



Collapsible Drying Case



NEW GrainKeep Center™



SuperGrainbag™



Loading MegaCocoons™



NEW GrainPro Delta Tent™



GrainSafe™ & SuperGrainbag™



GRAINPRO PHILIPPINES OPENS ITS NEW MANUFACTURING PLANT

On October 27th, 2010, GrainPro inaugurated its new, larger Philippine manufacturing facility in Subic Bay to accommodate the rapid growth in customer demand for hermetic storage systems for which GrainPro continues to be the only supplier. According to Tom de Bruin, President of GrainPro Philippines, "tripling of sales in 2010 over the previous year and growing demand required a much larger facility". He added: "We expect to announce several new products this year, to meet the growing variety of requirements customers are requesting." Customers on four continents, now in 82 countries recognize that hermetic storage is the modern solution to dramatically reducing post-harvest losses and protecting customers against the hazards of dangerous aflatoxin growth that commonly occurs in conventional storage.

TABLE OF CONTENTS

GRAINPRO PHILIPPINES OPENS NEW MANUFACTURING PLANT.....	1
AFGHAN FARMERS BENEFIT FROM SGB, CDC AND COCOONS.....	1
GRAINPRO EXPANDS IN LATIN AMERICA.....	1
GRAINPRO ANNOUNCES FIRST GRAINKEEP CENTER IN KENYA.....	2
GRAINPRO EXPANDS SUPERGRAINBAG LINE.....	2
SUPERGRAINBAGS STORING MAIZE IN ZAMBIA.....	2
GRAINPRO AWARDED ADDITIONAL PATENTS.....	2
HERMETIC COFFEE STORAGE USED AROUND THE WORLD.....	2
CUSTOM DUTY RELIEF FOR GRAINPRO HERMETIC STORAGE.....	3
MERCY CORPS PROJECT - SGB FOR SMALL FARMERS IN NIGER.....	3
GRAINPRO SIGNS PACTS WITH IRRI AND PURDUE UNIVERSITY.....	3
GRAINPRO SALES TEAM, MANAGERS/ NEW DISTRIBUTORS.....	3
BEER MAKING & HERMETIC STORAGE.....	3
ETHIOPIA COMMODITY EXCHANGE.....	3
NEPALESE SMALL FARMERS USE SUPERGRAINBAGS.....	3
PREVENTION OF GROWTH OF FFAS IN COCOA.....	4
BLACKBURN COFFEE IN TANZANIA SHIPPED TO CA. IN SGBS.....	4
ACHIEVING FOOD SELF SUFFICIENCY IN BANGLADESH.....	4
ETHIOPIA: OROMIA SEED COMPANY ADOPTS COCOONS.....	4
FAO PILOTS STORAGE SYSTEMS IN BENIN AND SOUTH SUDAN.....	4

WHAT'S NEW:

NEW GPP VP SALES & MARKETING - JOSE L. GOMOS ("TING")
25 KG (SMALLER) 50 X 80CM SUPERGRAINBAGS AVAILABLE
OVER A MILLION SUPERGRAINBAGS SOLD!
TRANSAFELINER & COCOON PATENTS APPROVED
1ST GRAINKEEP CENTER OPENED IN KENYA



AFGHAN FARMERS BENEFIT FROM SUPERGRAINBAGS, CDCS AND COCOONS

GrainPro's President, Philippe Villers, announced a \$7 million order which is helping Afghan farmers rebuild sustainable agriculture and grain production through safe hermetic storage. The GrainPro solar dryers are called Collapsible Dryer Cases™ (CDCs™). The order included 1,235 Co-coons™, 350,000 SuperGrainbags™ (SGBs™) and 10,000 Collapsible Dryer Cases™ (CDCs™). GrainPro trained Afghan support personnel who they train Kandahar and Helmand farmers in the use of the improved drying and storage techniques.

