS	43,819,722	43,833,705
OTHER ASSETS	2,887,066	2,641,902
TOTAL ASSETS	$157,936,204	$137,055,136
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Short-term loans	$4,401,000	$-
Accounts payable	6,738,882	5,214,596
Other payables	1,104,883	5,766,741
Unearned revenue	365,163	321,664
Accrued expenses	452,612	164,558
Accrued payroll	685,234	818,052
Tax and welfare payable	385,503	465,875
Interest payable	102,531	121,139
Total current liabilities	14,235,808	12,872,625
CONVERTIBLE NOTES, net of debt discount of $99,524 and $579,444	900,476	3,220,556
TOTAL LIABILITIES	15,136,284	16,093,181
COMMITMENTS AND CONTINGENCIES (Note 11)	-	-
EQUITY:		
AgFeed stockholders' equity:		
Common stock, $0.001 per share; 75,000,000 shares authorized; 43,917,558 issued and 43,550,263 outstanding at September 30, 2009 38,300,436 issued and 37,933,141 outstanding at December 31, 2008	43,918	38,300
Additional paid-in capital	107,654,125	90,903,261
Other comprehensive income	4,187,956	4,167,217
Statutory reserve	4,230,516	3,236,054
Treasury stock (367,295 shares)	(1,811,746)	(1,811,746)
Retained earnings	28,458,229	22,311,258

Total AgFeed stockholders' equity	142,762,998	118,844,344
Noncontrolling interest	36,922	2,117,611
Total equity	142,799,920	120,961,955
TOTAL LIABILITIES AND EQUITY	$157,936,204	$137,055,136

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues	$45,115,442	$49,426,274	$117,072,486	$97,208,685
Cost of goods sold	37,554,278	37,124,058	98,486,258	70,438,683
Gross profit	7,561,164	12,302,216	18,586,228	26,770,002
Operating expenses				
Selling expenses	960,574	970,268	2,823,783	2,597,470
General and administrative expenses	2,888,845	2,021,549	6,606,537	4,364,858
Total operating expenses	3,849,419	2,991,817	9,430,320	6,962,328
Income from operations	3,711,745	9,310,399	9,155,908	19,807,674
Non-operating income (expense):				
Other expense	(387,979)	(257,493)	(384,503)	(283,063)
Interest income	75,344	44,860	188,460	171,095
Interest and financing costs	(192,963)	(605,391)	(970,391)	(5,244,592)
Foreign currency transaction loss	(18,121)	(10,007)	(14,819)	(553,753)
Total non-operating income (expense)	(523,719)	(828,031)	(1,181,253)	(5,910,313)
Income before provision for income taxes	3,188,026	8,482,368	7,974,655	13,897,361
Provision for income taxes	292,647	201,904	794,155	414,993
Net income including noncontrolling interest	2,895,379	8,280,464	7,180,500	13,482,368
Less: Net income (loss) attributed to noncontrolling interest	(962)	64,309	39,067	425,403

Net income attributed to AgFeed	2,896,341	8,216,155	7,141,433	13,056,965
Other comprehensive income				
Foreign currency translation gain	168,640	315,925	20,739	3,104,053
Comprehensive income	$3,064,981	$8,532,080	$7,162,172	$16,161,018
Weighted average shares outstanding :				
Basic	42,420,914	33,267,815	39,984,438	31,049,732
Diluted	43,329,228	33,557,457	40,641,679	31,377,267
Earnings per share attributed to AgFeed common stockholders:				
Basic	$0.07	$0.25	$0.18	$0.42
Diluted	$0.07	$0.24	$0.18	$0.42

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30,	
	2009	2008
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income including noncontrolling interest	$7,180,500	$13,482,368
Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities:		
Depreciation	1,952,213	973,164
Amortization	49,286	35,240
Loss on disposal of assets	882,854	16,774
Stock based compensation	427,551	55,962
Amortization of debt issuance costs	203,932	1,441,624
Amortization of discount on convertible debt	479,920	3,392,619
(Increase) /decrease in assets:		
Accounts receivable	(6,759,546)	(3,439,556)
Other receivables	1,201,329	(1,837,551)
Inventory	(1,777,302)	(8,312,612)
Advances to suppliers	(716,870)	(478,535)
Prepaid expenses	(340,333)	(261,938)
Other assets	(244,980)	(1,552,469)
Increase / (decrease) in current liabilities:		
Accounts payable	1,624,279	3,454,401
Other payables	(2,347,476)	2,849,755
Unearned revenue	43,465	118,530
Accrued expenses	287,838	571,447
Accrued payroll	(132,716)	374,101
Tax and welfare payable	(80,312)	213,163
Interest payable	(18,608)	251,319
Net cash provided by operating activities	1,915,024	11,347,806

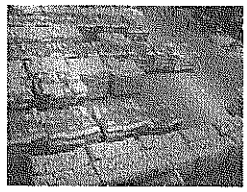
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(7,486,470)	(9,052,476)
Acquisition of intangible assets	(35,314)	(72,262)
Cash paid for purchase of subsidiaries	(2,518,089)	(65,134,359)
Cash from the sale of subsidiary	835,770	-
Net cash used in investing activities	(9,204,103)	(74,259,097)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the sale of common stock	10,000,000	57,200,058
Offering costs paid	(1,740,072)	(6,079,530)
Proceeds from short-term loans	4,541,500	-
Proceeds from exercise of warrants	6,580,010	2,138,848
Proceeds from issuance of convertible notes	-	19,000,000
Issuance costs for convertible notes	-	(1,716,666)
Payment on note payable	-	(1,161,297)
Capital contributed by noncontrolling interestholders	118,664	936,320
Repayment of contribution of noncontrolling interestholder	(586,800)	-
Net cash provided by financing activities	18,913,302	70,317,733
Effect of exchange rate changes on cash and cash equivalents	16,652	462,472
NET INCREASE IN CASH & CASH EQUIVALENTS	11,640,875	7,868,914
CASH & CASH EQUIVALENTS, BEGINNING BALANCE	24,839,378	7,696,209
CASH & CASH EQUIVALENTS, ENDING BALANCE	$36,480,253	$15,565,123

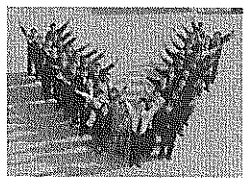
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

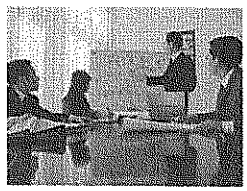
Interest paid	$212,414	$164,810
Income taxes paid	$616,693	$209,582

EXHIBIT 41

China's Largest Premix Feed Company
& a Leading Hog Producer







Press Releases

AgFeed Industries Forms Joint Venture With Hypor -- Hypor AgFeed Breeding Company Inc. -- to Develop and Operate Genetic Nucleus Farm in Wuning, China

On Thursday December 17, 2009, 6:55 am EST

NEW YORK, Dec. 17 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED), one of the largest independent hog production and animal nutrient companies in China, today announced the formation of a joint venture with Hypor, B.V., a Hendrix Genetics Company, world renowned as a leading provider of superior swine genetics and technology.?The new company, Hypor AgFeed Breeding Company Inc., will develop, operate and market a genetic nucleus farm in Wuning, China.?Hypor AgFeed Breeding is owned 85% indirectly by AgFeed and 15% by Hypor.

The Wuning farm will be stocked with the best pure-line animals and genetic material imported from Hypor's purebred facilities in Canada and France for cross-breeding purposes.?This facility will supply AgFeed's multiplier breeding farms in Lushan and Ganda with genetically superior hogs that are bred to be productive and efficient, allowing AgFeed to maximize its hog production and improve feed conversions at these facilities.?Additionally, any excess capacity produced by the Wuning farm will be marketed to other hog farmers, allowing the joint venture to maximize its profit potential.

AgFeed Industries' Chairman Songyan Li commented, "We are very excited about taking this next step in the realization of our strategic plan. When we entered into our original relationship with Hypor in April we embarked on the development of a scientifically bred hog population that would result in the production and sale of about 2 million 'green certified' hogs into the Chinese market during 2010-2011. With the formation of Hypor AgFeed Breeding we will ensure the genetic quality of our hog population from the top of the breeding pyramid to market."

Gerry Daignault, AgFeed's Chief Operating Officer, added, "We believe that this new venture strengthens our existing alliance with Hypor and positions us to exploit the genetics expertise, innovative technology and purebred stock of a world class organization to expand our breeding capacity and the quality of our stock as we grow our hog production business."

Raf Beeren, Director of Hypor Asia, continued, "This joint venture is the natural evolution of the relationship we began with AgFeed earlier this year. Through Hypor AgFeed Breeding, Hypor will have established another breeding facility in China, AgFeed will have developed a ready source of genetics material to produce superior hogs and the Chinese consumer will receive top quality pork."

ABOUT AGFEED INDUSTRIES, INC.

NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China.?AgFeed has two profitable business lines -- premix and blended animal feed and hog production.?AgFeed is China's largest commercial hog producer in terms of total annual hog production as well as the largest premix feed company in terms of revenues.?China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U.S.? China also has the world's largest consumer base for pork consumption.?Over 62% of total meat consumed in China is pork.?Hog production in China enjoys income tax free status.?The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

ABOUT HYPOR

Hypor, a Hendrix Genetics Company, is one of the world's leading suppliers of swine genetics. Hypor is committed to providing superior genetics, which support profitability in the pork meat value chain. With its head office located in Boxmeer, the Netherlands, the company has strategically located breeding centers in North America, Europe and Asia. www.hypor.com

SAFE HARBOR DISCLOSURE NOTICE

This press release contains forward-looking information about AgFeed Industries, Hypor and Hypor AgFeed Breeding. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "goal," "potential," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance, business plans and prospects. Readers are cautioned not to place undue reliance on such forward-looking statements because risks and uncertainties may cause actual results to differ materially from those expressed in, or implied by, such statements. Among such risks and uncertainties are the Company's ability to successfully implement the JV and the risk factors described in the reports filed by the Company with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date of such statement, and AgFeed Industries does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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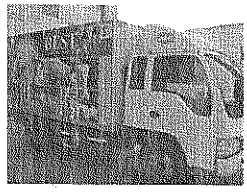
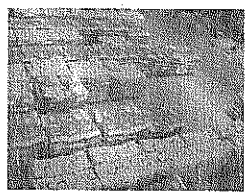
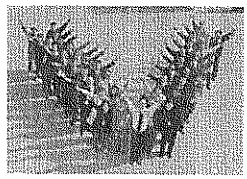
EXHIBIT 42

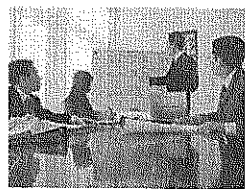
42

China's Largest Premix Feed Company & a Leading Hog Producer









Press Releases

AgFeed Industries Announces Commencement of Strategic Internal Reorganization

On Wednesday January 13, 2010, 6:55 am EST

NEW YORK, Jan. 13 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED), one of the largest independent hog production and animal nutrient companies in China, today announced that its board of directors has authorized a strategic internal reorganization of its corporate structure to more efficiently align its business platforms in order to maximize the results of its anticipated growth in the Chinese hog and animal nutrients markets. After successfully executing its previously announced 2009 five-phase strategic plan, the AgFeed Industries board of directors and senior management believes that the development of two strong, parallel business operations is a key to its continued growth in 2010 and beyond.

AgFeed Industries will remain the holding company for two separate, wholly-owned businesses, one for its animal nutrients feed operations and one for its genetic hog production operations. The company will also continue to indirectly hold a 65% controlling interest in AgFeed International Protein Technology Corp., the joint venture it established with M2P2 LLC in 2009. Each business line will have a board of directors, an executive-level management team with strong industry experience, financial systems designed specifically for their operations and internal financing capabilities. The company's plan is to ensure that the best people, information, technology and operating tools are in place to propel its growth into a much larger company by pursuing expansion in its two key markets: animal nutrients and genetic hog production. The Company currently anticipates announcing executive-level appointments for each of its business units on January 29, 2010.

Dr. Songyan Li, AgFeed's Chairman, stated "our businesses are integrally linked and related to the improvement of Chinese agricultural practices and the standard of living for the people of China. This internal corporate reorganization will empower our business units to efficiently and aggressively pursue the growth of their respective market position and share, which will create shareholder value."

Mr. Junhong Xiong, AgFeed's President, added "our original core competence is in the animal nutrition business. We believe the new corporate structure will facilitate the expansion of our existing additive pre-mix business to include compound feed and concentrated feed. Today there are over 10,000 feed companies in China each averaging 10,000 tons of annual production and resulting in fragmented and inefficient industry capacity. In 2009, our animal nutrients business segment delivered over 95,000 tons of feed to the market. Through organic growth and strategic acquisitions we intend to become one of the largest market participants in this business over the next three years. The foundation for the future of our animal nutrient business is our 1,200 independent distributors and our 750 commercial farm customers, together with the development and implementation of our strategy to transition from being a price based competitor to being a provider of value based, total solutions to customers in our target markets."

With respect to the hog production business, Dr. Li commented, "Market forces, coupled with the Chinese government's policy of industrialization and commercialization of this key industry, continues to signal positive change for large integrated producers such as AgFeed. Our reorganized hog production business, coupled with our new joint venture with Hypor B.V., Hypor AgFeed Breeding Company Inc., will be positioned for aggressive growth in this industry going forward. Our breeding systems and commercial farms will produce the highest quality, most robust and healthy animals in the Chinese domestic hog production industry, resulting in products that are very attractive to the urban center markets where meat demands are changing together with the growth of the middle class."

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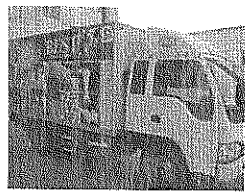
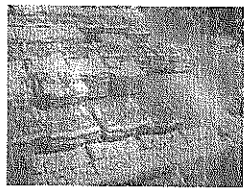
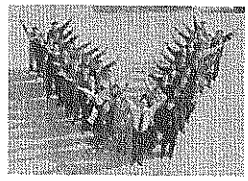
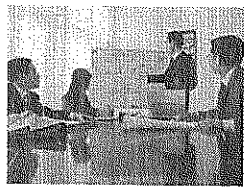
EXHIBIT 43

China's Largest Premix Feed Company
& a Leading Hog Producer









Press Releases

AgFeed Industries Identifies Key Managers for Business Units

On Friday January 29, 2010, 6:55 am EST

NEW YORK, Jan. 29 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED), one of the largest independent hog production and animal nutrient companies in China, today announced that, as part of the strategic internal reorganization of its corporate structure previously announced, it has identified key individuals to lead each of its business units as the Company grows and develops. Mr. Junhong Xiong will be appointed the Chairman and CEO of the animal nutrients feed businesses and will be supported by Mr. Feng Zhou as the Vice Chairman and Mrs. Selina Jin as the Chief Financial officer. Mr. Gerard Daignault will be appointed the PRESIDENT and CEO of the Hog Business units and will be supported by Mr. Zhengru Xiong as the Vice Chairman and Ed Pazdro as the CFO. Dr. Songyan Li will remain as the Chairman of the Hog Business units.

Dr. Songyan Li, AgFeed's Chairman, expressed his overwhelming support for the executives identified to lead AgFeed's core businesses, stating, "The individuals who we have identified to guide our separate businesses as we move forward with the implementation of our strategic plan have demonstrated their leadership skills and intimate knowledge of these businesses. Mr. Xiong, our President, has brought together a team of highly skilled professionals to build upon our original core competence in the animal nutrition business, while Mr. Daignault, our Chief Operating Officer, has a depth of knowledge with respect to western-style hog production that will be fundamental to the growth and expansion of this business. We are excited about the future of AgFeed and believe that the team we have assembled, both at the corporate level and for each of our business lines, are the keys to our success in this new decade."

ABOUT AGFEED INDUSTRIES, INC.

NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix and blended animal feed and hog production. AgFeed is one of China's largest commercial hog producers in terms of total annual hog production as well as one of the largest premix feed companies in terms of revenues. China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U.S. China also has the world's largest consumer base for pork consumption. Over 62% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed operates is an approximately $1.6 billion segment of China's $40 billion per year animal feed market, according to the China Feed Industry Association.

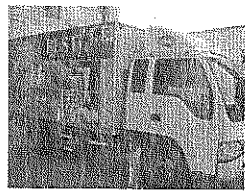
SAFE HARBOR DISCLOSURE NOTICE

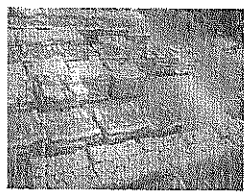
This press release contains forward-looking information about AgFeed Industries. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "goal," "potential," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance, business plans and prospects. Readers are cautioned not to place undue reliance on such forward-looking statements because risks and uncertainties may cause actual results to differ materially from those expressed in, or implied by, such statements. Among such risks and uncertainties are the Company's ability to successfully implement its strategic plan and the risk factors described in the reports filed by the Company with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date of such statement, and AgFeed Industries does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

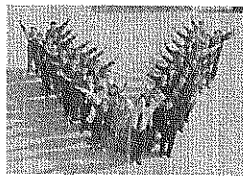
Contact:
Investor Relations:
AgFeed Industries, Inc.
Tel: (917) 804-3584
Email: ir@agfeedinc.com

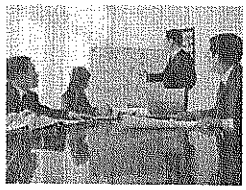
EXHIBIT 44

China's Largest Premix Feed Company
& a Leading Hog Producer









Press Releases

AgFeed Industries, Inc. Announces Arrangement to Sell a Portion of Its Feed Business to the Public Through an IPO

On Tuesday February 9, 2010, 6:55 am EST

NEW YORK, Feb. 9 /PRNewswire-Asia/ -- AgFeed Industries, Inc. (Nasdaq: FEED), one of the largest independent hog production and animal nutrient companies in China, today announced the proposed sale of a maximum of 20% of its animal nutrients feed subsidiary via a listing and initial public offering ("IPO") of the subsidiary's common stock. The IPO is anticipated to raise $20-25 million and will be effected through the filing of a registration statement with the SEC that the SEC must declare effective before any common stock sales may occur.

Dr. Songyan Li, AgFeed's Chairman, stated "the IPO reflects our Board's desire to provide dedicated capital to our animal nutrient business to develop its presence in other segments of the animal nutrition market, specifically the compound feed and concentrated feed markets which together comprise 95% of China's expanding production. For a number of years our focus has been on additive pre-mix that represents 5% of the market. The offering will enhance the ability of our animal nutrition business to pursue strategic initiatives and growth, upgrade personnel, foster innovation and raise capital while relying on the wisdom and practical experience of the parent company."

Mr. Junhong Xiong, AgFeed's President, added: "hog feed comprises 35%, or $20 billion of the $58 billion animal feed market in China. Most producers have an annual production capacity of approximately 10,000 tons. Our animal nutrition unit sold over 95,000 tons of feed in 2009 and we feel that the IPO is a great opportunity to position our animal nutrition business to pursue opportunities for organic growth and growth through acquisitions."

ABOUT AGFEED INDUSTRIES, INC.

NASDAQ Global Market listed AgFeed Industries (www.agfeedinc.com) is a U.S. company with its primary operations in China. AgFeed has two profitable business lines -- premix and blended animal feed and hog production. AgFeed is one of China's largest commercial hog producers in terms of total annual hog production as well as one of the largest premix feed companies in terms of revenues. China is the world's largest hog producing country that produces over 600 million hogs per year, compared to approximately 100 million hogs in the U.S. China also has the world's largest consumer base for pork consumption. Over 62% of total meat consumed in China is pork. Hog production in China enjoys income tax free status. The pre-mix feed market in which AgFeed presently operates is an approximately $3 billion segment of China's $58 billion per year animal feed market.

SAFE HARBOR DISCLOSURE NOTICE

This press release does not constitute an offer of any securities for sale, and contains forward-looking information about AgFeed Industries. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "goal," "potential," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance, business plans and prospects. Readers are cautioned not to place undue reliance on such forward-looking statements because risks and uncertainties may cause actual results to differ materially from those expressed in, or implied by, such statements. Among such risks and uncertainties are the Company's ability to successfully implement its strategic plan and the risk factors described in the reports filed by the Company with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date of such statement, and AgFeed Industries does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Contact:
Investor Relations:
AgFeed Industries, Inc.
Tel: (917) 804-3584
Email: ir@agfeedinc.com

EXHIBIT 45

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

	September 30, 2009 (unaudited)	December 31, 2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 36,480,253	$ 24,839,378
Accounts receivable, net of allowance for doubtful accounts of $246,847 and $520,413	16,222,992	9,462,380
Advances to suppliers	1,211,852	518,829
Other receivables	408,620	2,066,030
Inventory	22,019,710	20,616,560
Prepaid expenses	1,506,462	1,166,646
Debt issue costs	42,291	246,223
Total current assets	77,892,180	58,916,046
PROPERTY AND EQUIPMENT, net	23,060,443	20,810,094
CONSTRUCTION-IN-PROCESS	10,276,793	10,853,389
INTANGIBLE ASSETS	43,819,722	43,833,705
OTHER ASSETS	2,887,066	2,641,902
TOTAL ASSETS	$ 157,936,204	$ 137,055,136
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Short-term loans	$ 4,401,000	$ -
Accounts payable	6,738,882	5,214,596
Other payables	1,104,883	5,766,741
Unearned revenue	365,163	321,664
Accrued expenses	452,612	164,558
Accrued payroll	685,234	818,052
Tax and welfare payable	385,503	465,875
Interest payable	102,531	121,139
Total current liabilities	14,235,808	12,872,625
CONVERTIBLE NOTES, net of debt discount of $99,524 and $579,444	900,476	3,220,556
TOTAL LIABILITIES	15,136,284	16,093,181
COMMITMENTS AND CONTINGENCIES (Note 11)	-	-
EQUITY:		
AgFeed stockholders' equity:		
Common stock, $0.001 per share; 75,000,000 shares authorized; 43,917,558 issued and 43,550,263 outstanding at September 30, 2009 38,300,436 issued and 37,933,141 outstanding at December 31, 2008	43,918	38,300
Additional paid-in capital	107,654,125	90,903,261
Other comprehensive income	4,187,956	4,167,217
Statutory reserve	4,230,516	3,236,054
Treasury stock (367,295 shares)	(1,811,746)	(1,811,746)
Retained earnings	28,458,229	22,311,258
Total AgFeed stockholders' equity	142,762,998	118,844,344
Noncontrolling interest	36,922	2,117,611

Total equity	142,799,920	120,961,955
TOTAL LIABILITIES AND EQUITY	$ 157,936,204	$ 137,055,136

The accompanying notes are an integral part of these consolidated financial statements.

