



September 1, 2004  
rjs-04-11

Mr. Michael J. O' Donnell  
ConAgra Foods, Inc.  
Vice President-Ingredients  
Enterprise Procurement  
Eleven ConAgra Drive, 11-355  
Omaha, NE 68102

Dear Mr. O'Donnell:

We have received your letter of August 19, 2004 and were confused by several of the points you make and the questions you raise. We have attempted to respond in some detail below on a point by point basis, but perhaps a bit of background is first in order:

- The issue relating to butter flavorings used in microwave popcorn plants has been widely publicized for the past 3 years and we presumed you were well aware of this. It began with a NIOSH investigation of a Missouri microwave popcorn plant which led to a number of NIOSH inspections of other microwave popcorn plants and a number of law suits, including, we believed, at least one ConAgra facility.
- In February 2004 NIOSH issued an Alert tied heavily to the butter flavor/diacetyl issue and, to an extent, acetaldehyde. That Alert led to a number of MSDS changes initiated by IFF. Again, we presumed ConAgra was well aware of the NIOSH Alert since it so heavily referenced microwave popcorn plants.
- Due to the law suits, our insurers ceased covering this butter flavor containing diacetyl product when used by our customers in microwave popcorn plants in May 2004. For that reason, and the fact that it is difficult for IFF, as a supplier, to assure our customers comply with the precautions in our MSDSs, we decided to cease selling this product for that use. The only exception we were willing to make concerned ConAgra where, because of your well known corporate citizenship, which includes safety and health, we felt comfortable continuing sales. However, we did seek assurances of receipt of our MSDS and compliance with the specified precautions at ConAgra microwave plants and those of your co-packers to whom you direct us to send the butter flavor. We did not believe that would pose a problem for ConAgra. We understand that you are not willing to do that and we respect your decision. However, under those circumstances we are unable to continue supplying this product to you or your co-packers..

INTERNATIONAL FLAVORS & FRAGRANCES  
10-10 Broad Street  
Shrewsbury, NJ 07702

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- You indicate that our conversation on this topic began a month ago. Actually, we have been attempting to have this conversation for over 3 months, but have been unable to have the issue addressed prior to your letter. We greatly appreciate your involvement.
- Finally, please be assured that the FEMA report issued in August 2004 is nothing more than an attempt to address this very important issue involving worker safety with the best available information.

With this as background, let us address in more depth the points you have raised. IFF made the decision internally to change all flavoring MSDSs based on the results and findings of the NIOSH Alert. This report included a number of specific case studies, their respective particular handling practices and uses of a small number of flavors which included the chemical diacetyl. Unfortunately, the NIOSH report does not provide any specific flavor concentration limits, either in the flavor product itself or in the workplace air, and uses the terms "Flavorings" or "Flavoring Chemicals." The changes in the IFF MSDSs were not mandated by NIOSH. It is IFF's opinion that in accordance with OSHA regulations it had the responsibility to revise its MSDSs in light of this NIOSH report. This report was also the reason the Flavor Extract Manufacturers Association (FEMA) issued its recent guidance report on "Respiratory Health and Safety in the Flavor Manufacturing Workplace".

We did not ask for a physical "sign off" on the revised MSDSs which were sent to ConAgra. We did ask that you confirm in writing that your manufacturing facilities and your co-packers' facilities were following the information provided in the MSDSs. This acknowledgement could have been via a letter or an e-mail and suggested language was provided to your Mr. Mark Schumacher via e-mail from our Mr. David Rosen on June 30, 2004.

The initial contact to discuss the receipt of the revised MSDSs for the Butter flavors supplied to ConAgra and acknowledge that ConAgra and its co-packers were following the protocol stated in the MSDSs, began on or about June 2, 2004 with a phone call to your Rob Caruson, Sr. Director of Quality, Snack Foods from David Rosen. From that time forward we were given additional ConAgra team members as key contacts, including Stein Hordvik, Brian Toenges and Mark Schumacher all of which either myself or David Rosen have spoken to. Mark provided David Rosen your name and phone number the week of July 19th.

In response to your specific questions please be advised as follows:

1. IFF has not performed a risk assessment for diacetyl since there is very limited scientific information to allow such an assessment to be performed. In addition, the variability of use of this substances by our customers does

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not allow such an assessment to be conducted by IFF since it requires both hazard and customer workplace exposure information which is not available to IFF.

2. AMC was recently discussed with your Ms. Barbara Ikeda and our Mr. Brian Grainger and was included because AMC could contain diacetyl if it is a monomer. We felt that this was important information that you should be aware of. Again as noted for diacetyl above, no specific risk assessment was conducted for AMC.
3. IFF interprets these statements as general language regarding the molecular weight range associated with medium to high volatility flavor substances. IFF suggests that the use of the FEMA guidance be focused on the use of the high and low priority flavoring substances provided in the FEMA report. It is our understanding that diacetyl was included on the high priority list not because of its MW but because of the NIOSH Alert report.
4. IFF will try to provide the identification and concentration of all Table 1 substances that are/were present in IFF products provided to you to the extent possible.
5. The intent of this general statement relates to the complex nature of flavor compounds and that flavor substance substitution, e.g. diacetyl, is very difficult if not impossible to replace and have the same flavor performance. We believe that this is a general statement made by FEMA and the ability to use a substitute flavor substance that is acceptable is product specific.
6. Please note that at this time NIOSH has not determined the exact substances and/or conditions that have caused the particular respiratory illness. Acetaldehyde is a well known respiratory hazard and has an OSHA established Permissible Exposure Limit (PEL). It is also a substance referenced in one of the case studies contained in the NIOSH Alert. The substance is present in varying concentrations in numerous flavor compounds, both naturally occurring and intentionally added. IFF has not had the opportunity to review the confidential report that you refer to but believes that the statement you refer to should only be considered in light of the abstract conclusion with respect to (1) relatively large amounts of use, (2) high concentrations and (3) particularly the use of an aerosolized manufacturing process. As you know, acetaldehyde can indeed be handled safely in the manufacturing environment with the appropriate site specific safety and health program.

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7. IFF will continue to supply "natural butter flavors". If those flavors contain diacetyl and/or AMC we will not sell them to the microwave popcorn industry. IFF does not expect to establish threshold levels of use. The safe use of any chemical is the responsibility of the user and the FEMA guidance for the listed flavor substances is an excellent starting point to insure and, as necessary, enhance a safe work environment for the use of these flavor substances.

We hope that the above information is helpful and allows you to better understand our position.

We have met with your Mr. Jim La Marta on August 31 and we are working closely with him to allow the continued supply of our base product allowing the addition of diacetyl and/or AMC being performed by ConAgra.

We would like to apologize for the delay of our response but there were a number of individuals traveling or on vacation.

Should you have any further questions please do not hesitate to contact me 732.570.6760 or Mr. David Rosen at 732.274.6553.

Sincerely,



Ronald J. Senna, P.E., CHMM  
V.P., Corporate Safety, Environmental &  
Regulatory Affairs

CC:

Paul Lapadat, President/COO, Snack Foods Group  
Jim Montealegre, VP, Research & Development, Snack Foods Group  
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