GRAINPRO EXPANDS IN LATIN AMERICA

Sales in Latin America from Mexico to Brazil have been growing rapidly as GrainPro opens new warehousing facilities in Panama, and Brazil. *One of our new customers is the UN World Food Program in Guatemala, which has purchased 1500 (1 ton) GrainSafes™ for farmer maize storage!* Coffee growers all over Latin America have adopted hermetic storage to preserve the quality of premium coffees using Cocoons™ or SuperGrainbags™. In many cases, foreign customers such as Mitsubishi are demanding shipments in either TranSafeliners™ or in SuperGrainbags to preserve the quality of their green coffee all the way to their destination.

In Paraguay, soy seeds are now stored in Cocoons and in Honduras, Zamarano has proved the value of Cocoons for sorghum storage.

MORE THAN HALF OF THE WORLD (82 COUNTRIES) USE OUR HERMETIC STORAGE SYSTEMS

Afghanistan, Angola, Australia, Bangladesh, Belgium, Benin, Bolivia, Botswana, Brazil, Burkino Faso, Cambodia, Cameroon, Canada, Chad, China, Cyprus, Colombia, Costa Rica, Denmark, Dominican Republic, Ecuador, El Salvador, Eritrea, Ethiopia, France, Gabon, Gambia, Ghana, Guatemala, Guinea Bissau, Hawaii, Honduras, India, Indonesia, Israel, Italy, Ivory Coast, Jamaica, Japan, Kenya, Laos, Lesotho, Madagascar, Malawi, Maldives, Mauritania, Mozambique, Mexico, Nepal, Netherlands, Nicaragua, Niger, Nigeria, Panama, Papua New Guinea, Paraguay, Pakistan, Peru, Philippines, Portugal, Puerto Rico, Rwanda, Senegal, Singapore, Sri Lanka, Sudan, Switzerland, Tanzania, Thailand, Togo, Tunisia, East Timor, Tunisia, Turkey, Uganda, United Arab Emirate, United Kingdom, United States, Vietnam, Zambia, Zimbabwe

COMMODITIES STORED

Barley * Rice Bran * Coffee * Cocoa * High-moisture Corn * Figs * Maize * Narcissus bulbs * Rice (basmati, bran, milled, paddy, organic) * Peanuts * Soy * Wheat * Pulses * Sorghum and many types of seeds

FIRST GRAINKEEP CENTER IN KENYA AWARDED U.N. 2010 SEED PRIZE



GrainPro and its Kenyan partner, KPMC Holdings of Nairobi, Kenya, proudly announce the recent opening of the first-ever GrainKeep™ Center, known locally in Kenya as the "Village Cereal Aggregation Center" (VCAC).

The United Nations Environment Programme (UNEP) and the United Nations Development Programme

(UNDP) have awarded the Center its 2010 SEED Initiative Award. The Center comprises both grain processing and storage facilities. The Centers come fully equipped with post-harvest components including facilities for threshing, drying, bagging, aflatoxin testing using rapid testing kits, moisture meters and GrainPro's Cocoons™. It also provides SuperGrainbags™ for farmers' household storage. The GrainKeep Center serves as farmer-friendly, easily accessible, and mobile center to operate within high cereal production areas with the first one established within Kenya's Bura Irrigation Scheme.

As Bilha Maina, the managing director of KPMC said, "The VCACs enhance the capacity of farmers to minimize post-harvest losses and maximize incomes from grain sales. Farmers are taken through extensive post-harvest training. We then provide the much-needed processing and safe storage facilities, and by aggregating the commodity, we are able to attract processors, and therefore fetch better prices for smallholder farmers. Through this project, we are having positive impact on food security, nutrition, and the economic well being of the communities where we work."

Reducing the pressure of farmers to sell off their grains immediately after the harvest driven mainly by needs for cash and risks associated with post-harvest losses is a key goal. Importantly, communities are learning how to leverage available technologies to engage in more sustainable agriculture. The Centers also facilitate working with value chain partners to buy from farmers on an aggregated, guaranteed quality basis. This project has benefited from financial assistance from USAID through a regional project dubbed "Market Linkages Initiative. The cost facilitates working with such partners as the World Food Program's Purchase for Progress (P4P Program). The Centers also work with agricultural extension service providers, enhancing public-private partnerships and interactions.