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME

	Three Months Ended September 30, 2009 (unaudited)	2008 (unaudited)	Nine Months Ended September 30, 2009 (unaudited)	2008 (unaudited)
Revenues	$ 45,115,442	$ 49,426,274	$ 117,072,486	$ 97,208,685
Cost of goods sold	37,554,278	37,124,058	98,486,258	70,438,683
Gross profit	7,561,164	12,302,216	18,586,228	26,770,002
Operating expenses				
Selling expenses	960,574	970,268	2,823,783	2,597,470
General and administrative expenses	2,888,845	2,021,549	6,606,537	4,364,858
Total operating expenses	3,849,419	2,991,817	9,430,320	6,962,328
Income from operations	3,711,745	9,310,399	9,155,908	19,807,674
Non-operating income (expense):				
Other expense	(387,979)	(257,493)	(384,503)	(283,063)
Interest income	75,344	44,860	188,460	171,095
Interest and financing costs	(192,963)	(605,391)	(970,391)	(5,244,592)
Foreign currency transaction loss	(18,121)	(10,007)	(14,819)	(553,753)
Total non-operating income (expense)	(523,719)	(828,031)	(1,181,253)	(5,910,313)
Income before provision for income taxes	3,188,026	8,482,368	7,974,655	13,897,361
Provision for income taxes	292,647	201,904	794,155	414,993
Net income including noncontrolling interest	2,895,379	8,280,464	7,180,500	13,482,368
Less: Net income (loss) attributed to noncontrolling interest	(962)	64,309	39,067	425,403
Net income attributed to AgFeed	2,896,341	8,216,155	7,141,433	13,056,965
Other comprehensive income				
Foreign currency translation gain	168,640	315,925	20,739	3,104,053
Comprehensive Income	$ 3,064,981	$ 8,532,080	$ 7,162,172	$ 16,161,018
Weighted average shares outstanding :				
Basic	42,420,914	33,267,815	39,984,438	31,049,732
Diluted	43,329,228	33,557,457	40,641,679	31,377,267
Earnings per share attributed to AgFeed common stockholders:				
Basic	$ 0.07	$ 0.25	$ 0.18	$ 0.42
Diluted	$ 0.07	$ 0.24	$ 0.18	$ 0.42

The accompanying notes are an integral part of these consolidated financial statements.

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 2009 (unaudited)	2008 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income including noncontrolling interest	$ 7,180,500	$ 13,482,368
Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities:		
Depreciation	1,952,213	973,164
Amortization	49,286	35,240
Loss on disposal of assets	882,854	16,774
Stock based compensation	427,551	55,962
Amortization of debt issuance costs	203,932	1,441,624
Amortization of discount on convertible debt	479,920	3,392,619
(Increase) / decrease in assets:		
Accounts receivable	(6,759,546)	(3,439,556)
Other receivables	1,201,329	(1,837,551)
Inventory	(1,777,302)	(8,312,612)
Advances to suppliers	(716,870)	(478,535)
Prepaid expenses	(340,333)	(261,938)
Other assets	(244,980)	(1,552,469)
Increase / (decrease) in current liabilities:		
Accounts payable	1,624,279	3,454,401
Other payables	(2,347,476)	2,849,755
Unearned revenue	43,465	118,530
Accrued expenses	287,838	571,447
Accrued payroll	(132,716)	374,101
Tax and welfare payable	(80,312)	213,163
Interest payable	(18,608)	251,319
Net cash provided by operating activities	1,915,024	11,347,806
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(7,486,470)	(9,052,476)
Acquisition of intangible assets	(35,314)	(72,262)
Cash paid for purchase of subsidiaries	(2,518,089)	(65,134,359)
Cash from the sale of subsidary	835,770	-
Net cash used in investing activities	(9,204,103)	(74,259,097)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the sale of common stock	10,000,000	57,200,058
Offering costs paid	(1,740,072)	(6,079,530)
Proceeds from short-term loans	4,541,500	-
Proceeds from exercise of warrants	6,580,010	2,138,848
Proceeds from issuance of convertible notes	-	19,000,000
Issuance costs for convertible notes	-	(1,716,666)
Payment on note payable	-	(1,161,297)
Capital contributed by noncontrolling interest holders	118,664	936,320
Repayment of contribution of noncontrolling interest holder	(586,800)	-
Net cash provided by financing activities	18,913,302	70,317,733
Effect of exchange rate changes on cash and cash equivalents	16,652	462,472
NET INCREASE IN CASH & CASH EQUIVALENTS	11,640,875	7,868,914
CASH & CASH EQUIVALENTS, BEGINNING BALANCE	24,839,378	7,696,209
CASH & CASH EQUIVALENTS, ENDING BALANCE	$ 36,480,253	$ 15,565,123

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Interest paid	$ 212,414	$ 164,810
Income taxes paid	$ 616,693	$ 209,582

The accompanying notes are an integral part of these consolidated financial statements.

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(unaudited)

Note 1 - Organization and Basis of Presentation

The unaudited consolidated financial statements were prepared by AgFeed Industries, Inc. pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The information furnished herein reflects all adjustments (consisting of normal recurring accruals and adjustments) which are, in the opinion of management, necessary to fairly present the operating results for the respective periods. Certain information and footnote disclosures normally present in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America were omitted pursuant to such rules and regulations. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and footnotes included in the Company's Annual Report on Form 10-K. The results for the nine months ended September 30, 2009 are not necessarily indicative of the results to be expected for the full year ending December 31, 2009.

Organization and Lines of Business

AgFeed Industries, Inc. formerly known as Wallace Mountain Resources Corp., (hereinafter referred to as the "Company" or "AgFeed") was incorporated in the State of Nevada on March 30, 2005.

On October 31, 2006, the Company entered into and closed a share purchase agreement with Nanchang Best Animal Husbandry Co., Ltd., a corporation formed under the laws of the People's Republic of China ("Nanchang Best"), and each of Nanchang Best's shareholders (the "Nanchang Purchase Agreement"). Pursuant to the Nanchang Purchase Agreement, the Company acquired all of the issued and outstanding capital stock of Nanchang Best from the Nanchang Best shareholders in exchange for 16,128,000 shares of common stock.

Contemporaneously, on October 31, 2006, the Company entered into and closed a share purchase agreement with Shanghai Best Animal Husbandry Co., Ltd., a corporation formed under the laws of the People's Republic of China ("Shanghai Best"), and each of Shanghai Best's shareholders (the "Shanghai Purchase Agreement"). Pursuant to the Shanghai Purchase Agreement, the Company acquired all of the issued and outstanding capital stock of Shanghai Best from the Shanghai Best shareholders in exchange for 3,072,000 shares of common stock.

The exchanges of shares with Nanchang Best and Shanghai Best were accounted for as a reverse acquisition under the purchase method of accounting since the stockholders of Nanchang Best and Shanghai Best obtained control of the Company. On November 17, 2006, Wallace Mountain Resources Corp. changed its name to AgFeed Industries, Inc. Accordingly, the merger of Nanchang Best and Shanghai Best into the Company were recorded as a recapitalization of Nanchang Best and Shanghai Best, with Nanchang Best and Shanghai Best being treated as the continuing entities. Nanchang Best and Shanghai Best had common shareholders and common management. The share exchange agreements were treated as a recapitalization and not as a business combination; therefore, no pro forma information is disclosed. At the date of this transaction, the net assets of the legal acquirer were $59,762.

On December 20, 2006, the Company acquired 100% of the capital stock of Guangxi Huijie Sci. & Tech. Feed Co, Ltd. ("Guangxi Huijie"). On November 6, 2007, the Company acquired 90% of the capital stock of Lushan Breeder Pig Farm Co., Ltd. ("Lushan"). In 2008, the Company purchased 29 more hog producing farms and one feed company. The Company's ownership interest in these hog farms ranges from 80% to 100%.

The Company is engaged in the research and development, manufacturing, marketing, distribution and sale of pre-mix fodder blended feed and feed additives primarily for use in China's domestic pork husbandry market. The Company operates production plants in Nanchang, Shanghai, Nanning, Shandong, and Hainan provinces. The Company sells to distributors and large-scale swine farms. The Company is also engaged in the business of raising, breeding and selling hogs for use in China's pork production and hog breeding markets through one breeder farm and 29 meat hog producing farms located in Jiangxi, Shanghai, Hainan, Guangxi, and Fujian provinces.

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(unaudited)

Basis of Presentation

The accompanying consolidated financial statements include the accounts of AgFeed Industries, Inc. and its wholly-owned and majority-owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). The Company's functional currency is the Chinese Yuan Renminbi ("RMB"); however the accompanying consolidated financial statements have been translated and presented in USD.

Noncontrolling Interest

In 2008, the Company purchased interests in 29 producing hog farms and one feed company ranging from 55% to 100% (The Company has subsequently purchased the noncontrolling interest in certain of these hog farms). As a result of these purchases, the Company recognized initial noncontrolling interest on its consolidated balance sheet of $508,150. The net income (loss) attributed to noncontrolling interest has been separately designated in the accompanying statement of income and other comprehensive income.

Certain amounts presented for prior periods that were previously designated as minority interest have been reclassified to conform to the current year presentation. Effective January 1, 2009, the Company adopted SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51" (codified in Financial Accounting Standards ("FASB") Accounting Standards Codification ("ASC") Topic 810), which established new standards governing the accounting for and reporting of noncontrolling interests (NCIs) in partially owned consolidated subsidiaries and the loss of control of subsidiaries. Certain provisions of this standard indicate, among other things, that NCIs (previously referred to as minority interests) be treated as a separate component of equity, not as a liability (as was previously the case); that increases and decreases in the parent's ownership interest that leave control intact be treated as equity transactions, rather than as step acquisitions or dilution gains or losses; and that losses of a partially owned consolidated subsidiary be allocated to the NCI even when such allocation might result in a deficit balance. This standard also required changes to certain presentation and disclosure requirements. The provisions of the standard were applied to all NCIs prospectively, except for the presentation and disclosure requirements, which were applied retrospectively to all periods presented. As a result, upon adoption, the Company retroactively reclassified the "Minority interest" balance previously included in the "Other liabilities" section of the consolidated balance sheet to a new component of equity with respect to NCIs in consolidated subsidiaries. The adoption also impacted certain captions previously used on the consolidated statement of income and other comprehensive income, largely identifying net income including NCI and net income attributable to AgFeed.

Foreign Currency Translation

The accounts of the Company's Chinese subsidiaries are maintained in RMB and the accounts of the U.S. parent company are maintained in the U.S. Dollar (USD). The accounts of the Chinese subsidiaries were translated into USD in accordance with SFAS No. 52, "Foreign Currency Translation" (codified in FASB ASC Topic 830), with the RMB as the functional currency for the Chinese subsidiaries. According to the Statement, all assets and liabilities were translated at the exchange rate on the balance sheet date, stockholders' equity are translated at the historical rates and statement of operations items are translated at the weighted average exchange rate for the period. The resulting translation adjustments are reported under other comprehensive income in accordance with SFAS No. 130, "Reporting Comprehensive Income" (codified in FASB ASC Topic 220).

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(unaudited)

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain prior period amounts were reclassified to conform to the current presentation.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Accounts Receivable

The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves.

Advances to Suppliers

The Company makes advances to certain vendors for purchases of material. The advances to suppliers are interest free and unsecured.

Inventories

Inventory is stated at the lower of cost, as determined by weighted-average method, or market. Management compares the cost of inventories with the market value, and allowance is made for writing down the inventories to their market value, if lower. Costs of raised animals include proportionate costs of breeding, including depreciation of the breeding herd, plus the costs of maintenance through the balance sheet date. Purchased pigs are carried at purchase cost plus costs of maintenance through the balance sheet date.

Property & Equipment

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to earnings as incurred; additions, renewals and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using the straight-line method for substantially all assets with estimated lives as follows:

Office equipment	5 years
Operating equipment	10 years
Vehicles	5 years
Swine for reproduction	3.5 years
Buildings	20 years

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(unaudited)

The following are the details of the property and equipment at September 30, 2009 and December 31, 2008:

	September 30, 2009	December 31, 2008
Office equipment	$ 525,041	$ 433,157
Operating equipment	2,978,045	2,042,522
Vehicles	818,872	655,853
Swines for reproduction	13,332,849	13,137,425
Buildings	9,104,282	6,673,822
Total	26,759,089	22,942,779
Less accumulated depreciation	(3,698,646)	(2,132,685)
	$ 23,060,443	$ 20,810,094

Depreciation expense for the three and nine months ended September 30, 2009 and 2008 was $669,254 and $1,952,213, and $424,729 and $973,164, respectively.

Construction-in-Process

Construction-in-process consists of amounts expended for building construction. Once building construction is completed, the cost accumulated in construction-in-process is transferred to property and equipment.

Long-Lived Assets

The Company applies the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (codified in FASB ASC Topic 360), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations for a Disposal of a Segment of a Business." The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with SFAS No. 144. SFAS No. 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal. Based on its review, the Company believes that, as of September 30, 2009 there were no significant impairments of its long-lived assets.

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(unaudited)

Intangible Assets

Net intangible assets at September 30, 2009 and December 31, 2008 are as follows:

	September 30, 2009	December 31, 2008
Right to use land	$ 825,007	$ 809,174
Customer list	293,400	293,400
Computer software	143,475	108,135
Intangible related to hog farm acquisitions	42,744,247	42,744,247
Total	44,006,129	43,954,956
Less Accumulated amortization	(186,407)	(121,251)
Intangibles, net	$ 43,819,722	$ 43,833,705

Per the People's Republic of China's ("PRC") governmental regulations, the PRC Government owns all land. The Company leases land per real estate contracts with the government of the PRC for varying period ranging from 30 years to 50 years. Accordingly, the right to use land for these feed companies is amortized over 50 years or the lease term, if shorter, and the computer software is amortized over three to nine years. For hog farms, the Company generally signed land leases with original owners of the farms.

Revenue Recognition

The Company's revenue recognition policies are in compliance with SEC Staff Accounting Bulletin (SAB) 104. Revenue is recognized when services are rendered to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured. Payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as unearned revenue. The Company is not subject to VAT withholdings. The Company gives volume rebates to certain customers based on volume achieved. The Company accrues sales rebates based on actual sales volume.

Advertising Costs

The Company expenses the cost of advertising as incurred or, as appropriate, the first time the advertising takes place. Advertising costs for the three and nine months ended September 30, 2009 and 2008 were not significant.

Stock-Based Compensation

The Company accounts for its stock-based compensation in accordance with SFAS No. 123R, "Share-Based Payment, an Amendment of FASB Statement No. 123" (codified in FASB ASC Topic 718). The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees. There were 210,000 options outstanding at September 30, 2009.

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Income Taxes

The Company utilizes SFAS No. 109, "Accounting for Income Taxes" (codified in FASB ASC Topic 740), which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company adopted the provisions of FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes," on January 1, 2007. As a result of the implementation of FIN 48, the company made a comprehensive review of its portfolio of tax positions in accordance with recognition standards established by FIN 48. As a result of the implementation of Interpretation 48, the Company recognized no material adjustments to liabilities or stockholders' equity. When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest associated with unrecognized tax benefits is classified as interest expense and penalties are classified in selling, general and administrative expenses in the statements of income. The adoption of FIN 48 has no material impact on the Company's financial statements.

Foreign Currency Transactions and Comprehensive Income

US GAAP requires that recognized revenue, expenses, gains and losses be included in net income. Certain statements, however, require entities to report specific changes in assets and liabilities, such as gain or loss on foreign currency translation, as a separate component of the equity section of the balance sheet. Such items, along with net income, are components of comprehensive income. The functional currency of the Company's Chinese subsidiaries is the RMB. The unit of Renminbi is in Yuan. Translation gains of $4,187,956 and $4,167,217 at September 30, 2009 and December 31, 2008, respectively, are classified as an item of other comprehensive income in the stockholders' equity section of the consolidated balance sheet. During the three and nine months ended September 30, 2009 and 2008, other comprehensive income in the consolidated statements of income and other comprehensive income included translation gain of $168,640 and $20,739, and $315,925 and $3,104,053, respectively.

Basic and Diluted Earnings Per Share

Earnings per share is calculated in accordance with the SFAS No. 128, "Earnings Per Share". SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB 15) (codified in FASB ASC Topic 260). Net earnings per share for all periods presented has been restated to reflect the adoption of SFAS No. 128. Basic earnings per share is based upon the weighted average number of common shares outstanding. Diluted earnings per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

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The following is a reconciliation of the number of shares (denominator) used in the basic and diluted earnings per share computations for the three and nine months ended September 30, 2009 and 2008:

Three Months Ended	September 30, 2009		September 30, 2008	
	Shares	Per Share Amount	Shares	Per Share Amount
Basic earnings per share	42,420,914	$ 0.07	33,267,815	$ 0.25
Effect of dilutive stock options and warrants	908,314	-	289,642	(0.01)
Diluted earnings per share	43,329,228	$ 0.07	33,557,457	$ 0.24

Nine Months Ended	September 30, 2009		September 30, 2008	
	Shares	Per Share Amount	Shares	Per Share Amount
Basic earnings per share	39,984,438	$ 0.18	31,049,732	$ 0.42
Effect of dilutive stock options and warrants	657,241	-	327,535	-
Diluted earnings per share	40,641,679	$ 0.18	31,377,267	$ 0.42

Statement of Cash Flows

In accordance with SFAS No. 95, "Statement of Cash Flows" (codified in FASB ASC Topic 230), cash flows from the Company's operations are calculated based upon the local currencies. As a result, amounts related to assets and liabilities reported on the statement of cash flows will not necessarily agree with changes in the corresponding balances on the balance sheet.

Segment Reporting

SFAS No. 131, "Disclosure About Segments of an Enterprise and Related Information" (codified in FASB ASC Topic 280) requires use of the "management approach" model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. The Company determined it has two reportable segments (See Note 10). The Company had previously reported its feed operations as three separate segments since the three operations were located in difference Provinces. The Company has determined that its feed operations should be reported as one segment.

Fair Value of Financial Instruments

On January 1, 2008, the Company adopted SFAS No. 157, "Fair Value Measurements" (codified in FASB ASC Topic 820). SFAS No.157 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosures requirements for fair value measures. The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels are defined as follow:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

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- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As of September 30, 2009, the Company did not identify any assets and liabilities that are required to be presented on the balance sheet at fair value.

Joint Venture / Alliance

On April 15, 2009 a strategic alliance was signed between the Company and Hypor, a Hendrix Genetics company, to complement the Company's growth strategy through genetics. Hypor will provide top line breeding stock to the Company's existing base of 22,125 breeding sows and 4,043 gilts and will provide genetically superior animals to a new to- be-constructed sows farrow-to-finish nucleus unit known as the Wunnin farm. Hypor will join AgFeed International Protein (defined below) in establishing a western style of production taking the role as a long-term supplier of high health top quality genetics. This arrangement could lead to a multi level joint venture serving the Pan Asian market.

On July 13, 2009, the Company formed a joint venture with M2P2, LLC, a leading U.S. hog production and industry management consulting company. The new company, AgFeed International Protein Technology Corp. ("AgFeed International Protein") will focus on enhancing hog production systems for Chinese and other Pan Asian clients based on modern western standards to increase productivity and ensure the highest bio-security health standards in the Pan Asian hog industry. AgFeed International Protein was formed to take advantage of the coming commercialization and consolidation of the hog industry being fostered by the Chinese central and local governments. The Company will be the joint venture's first client. AgFeed International Protein is owned 80.1% by the Company and certain affiliates and 19.9% by M2P2.

Recent Accounting Pronouncements

On July 1, 2009, the Company adopted Accounting Standards Update ("ASU") No. 2009-01, "Topic 105 - Generally Accepted Accounting Principles - amendments based on Statement of Financial Accounting Standards No. 168 , "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles" ("ASU No. 2009-01"). ASU No. 2009-01 re-defines authoritative US GAAP for nongovernmental entities to be only comprised of the FASB Accounting Standards Codification™ ("Codification") and, for SEC registrants, guidance issued by the SEC. The Codification is a reorganization and compilation of all then-existing authoritative US GAAP for nongovernmental entities, except for guidance issued by the SEC. The Codification is amended to effect non-SEC changes to authoritative US GAAP. Adoption of ASU No. 2009-01 only changed the referencing convention of US GAAP in Notes to the Consolidated Financial Statements.

In April 2009, the Financial Accounting Standards Board ("FASB") issued FSP No. SFAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP No. SFAS 157-4"). FSP No. SFAS 157-4, which is codified in FASB ASC Topics 820-10-35-51 and 820-10-50-2, provides additional guidance for estimating fair value and emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability and regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same. The Company adopted FSP No. SFAS 157-4 beginning April 1, 2009. This FSP had no material impact on the Company's financial position, results of operations or cash flows.

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In April 2009, the FASB issued FSP No. FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments," which is codified in FASB ASC Topic 320-10. This FSP modifies the requirements for recognizing other-than-temporarily impaired debt securities and changes the existing impairment model for such securities. The FSP also requires additional disclosures for both annual and interim periods with respect to both debt and equity securities. Under the FSP, impairment of debt securities will be considered other-than-temporary if an entity (1) intends to sell the security, (2) more likely than not will be required to sell the security before recovering its cost, or (3) does not expect to recover the security's entire amortized cost basis (even if the entity does not intend to sell). The FSP further indicates that, depending on which of the above factor(s) causes the impairment to be considered other-than-temporary, (1) the entire shortfall of the security's fair value versus its amortized cost basis or (2) only the credit loss portion would be recognized in earnings while the remaining shortfall (if any) would be recorded in other comprehensive income. This FSP requires entities to initially apply the provisions of the standard to previously other-than-temporarily impaired debt securities existing as of the date of initial adoption by making a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The cumulative-effect adjustment potentially reclassifies the noncredit portion of a previously other-than-temporarily impaired debt security held as of the date of initial adoption from retained earnings to accumulated other comprehensive income. The Company adopted FSP No. SFAS 115-2 and SFAS 124-2 beginning April 1, 2009. This FSP had no material impact on the Company's financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP No. SFAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments," which is codified in FASB ASC Topic 825-10-50. This FSP essentially expands the disclosure about fair value of financial instruments that were previously required only annually to also be required for interim period reporting. In addition, the FSP requires certain additional disclosures regarding the methods and significant assumptions used to estimate the fair value of financial instruments. These additional disclosures are required beginning with the quarter ending June 30, 2009.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events," codified in FASB ASC Topic 855-10-05, which provides guidance to establish general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS No. 165 also requires entities to disclose the date through which subsequent events were evaluated as well as the rationale for why that date was selected. SFAS No. 165 is effective for interim and annual periods ending after June 15, 2009, and accordingly, the Company adopted this pronouncement during the second quarter of 2009. SFAS No. 165 requires that public entities evaluate subsequent events through the date that the financial statements are issued. The Company has evaluated subsequent events through November 8, 2009.

