



GROCERY MANUFACTURERS OF AMERICA

MAKERS OF THE WORLD'S FAVORITE BRANDS OF
FOOD, BEVERAGES, AND CONSUMER PRODUCTS

EXHIBIT NO. 1

DATE 3/23/05

BILL NO. HB 406



STATE AFFAIRS TEAM
STEVE ARTHUR, VICE PRESIDENT
KRISTIN POWER, DIRECTOR
SUSAN CONNELLY, SENIOR MANAGER
KEVIN FISK, MANAGER
DOUG ROBERTSON, MANAGER
MATT PILLION, ASSISTANT

WESTERN REGION

Kristin Power, Director
 1215 K Street
 #1450
 Sacramento, CA 95814
 Phone: 916/447-9425
 Fax: 916/447-9439
kpower@gmabrands.com

HEADQUARTERS

2401 Pennsylvania Ave., NW
 Second Floor
 Washington, D.C. 20037
 Phone: 202/337-9400
 Fax: 202/337-4508
 e-mail: sarthur@gmabrands.com
www.gmabrands.com

EASTERN REGION

Susan Connelly, Senior Manager
 141 Tremont Street
 Sixth Floor
 Boston, MA 02111
 Phone: 617/556-2929
 Fax: 617/556-9944
sconnelly@gmabrands.com

FAX COVER SHEET

DATE: March 21, 2005
 TO: Chairman Hansen
 Attn: Annie Glover
 FAX: (406) 444-4813
 FROM: Kristin Power
 PAGES: 2 (Including Cover Sheet)

MESSAGE: Following please find GMA's request to amend HB 406 to remove "processed whole grain" and "honey" to more closely align the measure with the federal COOL measure. Please contact me at (916) 447-9425 or kpower@gmabrands.com if you have questions or concerns about GMA's position. Thank you.

If you are having problems receiving this document, please call 202/337-9400.



GROCERY MANUFACTURERS OF AMERICA
MAKERS OF THE WORLD'S FAVORITE BRANDS OF
FOOD, BEVERAGES, AND CONSUMER PRODUCTS

March 21, 2005

The Honorable Ken Hansen
Chair, Senate Agriculture, Livestock and Irrigation Committee
Montana State Senate
Helena, MT 59620

RE: House Bill 406 (Bergren) Request for Amendment

Dear Chairman Hansen:

On behalf of the Grocery Manufacturers of America, I am writing to oppose the inclusion of processed foods in the proposed country of origin labeling bill, House Bill 406 (Bergren).

Grocery Manufacturers of America is the world's largest association of food, beverage and consumer product companies. Led by a board of 46 Chief Executive Officers, GMA applies legal, scientific and political expertise from its more than 140 member companies to vital public policy issues affecting its membership. The association also leads efforts to increase productivity, efficiency and growth in the food, beverage and consumer products industry. With U.S. sales of more than \$500 billion, GMA members employ more than 2.5 million workers in all 50 states.

As you know, a federal country of origin labeling law (COOL) was enacted by Congress as part of the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill). Portions of the labeling provisions dealing with seafood products will become effective on April 7, 2005, with the remaining provisions effective in September 2006. The food industry is currently working with USDA and Congress to implement this law in an effective manner.

However, contrary to HB 406, the federal COOL law recognizes the inability to effectively or efficiently segregate ingredients in a processed food product and, thus, an exemption for processed foods was included. Due to the regular sourcing of grain from multiple suppliers and the fungibility of processed grain, manufacturers of "processed whole grain" products cannot guarantee the origin of all components of a processed product.

In the likely event that manufacturers of "processed whole grain" products are unable to verify the exact origin of all ingredients, communicating "origin unknown" to the consumer, as directed by HB 406, will send a misleading message that the product is somehow inferior to products whose entire origin is certain. Indeed, with the given inability to identify the origin of all ingredients in a "processed whole grain" product and the placard labeling requirements, HB 406 is likely to cause a generalized negative view of all grain based products sold in Montana.

Again, I urge you to exclude processed food items, and delete "processed whole grain" and "honey" in HB 406. Please contact me at (916) 447-9425 or kpower@gmabrands.com if you have questions or concerns regarding GMA's position on this measure.

Sincerely,

A handwritten signature in cursive script that reads "Kristin Power".

Kristin Power
Director, State Affairs