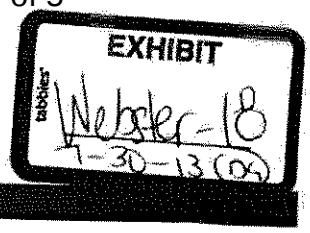
Exhibit “W8”



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Memo

To: AgFeed Industries Inc.'s Board of Directors
From: Thomas Yang

CC: Gerry Daignault, AgFeed's COO
Edward Pazdro, AgFeed's CFO
Date: June 4, 2011

Re: Investigation on multiple accounting books and conflict of interests

Per Gerry Daignault's request, I traveled with Mr. Edward Pazdro and Mr. Daignault to China on May 16, 2011 to make field investigation regarding potential multiple accounting books and conflict of interests issues. From May 17 to May 22, we three stayed in Shanghai and interviewed Ming Wei and Ouyang. Among those, I interviewed Ouyang separately. On May 22, Messrs. Daignault and Pazdro flied back to the States and I continued to make further investigation by further communication with Mr. Ouyang after we got two set of accounting books of Jiangxi legacy farm from Mr. Wei and by checking registration files of companies involved in conflict of interests with local Administration of Industry and Commerce ("AIC") after we got the names of companies that made feed transactions with Fujian legacy farm and we suspected are owned by founders. Per Mr. Daignault's instruction, I am writing to report our work in China to the Board.

FACTS AND INTELLIGENCE

1. Two set of accounting books in Jiangxi legacy farm. In Shanghai, Mr. Wei gave us two sets of accounting books in Jiangxi legacy farm. As now general manager and financial manager in Jiangxi legacy farm are appointed by Mr. Wei, Mr. Wei obtained two sets of accounting books in Jiangxi legacy farm from general manager. In the email from financial manger to general manger to explain big loss in first quarter of 2011, financial manger stated, "in order to make public company's performance look better, many data were made up such as hogs' heads and

weight and feed weight, etc. Before there were two sets of accounting books but for the first quarter of 2011, there was only one set of EAS accounting book. Moreover, all made up data were reversed forcedly in the first quarter," which also verifies the existence of two sets of accounting books. Based on Mr. Ouyang's intelligence, AgFeed made two sets of accounting books from 2009 including actual books and adjusted books in order to make AgFeed's revenue and net income look better. Mr. Ouyang commented "as he joined AgFeed in November, 2009, he doesn't clearly know the whole process of orders regarding cooking the adjusted accounting books but he guesses the whole process of orders should be that some founders (small Xiong is the most possible person to give this order, Mr. Ouyang analyzed,) instructed Selina Jin, former CFO, and Selina Jin ordered financial manager of each district of legacy farms to make corresponding adjustment or increase under the total goal." Also, Mr. Ouyang stated "he took over legacy farms' financials from April, 2010 when the false increase of financial data had been stopped. All work is centered around reversing the false increase of financial data." Mr. Ouyang was responsible for urging the progress of reverse work quarterly.

Based on Mr. Ouyang's intelligence, we doubt there are the same issues in other districts of legacy farms. Mr. Wei inquired general managers for other four districts of legacy farms and the answer is yes for Hainan and Guangxi legacy farms. Mr. Ouyang also confirms two sets of accounting books existing in other legacy farms. But later Mr. Wei reflected two sets of accounting books for other four districts have been destroyed per small Xiong's order, which need be confirmed by further investigation.

Per Mr. Ouyang's intelligence, all financial staff should know these two sets of accounting books, more or less. However, regarding the process of order, only few people do know it.

Regarding feed division, whether is the same issues existed? Mr. Ouyang pointed out Ms. Wu Jiangqi should know it as she is financial supervisor for feed division.

2. Conflict of Interests. Mr. Wei indicated us that there are feed companies owned by founders that have transactions with Fujian legacy farm. After Mr. Wei provided us with the names for three feed companies and one drug company: Zhangzhou Best Feed Co., Ltd. ("Zhangzhou Best")., Guangzhou Best Feed Co., Ltd. ("Guangzhou Best"), Beijing Best Husbandry Co., Ltd. (Beijing Best), and Nanchang Weiterui Biotech Co., Ltd. ("Nanchang"), I contacted local attorneys in four different cities where four companies are located in and acquired registration

files for each company from local AIC in four cities. The government records show that the shareholder is Xiaoli Ouyang and Hongyun Luo for Zhangzhou Best, Xiaoli Ouyang for Guangzhou Best and Guangzhou Best, and big Xiong and Yunlin Zheng for Nanchang. Then I hired private investigation firm to figure out any possible relationship between the shareholders Xiaoli Ouyang and Hongyun Luo and five founders. By checking the shareholder's HUKOU record in public safety bureau, we find Hongyun Luo is the wife of Yunlin Zheng's cousin. Regarding Xiaoli Ouyang, from government's HUKOU record, there is no direct evidence to show the relationship with five founders.

Now I am communicating with Mr. Wei and requested him to find Xiaoli Ouyang's cell phone number because she is legal representative for Zhangzhou Best and Zhangzhou Best is our supplier to Fujian legacy farm. With cell number, I will try to find whether there is social relationship between Xiaoli Ouyang and five founders. If then we don't still find any relationship and we really want to make clear the relationship, if any, we will need to make field investigation on Xiaoli Ouyang. Of course, if small Xiong agrees to work with us after we show him our knowledge, it is better for us to make the relationship clear.

ANALYSIS

1. Two sets of accounting books. Based on facts and intelligence aforesaid, we may basically judge that there are two sets of books for all legacy farms. Although Mr. Ouyang agrees to work with us, obviously he does not tell us the entire story he knows, so we have no supportive evidence to confirm it except two sets of physical accounting books themselves, which are the most important and direct evidence for sure.

   Although we know there is paradox regarding Mr. Ouyang's statement, as we wish him to help us on reading two sets of accounting books, we don't question him yet. We wish once Mr. Ouyang gets us through two sets of accounting books, we would make further inquiry.

   Small Xiong and Selina Jin are the key persons for us to take further actions. How will we deal with both of them? It is a crucial decision and action. This decision will depend on how the company will address this issue and disclose it in terms of public company's interest as the company has announced impairment and decided to close up legacy farms, which actually cleaned up the false data.

If small Xiong and Selina work with the company, we may find all truth regarding false increase in legacy farms and verify our doubt in ANNI division. If not, we need spend lots of time and do lots of work to make it clear although we have mastered key evidence for Jiangxi legacy farm.

2. Conflict of Interests. Although we need verity the relationship between Xiaoli Ouyang and five founders, it is obvious that some of five founders are involved in some conflicted companies from facts and intelligence aforesaid. Now I am requesting Mr. Wei to calculate how much transaction between legacy farms and those companies involved in conflict of interests for our next action to prepare evidence.

3. Now we have solid evidence for next actions no matter civil or criminal although we need further work. For sure, no matter civil or criminal action, it will be not easy work and the company should know it is time consummating and heavy lifting. Moreover, for conflict of interests, it is not easy to prove unless we obtain critical evidence to prove founders' relationship with three feed companies aforesaid.