In June 2009, the FASB issued SFAS No. 166, "Accounting for Transfers of Financial Assets — an amendment of FASB Statement No. 140," codified as FASB ASC Topic 860, which requires entities to provide more information regarding sales of securitized financial assets and similar transactions, particularly if the entity has continuing exposure to the risks related to transferred financial assets. SFAS No. 166 eliminates the concept of a "qualifying special-purpose entity," changes the requirements for derecognizing financial assets and requires additional disclosures. SFAS No. 166 is effective for fiscal years beginning after November 15, 2009. The Company does not believe the adoption of SFAS No. 166 will have an impact on its financial condition, results of operations or cash flows.

In June 2009, the FASB issued SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)," codified as FASB ASC Topic 810-10, which modifies how a company determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. SFAS No. 167 clarifies that the determination of whether a company is required to consolidate an entity is based on, among other things, an entity's purpose and design and a company's ability to direct the activities of the entity that most significantly impact the entity's economic performance. SFAS No. 167 requires an ongoing reassessment of whether a company is the primary beneficiary of a variable interest entity. SFAS No. 167 also requires additional disclosures about a company's involvement in variable interest entities and any significant changes in risk exposure due to that involvement. SFAS No. 167 is effective for fiscal years beginning after November 15, 2009. The Company does not believe the adoption of SFAS No. 167 will have an impact on its financial condition, results of operations or cash flows.

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Note 3 – Convertible Notes and Warrants

On February 25, 2008, the Company entered into a Securities Purchase Agreement with Apollo Asia Opportunity Master Fund, L.P., Jabcap Multi-Strategy Master Fund Limited, J-Invest Ltd., and Deutsche Bank AG London Branch (the "Investors") in connection with a private placement transaction providing for, among other things, the issuance of senior convertible notes for aggregate gross proceeds of $19 million (the "Notes") and warrants to purchase up to an aggregate of 380,000 shares (the "Warrants") of the Company's $0.001 par value per share common stock. The notes mature on the third anniversary of the issuance date, bear interest at 7% per annum and are convertible into shares of the Company's common stock at an initial conversion price of $10.00 per share. The conversion price is subject to a "weighted average ratchet" anti-dilution adjustment. The conversion price is also subject to adjustment on a proportional basis, to the extent that the Company's audited net income for the fiscal years ending 2008 and 2009 is less than $30 million and $40 million, respectively; subject to a per share floor price of $5.00. Due to the Company not generating $30 million net income for the year ended December 31, 2008, the conversion price on the convertible notes was reduced to $5.00. Due to the re-pricing of the conversion price, the Company recorded financing cost of $267,748 during the year ended December 31, 2008 which represents the difference between the fair value of the conversion feature at a $5.00 conversion price and the original $10.00 conversion price. The fair value was determined by using the Black-Scholes pricing model with the following assumptions: expected life of 2.2 years, a risk free interest rate of 2.0%, a dividend yield of 0% and volatility of 102%.

The Notes impose penalties on the Company for any failure to timely deliver any shares of its common stock issuable upon conversion.

In connection with the issuance of the Notes and the Warrants issued to the Investors on February 25, 2008, the Company paid $1,716,666 in debt issuance cost which is amortized over the life of the Notes. For the three and nine months ended September 30, 2009 and 2008, the Company amortized $7,584 and $203,932 and $148,766 and $1,441,624, respectively, of the aforesaid issuance costs as interest and financing costs in the accompanying consolidated statements of operations.

The Notes contain certain limitations on conversion. For example, they provide no conversion may be made if, after giving effect to the conversion, the Investor would own in excess of 9.99% of the Company's outstanding shares of common stock. In addition, the Notes provide no conversion may be made if the conversion would cause the Company to breach of its obligations under the rules and regulations of the Nasdaq Global Market, unless the Company obtains stockholder approval for such issuances as required by such rules and regulations.

The Warrants are immediately exercisable, expire on February 25, 2011 and entitle their holders, in the aggregate, to purchase up to $3,800,000 worth of shares of common stock at an initial exercise price of $10.00 per share.

The exercise price of the Warrants is subject to a "weighted average ratchet" anti-dilution adjustment. The exercise price is also subject to adjustment, on a proportional basis, to the extent that the Company's audited net income for the fiscal years ending 2008 and 2009 is less than $30 million and $40 million, respectively; subject to a per share floor price of $5.00. Due to the Company not generating $30 million net income for the year ended December 31, 2008, the exercise price on the Warrants was reduced to $5.00. Due to the re-pricing of the exercise price, the Company recorded financing cost of $22,782 which represents the difference between the fair value of the $5.00 exercise price and the original $10.00 exercise price. The fair value was determined by using the Black-Scholes pricing model with the following assumptions: expected life of 2.2 years, a risk free interest rate of 2.0%, a dividend yield of 0% and volatility of 102%.

The Warrants contain certain limitations on exercise. For example, they provide that no exercise may be made if, after giving effect to the exercise, the Investor would own in excess of 9.99% of the Company's outstanding shares of common stock. In addition, the Warrants provide that no exercise may be made if it would cause the Company to be in breach of its obligations under the rules and regulations of the Nasdaq Global Market, unless the Company obtains stockholder approval for such issuances as required by such rules and regulations.

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The Warrants granted to the Investor on February 25, 2008 and conversion feature in the above Notes are not considered derivative instruments that need to be bifurcated from the original security since the Warrants and the conversion price of the Notes have a floor of $5.00, which means the Company can determine the maximum shares that could be issued upon conversion. The Company determined the fair value of the detachable warrants issued in connection with the Notes to be $1,269,442, using the Black-Scholes option pricing model and the following assumptions: expected life of 1 year, a risk free interest rate of 2.10%, a dividend yield of 0% and volatility of 70%. In addition, the Company determined the value of the beneficial conversion feature to be $2,770,442. The combined total discount for the Notes is $4,039,885 and is being amortized over the term of the Notes. For the three and nine months ended September 30, 2009 and 2008, the Company amortized $17,848 and $479,920 and $350,096 and $3,392,619, respectively, of the aforesaid discounts as interest and financing costs in the accompanying consolidated statements of operations.

During the year ended December 31, 2008, $15,200,000 of the Notes were converted into 1,520,000 shares of common stock and during the nine months ended September 30, 2009, $2,800,000 of the Notes were converted into 560,000 shares of common stock.

Note 4 – Short-Term Loans

Short term loans at September 30, 2009 are follows:

Short term bank loan payable to Shanghai Pudong Development Bank. The loan accrues interest at 5.84% and is due May 24, 2010. The loan is collateralized by buildings and land use rights.	$4,401,000
	$4,401,000

Note 5 – Stockholders' Equity

Treasury Stock

During the year ended December 31, 2008, the Company purchased 367,295 shares of its common stock on the open market (treasury shares) for $1,811,746. The Company accounted for the purchase of these treasury shares using the cost method.

Private Placement

On May 8, 2009, the Company closed a private placement offering by issuing 2,329,645 shares of common stock for gross proceeds of $10 million. The Company paid $1,103,835 in costs related to this offering which was offset against the offering proceeds. The Company also issued 1,164,822 common stock purchase warrants to the investors and 244,613 common stock purchase warrants to the placement agent. The warrants are exercisable immediately; have an exercise price of $4.50 per share and expire on May 8, 2014. The Company determined the fair value of the 1,409,435 warrants issued in connection with this private placement offering to be $4,379,181, using the Black-Scholes option pricing model and the following assumptions: expected life of 5 year, a risk free interest rate of 2.50%, a dividend yield of 0% and volatility of 109%. The value of the warrants was recorded directly to additional paid in capital as these warrants were issued in connection with the sale of the Company's equity securities.

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Exercise of Warrants

During the nine months ended September 30, 2009, certain warrants holders exercised 300,000 warrants in connection with a cashless exercise provision in the warrant agreement that resulted in the issuance of 95,473 shares of the Company's common stock. In addition, during the nine months ended September 30, 2009, certain warrant holders exercised 2,632,004 warrants that resulted in gross proceeds to the Company of $6,580,010.

Equity Credit Agreement

On September 9, 2009, the Company entered into an Equity Credit Agreement with an institutional investor, which was amended and restated as of November 9, 2009, providing for, among other things, the issuance of shares of its common stock at any time and from time to time during the next two years for gross proceeds of up to $50,000,000. In connection with the closing of the transaction, the Company also issued warrants to purchase an additional 400,000 shares of its common stock during a five year period at an exercise price of $5.75 per share. The fair value of these warrants was charged to additional paid in capital as they were issued in connection with an equity instrument. This transaction closed on September 9, 2009. No shares have been issued under the terms of the Equity Credit Agreement.

Note 6 – Employee Common Welfare

The total expense for the employee common welfare was $44,548 and $259,747, and $12,009 and $101,426 for the three and nine months ended September 30, 2009 and 2008, respectively. The Company has recorded welfare payable of $1,938 and $3,336 at September 30, 2009 and December 31, 2008, respectively, which is included in tax and welfare payable in the accompanying consolidated balance sheet. The Chinese government abolished the 14% welfare plan policy at the beginning of 2007. The Company is not required to establish welfare and common welfare reserves. The balance of welfare payable is remaining amount due under the welfare plan provided for prior to 2007.

Note 7 – Statutory Common Welfare Fund

As stipulated by the Company Law of the PRC, net income after taxation can only be distributed as dividends after appropriation has been made for the following:

i. Making up cumulative prior years' losses, if any;

ii. Allocations to the "Statutory surplus reserve" of at least 10% of income after tax, as determined under PRC accounting rules and regulations, until the fund amounts to 50% of the Company's registered capital;

iii. Allocations of 5-10% of income after tax, as determined under PRC accounting rules and regulations, to the Company's "Statutory common welfare fund", which is established for the purpose of providing employee facilities and other collective benefits to the Company's employees; and

iv. Allocations to the discretionary surplus reserve, if approved in the stockholders' general meeting.

Pursuant to the new Corporate Law effective on January 1, 2006, there is now only one "Statutory surplus reserve" requirement. The reserve is 10 percent of income after tax, not to exceed 50 percent of registered capital.

The Company appropriated $392,124 and $994,462 and $296,845 and $1,145,668 as reserve for the statutory surplus reserve and welfare fund for the three and nine months ended September 30, 2009 and 2008, respectively.

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Note 8 – Stock Options and Warrants

Stock Options

Following is a summary of stock option activity:

	Options outstanding	Weighted Average Exercise Price	Weighted average remaining contractual life	Aggregate Intrinsic Value
Outstanding, December 31, 2008	180,000	$ 9.27	4.65	$ -
Granted	30,000	3.30		
Forfeited	-	-		
Exercised	-	-		
Outstanding, September 30, 2009	210,000	$ 8.42	3.99	$ 61,200
Exercisable, September 30, 2009	6,666	$ 8.85	3.42	$ -

The assumptions used in calculating the fair value of options granted using the Black-Scholes option- pricing model for options granted during 2009:

Risk-free interest rate	2.5%
Expected life of the options	5 years
Expected volatility	109%
Expected dividend yield	0%

The exercise price for options outstanding at September 30, 2009 is as follows:

Number of Options	Exercise Price
30,000	$ 3.30
20,000	$ 8.85
160,000	$ 9.32
210,000	

For options granted during 2009 where the exercise price equaled the stock price at the date of the grant, the weighted-average fair value of such options was $2.61 and the weighted-average exercise price of such options was $3.30. No options were granted during 2009, where the exercise price was less than the stock price at the date of the grant or the exercise price was greater than the stock price at the date of grant. At September 30, 2009, the unamortized compensation costs related to nonvested options amounted to $473,134, which will be expensed through the second quarter of 2012.

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Warrants

Following is a summary of the warrant activity:

Outstanding, December 31, 2008	4,323,204
Granted	1,809,435
Forfeited	-
Exercised	2,932,004
Outstanding, September 30, 2009	3,200,635

The exercise price for warrants outstanding at September 30, 2009 is as follows:

Number of Warrants		Exercise Price
1,168,000	$	2.50
1,409,435	$	4.50
3,200	$	5.00
400,000	$	5.75
220,000	$	10.00
3,200,635		

Note 9 – Taxes

Local PRC Income Tax

Pursuant to the tax laws of China, general enterprises are subject to income tax at an effective rate of 25%.

On June 5, 2007, Shanghai Best received a tax exemption certificate from the local tax bureau and is exempt from income tax from January 1, 2007 to December 31, 2008, followed by a reduced tax rate of 15% for the next three years.

Hog production is an income tax exempt sector in China and sow owners receive government grants and subsidies.

A reconciliation of tax at United States federal statutory rate to provision for income tax recorded in the financial statements is as follows:

	For the Three Months Ended	
	September 30, 2009	September 30, 2008
Tax provision at statutory rate	34%	34%
Foreign tax rate difference	(9)%	(9)%
US NOL for which no benefit is realized	2%	-
Effect of tax holiday/tax exemption	(18)%	(23)%
	9%	2%

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	For the Nine Months Ended	
	September 30, 2009	September 30, 2008
Tax provision at statutory rate	34%	34%
Foreign tax rate difference	(9)%	(9)%
US NOL for which no benefit is realized	2%	1%
Effect of tax holiday/tax exemption	(17)%	(23)%
	10%	3%

The effect of the change of tax status was accounted for in accordance with SFAS No. 109, par. 28, which states that the effect of a change in tax status is computed as of the date of change and is included in the tax provision for continuing operations. Management believes that the local tax authorities would not have waived past taxes had it not been for the change in the Company's subsidiary's tax status.

If the Company had not been exempt from paying income taxes, income tax expense for the three and nine months September 30, 2009 would have been approximately $956,000 and $2,251,000 and earnings per share would have been reduced by $0.02 and $0.05; and income tax expense for the three and nine months ended September 30, 2008 would have been approximately $2,711,000 and $4,309,000 and earnings per share would have been reduced by $0.08 and $0.13, respectively.

Foreign pretax earnings approximated $9,600,000 and $18,900,000 for the nine months ended September 30, 2009 and 2008 respectively. Pretax earnings of a foreign subsidiary are subject to U.S. taxation when effectively repatriated. The Company provides income taxes on the undistributed earnings of non-U.S. subsidiaries except to the extent that such earnings are indefinitely invested outside the United States. At September 30, 2009, approximately $38,300,000 of accumulated undistributed earnings of non-U.S. subsidiaries was indefinitely invested. At the existing U.S. federal income tax rate, additional taxes of $3,400,000 would have to be provided if such earnings were remitted currently.

Note 10 – Segment Information

The Company's predominant businesses are the research and development, manufacture, marketing, distribution, and sale of pre-mix, concentrates and complete feeds and feed additives primarily for use in China's domestic pork husbandry market and the raising, breeding, and selling of pigs. The Company operates in two segments: animal feed nutrition and hog production.

The Company's feed company in Shanghai is located in the Qingcun Town, Fengxian district, Shanghai and sells its products to approximately 651 customers, consisting of 425 distributors and 261 large scale pig farms. Its feed company in Guangxi is located in Coastal Industrial Park, Liangqin district, Nanning city, Guangxi Province and sells its products to approximately 686 customers, consisting of 471 distributors and 215 large scale pig farms. Its feed company in Nanchang is located in Chang Bei District Industrial Park, in Nanchang, Jiangxi province and sells its products to approximately 693 customers, consisting of 474 distributors and 219 large scale pig farms. The hog farms are engaged mainly in raising, breeding, and sale of pigs all over the country and are located in the PRC provinces of Jiangxi, Shanghai, Hainan, Guangxi and Fujian.

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(unaudited)

The following tables summarize segment information for the three and nine months ended September 30, 2009 and 2008:

	Three Months Ended 9/30/2009	Three Months Ended 9/30/2008	Nine Months Ended 9/30/2009	Nine Months Ended 9/30/2008
Revenues from unrelated entities				
Animal feed nutrition	$17,150,476	$12,434,506	$ 38,400,249	$33,664,079
Hog production	27,964,966	36,991,768	78,672,237	63,544,606
	$45,115,442	$49,426,274	$117,072,486	$97,208,685
Intersegment revenues				
Animal feed nutrition	$ 3,343,116	$ 3,275,020	$ 9,789,287	$ 5,115,566
Hog production	232,027	659,209	550,882	665,191
	$ 3,575,143	$ 3,934,229	$ 10,340,169	$ 5,780,757
Total Revenues				
Animal feed nutrition	$20,493,592	$15,709,526	$ 48,189,536	$38,779,645
Hog production	28,196,993	37,650,977	79,223,119	64,209,797
Less Intersegment revenues	(3,575,143)	(3,934,229)	(10,340,169)	(5,780,757)
	$45,115,442	$49,426,274	$117,072,486	$97,208,685
Income from operations				
Animal feed nutrition	$ 2,105,772	$ 2,621,737	$ 5,231,919	$ 6,319,700
Hog production	2,265,649	6,913,473	5,452,101	14,276,685
Holding Company	(659,676)	(224,811)	(1,528,112)	(788,711)
	$ 3,711,745	$ 9,310,399	$ 9,155,908	$19,807,674
Interest income				
Animal feed nutrition	$ 19,911	$ 27,372	$ 68,770	$ 80,524
Hog production	8,780	5,420	19,093	12,820
Holding Company	46,653	12,068	100,597	77,751
	$ 75,344	$ 44,860	$ 188,460	$ 171,095
Interest and financing costs				
Animal feed nutrition	$ 85,632	$ 27,270	$ 100,991	$ 35,055
Hog production	64,011	209	71,156	211
Holding Company	43,320	577,912	798,244	5,209,326
	$ 192,963	$ 605,391	$ 970,391	$ 5,244,592
Income tax expense				
Animal feed nutrition	$ 292,647	$ 201,904	$ 794,155	$ 414,993
Hog production	-	-	-	-
Holding Company	-	-	-	-
	$ 292,647	$ 201,904	$ 794,155	$ 414,993
Net Income				
Animal feed nutrition	$ 1,756,494	$ 2,439,622	$ 4,689,193	$ 5,399,943
Hog production	1,802,712	6,564,762	4,677,829	13,577,045
Holding Company	(662,865)	(788,229)	(2,225,589)	(5,920,023)
	$ 2,896,341	$ 8,216,155	$ 7,141,433	$13,056,965
Provision for depreciation				
Animal feed nutrition	$ 33,626	$ 62,380	$ 202,685	$ 143,540
Hog production	635,628	362,349	1,749,528	829,624

$ 669,254	$ 424,729	$ 1,952,213	$ 973,164

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
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	As of 9/30/08	As of 12/31/08
Total Assets		
Animal feed nutrition	$ 36,025,899	$ 31,076,964
Hog production	104,471,526	96,454,117
Holding Company	17,438,779	9,524,055
	$157,936,204	$137,055,136

Note 11 – Commitments and Contingencies

At September 30, 2009, the Company had commitments to expend approximately $732,000 in connection to building construction currently in process.

Note 12 – Acquisition and Dispositions

During the three months ended June 30, 2009, the Company purchased the non-controlling interest of 30% and 45% in two hog farms for $370,026 and $896,348, respectively. As a result of the purchase of the non-controlling interest, the excess of the purchase price over the carrying value of the non-controlling interest of $159,249 and $263,291, respectively, was recorded against additional paid in capital.

During the three months ended September 30, 2009, the Company purchased the non-controlling interest of 40% and 40% in two hog farms for $987,655 and $264,060, respectively. As a result of the purchase of the non-controlling interest, the excess of the purchase price over the carrying value of the non-controlling interest of $639,754 and $248,713, respectively was recorded against additional paid in capital.

Also, during the three months ended June 30, 2009, the Company sold its 70% interest in a subsidiary for $307,650. This subsidiary had not commenced operations. In addition, during the three months ended September 30, 2009, the Company sold its 60% interest in a subsidiary for $528,120 and recognized a gain on disposition of $54,382.

AGFEED INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 13 – Subsequent Events

The Company has evaluated subsequent events through November 8, 2009, the date management and audit committee approved the financial statements.

In October 2009, in connection with the construction of its first large western model farm in Da Hua, China, the Company placed $4,000,000 in a separate bank account for the construction of this farm. In addition, the Company paid a construction deposit of $1,001,050 to an international construction company for the construction of the Da Hua farm.

Subsequent to September 30, 2009, the Company issued 375,000 shares of its common stock for as a result of the exercise of warrants.

AgFeed Industries, Inc. and Subsidiaries
Consolidated Financial Statements
For the Years Ended December 31, 2008, 2007, and 2006

Contents

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders of
AgFeed Industries, Inc.

We have audited the accompanying consolidated balance sheets of AgFeed Industries, Inc as of December 31, 2008 and 2007, and the related consolidated statements of income and other comprehensive income, stockholders' equity and cash flows for the years ended December 31, 2008, 2007 and 2006. We also have audited AgFeed Industries, Inc.'s internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). AgFeed Industries, Inc. 's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting. Management's Report on Internal Control is included in ITEM 9A of AgFeed Industries, Inc's Form 10-K for the year ended December 31, 2008. Our responsibility is to express an opinion on these financial statements and an opinion on the company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding on internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our audits.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes

in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AgFeed Industries, Inc. as of December 31, 2008, and 2007, and the results of its operations and its cash flows for the years ended December 31, 2008 , 2007 and 2006, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, AgFeed Industries, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management has excluded certain newly acquired entities from its assessment of internal control over financial reporting. These entities constitute 71.1% of total assets as of December 31, 2008 and 67.6% and 97.0% of revenue and net income, respectively, for the year ended December 31, 2008. Our opinion on internal control over financial reporting also excludes these entities.

