



A Brief Report on the Completion of the New Plant

Located in Chiang Khong, Chiang Rai, Mekong Valley Foods Co., Ltd. is a new joint-venture investment with the purpose of supplying blended flour products made from corn and soybean to



the growing commercial and international aid markets in Southeast Asia. Founded in November, 2008, MVF Co. grew out of the experience of two foreign investment companies in the Lao People's Democratic Republic.

Most of the equipment was purchased by Mr. Peter Dutton and a group of Thai and foreign investors from Natural Products International Co., Ltd. and was imported into Thailand during the months of February-June, 2009. From June to November, 2009, this equipment has been re-configured and re-fitted into a continuous-flow production line capable of making a variety of blended food products. Most of the equipment is second hand, although a few new pieces have been added from Thailand. Critical wearing parts have been replaced or re-machined. A new high-voltage electrical service was installed in this warehouse, half of which is rented by MVF Co.

With the completion of the "Blended Food Mill" in November, 2009, MVF Co. would now like to re-submit its application to become a BOI-promoted project under Thailand's investment laws. We believe the following considerations should commend it:

- Chiang Rai has a plentiful supply of corn, soybean, and other crops on which this food-processing plant will rely. This plant will add value to local products and increase the exports of food products from Thailand to surrounding countries.

- Chiang Khong itself is beginning to experience a re-surgence based on the expectation of a new bridge across the Mekong, but so far has few investment projects focused on processing foods from its agricultural base.
- Locating this plant in Chiang Khong gives Mekong Valley Foods Co. a comparative advantage over other similar food mills located in the United States and Canada since the cost of transportation to end users in Laos, Burma, and Cambodia will be much less.
- While most of MVF Co. machinery is used, it is not our intention to ask for import-duty reduction, but only for BOI registration. We will, therefore, provide performance certificates from OMIC Technical Services Co., Ltd. (OMIC TESCO) as suggested by the Chiang Mai office of BOI.



Extending the high voltage electrical service into the MVF Co. factory was a process taking about 3 months.



Corn and soy bean and other crops will be bought from local grain silos or from villages.



Grain is stored in MVFs silos outside until it is needed in production. Currently MVF is buying dry grain from local silos, but if necessary, MVF will dry its own grain in the future.



Grain is augered from outside storage bins into interior bins.



Once inside, the grain is diverted into one of two bins for corn or soy bean.



From the inside grain bins, the grain is augered into this old Clipper Cleaner. This is the oldest piece of machinery in the mill—but it works very well. These machines are bought and sold through the internet and can cost close to \$10,000 even as old as they are.



From the cleaner, the grain is augered out and then up into one of batch storage bins.



From the two batch storage bins, the corn and soy bean are augered into this hopper in a closely-monitored ratio, according to the requirements of the blended food.



From the hopper, the corn-soy mixture is augered into a roller mill where it is cracked into small, uniform pieces.



The roller mill was re-conditioned and re-machined, with new cutting edges on the rollers, a process which took more than two months. From the roller mill, the grain mixture is lifted, with a bucket lift into batch bins in the food-grade processing room close by.



Food Grade Processing Room: The grain comes into this room via the two green holding tanks at right. From there it is fed into the extruders below the tanks.



One of two extruders pictured: This versatile machine cooks, expands, and pulverizes the grain mixture. It shoots out the end of the barrel very hot and expands as it hits room temperature.



MVF's food engineer makes a few trial runs to check the performance of the machines.



From the extruders, the corn-soy blend is cooled in a barrel cooler and then augered up into a hammer mill where it is ground into flour.



The hammer mill pulverizes the grain blend into a fine meal or flour. This piece of machinery was re-conditioned, with an added air assist system from Luft –Tech Co. in Bangkok.



From the hammer mill, the corn-soy flour is stored temporarily in a storage tank where it is further cooled.



From the storage tank, the corn-soy flour is augered into this large ribbon mixer where vitamins and minerals are added according to the specifications of the buyer.



From the mixer, the corn-soy blend is augered and lifted into a storage tank from which it may be packed into double bags.



With compliments,

Peter Dutton
Director, Mekong Valley Foods Co. Ltd.
Chiang Khong, Chiang Rai, Thailand
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The final product will look like this, packed in bags according to the specifications of the buyer. Our warehouse has a capacity for about 400 tons and is located close enough to the Lao border that Lao transport trucks may come to receive it in Thailand.