SGBS STORING MAIZE SEEDS IN ZAMBIA

Over the years Nakeempa Seed Association has spent large sums of money purchasing chemicals for dressing seeds in the communal seed bank. Now this is a thing of the past. They have now found a cost effective way of storing their seeds using SuperGrainbags, a technology which involves the use of reusable air tight bags. Africare in partnership with GrainPro Inc. introduced the SuperGrainBags in Kalomo and Choma Districts of Zambia to improve the storage of grain and seeds at community level. According to Mr. Kalyelye, a local extension officer of Nakeempa who also personally uses the bags, "the SuperGrainbags worked wonders for the storage of cowpeas, maize ground nuts and seeds. They provided triple benefits: pest-free, better seed quality, and no chemical in treating and fumigating the seeds".

GRAINPRO HAS NOW SOLD OVER 1,000,000 SUPERGRAINBAGS

GRAINPRO EXPANDS SUPERGRAINBAG LINE

With the success of its SuperGrainbags line including the SuperGrainbag IIZ™ introducing its superior zipper closure, GrainPro now offers a variety of sizes, from 25kg to its widely used 69kg capacity (72 x 100cm) and its 90kg Africa size. Meanwhile, the older SuperGrainbag IB™ using the "twist-and-tie" method is still popular in parts of the world. The 1B can hold 69kg of cocoa with its dimensions of 75 x 130cm (29.5" x 49").

HERMETIC COFFEE STORAGE USED AROUND THE WORLD

2010 saw continuing rapid growth in the use of Cocoons, of SuperGrainbags and TranSafeliners by coffee growers, exporters, traders, importers and roasters around the world to preserve the quality of coffee prior to roasting. Among the largest scale coffee users of GrainPro's hermetic storage systems is the Kona Coffee Farmers Association in Hawaii. GrainPro's hermetic storage systems are now used for coffee in Central America, South America, Africa, South East Asia including Indonesia, and Hawaii. Increasingly, use of hermetic storage is being required by importers. Guatemalan growers are now also using the TranSafeliner as shown below.



Guatemala now ships coffee in TSLs to Japan, Europe and US

GRAINPRO AWARDED MORE PATENTS ON TRANSAFELINER & COCOON

GrainPro was awarded two new patents - one for its improved Cocoon design and the other for its TranSafeliner. A number of other patents on its major products are now pending.

TARIFF RELIEF FOR SAFE STORAGE

A number of countries have now eliminated or dramatically reduced their custom duties for hermetic storage systems, recognizing the importance of tariff relief to encourage use of hermetic storage in filling their food security needs, and improving the livelihood of their farmers. Tanzania Mexico and Panama have joined previously announced Rwanda and members of the "ASEAN" in making hermetic storage more affordable.

MERCY CORPS PROJECT - SGBS FOR SMALL FARMER STORAGE IN NIGER

Between January and May 2010 MercyCorps sponsored a program for small farmers in Niger using SGBs for storage of chickpeas (voandzou), cowpeas, and hibiscus. Mercy Corps then compared these results with the results using conventional storage. The MercyCorps report states: "Using GrainPro sacks offers a potential 76% increase in profits for cowpea, 528% increase in profits for voandzou, and 110% increase in profits for hibiscus as compared to conventional storage and use of pesticides".

The Mercy Corps report further states: "The general consensus is that the GrainPro sacks are effective in preserving the quality of Niger's grains, and culturally appropriate. Participating members at the open house were very enthusiastic about using them in the future. There is an obvious financial advantage in using GrainPro sacks and it is less harmful than the ways in which pesticides are commonly used for storage".