Goldman Parks Kurland Mohidin LLP
Encino, California
March 12, 2009

AgFeed Industries, Inc. and Subsidiaries
Consolidated Balance Sheet
as of December 31, 2008 and 2007

	2008	2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 24,839,378	$ 7,696,209
ccounts receivable, net of allowance for doubtful accounts of $520,413 and $191,497	9,462,380	6,107,491
Advances to suppliers	518,829	442,851
Other receivable	2,066,030	459,034
Inventory	20,616,560	2,728,160
Prepaid expense	1,166,646	644,183
Debt issue costs	246,223	-
Total current assets	58,916,046	18,077,928
PROPERTY AND EQUIPMENT, net	20,810,094	3,930,715
CONSTRUCTION-IN-PROCESS	10,853,389	221,819
INTANGIBLE ASSETS	43,833,705	839,802
OTHER ASSETS	2,641,902	-
TOTAL ASSETS	$137,055,136	$23,070,264
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 5,214,596	$ 1,458,010
Other payables	5,766,741	705,150
Unearned revenue	321,664	99,848
Accrued expenses	164,558	18,223
Accrued payroll	818,052	168,560
Short term loans	-	1,110,413
Tax and welfare payable	465,875	9,534
Interest payable	121,139	-
Total current liabilities	12,872,625	3,569,738
CONVERTIBLE NOTES, net of debt discount of $579,444 and $0	3,220,556	-
TOTAL LIABILITIES	16,093,181	3,569,738
COMMITMENTS AND CONTINGENCIES (Note 13)	-	-
MINORITY INTEREST	2,117,611	-
STOCKHOLDERS' EQUITY:		
ommon stock, $0.001 per share; 75,000,000 shares authorized; 38,300,436 issued and 37,933,141 outstanding in 2008; and 27,026,756 issued and 27,026,756 outstanding in 2007	38,300	27,027
Additional paid-in capital	90,903,261	10,094,095
Other comprehensive income	4,167,217	780,907
Statutory reserve	3,236,054	752,225
Treasury stock	(1,811,746)	

Retained earnings	22,311,258	7,846,272
Total stockholders' equity	118,844,344	19,500,526
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$137,055,136	$23,070,264

The accompanying notes are an integral part of these consolidated financial statements.

AgFeed Industries, Inc. and Subsidiaries
Consolidated Statements of Income and Comprehensive Income
For the Years Ended December 31, 2008, 2007 and 2006

	2008	2007	2006
Net Revenue	$143,661,485	$36,163,339	$ 8,594,876
Cost of Revenue	109,224,565	25,763,479	5,446,332
Gross profit	34,436,920	10,399,860	3,148,544
Operating expenses			
Selling expenses	3,941,247	2,693,613	1,287,110
General and administrative expenses	5,754,742	1,385,476	827,540
Total operating expenses	9,695,989	4,079,089	2,114,650
Income from operations	24,740,931	6,320,771	1,033,894
Non-operating income (expense):			
Other income (expense)	(710,683)	160,496	35,681
Interest income	190,965	142,148	28,851
Interest and financing costs	(5,704,358)	(153,723)	(23,532)
Foreign currency transaction loss	(559,299)	-	-
Total non-operating income (expense)	(6,783,375)	148,921	41,000
Income before minority interest and provision for income taxes	17,957,556	6,469,692	1,074,894
Minority interest in subsidiaries	(421,519)	-	-
Income before provision for income taxes	17,536,037	6,469,692	1,074,894
Provision (benefit) for income taxes	587,222	(193,203)	(100,386)
Net income	$ 16,948,815	$ 6,662,895	$ 1,175,280
Other comprehensive income			
Foreign currency translation gain	3,386,310	664,061	84,382
Comprehensive Income	$ 20,335,125	$ 7,326,956	$ 1,259,662
Weighted average shares outstanding :			
Basic	31,557,742	26,093,376	17,911,296
Diluted	31,713,977	26,174,973	17,911,296
Earnings per share:			
Basic	$ 0.54	$ 0.26	$ 0.07
Diluted	$ 0.53	$ 0.25	$ 0.07

The accompanying notes are an integral part of these consolidated financial statements.

AgFeed Industries, Inc. and Subsidiaries
Consolidated Statement of Shareholders' Equity
For The Years Ended December 31, 2008, 2007, and 2006

	Common Stock Shares	Common Stock Amount	Additional Paid in Capital	Other Comprehensive Income	Statutory Reserve	Treasury Stock	Retained Earnings	Total Stockholders' Equity
	15,006,720	$ 15,007	$ 722,527	$ 32,464	$ 118,061	$ -	$ 642,261	$ 1,530,320
Issuance of common stock for cash	4,193,283	4,193	221,890					226,083
Recapitalization on reverse acquisition	4,800,000	4,800	54,962					59,762
Capital contribution by stockholders			300,000					300,000
Change in foreign currency translation gain				84,382				84,382
Net income for the year ended December 31, 2006							1,175,280	1,175,280
Transfer to statutory reserve					153,054		(153,054)	-
Balance December 31, 2006	24,000,003	24,000	1,299,379	116,846	271,115	-	1,664,487	3,375,827
Issuance of common stock for cash	3,026,753	3,027	8,764,476	-	-		-	8,767,503
Chinese government subsidy	-	-	16,451	-	-		-	16,451
Stock compensation expense for options issued to employees	-	-	13,789	-	-		-	13,789
Change in foreign currency translation gain	-	-	-	664,061	-		-	664,061
Net income	-	-	-	-	-		6,662,895	6,662,895
Transfer to statutory reserve	-	-	-	-	481,110		(481,110)	-
Balance December 31, 2007	27,026,756	27,027	10,094,095	780,907	752,225	-	7,846,272	19,500,526
Issuance of common stock for cash	9,392,290	9,392	65,940,677					65,950,069
Payment of offering costs			(7,030,261)					(7,030,261)
Value of warrants issued with convertible debt			1,269,442					1,269,442
Beneficial conversion feature associated with convertible debt			2,770,443					2,770,443
Cashless exercise of warrants (199,131 warrants exercised)	91,934	92	(92)					-
Exercise of warrants for cash	269,456	269	2,138,579					2,138,848
Conversion of convertible debentures	1,520,000	1,520	15,198,480					15,200,000
Stock compensation expense for options issued to employees			231,368					231,368
Value of re-priced warrants			22,782					22,782
Value of change in conversion price of convertible notes			267,748					267,748
Purchase of treasury shares (367,295 shares)						(1,811,746)		(1,811,746)
Change in foreign currency translation gain				3,386,310				3,386,310
Net income							16,948,815	16,948,815
Transfer to statutory reserve					2,483,829		(2,483,829)	-
Balance December 31, 2008	38,300,436	$ 38,300	$ 90,903,261	$ 4,167,217	$ 3,236,054	$ (1,811,746)	$ 22,311,258	$ 118,844,344

The accompanying notes are an integral part of these consolidated financial statements.

AgFeed Industries, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For The Years Ended December 31, 2008, 2007 and 2006

	2008	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 16,948,815	$ 6,662,895	$ 1,175,280
djustments to reconcile net income to net cash provided by operating activities:			
Depreciation	1,580,843	140,510	100,469
Amortization	86,543	14,316	5,228
Loss on disposal of assets	17,248	37,345	-
Stock based compensation	231,368	13,789	-
Value of re-priced warrants	22,782	-	-
Value of change in conversion price of convertible notes	267,748	-	-
Amortization of debt issuance costs	1,470,443	-	-
Amortization of discount on convertible debt	3,460,441	-	-
Gain attributed to minority interest in subsidiaries	421,519	-	-
(Increase) / decrease in assets:			
Accounts receivable	(2,324,978)	(4,022,786)	(312,364)
Other receivable	(5,464,327)	(220,979)	47,323
Inventory	(8,815,870)	(915,874)	(113,084)
Due from related party	-	102,280	(46,550)
Advances to suppliers	(44,147)	(345,646)	(28,340)
Prepaid expense	(499,047)	(628,446)	1,725
Other assets	(2,239,491)	2,316	(2,205)
Increase / (decrease) in current liabilities:			
Accounts payable	3,300,773	465,573	(101,564)
Other payables	8,509,638	32,597	34,645
Due to related party	-	-	(182,812)
Unearned revenue	211,081	4,791	(17,001)
Accrued expenses	119,325	(77,717)	90,545
Accrued payroll	626,587	123,689	20,965
Tax and welfare payable	447,753	(281,837)	(151,976)
Interest payable	121,139	-	-
Net cash provided by operating activities	18,456,186	1,106,816	520,284
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	(10,696,569)	(291,294)	(107,460)
Acquisition of intangible assets	(140,580)	(264,196)	-
Cash paid for purchase of subsidiary	-	(3,360,000)	(1,100,420)
Cash paid for purchase of hog farms, net	(67,490,049)	-	-
Cash acquired with acquisitions	-	661,216	213,922
Net cash used in investing activities	(78,327,198)	(3,254,274)	(993,958)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment to shareholders	-	(758,343)	(24,783)
Advances to related parties	-	-	(425,674)
Proceeds from notes payable	-	977,008	1,664,855
Proceeds from the sale of common stock	65,950,069	9,830,259	-
Offering costs	(7,030,261)	(1,062,756)	-
Proceeds from exercise of warrants	2,138,848	-	-
Payment on note payable	(1,161,297)	(1,723,414)	-
Collection of subscription receivable	-	226,083	-
Collection from related parties	-	950,707	-
Proceeds from the issuance of convertible notes	19,000,000	-	-

Issuance costs for convertible notes	(1,716,666)	-	-
Government subsidy received	-	16,451	-
Capital contributed by minority interest holders	1,097,690	-	-
Purchase of treasury shares	(1,811,746)	-	-
Contribution by stockholders to pay for merger expenses	-	-	300,000
Net cash provided by financing activities	76,466,637	8,455,995	1,514,398
Effect of exchange rate changes on cash and cash equivalents	547,544	183,572	26,970
NET INCREASE IN CASH & CASH EQUIVALENTS	17,143,169	6,492,109	1,067,694
CASH & CASH EQUIVALENTS, BEGINNING BALANCE	7,696,209	1,204,100	136,406
CASH & CASH EQUIVALENTS, ENDING BALANCE	$ 24,839,378	$ 7,696,209	$ 1,204,100
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest paid	$ 363,191	$ 99,445	$ 30,213
Income taxes paid	$ 408,435	$ -	$ 73,339

The accompanying notes are an integral part of these consolidated financial statements.

AgFeed Industries, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 1 – Organization and Basis of Presentation

Organization and Line of Business

AgFeed Industries, Inc. formerly known as Wallace Mountain Resources Corp., (hereinafter referred to as the "Company" or "AgFeed") was incorporated in the State of Nevada on March 30, 2005.

On October 31, 2006, the Company entered into and closed a share purchase agreement with Nanchang Best Animal Husbandry Co., Ltd., a corporation formed under the laws of the People's Republic of China ("Nanchang Best"), and each of Nanchang Best's shareholders (the "Nanchang Purchase Agreement"). Pursuant to the Nanchang Purchase Agreement, the Company acquired all of the issued and outstanding capital stock of Nanchang Best from the Nanchang Best shareholders in exchange for 16,128,000 shares of common stock.

Contemporaneously, on October 31, 2006, the Company entered into and closed a share purchase agreement with Shanghai Best Animal Husbandry Co., Ltd., a corporation formed under the laws of the People's Republic of China ("Shanghai Best"), and each of Shanghai Best's shareholders (the "Shanghai Purchase Agreement"). Pursuant to the Shanghai Purchase Agreement, the Company acquired all of the issued and outstanding capital stock of Shanghai Best from the Shanghai Best shareholders in exchange for 3,072,000 shares of common stock.

The exchanges of shares with Nanchang Best and Shanghai Best were accounted for as a reverse acquisition under the purchase method of accounting since the stockholders of Nanchang Best and Shanghai Best obtained control of the Company. On November 17, 2006, Wallace Mountain Resources Corp. changed its name to AgFeed Industries, Inc. Accordingly, the merger of Nanchang Best and Shanghai Best into the Company were recorded as a recapitalization of Nanchang Best and Shanghai Best, with Nanchang Best and Shanghai Best being treated as the continuing entities. Nanchang Best and Shanghai Best had common shareholders and common management. The historical financial statements presented are the combined financial statements of both Nanchang Best and Shanghai Best. The share exchange agreements have been treated as a recapitalization and not as a business combination; therefore, no pro forma information is disclosed. At the date of this transaction, the net assets of the legal acquirer were $59,762.

As a result of the reverse merger transactions described above, the historical financial statements presented are those of Nanchang Best and Shanghai Best, the operating entities.

On December 20, 2006, the Company entered into and closed a share purchase agreement with Guangxi Huijie Sci. & Tech. Feed Co, Ltd., a company formed pursuant to the laws of the People's Republic of China ("Guangxi Huijie"), and the shareholders of Guangxi Huijie pursuant to which the Company acquired all the outstanding shares of Guangxi Huijie for a total purchase price of eight million six hundred thousand Chinese Renminbi (8,600,000 RMB), equivalent to approximately U.S. $1,100,420 based on exchange rates reported in the Wall Street Journal for December 20, 2006.

The Company obtained the funds for the acquisition of the Guangxi Huijie shares by borrowing 8,600,000 RMB from Sunrise Capital International, Inc. The proceeds of the loan from Sunrise Capital International, Inc. were paid directly to the selling shareholders of Guangxi Huijie as consideration and as provided by the share purchase agreement. The Company's repayment obligation is evidenced by a promissory note bearing interest at the rate of seven percent per annum (7%) and maturing in six months. The Company, at its option, may extend the maturity of the note an additional six months upon notice to the lender. This loan was repaid in March 2007.

On November 6, 2007, the Company entered into a Stock Purchase Agreement with Lushan Breeder Pig Farm Co., Ltd. ("Lushan"), a Peoples Republic of China company located in HuaLin Town of XingZi County in Jiangxi Province, Peoples Republic of China, Huaping Yang and Hongyun Luo, the holders of ninety percent (90%) of the issued and outstanding capital stock of Lushan.

In 2008, the Company has purchased an additional 29 producing hog farms and one feed company. The Company's ownership interest in these hog farms range from 55% to 100%.

The Company is engaged in the research and development, manufacturing, marketing, distribution and sale of pre-mix fodder blended feed and feed additives primarily for use in China's domestic pork husbandry market as well as raising, breeding and sale of pigs. The Company operates production plants in Nanchang City, Shanghai City, Nanning City and Haikou City and has swine farms located in the southern provinces of the PRC. The Company sells to distributors and large-scale swine farms.

Stock Splits

On November 17, 2006, the Company declared a stock dividend of two additional shares of common stock for each share of common stock outstanding (effectively a three for one stock split). All share information for common shares has been retroactively restated for this stock split.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of AgFeed Industries, Inc. and its wholly-owned and majority-owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Company's functional currency is the RMB; however the accompanying consolidated financial statements have been translated and presented in USD.

Foreign Currency Translation

The accounts of the Company were maintained, and their consolidated financial statements were expressed in the Chinese Yuan Renminbi (RMB). Such consolidated financial statements were translated into U.S. Dollars (USD) in accordance with Statement of Financial Accounting Standards ("SFAS") No. 52, "Foreign Currency Translation," with the RMB as the functional currency. According to the Statement, all assets and liabilities were translated at the exchange rate on the balance sheet date, stockholder's equity are translated at the historical rates and statement of operations items are translated at the weighted average exchange rate for the year. The resulting translation adjustments are reported under other comprehensive income in accordance with SFAS No. 130, "Reporting Comprehensive Income".

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain prior period amounts have been reclassified to conform to the year ended December 31, 2008 presentation.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Accounts Receivable

The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves.

Advances to Suppliers

The Company makes advances to certain vendors for purchase of its material. The advances to suppliers are interest free and unsecured.

Inventories

Inventory is stated at the lower of cost, as determined by weighted-average method, or market. Management compares the cost of inventories with the market value, and allowance is made for writing down the inventories to their market value, if lower. Costs of raised animals include proportionate costs of breeding, including depreciation of the breeding herd, plus the costs of maintenance through the balance sheet date. Purchased cattle are carried at purchase cost plus costs of maintenance through the balance sheet date.

Property & Equipment

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to earnings as incurred; additions, renewals and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using the straight-line method for substantially all assets with estimated lives as follows:

Office equipment	5 years
Operating equipment	10 years
Vehicles	5 years
Buildings	20 years

The following are the details of the property and equipment at December 31, 2008 and 2007:

	2008	2007
Office equipment	$ 433,157	$ 100,072
Operating equipment	2,042,522	547,560
Vehicles	655,853	271,652
Swines for reproduction	13,137,425	1,568,816
Buildings	6,673,822	1,940,784
Total	22,942,779	4,428,884
Less accumulated depreciation	(2,132,685)	(498,169)
	$20,810,094	$3,930,715

Depreciation expense for the years ended December 31, 2008, 2007, and 2006 was $1,580,843, $140,510 and $100,649, respectively.

Construction-in-Process

Construction-in-process consists of amounts expended for building construction and for growing breeder hogs. Once building construction is completed and the breeder hogs are grown, the cost accumulated in construction-in-process is transferred to property and equipment.

Long-Lived Assets

The Company applies the provisions of Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations for a Disposal of a Segment of a Business." The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with SFAS 144. SFAS 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal. Based on its review, the Company believes that, as of December 31, 2008 and 2007 there were no significant impairments of its long-lived assets.

Intangible Assets

Net intangible assets at December 31, 2008 and 2007 are as follows:

	2008	2007
Right to use land	$ 809,174	$589,489
Customer list	293,400	274,176
Computer software	108,135	15,366
Intangible related to hog farm acquisitions	42,744,247	-
Total	43,954,956	879,031
Less Accumulated amortization	(121,251)	(39,229)
Intangibles, net	$43,833,705	$839,802

Per the People's Republic of China's ("PRC") governmental regulations, the PRC Government owns all land. The Company leases land per real estate contracts with the government of the PRC for fifty years. Accordingly, the right to use land for these feed companies is amortized over a period of 50 years and the computer software is amortized over nine years. For hog farms, the Company generally signed land leasing contracts with original owners of the farms.

Amortization expense for the Company's intangible assets for the years ended December 31, 2008, 2007 and 2006 was $86,543, $14,316 and $5,228, respectively.

Revenue Recognition

The Company's revenue recognition policies are in compliance with Staff accounting bulletin (SAB) 104. Revenue is recognized when services are rendered to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectibility is reasonably assured. Payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as unearned revenue. The Company is not subject to VAT withholdings. The Company gives volume rebates to certain customers based on volume achieved. The Company accrues sales rebates based on actual sales volume. Sales returns and rebates included in the Company's revenues were $1,192,157, $385,375 and $324,218 for the years ended December 31, 2008, 2007 and 2006, respectively.

Advertising Costs

The Company expenses the cost of advertising as incurred or, as appropriate, the first time the advertising takes place. Advertising costs for the years ended December 31, 2008, 2007 and 2006 were not significant.

Stock-Based Compensation

The Company accounts for its stock-based compensation in accordance with SFAS No. 123R, "Share-Based Payment, an Amendment of FASB Statement No. 123." The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees. There were 180,000 options outstanding at December 31, 2008.

Income Taxes

The Company utilizes SFAS No. 109, "Accounting for Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, on January 1, 2007. As a result of the implementation of FIN 48, the company made a comprehensive review of its portfolio of tax positions in accordance with recognition standards established by FIN 48. As a result of the implementation of Interpretation 48, the Company recognized no material adjustments to liabilities or stockholders' equity. When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest associated with unrecognized tax benefits are classified as interest expense and penalties are classified in selling, general and administrative expenses in the statements of income. The adoption of FIN 48 did not have a material impact on the Company's financial statements.

Foreign Currency Transactions and Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Certain statements, however, require entities to report specific changes in assets and liabilities, such as gain or loss on foreign currency translation, as a separate component of the equity section of the balance sheet. Such items, along with net income, are components of comprehensive income. The functional currency of the Company is Chinese Renminbi. The unit of Renminbi is in Yuan. Translation gains of $4,167,217 and $780,908 at December 31, 2008 and 2007, respectively, are classified as an item of other comprehensive income in the stockholders' equity section of the consolidated balance sheet. During the years ended December 31, 2008, 2007 and 2006, other comprehensive income in the consolidated statements of income and other comprehensive income included translation gains of $3,386,310, $664,062 and $84,382, respectively.

Basic and Diluted Earnings Per Share

Earnings per share is calculated in accordance with the Statement of financial accounting standards No. 128 (SFAS No. 128), "Earnings Per Share". SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB 15). Net earnings per share for all periods presented has been restated to reflect the adoption of SFAS No. 128. Basic earnings per share is based upon the weighted average number of common shares outstanding. Diluted earnings per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period..

The following is a reconciliation of the number of shares (denominator) used in the basic and diluted earnings per share computations:

	2008		2007		2006	
	Shares	Per Share Amount	Shares	Per Share Amount	Shares	Per Share Amount
Basic earnings per share	31,557,742	$ 0.54	26,093,376	$ 0.26	$17,911,296	$ 0.07
Effect of dilutive stock options	156,235	-	81,597	-	-	-
Diluted earnings per share	31,713,977	$ 0.53	26,174,973	$ 0.25	$17,911,296	$ 0.07

Statement of Cash Flows

In accordance with Statement of Financial Accounting Standards No. 95, "Statement of Cash Flows," cash flows from the Company's operations are calculated based upon the local currencies. As a result, amounts related to assets and liabilities reported on the statement of cash flows will not necessarily agree with changes in the corresponding balances on the balance sheet.

Minority Interest

The Company purchased interest in 29 producing hog farms and one feed company ranging from 55% to 100%. As a result of these purchases, the Company recognized initial minority interest on its consolidated balance sheet in the amount of $508,150. The income (loss) attributed to minority interest has been separately designated in the accompanying statement of operations.

Segment Reporting

Statement of Financial Accounting Standards No. 131 ("SFAS 131"), "Disclosure About Segments of an Enterprise and Related Information" requires use of the "management approach" model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. The Company has determined that it has four reportable segments (See Note 11).

Fair value of financial instruments

On January 1, 2008, the Company adopted SFAS No. 157, "Fair Value Measurements." "SAS 157 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosures requirements for fair value measures. The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels are defined as follow:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As of December 31, 2008, the Company did not identify any assets and liabilities that are required to be presented on the balance sheet at fair value.

Recent Pronouncements

In June 2007, FASB issued FASB Staff Position No. EITF 07-3, "Accounting for Nonrefundable Advance Payments for Goods or Services Received for use in Future Research and Development Activities" which addresses whether nonrefundable advance payments for goods or services that are used or rendered for research and development activities should be expensed when the advance payment is made or when the research and development activity has been performed. Management is currently evaluating the effect of this pronouncement on financial statements.

In December 2007, FASB issued SFAS No. 141 (Revised 2007), "Business Combinations." SFAS 141R changes how a reporting enterprise accounts for the acquisition of a business. SFAS 141R requires an acquiring entity to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value, with limited exceptions, and applies to a wider range of transactions or events. SFAS 141R is effective for fiscal years beginning on or after December 15, 2008 and early adoption and retrospective application is prohibited.

In December 2007, FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements," which is an amendment of Accounting Research Bulletin No. 51. SFAS 160 clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS 160 changes the way the consolidated income statement is presented, thus requiring consolidated net income to be reported at amounts that include the amounts attributable to both parent and the noncontrolling interest. SFAS 160 is effective for the fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Based on current conditions, the Company does not expect the adoption of SFAS 160 to have a significant impact on its results of operations or financial position.

In March 2008, FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133." SFAS 161 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. Based on current conditions, the Company does not expect the adoption of SFAS 161 to have a significant impact on its results of operations or financial position.

In May 2008, FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles." SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles ("GAAP") in the United States (the "GAAP hierarchy"). SFAS 162 will not have an impact on the Company's financial statements.

In May 2008, FASB issued SFAS No. 163, "Accounting for Financial Guarantee Insurance Contracts, an interpretation of FASB Statement No. 60." The scope of SFAS 163 is limited to financial guarantee insurance (and reinsurance) contracts, as described in this Statement, issued by enterprises included within the scope of Statement 60. Accordingly, SFAS 163 does not apply to financial guarantee contracts issued by enterprises excluded from the scope of Statement 60 or to some insurance contracts that seem similar to financial guarantee insurance contracts issued by insurance enterprises (such as mortgage guaranty insurance or credit insurance on trade receivables). SFAS 163 also does not apply to financial guarantee insurance contracts that are derivative instruments included within the scope of FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS 163 will not have an impact on the Company's financial statements.

Note 3 – Notes Payable

Notes payable at December 31, 2008 and 2007 were as follows:

	2008	2007
Short-term bank loan; interest rate of 7.884% and 7.02% payable monthly. The term of the loan is from May 28, 2007 to May 27, 2008 and May 18, 2006 to May 17, 2007. This loan was collateralized by the Company's office building, workshop, employee dorms and use right of land. This loan was repaid on May 28, 2008.	$ -	$ 822,528
Short-term bank loan; interest rate of 6.57% and 6.12%. The term of the loan was from May 25, 2007 to May 24, 2008 and December 5, 2006 to December 4, 2007. This loan was collateralized by the Company's right to use land, machinery and equipment. This loan was repaid on May 25, 2008.	-	287,885
	$ -	$1,110,413

Note 4 – Convertible Notes

On February 25, 2008, the Company entered into a Securities Purchase Agreement with Apollo Asia Opportunity Master Fund, L.P., Jabcap Multi-Strategy Master Fund Limited, J-Invest Ltd., and Deutsche Bank AG London Branch (the "Investors") in connection with a private placement transaction providing for, among other things, the issuance of senior convertible notes for aggregate gross proceeds of $19 million (the "Notes") and warrants to purchase up to an aggregate of 380,000 shares (the "Warrants") of the Company's $0.001 par value per share common stock. The notes mature on the third anniversary of the issuance date, bear interest at 7% per annum and are convertible into shares of the Company's common stock at an initial conversion price of $10.00 per share. The conversion price is subject to a "weighted average ratchet" anti-dilution adjustment. The conversion price is also subject to adjustment on a proportional basis, to the extent that the Company's audited net income for the fiscal years ending 2008 and 2009 is less than $30 million and $40 million, respectively; subject to a per share floor price of $5.00. Due to the Company not generating $30 million net income for the year ended December 31, 2008, the conversion price on the convertible notes was reduced to $5.00. Due to the re-pricing of the conversion price, the Company recorded financing cost of $267,748 which represents the difference between the fair value of the conversion feature at a $5.00 conversion price and the original $10.00 conversion price. The fair value was determined by using the Black-Scholes pricing model with the following assumptions: expected life of 2.2 years, a risk free interest rate of 2.0%, a dividend yield of 0% and volatility of 102%.

The Notes impose penalties on the Company for any failure to timely deliver any shares of its common stock issuable upon conversion.

In connection with the issuance of the Notes and the Warrants issued to the Investor on February 25, 2008, the Company paid $1,716,666 in debt issuance cost which is being amortized over the life of the Notes. For the year ended December 31, 2008, the Company amortized $1,470,443 of the aforesaid issuance costs as interest and financing costs in the accompanying consolidated statements of operations.

The Notes contain certain limitations on conversion. For example, they provide that no conversion may be made if, after giving effect to the conversion, the Investor would own in excess of 9.99% of the Company's outstanding shares of common stock. In addition, the Notes provide that no conversion may be made if the conversion would cause the Company to be in breach of its obligations under the rules and regulations of the Nasdaq Global Market, unless the Company obtains stockholder approval for such issuances as required by such rules and regulations.

The Warrants are immediately exercisable, expire on the third anniversary of their issuance and entitle their holders, in the aggregate, to purchase up to $3,800,000 worth of shares of common stock at an initial exercise price of $10.00 per share.

The exercise price of the Warrants is subject to a "weighted average ratchet" anti-dilution adjustment. The exercise price is also subject to adjustment, on a proportional basis, to the extent that the Company's audited net income for the fiscal years ending 2008 and 2009 is less than $30 million and $40 million, respectively; subject to a per share floor price of $5.00. Due to the Company not generating $30 million net income for the year ended December 31, 2008, the exercise price on the warrants was reduced to $5.00. Due to the re-pricing of the exercise price, the Company recorded financing cost of $22,782 which represents the difference between the fair value of the $5.00 exercise price and the original $10.00 exercise price. The fair value was determined by using the Black-Scholes pricing model with the following assumptions: expected life of 2.2 years, a risk free interest rate of 2.0%, a dividend yield of 0% and volatility of 102%.

The Warrants contain certain limitations on exercise. For example, they provide that no exercise may be made if, after giving effect to the exercise, the Investor would own in excess of 9.99% of the Company's outstanding

shares of common stock. In addition, the Warrants provide that no exercise may be made if it would cause the Company to be in breach of its obligations under the rules and regulations of the Nasdaq Global Market, unless the Company obtains stockholder approval for such issuances as required by such rules and regulations.

The Warrants granted to the Investor on February 25, 2008 and conversion feature in the above Notes are not considered derivative instruments that need to be bifurcated from the original security since the Warrants and the Notes since the conversion price of the Notes have a floor of $5.00, which means the Company can determine the maximum shares that could be issued upon conversion. The Company determined the fair value of the detachable warrants issued in connection with the Notes to be $1,269,442, using the Black-Scholes option pricing model and the following assumptions: expected life of 1 year, a risk free interest rate of 2.10%, a dividend yield of 0% and volatility of 70%. In addition, the Company determined the value of the beneficial conversion feature to be $2,770,442. The combined total discount for the Notes is $4,039,885 and is being amortized over the term of the Notes. For the year ended December 31, 2008, the Company amortized $3,460,441of the aforesaid discounts as interest and financing costs in the accompanying consolidated statements of operations.

During the year ended December 31, 2008, $15,200,000 of the Notes were converted into 1,520,000 shares of common stock.

Note 5 – Stockholders' Equity

Treasury Stock

During the year ended December 31, 2008, the Company purchased 367,295 shares of its own common stock on the open market (treasury shares) for gross proceeds of $1,811,746. The Company has accounted for the purchase of these treasury shares using the cost method.

2008 Transactions

In February 2008, the Company entered into a Securities Purchase Agreement with Focus Trading Investments Limited, Advantage Consultants Limited, and CD Capital Investments, Ltd. In connection with a registered direct offering of securities providing for the issuance of 2,444,448 shares of the Company's common stock at a price of $9.00 per share for aggregate gross proceeds of $22,000,032. The Company paid commissions and expenses associated with this offering of $3,432,670. The Common Stock for the registered offering was issued pursuant to a prospectus supplement filed with the Commission on February 26, 2008, in connection with a shelf takedown from the Company's Registration Statement on Form S-3 (File No. 333-144386) which was declared effective by the Commission on January 11, 2008.

On April 16, 2008, the Company entered into a Securities Purchase Agreement with two institutional investors in connection with a registered direct offering of securities providing for the issuance of 625,000 shares of the Company's Common Stock at price of $16.00 per share for aggregate gross proceeds of $10,000,000. The Common Stock for the registered offering was issued pursuant to a prospectus supplement filed with the Commission on April 21, 2008, in connection with a shelf takedown from the Company's Registration Statement on Form S-3 (File No. 333-148386) which was declared effective by the Commission on January 11, 2008. The closing under the Securities Purchase Agreement took place on April 21, 2008. The placement agent for this transaction was Rodman & Renshaw, LLC, which received a fee of six percent (6%) of the gross proceeds, or $600,000. The Securities Purchase Agreement contains representations, warranties, and covenants of the Company and the Investors which are typical for transactions of this type.

On April 22, 2008, the Company entered into Securities Purchase Agreements with a group of 14 institutional investors in connection with a registered direct offering of securities providing for the issuance of 1,322,836 shares of the Company's common stock at price of $19.05 per share for aggregate gross proceeds of

$25,200,026. The Common Stock for the registered offering was issued pursuant to a prospectus supplement filed with the Commission on April 24, 2008, in connection with a shelf takedown from the Company's Registration Statement on Form S-3 (File No. 333-148386) which was declared effective by the Commission on January 11, 2008. The closing under the Securities Purchase Agreements took place on April 24, 2008. The placement agent for the sale of 797,901 shares of Common Stock at an aggregate purchase price of $15,200,014.05 was Rodman & Renshaw, LLC, which received a fee of $638,401 (4.2% of the gross proceeds). Additionally, the Company paid a finder's fee of $350,000 to Advantage Consultants Limited in connection with the offering.

On December 28, 2008, the Company entered into Securities Purchase Agreements with four institutional investors in connection with a registered direct offering of securities providing for the issuance of 5,000,006 units (the "Units"), each consisting of one share of the Company's common stock, par value $0.001 and a warrant to purchase seven-tenths of one share of common stock at a purchase price of $1.75 per unit for aggregate gross proceeds of $8,750,010. The securities for the registered offering were issued pursuant to a prospectus supplement filed with the Securities and Exchange Commission on December 31, 2008, in connection with a shelf takedown from the Company's Registration Statement on Form S-3 (File No. 333-144386) which was declared effective by the Commission on January 11, 2008. The closing under the Securities Purchase Agreement took place on December 31, 2008. The placement agent for this transaction was Rodman & Renshaw, LLC, which received a cash fee of six percent (6%) of the gross proceeds, or $525,000, and warrants to purchase up to 300,000 shares of the Company's Common Stock. The warrants issued to Rodman & Renshaw, LLC have the same terms and are subject to the same limitations as the Warrants. The Warrants are exercisable in whole or in part beginning on June 30, 2009 and remain exercisable until June 30, 2014. The exercise price of the Warrants is $2.50 per share of the Company's common stock, subject to adjustment in certain circumstances, including merger, consolidation, sale of subsidiaries or significant assets, or recapitalization as set forth in the Warrant.

During the year ended December 31, 2008 the Company issued 91,934 shares upon the cashless exercise of 197,500 warrants. In addition, the Company received proceeds of $2,138,848 upon the exercise of 269,456 warrants.

2007 Transactions

On February 6, 2007, the Company's Board of Directors approved the sale of 2,750,000 units in a private placement offering. Each unit consisted of one common share and warrants to purchase common shares equal to 8% of the number of common shares subscribed. The warrants expire in three years and have an exercise price of $5.00 per share. On February 28, 2007, the Company received the minimum required placement of $3,000,000 USD of units of its securities consisting of shares of common stock and stock purchase warrants (8% warrant coverage) in a private placement exempt from registration under the Securities Act. A total of 1,000,000 units, each unit representing one share of the Company's common stock and a three year common stock purchase warrant, were sold through the end of business February 28, 2007. Each unit was priced at $3.00 with $3,000,000 in total having been received. Fees of (i) 8% of the securities placed payable in cash, and (ii) a number of common stock purchase warrants equal to 8% of the number of units placed were paid to participating selected dealers. The stock purchase warrants have a term of three years and are exercisable for one share of common stock at an initial exercise price of $5.00. The securities offered in the private placement were not registered under the Securities Act, or any state securities laws, and until so registered, could not be sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. In connection with the above mentioned private placement offering, the Company paid commissions and fees totaling $276,335.

On April 6, 2007, the Company sold an additional 712,753 units for $3.00 per unit for total proceeds of $2,138,259. Each unit represents one share of the Company's common stock and a three year common stock purchase warrant 8% coverage or (57,020 warrants). Fees of (i) 8% of the securities placed payable in cash, and (ii) a number of common stock purchase warrants equal to 8% of the number of units placed were paid to participating selected dealers and a finder. The stock purchase warrants have a term of three years and are exercisable for one share of common stock at an initial exercise price of $5.00. The securities offered in the private placement were not registered under the Securities Act, or any state securities laws, and unless so registered, could not be sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

AgFeed Industries, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2008 and 2007

On April 29, 2007, the Company sold an additional 564,000 units for $3.00 per unit for total proceeds of $1,692,000. Each unit represents one share of the Company's common stock and a three year common stock purchase warrant 8% coverage or 45,120 warrants). Fees of (i) 8% of the securities placed payable in cash, and (ii) a number of common stock purchase warrants equal to 8% of the number of units placed were paid to participating selected dealers and a finder. The stock purchase warrants have a term of three years and are exercisable for one share of common stock at an initial exercise price of $5.00. The securities offered in the private placement were not registered under the Securities Act, or any state securities laws, and unless so registered, could not be sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The value of the 364,280 warrants mentioned above of $664,717 was determined using the Black-Scholes pricing model with the following assumptions: discount rate - 5.0%; dividend yield - 0%; expected volatility - 50% and term of 3 years. The recording of the value of these warrants had no impact in the financial statements as the entry was to debit and credit additional paid in capital for the value of the warrants.

On June 22, 2007, the Company completed a private placement offering of units pursuant to which it sold 750,000 units at an offering price of $4.00 per unit for aggregate gross proceeds of $3,000,000. Each unit consisted of one share of common stock and a warrant to purchase 25% of one share of common stock (187,500). The warrants are exercisable for a period of three years at an exercise price of $5.60 per share. The Company compensated Four Tong Investments, Ltd. for assisting it in the sale of securities in this private placement offering by (i) paying them $240,000, plus (ii) issuing them warrants to purchase 60,000 shares of its common stock on the same terms and conditions as the warrants granted in the offering.

The value of the 247,500 warrants mentioned above of $546,511 was determined using the Black-Scholes pricing model with the following assumptions: discount rate - 5.0%; dividend yield - 0%; expected volatility - 50% and term of 3 years. The recording of the value of these warrants had no impact in the financial statements as the entry was to debit and credit additional paid in capital for the value of the warrants.

In connection with the private placement, the Company gave the investors registration rights whereby the Company was obligated to file a registration statement within 60 days of the final closing of the offering or be subject to non-registration penalties equal to 2% per month. The Company has filed the registration statement within 60 days of the closing and does not expect to incur any non-registration penalties. In addition, there were penalties if the registration statement was not effective within 180 days. The registration statement was declared effective by the Securities and Exchange Commission on October 25, 2007.

During the year ended December 31, 2007, one of the Company's subsidiaries received a $16,451 subsidy from the Chinese government which has been recorded directly to additional paid in capital.

Note 6 – Employee Common Welfare

The total expense for the employee common welfare was $207,709, $18,525 and $62,431 for the years ended December 31, 2008, 2007 and 2006, respectively. The Company has recorded welfare payable of $3,336 and $5,383 at December 31, 2008 and 2007, which is included in tax and welfare payable in the accompanying consolidated balance sheet. The Chinese government abolished the 14% welfare plan policy at the beginning of 2007. The Company is not required to establish welfare and common welfare reserves. The balance of welfare payable is remaining amount due under the welfare plan provided for prior to 2007.

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Note 7 – Statutory Common Welfare Fund

As stipulated by the Company Law of the People's Republic of China (PRC), net income after taxation can only be distributed as dividends after appropriation has been made for the following:

i. Making up cumulative prior years' losses, if any;

ii. Allocations to the "Statutory surplus reserve" of at least 10% of income after tax, as determined under PRC accounting rules and regulations, until the fund amounts to 50% of the Company's registered capital;

iii. Allocations of 5-10% of income after tax, as determined under PRC accounting rules and regulations, to the Company's "Statutory common welfare fund", which is established for the purpose of providing employee facilities and other collective benefits to the Company's employees; and

iv. Allocations to the discretionary surplus reserve, if approved in the stockholders' general meeting.

Pursuant to the new Corporate Law effective on January 1, 2006, there is now only one "Statutory surplus reserve" requirement. The reserve is 10 percent of income after tax, not to exceed 50 percent of registered capital.

The Company has appropriated $2,483,829, $481,110 and $153,054 as reserve for the statutory surplus reserve and welfare fund for the years ended December 31, 2008, 2007 and 2006, respectively.

Note 8 – Stock Options and Warrants

Stock Options

Following is a summary of the stock option activity:

	Options outstanding	Weighted Average Exercise Price	Weighted average remaining contractual life	Aggregate Intrinsic Value
Outstanding, December 31, 2006	-	-		$ -
Granted	42,000	$ 7.00		
Forfeited	-	-		
Exercised	-	-		
Outstanding, December 31, 2007	42,000	$ 7.00	4.62	$ 80,620
Granted	185,000	$ 9.32		
Forfeited	(47,000)	$ 7.43		
Exercised	-	-		
Outstanding, December 31, 2008	180,000	$ 9.27	4.65	$ -
Exercisable, December 31, 2008	6,666	$ 8.85	3.92	$ -

The assumptions used in calculating the fair value of options granted using the Black-Scholes option- pricing model for options granted during the years ended December 31, 2008 and 2007 are as follows:

	2008	2007
Risk-free interest rate	3.0%	5.0%
Expected life of the options	5 years	5 years
Expected volatility	76%	34%
Expected dividend yield	0	0

The exercise price for options outstanding at December 31, 2008 is as follows:

Number of Options	Exercise Price
20,000	$ 8.85
160,000	$ 9.32
180,000	

For options granted during the year ended December 31, 2008 where the exercise price equaled the stock price at the date of the grant, the weighted-average fair value of such options was $5.81 and the weighted-average exercise price of such options was $9.32. No options were granted during the year ended December 31, 2008, where the exercise price was less than the stock price at the date of the grant or the exercise price was greater than the stock price at the date of grant. At December 31, 2008, the compensation costs related to nonvested options amounted to $822,417, which will be expensed through the third quarter of 2011.

Warrants

Following is a summary of the warrant activity:

Outstanding, December 31, 2006	-
Granted	611,787
Forfeited	-
Exercised	-
Outstanding, December 31, 2007	611,787
Granted	4,180,004
Forfeited	-
Exercised	(468,587)
Outstanding, December 31, 2008	4,323,204

The exercise price for warrants outstanding at December 31, 2008 is as follows:

Number of Options	Exercise Price
3,800,004	$ 2.50
123,200	$ 5.00
180,000	$ 5.60
220,000	$ 10.00
4,323,204	

Note 9 – Related Party Transactions

Sales to related parties amounted to $0, $0 and $170,069 for the years ended December 31, 2008, 2007 and 2006, respectively.

Purchases from related parties amounted to $0, $0 and $708 for the years ended December 31, 2008, 2007 and 2006, respectively.

The parties are related through one common shareholder who is a majority shareholder in all the related entities.

Note 10 – Taxes

Local PRC Income Tax

Pursuant to the tax laws of China, general enterprises are subject to income tax at an effective rate of 25% for the year ended December 31, 2008 and 33% for the years ended December 31, 2007 and 2006.

A reconciliation of tax at United States federal statutory rate to provision for income tax recorded in the financial statements is as follows:

	For the Years Ended December 31,		
	2008	2007	2006
Tax provision (credit) at statutory rate	34%	34%	34%
Foreign tax rate difference	(9)%	(1)%	(1)%
S NOL for which no benefit is realized	(2)%	(2)%	(2)%
fect of tax holiday and waiver of current and prior year's tax liability	(20)%	(34)%	(40)%
	3%	(3)%	(9)%

In July 2006, as a result of an investment by a foreign investor in one of the Company's subsidiaries, the Company's subsidiary (Nanchang Best) became a Sino-Foreign Joint Venture. Pursuant to the Chinese income tax law, the Company's subsidiary became fully exempt from income tax for a period of two years from July 14, 2006 to July 14, 2008, followed by a reduced tax rate of 15% for the next three years. Concurrent with the exemption, the tax authorities waived approximately 3,400,000 RMB ($425,429) in taxes due.

On June 5, 2007, Shanghai Best received a tax exemption certificate from the local tax bureau and is exempt from income tax from January 1, 2007 to December 31, 2008, followed by a reduced tax rate of 15% for the next three years.

On April 25, 2007, Guangxi Huijie also received an exemption from income tax for the period from January 1, 2006 to December 31, 2008. The exemption was issued by the local government because Guangxi Huijie is located in a zone where the federal government encourages the establishment of new entities. However, a new income tax law came into effect on January 1, 2008, that eliminated Guangxi Huijie exemption from income tax. Effective January 1, 2008, Guangxi Huijie's income tax rate is 25%.

The effect of the change of tax status has been accounted for in accordance with SFAS No. 109, par. 28, which states that the effect of a change in tax status is computed as of the date of change and is included in the tax provision for continuing operations. Management believes that the local tax authorities would not have waived past taxes had it not been for the change in the Company's subsidiary's tax status.

If the Company had not been exempt from paying income taxes due to the Sino-Foreign Joint Venture described above, income tax expense for the year ended December 31, 2008 would have been approximately $4,384,000 and earnings per share would have been reduced from $0.54 to $0.42; income tax expense for the year ended December 31, 2007 would have been approximately $2,255,000 and earnings per share would have been reduced from $0.26 to $0.17 and income tax expense for the year ended December 31, 2006 would have been approximately $325,000 and earnings per share would have been reduced from $0.07 to $0.04.

The Company also has approximately $1.6 million in net operating loss carryforwards for United States tax purposes that begin to expire in 2021. A 100% valuation allowance has been made for the tax benefit of such net operating loss due to the uncertainty of its realization.

Note 11 – Acquisitions

Purchases of Hog Farms

On January 3, 2008, the Company acquired 70% of the issued and outstanding capital stock of Wannian Xiandai Animal Husbandry Limited Liability Co., a PRC company located in Jiangxi Province. The aggregate purchase price was 12,250,000 RMB, equivalent to $1,666,666 based on the exchange rate at the time of the acquisition. Under the terms of the transaction documents, the master lease position for the facilities remains with the shareholders of the selling party and the Company will lease the underlying facilities under a 10-year lease agreement. The lease agreement calls for semi-annual rent payments totaling 900,000 RMB (approximately $122,450) per year in exchange for use of the facilities.

On January 3, 2008, the Company acquired 70% of the issued and outstanding capital stock of Jiangxi Huyun Livestock Co., Ltd., a PRC company located in Jiangxi Province. The aggregate purchase price was 6,482,000 RMB, equivalent to $881,905 based on the exchange rate at the time of the acquisition. Under the terms of the transaction documents, the master lease position for the facilities remains with the shareholders of the selling party and the Company will lease the underlying facilities under a 10-year lease agreement. The lease agreement calls for semi-annual rent payments totaling 900,000 RMB (approximately $122,450) for the first year and 450,000 RMB (approximately $61,225) for every 10,000 hogs sold beginning in the second year and thereafter in exchange for use of the facilities.