In the case of hibiscus, they concluded that the rate of infestation was approximately 25% without the SuperGrainbags, but with the SuperGrainbags the rate of infestation was from 0% to 1%. In the case of cowpeas, the rate of infestation was approximately 15% without SuperGrainbags, and only 2% to 5% with SuperGrainbags. Further, with the voandzou (chickpeas) the difference was dramatically seen in the change of color (a measure of quality). Without SuperGrainbags, the color changed about 20%. With the SuperGrainbags, the color change was zero.

GRAINPRO SGBS CHANGING THE LIVES OF NEPALESE FARM FAMILIES



Manju Khanal is a member of a small farmer cooperative from Mulpani village near Kathmandu, Nepal. She grows maize and some rice on a piece of farmland just over an acre. Farmer communities such as this one report excellent results in the use of SuperGrainbags™. Recently, another order for an additional 10,500 SuperGrainbags was received through GrainPro's Nepal distributor, PCN, for use by small farmers to reduce their post harvest losses.

BEER MAKING & HERMETIC STORAGE

Two major international brewers in Sierra Leone and Burundi have recently adopted Cocoon™ to protect their sorghum, a major ingredient of their beer making process. Sierra Leone Brewery Ltd., a Heineken brewery in Africa, has adopted hermetic storage for its sorghum to safely store grain for many months without the use of toxic and hazardous fumigants. GrainPro is at present trying to convince other breweries to adopt hermetic storage and thus contribute to a greener environment and increase food safety, while preserving quality for many months of pesticide free room temperature storage.

GRAINPRO SIGNS PACTS WITH IRRI AND PURDUE UNIVERSITY



IRRI SIGNING CEREMONY - LOS BANOS, PHILIPPINES

GrainPro has completed two landmark cooperation agreements, the first one with IRRI (International Rice Research Institute), and the second with Purdue University. The agreement with IRRI is for worldwide cooperation in introducing hermetic technology for rice and rice seeds wherever rice growing countries suffer heavy storage losses, or have trouble maintaining high germination rates for the seeds without refrigerated storage. The Purdue University agreement calls for cooperating in research and development of improved hermetic storage systems collecting field data. According to GrainPro's President, Philippe Villers:

"These agreements are a forward step in GrainPro's mission to provide airtight technology to the many millions of users around the world who need improved post harvest seed storage. We see this as an important part of the Green Revolution, Phase II, the Storage Revolution."

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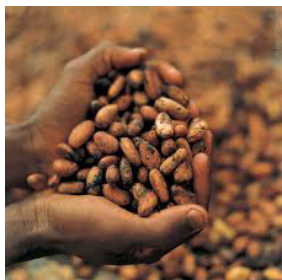
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PREVENTION OF GROWTH OF FFAS (FREE FATTY ACIDS) IN COCOA



A laboratory study was recently completed by the Food Technology International Consultancy on the growth of Free Fatty Acids (FFAs). In its resulting report entitled "Storage of Cocoa Beans Under Hermetic Storage to Prevent Free Fatty Acids Formation" it studied the growth of FFAs under three separate conditions: 1) at 30°C storage in a GrainPro Cocoon, 2) storage in ordinary warehouse at 30°C, and 3) storage at 40°C. Tests were carried out to study the effects of hermetic storage of cocoa beans under both aerobic and hermetically sealed conditions and the development of FFAs in the beans. They reported that in hermetic storage the oxygen level decreased to less than 2%, and carbon dioxide increased to 15%. The cocoa beans were all at the recommended 7% moisture content.

In hermetic storage, FFA levels went from 0.71% to 0.74%, or a 4% increase. In the refrigerated case, FFA levels remained at 0.70%, but in the conventionally stored control it went from 0.71% to 0.95%, and increase of 34%. Thus showing that hermetic storage and refrigerated storage have comparable results, with very different costs, capital and energy requirements. FFA % of 7% moisture content cocoa beans stored for 90 days under hermetic conditions at 30°C and 4°C clearly indicate that FFA levels under hermetic conditions after 3 months storage are more comparable to the results obtained when the beans were at 4°C rather than the controls for which there was a significant and marked increase of FFA levels from 0.70% up to average of 0.95%.