On January 4, 2008, the Company acquired 60% of the issued and outstanding capital stock of Ganzhou Green Animal Husbandry Development Co., Ltd., a PRC company located in Jiangxi Province. The aggregate purchase price was 6,480,000 RMB, equivalent to $881,633 based on the exchange rate at the time of the acquisition. Under the terms of the transaction, the master lease position for the facilities remains with the shareholders of the selling party and the Company will lease the underlying facilities under a 10-year lease agreement. The lease agreement calls for semi-annual rent payments totaling 700,000 RMB (approximately $97,000) per year in exchange for use of the facilities.

On January 7, 2008, the Company acquired 100% of the hogs and stock of Gang Feng Animal Husbandry Co., Ltd., a PRC company located in Jiangxi Province. The aggregate purchase price was 4,820,000 RMB, equivalent to $655,782 based on the exchange rate at the time of the acquisition, Under the terms of the transaction, the master lease position for the facilities remains with the shareholders of the selling party and the Company will lease the underlying facilities under a 6.5-year lease agreement. The lease agreement calls for semi-annual rent payments totaling 450,000 RMB (approximately $61,225) per year in exchange for use of the facilities.

On January 9, 2008, the Company acquired 55% of the issued and outstanding capital stock of Yichun Tianpeng Domestic Livestock Farm, Ltd., a PRC company located in Jiangxi Province. The aggregate purchase price was 8,855,000 RMB, equivalent to $1,204,761 based on the exchange rate at the time of the acquisition. Under the terms of the transaction, the master lease position for the facilities remains with the shareholders of the selling party and the Company will lease the underlying facilities under a 10-year lease agreement. The lease agreement calls for semi-annual rent payments totaling 800,000 RMB (approximately $108,844) per year in exchange for use of the facilities.

In April 2008, the Company acquired all of the equity interest, as well as the inventory of hogs, feed and veterinary drugs, in the Guangxi Nanning Wanghua Hog Farm, located in Guangxi Province, PRC from Fan Xianfang and Wu Yuhua for a purchase price of RMB26,030,000 (USD$3,722,300 based on the exchange rate at the time of the acquisition). Guangxi Nanning Wanghua Hog Farm has annual hog production capability of 36,000 hogs.

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In April 2008, the Company acquired all of the equity interest, together with all of their assets, including existing rights for land use, pig houses, office buildings, power and water supply facilities, existing inventory of hogs, feed and veterinary drugs, in the Guangxi Guigang Gangda Hog Farm, located in Guangxi Province, PRC for a purchase price of RMB14,520,000 (USD$2,076,400 based on the exchange rate at the time of the acquisition). Guangxi Guigang Gangda Hog Farm has annual hog production capability of approximately 12,000 hogs.

In April 2008, the Company acquired all of the equity interest, together with all of their assets, including existing rights for land use, pig houses, office buildings, power and water supply facilities, existing inventory of hogs, feed and veterinary drugs, in the Guangxi Xingye Guihong Hog Farm, located in Guangxi Province, PRC, for a purchase price of RMB42,500,000 (USD$6,077,500 based on the exchange rate at the time of the acquisition). Guangxi Xinye Guihong Hog Farm has annual hog production capability of approximately 50,000 hogs.

In April 2008, the Company acquired all of the equity interest, together with all of their assets, including existing rights for land use, pig houses, office buildings, power and water supply facilities, existing inventory of hogs, feed and veterinary drugs, in the Hainan Haikou Meilan Hog Farm, located in Hainan Province, PRC, for a purchase price of RMB14,700,000 (USD$2,102,100 based on the exchange rate at the time of the acquisition). Hainan Haikou Meilan Hog Farm has annual hog production capability of approximately 21,500 hogs.

In April 2008, the Company acquired all of the equity interest, together with all of their assets, including existing rights for land use, pig houses, office buildings, power and water supply facilities, existing inventory of hogs, feed and veterinary drugs, in the Hainan Haikou Wohao Hog Farm, located in Hainan Province, PRC, for a purchase price of RMB15,200,000 (USD$2,173,600 based on the exchange rate at the time of the acquisition). Hainan Haikou Wohao Hog Farm has annual hog production capability of approximately 20,000 hogs.

In April 2008, the Company acquired ninety percent (60%) of the equity interest, as well as the inventory of hogs, feed and veterinary drugs, in the Guangxi Guilin Fuzhi Hog Farm, located in Guangxi Province, PRC, for a purchase price of RMB12,000,000 (USD$1,716,000 based on the exchange rate at the time of the acquisition). Guangxi Guilin Fuzhi Hog Farm has annual hog production capability of approximately 20,000 hogs.

In April 2008, the Company acquired eighty percent (80%) of the equity interest, as well as the inventory of hogs, feed and veterinary drugs, in the Guangdong Lianjiang Xinfa Hog Farm, located in Guangdong Province, PRC, for a purchase price of RMB11,000,000 (USD$1,573,000 based on the exchange rate at the time of the acquisition). Guangdong Lianjiang Xinfa Hog Farm has annual hog production capability of approximately 22,000 hogs.

In April 2008, the Company acquired all of the equity interest, as well as the inventory of hogs, feed and veterinary drugs, in the Zhejiang Pinghu Yongxin Hog Farm, located in Zhejiang Province, PRC for a purchase price of RMB10,480,000 (USD$1,498,600 based on the exchange rate at the time of the acquisition). Zhejiang Pinghu Yongxin Hog Farm has annual hog production capability of approximately 11,000 hogs.

In April 2008, the Company acquired all of the equity interest, as well as the inventory of hogs, feed and veterinary drugs, in the Shanghai Fengxian Hog Farm, located in Shanghai City, PRC, for a purchase price of RMB35,000,000 (USD$5,005,000 based on the exchange rate at the time of the acquisition). Shanghai Fengxian Hog Farm has annual hog production capability of approximately 32,000 hogs.

In April 2008, the Company acquired all of the equity interest, as well as the inventory of hogs, feed and veterinary drugs, in the Shanghai Tuanxi Hog Farm, located in Shanghai, PRC, for a purchase price of RMB7,000,000 (USD$1,001,000 based on the exchange rate at the time of the acquisition). Shanghai Tuanxi Hog Farm has annual hog production capability of approximately 8,500 hogs.

In April 2008, the Company acquired all of the equity interest, as well as the inventory of hogs, feed and veterinary drugs, in the Shanghai Senrong Hog Farm, located in Shanghai, PRC, for a purchase price of RMB30,000,000 (USD$4,290,000 based on the exchange rate at the time of the acquisition). Shanghai Senrong Hog Farm has annual hog production capability of approximately 30,000 hogs.

In April 2008, the Company acquired all of the equity interest, as well as the inventory of hogs, feed and veterinary drugs, in the Fujian Xiamen Muxin Hog Farm, located in Xiamen City, PRC, for a purchase price of RMB29,320,000 (USD$4,192,800 based on the exchange rate at the time of the acquisition). Fujian Xiamen Muxin Hog Farm has annual hog production capability of approximately 50,000 hogs.

In April 2008, the Company acquired all of the equity interest, as well as the inventory of hogs, feed and veterinary drugs, in the Xiamen Yuanshengtai Food Co., Ltd., a hog farm located in Fujian Province, PRC, for a purchase price of RMB26,200,000 (USD$3,746,600 based on the exchange rate at the time of the acquisition). Xiamen Yuanshengtai Food Co. has annual hog production capability of approximately 38,000 hogs.

In April 2008, the Company acquired all of the equity interest, as well as the inventory of hogs, feed and veterinary drugs, in the Fujian Jianhua Hog Farm, located in Fujian Province, PRC, for a purchase price of RMB32,000,000 (USD$4,576,000 based on the exchange rate at the time of the acquisition). Fujian Jianhua Hog Farm has annual hog production capability of approximately 34,000 hogs.

In April 2008, the Company acquired all of the equity interest, as well as the inventory of hogs, feed and veterinary drugs, in Fujian Fengxiang Agribusiness Co., Ltd., a hog farm locatedin Fujian Province, PRC, for a purchase price of RMB8,100,000 (USD$1,158,300 based on the exchange rate at the time of the acquisition). Fujian Fengxiang Agribusiness has annual hog production capability of approximately 10,000.

In April 2008, the Company acquired all of the equity interest, as well as the inventory of hogs, feed and veterinary drugs, in the Jiangxi Zhiliang Hog Farm, located in Jiangxi Province, PRC, for a purchase price of RMB8,000,000 (USD$1,144,000 based on the exchange rate at the time of the acquisition). Jiangxi Zhiliang Hog Farm has annual hog production capability of approximately 10,000 hogs.

In May 2008, the Company acquired all of the equity interest in Nanping Kangda Animal Husbandry Co., Ltd., a hog farm located in Fujian Province, PRC, for a purchase price of RMB5,821,000 (USD$838,664 based on the exchange rate at the time of the acquisition). Nanping Kangda Animal Husbandry Co., Ltd. has annual hog production capability of approximately 12,000 hogs.

In May 2008, the Company acquired all of the equity interest in Fujian Jianxi Breeder Hog Farm Co., Ltd., a breeder hog farm located in Fujian Province, PRC, for a purchase price of RMB16,338,166 (USD$2,353,931 based on the exchange rate at the time of the acquisition). Fujian Jianxi Breeder Hog Farm Co., Ltd. has annual hog production capability of approximately 8,000 breeder hogs and 13,000 meat hogs.

In June 2008, the Company acquired all of the equity interest in Shanghai WeiSheng Hog Raising Co., Ltd.("Shanghai Weisheng"), a hog farm located in Shanghai City, PRC, for a negotiated purchase price of RMB12,820,000 (USD$1.87 million based on the exchange rate at the time of the acquisition). Shanghai Weisheng has annual hog production capability of approximately 15,000 hogs.

On September 8, 2008, the Company acquired all of the equity interest in a hog farm located in the Fujian Province, PRC, for a negotiated purchase price of RMB9,865,000 (US$1,441,451 based on the exchange rate at the time of the acquisition). The acquired farm has annual hog production capability of approximately 13,500 hogs, with existing facilities for additional expansion.

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In addition on September 8, 2008, the Company acquired the remaining 30% equity interest in Wannian Xiandai Animal Husbandry Limited Liability Co. for a negotiated purchase price of RMB6,012,500 (US$878,532 based on the exchange rate at the time of the acquisition).

On September 10, 2008, the Company acquired of all of the equity interest in a hog farm located in the Guangxi Province, PRC, for a negotiated purchase price of RMB9,256,000 (US$1,354,206 based on the exchange rate at the time of the acquisition). This farm has annual hog production capability of approximately 12,500 hogs, with existing facilities for additional expansion.

On September 10, 2008, the Company acquired of all of the equity interest in a hog farm located in the Guangxi Province, PRC, for a negotiated purchase price of RMB8,569,000 (US$1,253,694 based on the exchange rate at the time of the acquisition). This farm has annual hog production capability of approximately 11,000 hogs, with existing facilities for additional expansion.

On October 28, 2008, the Company, completed the acquisition of all of the equity interest in a commercial producing hog farm located in the Guangxi Province, PRC for a negotiated purchase price of RMB7,850,000 (US$1,147,913 based on the exchange rate based on the exchange rate at the time of the acquisition). On October 29, 2008, the Company completed the acquisition of all of the equity interest in a second commercial producing hog farm located in the Guangxi Province, PRC for a negotiated purchase price of RMB8,260,000 (US$1,207,777 based on the exchange rate on October 29, 2008). These two farms have an aggregate annual hog production capability of approximately 29,000 hogs, with existing facilities for additional expansion.

Acquisition of Feed Company

In June 2008, the Company acquired all of the equity interest in Hainan HopeJia Feed Co., Ltd. ("HopeJia"), located in the Hainan province of the PRC. for a negotiated purchase price of RMB28,600,000 or approximately US$4.16 million based on the exchange rate at the time of the acquisition.

The hog farms and feed company were purchased as part of the Company's strategic growth plan.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the exchange rates at the date of acquisition.

Cash	$ 95,573
Accounts receivable	388,384
Other receivables	20,795
Inventory	9,300,800
Other assets	353,753
Property and equipment	16,102,598
Construction in process	1,375,372
Intangible assets	41,164,296
Accounts payable	(318,197)
Other payables	(389,602)
Minority Interest	(508,150)
	$67,585,622

The intangible asset related to the purchase of the hog farms is a preliminary allocation that is subject to change upon the completion of a formal appraisal.

The following pro forma financial information presents the consolidated operations of the Company as if the 30 above mentioned acquisitions had occurred on January 1, 2007.

For the year ended December 31, 2008 and 2007:

	2008	2007
Net Revenue	$149,863,158	$60,915,880
Gross profit	$ 36,206,682	$16,218,816
Income from operations	$ 26,109,067	$10,721,020
Minority Interest in Subsidiaries	$ 421,519	$ 73,925
Net income	$ 18,209,692	$10,708,965
Basic earnings per share	$ 0.58	$ 0.41

Acquisition of Lushan Breeder Pig Farm Co., Ltd.

On November 6, 2007, the Company entered into a Stock Purchase Agreement with Lushan Breeder Pig Farm Co., Ltd. ("Lushan"), a Peoples Republic of China company located in HuaLin Town of XingZi County in Jiangxi Province, Peoples Republic of China, Huaping Yang and Hongyun Luo, the holders of ninety percent (90%) of the issued and outstanding capital stock of Lushan. Under the terms of the Stock Purchase Agreement, the Company agreed to purchase 90% of the issued and outstanding capital stock of Lushan from Hongyun Luo for an aggregate purchase price of 20,112,020 RMB, equivalent to $2,699,600. In addition, under the terms of the Stock Purchase Agreement, the Company assumed 4,919,980 RMB equivalent to $660,400 of indebtedness owed by Lushan. The Company assigned the Shares to Nan Chang Best Animal Husbandry Co., Ltd, its wholly owned subsidiary. The Company purchased Lushan to expand its operations into the pre-mix fodder blended feed and feed additives for use in the pork husbandry market as well as raising, breeding and the sale of pigs.

The operating results of Lushan are included in the accompanying consolidated statements of operations from the acquisition date. For convenience of reporting the acquisition for accounting purposes, November 1, 2007 has been designated as the acquisition date.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition.

Cash	$ 661,216
Accounts receivable	7,663
Other receivables	11,544
Inventory	896,848
Advances to related parties	190
Other current assets	611
Property and equipment	1,784,049
Construction-in-process	709,563
Intangible assets	2,513
Accounts payable	(106,070)
Other payables	(597,603)
Unearned revenue	(7,468)
Tax and welfare payable	(3,056)
Purchase price	$3,360,000

Acquisition of Guangxi Huijie Sci. & Tech. Feed Co, Ltd

On December 20, 2006, the Company completed its acquisition of Guangxi Huijie. The Company acquired 100% of Guangxi Huijie's issued and outstanding shares of common stock for $1,100,420 which was paid in cash. Guangxi Huijie is engaged in the research & development, manufacture, marketing, distribution and sale of premix fodder blended feed and feed additives primarily for use in China's domestic pork husbandry market. Guangxi Huijie operates a production plant in Nanning City and sells to distributors and large-scale swine farms. The Company acquired Guangxi Huijie as part of its strategic growth plan.

The operating results of Guangxi Huijie are included in the accompanying consolidated statements of operations from the acquisition date. For convenience of reporting the acquisition for accounting purposes, December 31, 2006 has been designated as the acquisition date. Net income for the 11 days from December 20, 2006 to December 31, 2006 was approximately $31,000.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition. The fair values are based on third-party valuation.

Cash	$ 151,990
Accounts receivable	473,976
Other receivables	166,741
Inventory	290,184
Other current assets	57,809
Property and equipment	614,510
Intangible assets	464,246
Accounts payable	(218,131)
Notes payable	(115,326)
Advances from related party	(737,827)
Other current liabilities	(47,752)
Purchase price	$1,100,420

Note 12 – Segment Information

The Company's predominant businesses are the research and development, manufacture, marketing, distribution, and sale of pre-mix fodder blended feed and feed additives primarily for use in China's domestic pork husbandry market and the raising, breeding, and selling of pigs. The Company operates in four segments: Shanghai, Guangxi, Nanchang, and hog farms.

Shanghai is located in the Qingcun Town, Fengxian district, Shanghai and sells its products to approximately 535 customers, consisting of 329 distributors and 206 large scale pig farms. Guangxi is located in Coastal Industrial Park, Liangqin district, Nanning city, Guangxi Province and sells its products to approximately 616 customers, consisting of 427 distributors and 189 large scale pig farms. Nanchang is located in Chang Bei District Industrial Park, in Nanchang, Jiangxi province and sells its products to approximately 607 customers, consisting of 405 distributors and 202 large scale pig farms. The hog farms are engaged mainly in raising, breeding, and sale of pigs all over the country and are located in the PRC provinces of Jiangxi, Shanghai, Hainan, Guangxi and Fujian.

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The following tables summarize segment information for the years ended December 31, 2008, 2007 and 2006:

	Years Ended December 31,		
	2008	2007	2006
Revenues from unrelated entities			
Shanghai	$ 18,063,213	$ 9,659,457	$3,180,407
Guangxi	13,698,616	11,048,487	-
Nanchang	19,983,515	15,366,849	5,414,469
Hog farms	91,916,141	88,546	-
	$143,661,485	$36,163,339	$8,594,876
Intersegment revenues			
Shanghai	$ 1,193,171	$ -	$ 182,564
Guangxi	4,116,154	-	-
Nanchang	2,865,221	2,280,320	708
Hog farms	1,518,230	-	-
	$ 9,692,776	$ 2,280,320	$ 183,272
Total Revenues			
Shanghai	$ 19,256,384	$ 9,659,457	$3,362,971
Guangxi	17,814,770	11,048,487	-
Nanchang	22,848,736	17,647,169	5,415,177
Hog farms	93,434,371	88,546	-
Less Intersegment revenues	(9,692,776)	(2,280,320)	(183,272)
	$143,661,485	$36,163,339	$8,594,876
Income from operations			
Shanghai	$ 3,688,912	$ 1,737,962	$ 516,364
Guangxi	959,795	2,224,098	-
Nanchang	3,131,770	2,807,786	846,243
Hog farms	18,041,498	847	-
Holding Company	(1,081,044)	(449,922)	(328,713)
	$ 24,740,931	$ 6,320,771	$1,033,894
Interest income			
Shanghai	$ 2,825	$ 1,092	$ 262
Guangxi	24,830	2,738	-
Nanchang	63,331	22,640	28,589
Hog farms	20,405	56	-
Holding Company	79,574	115,622	-
	$ 190,965	$ 142,148	$ 28,851

Interest and financing costs			
Shanghai	$ 4,045	$ -	$ -
Guangxi	8,465	33,597	-
Nanchang	27,351	61,078	23,532

Hog farms	22	28,468	-
Holding Company	5,664,475	30,580	-
	$ 5,704,358	$ 153,723	$ 23,532
Income tax expense (benefit)			
Shanghai	$ -	$ (152,108)	$ 171,370
Guangxi	338,795	(41,095)	-
Nanchang	248,428	-	(271,756)
Hog farms	-	-	-
Holding Company	-	-	-
	$ 587,223	$ (193,203)	$ (100,386)
Net Income			
Shanghai	$ 3,689,684	$1,904,894	$ 358,671
Guangxi	483,279	2,263,795	-
Nanchang	2,517,285	2,887,001	1,145,322
Hog farms	16,923,585	(27,915)	-
Holding Company	(6,665,018)	(364,880)	(328,713)
	$16,948,815	$6,662,895	$1,175,280
Provision for depreciation			
Shanghai	$ 21,834	$ 25,624	$ 74,347
Guangxi	40,047	46,177	-
Nanchang	59,932	81,529	26,122
Hog farms	1,459,030	(12,820)	-
	$ 1,580,843	$ 140,510	$ 100,469

	As of December 31,	
	2008	**2007**
Total Assets		
Shanghai	$ 8,633,418	$ 3,206,606
Guangxi	14,356,062	4,652,914
Nanchang	8,087,484	13,312,356
Hog farms	96,454,117	693,893
Holding Company	9,524,055	1,204,495
	$137,055,136	$23,070,264

Note 13 – Commitments and Contingencies

At December 31, 2008, the Company had commitments to expend $7,372,875 in connection to building construction currently in process and $984,804 in connection with the growing of breeder hogs.

Note 14 – Selected Quarterly Data (unaudited)

	Quarterly Periods Ended			
	March 31, 2008	June 30, 2008	September 30, 2008	December 31, 2008

Net Revenue	$12,147,084	$35,635,327	$ 49,426,274	$ 46,452,800
Gross Profit	$ 3,432,961	$11,034,825	$ 12,302,216	$ 7,666,918
Income from operation	$ 1,725,118	$ 8,772,157	$ 9,310,399	$ 4,933,257
Other income (expense)	$ (515,511)	$ (4,566,771)	$ (828,031)	$ (873,062)
Net income	$ 919,297	$ 3,921,513	$ 8,216,155	$ 3,891,850
Earnings per share (basic)	$ 0.03	$ 0.12	$ 0.25	$ 0.13

	Quarterly Periods Ended			
	March 31, 2007	June 30, 2007	September 30, 2007	December 31, 2007
Net Revenue	$ 4,978,295	$ 6,891,153	$ 11,888,283	$ 12,405,608
Gross Profit	$ 1,543,206	$ 2,009,926	$ 3,243,065	$ 3,603,663
Income from operation	$ 977,891	$ 1,220,524	$ 2,057,364	$ 2,064,992
Other income (expense)	$ (23,412)	$ 24,719	$ 17,515	$ 130,099
Net income	$ 779,181	$ 1,461,002	$ 2,075,174	$ 2,347,538
Earnings per share (basic)	$ 0.03	$ 0.06	$ 0.08	$ 0.09

EXHIBIT 46

STATE OF NEVADA

ROSS MILLER
Secretary of State

SCOTT W. ANDERSON
Deputy Secretary
for Commercial Recordings

OFFICE OF THE
SECRETARY OF STATE

Certified Copy

August 11, 2008

Job Number: C20080811-1088
Reference Number: 00001972478-68
Expedite:
Through Date:

The undersigned filing officer hereby certifies that the attached copies are true and exact copies of all requested statements and related subsequent documentation filed with the Secretary of State's Office, Commercial Recordings Division listed on the attached report.