A separate report by Martin Gilmour, Cocoa Sustainability Research, MARS Incorporated on the use of hermetic storage with injections of CO₂ concludes that "For *Aspergillus Ochraceus* that is producing ocratoxin (OTA) in cocoa that is a significant food safety problem, the CO₂ atmosphere is also a very good way of control with completely stopped OTA production at 30% CO₂, and no growth of *A. Ochraceus* occurred at 80% CO₂ levels. So, additional to control of insect infestation, mould growth and FFA formation, your hermetic storage with high levels of CO₂ is also helping in control ocratoxin contamination. Very good!!!!" (A complete report available from GrainPro)

ACHIEVING FOOD SELF-SUFFICIENCY IN BANGLADESH

Food security has always been a critical issue for a densely populated country like Bangladesh. The importance of this issue has increased with global issues like climate change, causing dwindling production due to unpredictable weather. IRRI in Bangladesh recently purchased 15,000 SGBs II Z and GrainSafes for farmers to safely store their paddy. IRRI just added an order financed by CSISA, for a seed improvement program financed by the Gates Foundation and USAID.

FAO PILOTS HS IN SOUTH SUDAN & BENIN

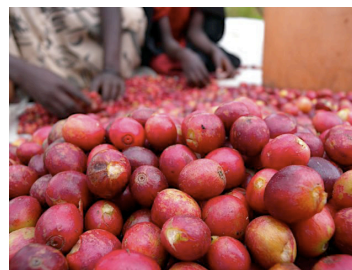
The UN's Food and Agricultural Organization (FAO) recently purchased 800MT Cocoons for storage of maize and sorghum seeds in South Sudan. In Benin, they have introduced SuperGrainbags, GrainSafes and GrainPro moisture meters for use by small scale farmers. The initial application is for maize, rice, and cassava flour and dried smoked shrimp.

ETHIOPIA: OROMIA SEED ENTERPRISE

One of the biggest seed companies in Southern Ethiopia now uses GrainPro Cocoons for the storage of maize hybrid seeds in Modjo City, Oromia Region. Mr. Kedir Nefu the general manager said: "this system will not only eliminate the shortage of storage space, infestation and moisture but most importantly will conserve the germination potential of the seeds."

Oromia Seed Enterprise is the first company that has purchased the GrainPro Cocoons in Ethiopia "We are using them to store seeds with total values of more than USD\$350,000."

BLACKBURN COFFEE FROM TANZANIA SHIPPED TO CALIFORNIA IN SUPERGRAINBAGS



Michael Gehrken, who grows very high quality coffee organically in the Kilimanjaro area in N. Tanzania, shared the following from the website of one of his California customers:

"Blackburn Estate from Ngorogoro has been a consistently good arrival, the highest rated Tanzania in recent memory. Ruvuma district has been a solid cup, with the generic "Northern" coffees, and Kibo having that off, baggy "steamed in the contact" note. The Southern type is clean cup, zesty, albeit mild next to the Kenyas. In the past, we have micro-lots from Nkoanekoli and Ngorongoro that represent progress from the other regions."

After losing a substantial part of his coffee when a container by mistake took 249 days to reach California, one of his US customers convinced him to pack his beans in GrainPro's SuperGrainbags. Ever since he started doing this, he has not received a single complaint on the quality of the coffee upon arrival.

ETHIOPIAN COMMODITY EXCHANGE USES COCOONS

The Ethiopia Commodity Exchange (ECX) is a new initiative for Ethiopia and the first of its kind in Africa. ECX is a unique partnership of market actors between the Members of the Exchange, and its main promoter, the Government of Ethiopia. This year ECX received the first order of GrainPro Cocoons – funded by USAID Agribusiness & Trade Expansion Program (ATEP) to boost their storage capacity to a total of 450 MT that will improve the quality of the stored grains without the use of chemicals.

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