Document Number(s)	Description	Number of Pages
20050093481-82	Articles of Incorporation	6 Pages/1 Copies
20060731705-51	Merge In	6 Pages/1 Copies

Respectfully,

ROSS MILLER
Secretary of State

By

Certification Clerk

Commercial Recording Division
202 N. Carson Street
Carson City, Nevada 89701-4069
Telephone (775) 684-5708
Fax (775) 684-7138

DEAN HELLER
Secretary of State

206 North Carson Street
Carson City, Nevada 89701-4299
(775) 684 5708

Articles of Incorporation
(PURSUANT TO NRS 78)

Filed in the office of	Document Number
Dean Heller Secretary of State State of Nevada	20050093481-82
	Filing Date and Time 03/30/2005 2:37 PM
	Entity Number E0163272005-6

Important: Read attached instructions before completing form.

ABOVE SPACE IS FOR OFFICE USE ONLY

1. Name of Corporation:	Wallace Mountain Resources Corp.
2. Resident Agent Name and Street Address: (must be a Nevada address where process may be served)	Name: Resident Agents of Nevada, Inc. #83364 Street Address: 711 S. Carson St. Suite 4 City: Carson City State: NEVADA Zip Code: 89701 Optional Mailing Address City State Zip Code
3. Shares: (number of shares corporation authorized to issue)	Number of shares with par value: 75,000,000 Par value: $ 0.001 Number of shares without par value:
4. Names & Addresses, of Board of Directors/Trustees: (attach additional page if there is more than 3 directors/trustees)	1. Name: Robert Gelfand Street Address: #29B Ebony Tower, 99 Sukhumvit 24 Rd., City: Bangkok State: Thailand Zip Code: 10110 2. Name Street Address City State Zip Code 3. Name Street Address City State Zip Code
5. Purpose: (optional-see instructions)	The purpose of this Corporation shall be: To engage in any lawful activity
6. Names, Address and Signature of Incorporator: (attach additional page if there is more than 1 incorporator)	Name: Sandra L. Miller Signature: Sandra L. Miller Address: 711 S. Carson St. Suite 4 City: Carson City State: Nevada Zip Code: 89701
7. Certificate of Acceptance of Appointment of Resident Agent:	I hereby accept appointment as Resident Agent for the above named corporation. Authorized Signature of R.A. or On Behalf of R.A. Company: Sandra L. Miller Date: March 30, 2005

This form must be accompanied by appropriate fees. See attached fee schedule.

ARTICLES OF INCORPORATION
OF

Wallace Mountain Resources Corp.

The undersigned, to form a Nevada corporation, CERTIFIES THAT:

I. NAME: The name of the corporation is: **Wallace Mountain Resources Corp.**

II. REGISTERED OFFICE: RESIDENT AGENT: The location of the registered office of this corporation within the State of Nevada is: 711 S. Carson St. Suite 4, Carson City, Nevada 89701; this corporation may maintain an office or offices in such other place within or without the State of Nevada as may be from time to time designated by the Board of Directors or by the By-Laws of the corporation; and this corporation may conduct all corporation business of every kind or nature, including the holding of any meetings of directors or shareholders, inside or outside the State of Nevada, as well as without the State of Nevada.

The Resident Agent for the corporation shall be Resident Agents of Nevada, Inc., 711 S. Carson St. Suite 4, Carson City, Nevada 89701.

III. PURPOSE: The purpose for which this corporation is formed is: To engage in any lawful activity.

IV. AUTHORIZATION OF CAPITAL STOCK: The amount of the total authorized capital stock of the corporation shall be **SEVENTY FIVE THOUSAND** Dollars **($75,000.00)**, consisting of **SEVENTY FIVE MILLION (75,000,000)** shares of **Common Stock**, par value **$.001** per share.

V. INCORPORATOR: The name and post office address of the Incorporator signing these Articles of Incorporation is as follows:

NAME	POST OFFICE ADDRESS
Resident Agents of Nevada, Inc.	711 S. Carson St. Suite 4 Carson City, Nevada 89701

VI. DIRECTORS: The governing board of this corporation shall be known as directors, and the first Board shall consist of one (1) director.

The number of directors may, pursuant to the By-Laws, be increased or decreased by the Board of Directors, provided there shall be no less than one (1) nor more than nine (9) Directors.

The name and post office addresses of the directors constituting the first Board of Directors is as follows:

NAME	POST OFFICE ADDRESS
Robert Gelfand	#29B Ebony Tower, President Park 99 Sukhumvit 24 Road Bangkok 10110 Thailand

VII. STOCK NON-ASSESSABLE: The capital stock, or the holders thereof, after the amount of the subscription price has been paid in, shall not be subject to any assessment whatsoever to pay the debts of the corporation.

VIII. TERM OF EXISTENCE: This corporation shall have perpetual existence.

IX. CUMULATIVE VOTING: No cumulative voting shall be permitted in the election of directors.

X. PREEMPTIVE RIGHTS: Shareholders shall not be entitled to preemptive rights.

XI. LIMITED LIABILITY: No officer or director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as an officer or director, except for liability (I) for any breach of the officer or directors duty of loyalty to the Corporation or its Stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which the officer or director derived any improper personal benefit. If the Nevada General Corporation Law is amended after the date of incorporation to authorize corporate action further eliminating or limiting the personal liability of officers or directors, then the liability of an officer or director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Nevada General Corporation Law, or amendments thereto. No repeal or modification of this paragraph shall adversely affect any right or protection of an officer or director of the Corporation existing at the time of such repeal or modification.

XII. INDEMNIFICATION: Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a proceeding), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was an officer or director of the Corporation or is or was serving at the request of the Corporation as an officer or director of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans whether the basis of such proceeding is alleged action in an official capacity as an officer or director shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Nevada General Corporation Law, as the same exists or may hereafter be amended, (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader

indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys fees, judgments, fines, excise taxes or penalties and amounts to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be an officer or director and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided herein with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided however, that, if the Nevada General Corporation Law requires the payment of such expenses incurred by an officer or director in his or her capacity as an officer or director (and not in any other capacity in which service was or is rendered by such person while an officer or director, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, payment shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such officer or director, to repay all amounts so advanced if it shall ultimately be determined that such officer or director is not entitled to be indemnified under the Section or otherwise.

If a claim hereunder is not paid in full by the Corporation within ninety days after a written claim has been received by the Corporation, the claimant may, at any time thereafter, bring suit against the Corporation to recover the unpaid amount of the claim and, if successful, in whole or in part, the claimant shall be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, is required, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Nevada General Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Nevada General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred

in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Law, agreement, vote of stockholders or disinterested directors or otherwise.

The Corporation may maintain insurance, at its expense, to protect itself and any officer, director, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Nevada General Corporation Law.

The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification to any employee or agent of the Corporation tot he fullest extent of the provisions of this Section with respect to the indemnification and advancement of expenses of officers and directors of the Corporation or individuals serving at the request of the Corporation as an officer, director, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise.

THE UNDERSIGNED, being the Incorporator hereinafter named for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Nevada, does make and file these Articles of Incorporation, hereby declaring and certifying the facts herein stated are true, and, accordingly, has hereunto set her hand this 30th day of March, 2005.

Sandra L. Miller

Sandra L. Miller, Sole Incorporator
for Resident Agents of Nevada, Inc.

STATE OF NEVADA)
) SS.
COUNTY OF CARSON)

On this 30th day of March, 2005, before me, a Notary Public, personally appeared Sandra L. Miller who acknowledged to me that she executed the above instrument.

Diane E Kalinowski

Notary Public

CERTIFICATE OF ACCEPTANCE
OF APPOINTMENT BY RESIDENT AGENT

In the matter of Wallace Mountain Resources Corp., I, Sandra L. Miller on behalf of Resident Agents of Nevada, Inc., with address at 711 S. Carson St. Suite 4, Carson City, Nevada 89701, hereby accept the appointment as Resident Agent of the above-entitled corporation in accordance with NRS 78.090.

Furthermore, that the mailing address for the above registered office is 711 S. Carson St. Suite 4, Carson City, Nevada 89701.

IN WITNESS WHEREOF, I hereunto set my hand this 30th day of March, 2005.

Sandra L. Miller

Sandra L. Miller for
Resident Agents of Nevada, Inc.

DEAN HELLER
Secretary of State
204 North Carson Street, Suite 1
Carson City, Nevada 89701-4299
(775) 684 5708
Website: secretaryofstate.biz

Articles of Merger
(PURSUANT TO NRS 92A.200)
Page 1

Filed in the office of	Document Number
Dean Heller	20060731705-51
Dean Heller Secretary of State State of Nevada	Filing Date and Time 11/14/2006 4:07 PM
	Entity Number E0163272005-6

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(Pursuant to Nevada Revised Statutes Chapter 92A)
(excluding 92A.200(4b))

1) **Name and jurisdiction of organization of each constituent entity (NRS 92A.200). If there are more than four merging entities, check box ☐ and attach an 8 ½" x 11" blank sheet containing the required information for each additional entity.**

Name of *merging* entity

Jurisdiction — Entity type *

AgFeed Industries, Inc.
Name of *merging* entity

Nevada — Corporation
Jurisdiction — Entity type *

Name of *merging* entity

Jurisdiction — Entity type *

Name of *merging* entity

Jurisdiction — Entity type *

and,

Wallace Mountain Resources Corp.
Name of *surviving* entity

Nevada — Corporation
Jurisdiction — Entity type *

* Corporation, non-profit corporation, limited partnership, limited-liability company or business trust.

This form must be accompanied by appropriate fees.

DEAN HELLER
Secretary of State
204 North Carson Street, Suite 1
Carson City, Nevada 89701-4299
(775) 684 5708
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Articles of Merger
(PURSUANT TO NRS 92A.200)
Page 2

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2) Forwarding address where copies of process may be sent by the Secretary of State of Nevada (if a foreign entity is the survivor in the merger – NRS 92A.190):

Attn: _____

c/o: _____

_____

_____

3) (Choose one)

☐ The undersigned declares that a plan of merger has been adopted by each constituent entity (NRS 92A.200).

☒ The undersigned declares that a plan of merger has been adopted by the parent domestic entity (NRS 92A.180)

4) Owner's approval (NRS 92A.200)(options a, b, or c must be used, as applicable, for each entity) (if there are more than four merging entities, check box ☐ and attach an 8 ½" x 11" blank sheet containing the required information for each additional entity):

(a) Owner's approval was not required from :

Wallace Mountain Resources Corp.
Name of *merging* entity, if applicable

_____
Name of *merging* entity, if applicable

_____
Name of *merging* entity, if applicable

_____
Name of *merging* entity, if applicable

and, or;

Wallace Mountain Resources Corp.
Name of *surviving* entity, if applicable

Filing Fee $350.00
This form must be accompanied by appropriate fees

DEAN HELLER
Secretary of State
204 North Carson Street, Suite 1
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Articles of Merger
(PURSUANT TO NRS 92A.200)
Page 3

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(b) The plan was approved by the required consent of the owners of *:

AgFeed Industries, Inc.
Name of *merging* entity, if applicable

Name of *merging* entity, if applicable

Name of *merging* entity, if applicable

Name of *merging* entity, if applicable

and, or;

Name of *surviving* entity, if applicable

* Unless otherwise provided in the certificate of trust or governing instrument of a business trust, a merger must be approved by all the trustees and beneficial owners of each business trust that is a constituent entity in the merger.

This form must be accompanied by appropriate fees.

DEAN HELLER
Secretary of State
204 North Carson Street, Suite 1
Carson City, Nevada 89701-4299
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Articles of Merger
(PURSUANT TO NRS 92A.200)
Page 4

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(c) Approval of plan of merger for Nevada non-profit corporation (NRS 92A.160):

The plan of merger has been approved by the directors of the corporation and by each public officer or other person whose approval of the plan of merger is required by the articles of incorporation of the domestic corporation.

_____
Name of *merging* entity, if applicable

_____
Name of *merging* entity, if applicable

_____
Name of *merging* entity, if applicable

_____
Name of *merging* entity, if applicable

and, or;

_____
Name of *surviving* entity, if applicable

This form must be accompanied by appropriate fees.

DEAN HELLER
Secretary of State
204 North Carson Street, Suite 1
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Articles of Merger
(PURSUANT TO NRS 92A.200)
Page 5

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5) Amendments, if any, to the articles or certificate of the surviving entity. Provide article numbers, if available. (NRS 92A.200)*:

Article 1 of the Articles of Incorporation of the surviving entity is amended to state:
"The name of the corporation is: AgFeed Industries, Inc."

6) Location of Plan of Merger (check a or b):

_____ (a) The entire plan of merger is attached;

or,

X (b) The entire plan of merger is on file at the registered office of the surviving corporation, limited-liability company or business trust, or at the records office address if a limited partnership, or other place of business of the surviving entity (NRS 92A.200).

7) Effective date (optional)**: November 17, 2006

* Amended and restated articles may be attached as an exhibit or integrated into the articles of merger. Please entitle them "Restated" or "Amended and Restated," accordingly. The form to accompany restated articles prescribed by the secretary of state must accompany the amended and/or restated articles. Pursuant to NRS 92A.180 (merger of subsidiary into parent – Nevada parent owning 90% or more of subsidiary), the articles of merger may not contain amendments to the constituent documents of the surviving entity except that the name of the surviving entity may be changed.

** A merger takes effect upon filing the articles of merger or upon a later date as specified in the articles, which must not be more than 90 days after the articles are filed (NRS 92A.240).

This form must be accompanied by appropriate fees

DEAN HELLER
Secretary of State
204 North Carson Street, Suite 1
Carson City, Nevada 89701-4299
(775) 684 5708
Website: secretaryofstate.biz

Articles of Merger
(PURSUANT TO NRS 92A.200)
Page 6

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8) **Signatures** – Must be signed by: An officer of each corporation whether or not for profit; all general partners of each limited partnership or limited-liability limited partnership; a manager of each a limited-liability company with managers or by one member if without managers; a trustee of a business trust; a managing partner of a limited-liability partnership; by one partner of a general partnership.* (If there are more than four merging entities, check box ☐ and attach an 8 ½" x 11" blank sheet containing the required information for each additional entity.):

Wallace Mountain Resources Corp.
Name of *merging* entity

Signature | CEO Title | 14, 11, 2006 Date

AgFeed Industries, Inc.
Name of *merging* entity

Signature | CEO Title | 14, 11, 2006 Date

Name of *merging* entity

Signature | Title | / / Date

Name of *merging* entity

Signature | Title | / / Date

Wallace Mountain Resources Corp.
Name of *surviving* entity

Signature | CEO Title | 14, 11, 2006 Date

* The articles of merger must be signed by each foreign constituent entity in the manner provided by the law governing it (NRS 92A.230). Additional signature blocks may be added to this page or as an attachment, as needed.
IMPORTANT: Failure to include any of the above information and submit the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

EXHIBIT 47

EX-32 2 v075532_ex32.htm

AMENDED AND RESTATED BYLAWS
OF
AGFEED INDUSTRIES, INC.

ARTICLE 1.
OFFICERS

1.1. BUSINESS OFFICE

The principal business office ("principal office") of the corporation shall be located at any place either within or without the state of Nevada as designated in the corporation's most current Annual Report filed with the Nevada Secretary of State. The corporation may have such other offices, either within or without the State of Nevada, as the Board of Directors may designate or as the business of the corporation may require from time to time. The corporation shall maintain at its principal office a copy of certain records, as specified in Section 2.14 of Article 2.

1.2. REGISTERED OFFICE

The registered office of the corporation shall be located within Nevada and may be, but need not be, identical with the principal office, provided the principal office is located within Nevada. The address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE 2.
SHAREHOLDERS

2.1. ANNUAL SHAREHOLDER MEETING

The annual meeting of the shareholders shall be held on the tenth day of the fifth month following the end of each fiscal year or as soon thereafter as practicable, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be weekend, or a legal holiday in the State of Nevada or state in which the meeting is to be held, such meeting shall be held on the next succeeding business day.

If the election of directors shall not be held on the day designated herein for any annual meeting of the shareholders, or at any subsequent continuation after adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as convenient.

990206.2 5/15/07

2.2. SPECIAL SHAREHOLDER MEETINGS

Special meetings of the shareholders, for any purpose or purposes described in the notice of meeting, may be called by the president, or by the Board of Directors, and shall be called by the president at the request of the holders of not less than one-third of all outstanding shares of the corporation entitled to vote on any issue at the meeting.

2.3. PLACE OF SHAREHOLDER MEETINGS

The Board of Directors may designate any place, either within or without the State of Nevada, as the place for any annual or any special meeting of the shareholders, unless by written consent, which may be in the form of waivers of notice or otherwise, all shareholders entitled to vote at the meeting designate a different place, either within or without the State of Nevada, as the place for the holding of such meeting. If no designation is made by either the Board of Directors or unanimous action of the voting shareholders, the place of meeting shall be the principal office of the corporation in the State of Nevada.

2.4. NOTICE OF SHAREHOLDER MEETINGS

(a) **Required Notice**. Written notice stating the place, day and hour of any annual or special shareholder meeting shall be delivered not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the president, the Board of Directors, or other persons calling the meeting, to each shareholder of record entitled to vote at such meeting and to any other shareholder entitled by the laws of the State of Nevada General Corporation Law as amended (the "Act") or the Articles of Incorporation to receive notice of the meeting. Notice shall be deemed to be effective at the earlier of: (i) When deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid; (ii) on the date shown on the return receipt if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; (iii) when received; or (iv) five days after deposit in the United States mail, if mailed postpaid and correctly addressed to an address, provided in writing by the shareholder, which is different from that shown in the corporation's current record of shareholders.

(b) **Adjourned Meeting**. If any shareholder meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, and place if the new date, time, and place is announced at the meeting before adjournment. But if a new record date for the adjourned meeting is, or must be fixed (see Section 2.5 of this Article 2) then notice must be given pursuant to the requirements of paragraph (a) of this Section 2.4, to those persons who are shareholders as of the new record date.

(c) **Waiver of Notice**. A shareholder may waive notice of the meeting (or any notice required by the Act, Articles of Incorporation, or Bylaws), by a writing signed by the shareholder entitled to the notice, which is delivered to the corporation (either before or after the date and time stated in the notice) for inclusion in the minutes of filing with the corporate records.

(d) A shareholder's attendance at a meeting:

(i) waives objection to lack of notice or defective notice of the meeting unless the shareholder, at the beginning of the meeting, objects to holding the meeting or transacting business at the meeting; and

(ii) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to consideration of the matter when it is presented.

(iii) **Contents of Notice**. The notice of each special shareholder meeting shall include a description of the purpose or purposes for which the meeting is called. Except as provided in this Section 2.4(d), or as provided in the Articles of Incorporation, or otherwise in the Act, the notice of an annual shareholder meeting need not include a description of the purpose or purposes for which the meeting is called.

If a purpose of any shareholder meeting is to consider either: (a) a proposed amendment to the Articles of Incorporation (including any restated. articles requiring shareholder approval); (b) a plan of merger or share exchange; (c) the sale, lease, exchange or other disposition of all, or substantially all of the corporation's property; (d) the dissolution of the corporation; or (e) the removal of a director, the notice must so state and be accompanied by, respectively, a copy or summary of the: (a) articles of amendment; (b) plan of merger or share exchange; and (c) transaction or disposition of all, or substantially all, of the corporation's property. If the proposed corporate action creates dissenters' rights, as provided in the Act, the dissenters' rights, and must be accompanied by a copy of relevant provisions of the Act. If the corporation issues, or authorizes the issuance of shares for promissory notes or for promises to render services in the future, the corporation shall report in writing to all the shareholders the number of shares authorized or issued, and the consideration received with or before the notice of the next shareholder meeting.

2.5. FIXING OF RECORD DATE

For the purpose of determining shareholders of any voting group entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any distribution or dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date. Such record date shall not be more than sixty days prior to the date on which the particular action requiring such determination of shareholders entitled to notice of, or to vote at a meeting of shareholders, or shareholders entitled to receive a share dividend or distribution. If the Board of Directors does not establish a record date, the record date for determination of shareholders entitled to vote shall be at the close of business on:

(a) with respect to an annual shareholder meeting or any special shareholder meeting called by the Board of Directors or any person specifically authorized by the Board of Directors or these Bylaws to call a meeting, the day before the first notice is given to shareholders;

(b) with respect to a special shareholder meeting demanded by the shareholders, the date the first shareholder signs the demand;

(c) with respect to the payment of a share dividend, the date the Board of Directors authorizes the share dividend;

(d) with respect to actions taken in writing without a meeting (pursuant to Article 2, Section 2.12), the first date any shareholder signs a consent; and

(e) with respect to a distribution to shareholders, (other than one involving a repurchase or reacquisition of shares), the date the Board of Directors authorizes the distribution.

When a determination of shareholders entitled to vote at any meeting of shareholders has been made, as provided in this section, such determination shall apply to any adjournment thereof unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than sixty days after the date fixed for the original meeting. If no record date has been fixed, the record date shall be the date the written notice of the meeting is given to shareholders.

2.6. SHAREHOLDER LIST

The officer or agent having charge of the stock transfer books for shares of the corporation shall, at least ten days before each meeting of shareholders, make a complete record of the shareholders entitled to vote at each meeting of shareholders, arranged in alphabetical order, with the address of and the number of shares held by each shareholder. The list must be arranged by class or series of shares. The shareholder list must be available for inspection by any shareholder, beginning two business days after notice of the meeting is given for which the list was prepared and continuing through the meeting. The list shall be available at the corporation's principal office or at a place in the city where the meeting is to be held, as set forth in the notice of meeting. A shareholder, his agent, or attorney is entitled, on written demand, to inspect and, subject to the requirements of Section 2.14 of this Article 2, to copy the list during regular business hours and at his expense, during the period it is available for inspection. The corporation shall maintain the shareholder list in written form or in another form capable of conversion into written form within a reasonable time.

2.7. SHAREHOLDER QUORUM AND VOTING REQUIREMENTS

A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is or must be set for that adjourned meeting.

If a quorum exists, a majority vote of those shares present and voting at a duly organized meeting shall suffice to defeat or enact any proposal unless the Act, the Articles of Incorporation or these Bylaws require a greater-than-majority vote, in which event the higher vote shall be required for the action to constitute the action of the corporation.

2.8. **INCREASING EITHER QUORUM OR VOTING REQUIREMENTS**

For purposes of this Section 2.8, a "supermajority" quorum is a requirement that more than a majority of the votes of the voting group be present to constitute a quorum; and a "supermajority" voting requirement is any requirement that requires the vote of more than a majority of the affirmative votes of a voting group at a meeting.

The shareholders, but only if specifically authorized to do so by the Articles of Incorporation, may adopt, amend, or delete a Bylaw which fixes a "supermajority" quorum or "supermajority" voting requirement.

The adoption or amendment of a Bylaw that adds, changes, or deletes a "supermajority" quorum or "supermajority" voting requirement for shareholders must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then if effect or proposed to be adopted, whichever is greater.

A Bylaw that fixes a "supermajority" quorum or "supermajority" voting requirement for shareholders may not be adopted, amended, or repealed by the Board of Directors.

2.9. **PROXIES**

At all meetings of shareholders, a shareholder may vote in person, or vote by written proxy executed in writing by the shareholder or executed by his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the corporation or other person authorized to tabulate votes before or at the time of the meeting. No Proxy shall be valid after eleven months from the date of its execution unless otherwise specifically provided in the proxy or coupled with an interest.

2.10. **VOTING OF SHARES**

Unless otherwise provided in the Articles of Incorporation, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders.

Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without the transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority to do so is contained in an appropriate order of the Court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares are transferred into the name of the pledgee, and thereafter, the pledgee shall be entitled to vote the shares so transferred.

Shares of its own stock belonging to the corporation or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

Redeemable shares are not entitled to vote after notice of redemption is mailed to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company, or other financial institution under an irrevocable obligation to pay the holders the redemption price on surrender of the shares

2.11. **CORPORATION'S ACCEPTANCE OF VOTES**

(a) If the name signed on a vote, consent, waiver, or proxy appointment corresponds to the name of a shareholder, the corporation, if acting in good faith, is entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder.

(b) If the name signed on a vote, consent, waiver, or proxy appointment does not correspond to the name of its shareholder, the corporation, if acting in good faith, is nevertheless entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder if:

(i) the shareholder is an entity, as defined in the Act, and the name signed purports to be that of an officer or agent of the entity;

(ii) the name signed purports to be that of an administrator, executor, guardian or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation has been presented with respect to the vote, consent, waiver, or proxy appointment;

(iii) the name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation has been presented with respect to the vote, consent, waiver or proxy appointment;

(iv) the name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the shareholder and, if the corporation of the signatory's authority to sign for the shareholder has been presented with respect to the vote, consent, waiver, or proxy appointment; or

(v) the shares are held in the name of two or more persons as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all the co-owners.

(c) The corporation is entitled to reject a vote, consent, waiver, or proxy appointment if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

(d) The corporation and its officer or agent who accepts or rejects a vote, consent, waiver, or proxy appointment in good faith and in accordance with the standards of this Section 2.11 are not liable in damages to the shareholder for the consequences of the acceptance or rejection.

(e) Corporation action based on the acceptance or rejection of a vote, consent, waiver, or proxy appointment under this section is valid unless a court of competent jurisdiction determines otherwise.

2.12. **INFORMAL ACTION BY SHAREHOLDERS**

Any action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting if one or more written consents, setting forth the action so taken, shall be signed by shareholders holding a majority of the shares entitled to vote with respect to the subject matter thereof, unless a "supermajority" vote is required by these Bylaws, in which case a "supermajority" vote will be required. Such consent shall be delivered to the corporation secretary for inclusion in the minute book. A consent signed under this section has the effect of a vote at a meeting and may be described as such in any document.

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2.13. **VOTING FOR DIRECTORS**

Unless otherwise provided in the Articles of Incorporation, directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present.

2.14. **SHAREHOLDERS' RIGHTS TO INSPECT CORPORATE RECORDS**

Shareholders shall have the following rights regarding the inspection of corporate records:

(a) **Inspection of Articles of Incorporation, Bylaws and Stock Register.** Any person who has been a shareholder of record of the corporation for at least six months immediately preceding his demand, or any person holding, or thereunto authorized in writing by the holders of at least five percent of all outstanding shares of the corporation, upon at least five days written notice is entitled to inspect in person, or by agent or attorney, during usual business hours, and make copies therefrom, the records set forth at (i), (ii) and (iii) below, which shall be maintained by the corporation at its registered office:

(i) a copy certified by the Secretary of the Corporation of the Articles of Incorporation, and all amendments thereto;

(ii) a copy certified by an officer of the corporation of its Bylaws and all amendments thereto;

(iii) a stock ledger or a duplicate stock ledger, revised annually, containing the names, alphabetically arranged, of all persons who are shareholders of the corporation, showing their places of residence if known, and the number of shares held by them respectively.

(b) **Inspection of Book of Accounts and Financial Records.** Any person who has been a shareholder of record of the corporation and owns not less than fifteen percent of all outstanding shares of the corporation, upon at least five days written notice is entitled to inspect in person, or by agent or attorney, during usual business hours, the book of accounts and all financial records of the corporation, to make copies of the records, and to conduct an audit of such records.

(c) All rights authorized by subsections (a) and (b) may be denied to any stockholder upon his refusal to furnish the corporation an affidavit that such inspection, copies or audit is not desired for any purpose not related to his interest in the corporation as a stockholder.

(d) In accordance with Section 78.257(6) of the Act , or any amendment thereto, the provisions of this subsection (b) shall not apply to the corporation if it furnishes to its stockholders a detailed, annual financial statement or if it has filed during the preceding twelve (12) months all reports required to section 13 or section 15(d) of the Securities Exchange Act of 1934, as amended.

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(e) Copy Costs. The right to copy records includes, if reasonable, the right to receive copies made by photographic, xerographic, or other means. The corporation may impose a reasonable charge, to be paid by the shareholder on terms set by the corporation, covering the costs of labor and material incurred in making copies of any documents provided to the shareholder.

(f) "Shareholder" Includes Beneficial Owner. For purposes of this Section 2.14, the term "shareholder" shall include a beneficial owner whose shares are held in a voting trust or by a nominee on his behalf.

2.15. **FINANCIAL STATEMENTS SHALL BE FURNISHED TO THE SHAREHOLDERS**

(a) The corporation shall furnish its shareholders annual financial statements, which may be consolidated or combined statements of the corporation and one or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year, an income statement for that year, and a statement of changes in shareholders' equity for the year, unless that information appears elsewhere in the financial statements. If financial statements are prepared for the corporation on the basis of generally accepted accounting principles, the annual financial statements for the shareholders must also be prepared on that basis.

(b) If the annual financial statements are audited by a public accountant, his report must accompany them. If not, the statements must be accompanied by a statement of the president or the person responsible for the corporation's accounting records:

(i) stating his reasonable belief that the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation; and

(ii) describing any respects in which the statements were not prepared on a basis of accounting consistent with statements prepared for the preceding year.

(c) A corporation shall mail the annual financial statements to each shareholder within 120 days after the close of each fiscal year.

Thereafter, on written request from a shareholder who was not mailed the statements, the corporation shall mail him the latest financial statements.

2.16. **DISSENTERS' RIGHTS**

Each shareholder shall have the right to dissent from and obtain payment for his shares when so authorized by the Act, Articles of Incorporation, the Bylaws, or a resolution of the Board of Directors.

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ARTICLE 3.
BOARD OF DIRECTORS

3.1. GENERAL POWERS

Unless the Articles of Incorporation have dispensed with or limited the authority of the Board of Directors by describing who will perform some or all of the duties of a Board of Directors, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of the Board of Directors.

3.2. NUMBER, TENURE AND QUALIFICATIONS OF DIRECTORS

Unless otherwise provided in the Articles of Incorporation, the authorized number of directors shall be not less than one (minimum number) nor more than nine (maximum number). The initial number of directors was established in the original Articles of Incorporation. The number of directors shall always be within the limits specified above. The number of directors shall be determined by resolution adopted by the Board of Directors. After any shares of this corporation are issued, neither the maximum nor minimum number of directors can be changed, nor can a fixed number be substituted for the maximum and minimum numbers, except by a duly adopted amendment to the Articles of Incorporation duly approved by a majority of the outstanding shares entitled to vote. Each director shall hold office until the next annual meeting of shareholders or until his successor shall have been elected and qualified, or until there is a decrease in the number of directors. Unless required by the Articles of Incorporation, directors do not need to be residents of Nevada or shareholders of the corporation.

3.3. REGULAR MEETINGS OF THE BOARD OF DIRECTORS

A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution. If permitted by Section 3.7, any regular meeting may be held by telephone.

3.4. SPECIAL MEETING OF THE BOARD OF DIRECTORS

Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Nevada, as the place for holding any special meeting of the Board of Directors or, if for holding any special meeting of the Board of Directors or, if permitted by Section 3.7, any special meeting may be held by telephone.

3.5. NOTICE OF, AND WAIVER OF NOTICE OF, SPECIAL MEETINGS OF THE BOARD OF DIRECTORS

Unless the Articles of Incorporation provide for a longer or shorter period, notice of any special meeting of the Board of Directors shall be given at least two days prior thereto, either orally or in writing. If mailed, notice of any director meeting shall be deemed to be effective at the earlier of: (a) when received; (b) five days after deposited in the United States mail, addressed to the director's business office, with postage thereon prepaid; or (c) the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the director. Notice may also be given by facsimile and, in such event, notice shall be deemed effective upon transmittal thereof to a facsimile number of a compatible facsimile machine at the director's business office, or to a facsimile number previously authorized by the director to receive such notice. Any director may waive notice of any meeting. Except as otherwise provided herein, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business and at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting, and does not thereafter vote for or assent to action taken at the meeting. Unless required by the Articles of Incorporation or the Act, neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

3.6. DIRECTOR QUORUM

A majority of the number of directors fixed, pursuant to Section 3.2 of this Article 3, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, unless the Articles of Incorporation or the Act require a greater number for a quorum.

Any amendment to this quorum requirement is subject to the provisions of Section 3.8 of this Article 3.

Once a quorum has been established at a duly organized meeting, the Board of Directors may continue to transact corporate business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

3.7. ACTIONS BY DIRECTORS

The act of the majority of the directors present at a meeting at which a quorum is present when the vote is taken shall be the act of the Board of Directors, unless the Articles of Incorporation or the Act require a greater percentage. Any amendment which changes the number of directors needed to take action is subject to the provisions of Section 3.8 of this Article 3.

Unless the Articles of Incorporation provide otherwise, any or all directors may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. Minutes of any such meeting shall be prepared and entered into the records of the corporation. A director participating in a meeting by this means is deemed to be present in person at the meeting.

A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (a) he objects at the beginning of the meeting, or promptly upon his arrival, to holding it or transacting business at the meeting; or (b) his dissent or abstention from the action taken is entered in the minutes of the meeting; or (c) he delivers written notice of his dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation within twenty-four hours after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

3.8. ESTABLISHING A "SUPERMAJORITY" QUORUM OR VOTING REQUIREMENT FOR THE BOARD OF DIRECTORS

For purposes of this Section 3.8, a "supermajority" quorum is a requirement that more than a majority of the directors in office constitute a quorum; and a "supermajority" voting requirement is one which requires the vote of more than a majority of those directors present at a meeting at which a quorum is present to be the act of the directors.

A Bylaw that fixes a "supermajority" quorum or "supermajority" voting requirement may be amended or repealed:

(i) if originally adopted by the shareholders, only by the shareholders (unless otherwise provided by the shareholders); or

(ii) if originally adopted by the Board of Directors, either by the shareholders or by the Board of Directors.

A Bylaw adopted or amended by the shareholders that fixes a "supermajority" quorum or "supermajority" voting requirement for the Board of Directors may provide that it may be amended or repealed only by a specified vote of either the shareholders or the Board of Directors. Subject to the provisions of the preceding paragraph, action by the Board of Directors to adopt, amend, or repeal a Bylaw that changes the quorum or voting requirements for the Board of Directors must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater.

3.9. DIRECTOR ACTION WITHOUT A MEETING

Unless the Articles of Incorporation provide otherwise, any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if all the directors sign a written consent describing the action taken. Such consents shall be filed with the records of the corporation. Action taken by consent is effective when the last director signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a vote at a duly noticed and conducted meeting of the Board of Directors and may be described as such in any document. Such consents may be executed in counterparts or by facsimile.

3.10. REMOVAL OF DIRECTORS

The shareholders may remove one or more directors at a meeting called for that purpose if notice has been given that a purpose of the meeting is such removal. The removal may be with or without cause unless the Articles of Incorporation provide that directors may only be removed for cause. If cumulative voting is not authorized, a director may be removed only if the number of votes cast in favor of removal exceeds the number of votes cast against removal.

3.11. BOARD OF DIRECTOR VACANCIES

Unless the Articles of Incorporation provide otherwise, if a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors, the director(s) remaining in office shall fill the vacancy. If the directors remaining in office constitute fewer than a quorum of the Board of Directors, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office. If a vacancy results from an increase in the number of directors, such vacancy or vacancies may be filled by directors appointed by the Board of Directors.

A vacancy that will occur at a specific later date (by reason of a resignation effective at a later date) may be filled by the Board of Directors before the vacancy occurs, but the new director may not take office until the vacancy occurs. The term of a director elected to fill a vacancy expires at the next shareholders' meeting at which directors are elected. However, if his term expires, he shall continue to serve until his successor is elected and qualifies or until there is a decrease in the number of directors.

3.12. DIRECTOR COMPENSATION

Unless otherwise provided in the Articles of Incorporation, by resolution of the Board of Directors, each director may be: (a) be paid his expenses incurred in connection with his attendance at each meeting of the Board of Directors and each meeting of shareholders; (b) paid a stated annual salary and/or a fixed sum for his attendance at each meeting of the Board of Directors and each meeting of shareholders, and (c) paid such other compensation as shall be determined by the Board of Directors for his services as a director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefrom.

3.13. DIRECTOR COMMITTEES

(a) **Creation of Committees**. Unless the Articles of Incorporation provide otherwise, the Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Each committee must have two or more members, who serve at the pleasure of the Board of Directors.

(b) **Selection of Members**. The creation of a committee and appointment of members to it must be approved by the greater of (i) a majority of all the directors in office when the action is taken, or (ii) the number of directors required by the Articles of Incorporation to take such action.

(c) **Required Procedures**. Sections 3.4, 3.5, 3.6, 3.7, 3.8 and 3.9 of this Article 3 apply to committees and their members.

(d) **Authority**. Unless limited by the Articles of Incorporation or the Act, each committee may exercise those aspects of the authority of the Board of Directors which the Board of Directors confers upon such committee in the resolution creating the committee. Provided, however, a committee may not:

(i) authorizes distributions to shareholders;

(ii) approve or propose to shareholders any action that the Act requires be approved by shareholders;

(iii) fill vacancies on the Board of Directors or on any of its committees;

(iv) amend the Articles of Incorporation;

(v) adopt, amend, or repeal Bylaws;

(vi) approve a plan of merger not requiring shareholder approval;

(vii) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board of Directors; or

(viii) authorize or approve the issuance or sale, or contract for sale of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares; except that the Board of Directors may authorize a committee to do so within limits specifically prescribed by the Board of Directors.

ARTICLE 4.
OFFICERS

4.1. DESIGNATION OF OFFICERS

The officers of the corporation shall be a president, a secretary, and a treasurer, each of whom shall be appointed by the Board of Directors. Such other officers and assistant officers as may be deemed necessary, including any vice-presidents, may be appointed by the Board of Directors. The same individual may simultaneously hold more than one office in the corporation.

4.2. **APPOINTMENT AND TERM OF OFFICE**

The officers of the corporation shall be appointed by the Board of Directors for a term determined by the Board of Directors. If no term is specified, such officers shall hold office until the first meeting of the directors held after the next annual meeting of shareholders. If the appointment of officers is not made at such meeting, such appointment shall be made as soon thereafter as is convenient. Each officer shall hold office until his successor has been duly appointed and qualified, until his death, until he resigns or until he has been removed in the manner provided in Section 4.3 of this Article 4.

The designation of a specified term does not grant to the officer any contract rights, and the Board of Directors can remove the officer at any time prior to the termination of such term. Appointment of an officer shall not of itself create any contract rights.

4.3. **REMOVAL OF OFFICERS**

Any officer may be removed by the Board of Directors at any time, with or without cause. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4.4. **PRESIDENT**

The president shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall generally supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the shareholders. He may sign, with the secretary or any other proper officer of the corporation thereunto duly authorized by the Board of Directors, certificates for shares of the corporation and deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed. The president shall generally perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

4.5. **VICE-PRESIDENT**

If appointed, in the absence of the president or in the event of the president's death, inability or refusal to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their appointment) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. If there is no vice-president, then the treasurer shall perform such duties of the president. Any vice-president may sign, with the secretary or an assistant secretary, certificates for shares of the corporation the issuance of which have been authorized by resolution of the Board of Directors. A vice-president shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

4.6. **SECRETARY**

The secretary shall: (a keep the minutes of the proceedings of the shareholders and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of any seal of the corporation and, if there is a seal of the corporation, see that it is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized; (d) when requested or required, authenticate any records of the corporation; (e) keep a register of the post office address of each shareholder, as provided to the secretary by the shareholders; (f) sign with the president, or vice-president, certificates for shares of the corporation, the issuance of which has been authorized by resolution of the Board of Directors; (g) have general charge of the stock transfer books of the corporation; and (h) generally perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

4.7. **TREASURER**

The treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation; (c) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositaries as may be selected by the Board of Directors; and (d) generally perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine.

4.8. **ASSISTANT SECRETARIES AND ASSISTANT TREASURERS**

The assistant secretaries, when authorized by the Board of Directors, may sign with the president, or a vice-president, certificates for shares of the corporation, the issuance of which has been authorized by a resolution of the Board of Directors.

The assistant treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

The assistant secretaries and assistant treasurers, generally, shall perform such duties as may be assigned to them by the secretary or the treasurer, respectively, or by the president or the Board of Directors.

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4.9. **SALARIES**

The salaries of the officers, if any, shall be fixed from time to time by the Board of Directors.

ARTICLE 5.
INDEMNIFICATION OF DIRECTORS, OFFICERS, AGENT, AND EMPLOYEES

5.1. **INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS**

Unless otherwise provided in the Articles of Incorporation, the corporation shall indemnify any individual made a party to a proceeding because he is or was an officer, director, employee or agent of the corporation against liability incurred in the proceeding, all pursuant to and consistent with the provisions of Section 78.751 of the Act, as amended from time to time.

5.2. **ADVANCE EXPENSES FOR OFFICERS AND DIRECTORS**

The expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding shall be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, but only after receipt by the corporation of an undertaking by or on behalf of the officer or director on terms set by the Board of Directors, to repay the expenses advanced if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation.

5.3. **SCOPE OF INDEMNIFICATION**

The indemnification permitted herein is intended to be to the fullest extent permissible under the laws of the State of Nevada, and any amendments thereto.

ARTICLE 6.
CERTIFICATES FOR SHARES AND THEIR TRANSFER

6.1. **CERTIFICATES FOR SHARES**

(a) Content. Certificates representing shares of the corporation shall at minimum, state on their face the name of the issuing corporation; that the corporation is formed under the laws of the State of Nevada; the name of the person to whom issued; the certificate number; class and par value of shares; and the designation of the series, if any, the certificate represents. The form of the certificate shall be as determined by the Board of Directors. Such certificates shall be signed (either manually or by facsimile) by the president or a vice-president and by the secretary or an assistant secretary and may be sealed with a corporate seal or a facsimile thereof. Each certificate for shares shall be consecutively numbered or otherwise identified.

(b) **Legend as to Class or Series.** If the corporation is authorized to issue different classes of shares or different series within a class, the designations, relative rights, preferences, and limitations applicable to each class and the variations in rights, preferences, and limitations determined for each series (and the authority of the Board of Directors to determine variations for future series) must be summarized on the front or back of the certificate indicating that the corporation will furnish the shareholder this information on request in writing and without charge.

(c) **Shareholder List.** The name and address of the person to whom the shares are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation.

(d) **Transferring Shares.** All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares has been surrendered and canceled, except that in case of a lost, destroyed, or mutilated certificate, a new one may be issued therefore upon such terms as the Board of Directors may prescribe, including indemnification of the corporation and bond requirements.

6.2. REGISTRATION OF THE TRANSFER OF SHARES

Registration of the transfer of shares of the corporation shall be made only on the stock transfer books of the corporation. In order to register a transfer, the record owner shall surrender the share certificate to the corporation for cancellation, properly endorsed by the appropriate person or persons with reasonable assurances that the endorsements are genuine and effective. Unless the corporation has established a procedure by which a beneficial owner of shares held by a nominee is to be recognized by the corporation as the owner, the person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

6.3. ACQUISITION OF SHARES

The corporation may acquire its own shares and unless otherwise provided in the Articles of Incorporation, the shares so acquired constitute authorized but unissued shares.

If the Articles of Incorporation prohibit the reissue of shares acquired by the corporation, the number of authorized shares is reduced by the number of shares acquired, effective upon amendment of the Articles of Incorporation, which amendment shall be adopted by the shareholders, or the Board of Directors without shareholder action (if permitted by the Act). The amendment must be delivered to the Secretary of State and must set forth:

(i) the name of the corporation;

(ii) the reduction in the number of authorized shares, itemized by class and series; and

(iii) the total number of authorized shares, itemized by class and series, remaining after reduction of the shares.

ARTICLE 7.
DISTRIBUTIONS

7.1. DISTRIBUTIONS

The Board of Directors may authorize, and the corporation may make distributions (including dividends on its outstanding shares) in the manner and upon the terms and conditions provided by law.

ARTICLE 8.
CORPORATE SEAL

8.1. CORPORATE SEAL

The Board of Directors may adopt a corporate seal which may be circular in form and have inscribed thereon any designation, including the name of the corporation, Nevada as the state of incorporation, and the words "Corporate Seal."

ARTICLE 9
AMENDMENTS

9.1 AMENDMENTS

The Board of Directors may amend or repeal the corporation's Bylaws unless: ?

(i) the Articles of Incorporation or the Act reserve this power exclusively to the shareholders, in whole or part; or

(ii) the shareholders, in adopting, amending, or repealing a particular Bylaw, provide expressly that the Board of Directors may not amend or repeal that Bylaw; or

(iii) the Bylaw either establishes, amends or deletes a "supermajority" shareholder quorum or voting requirement, as defined in Section 2.8 of Article 2.

Any amendment which changes the voting or quorum requirement for the Board of Directors must comply with Section 3.8 of Article 3, and for the shareholders, must comply Section 2.8 of Article 2.

The corporation's shareholders may also amend or repeal the corporation's Bylaws at any meeting held pursuant to Article 2.

990206.2 5/15/07

CERTIFICATE OF THE SECRETARY

I hereby certify that I am the Secretary of Agfeed Industries, Inc. and that the forgoing Amended and Restated Bylaws, consisting of twenty-two (22) pages, constitutes the code of Agfeed Industries, Inc. as duly adopted by the Board of Directors of the Corporation on this 15th day of May, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 15th day of May, 2007.

/s/ Zhou Feng

Secretary

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