

GMO STATEMENT

(Rev. 1.1, 02/07, DTH)

The use of Genetically Modified Organisms (GMO's) is an issue of growing concern among several end-use markets served by Pharmco Products / AAPER Alcohol. In an effort to satisfy the growing demand for GMO "Statements", the following has been prepared for the various "Pure Alcohol" products that we sell.

Organic Certified Alcohol:

Pharmco Products' / AAPER Alcohol's standards for Organic Certified Alcohol does not allow for any material that has been genetically modified in any phase of organic production. "No GMO", or products produced by or through the use of such organisms, are compatible with the principles of organic production either in the growing, processing or manufacturing phases. Therefore, Organic Certified Alcohol is a GMO Free product.

Our Organic Ethyl Alcohol is produced by fermentation from certified organic corn. The corn is sourced directly from the farmer after documentation of compliance as to their certification is completed. The corn is tested for GMO's using the Strategic Diagnostics Inc., Trait Test Kits. The Trait Bt1 detects the Cry1 Ab protein and the Trait Bt9 detects the Cry 9C protein. Both proteins are produced when foreign genes are inserted to incorporate insect resistance in the corn. This genetic modification is detected by the tests with 99% confidence level. The corn is tested twice. Once in the field and again, at the distillery prior to use as a raw material to produce the ethanol. The corn is only used if it is found to be GMO free, i.e. all tests are negative.

No GMO processing aids or substances restricted by the national organic standards are used in the production of Organic Alcohol.

The final product, pure ethyl alcohol is also tested for the presence of GMO's using qualitative DNA/PCR Assays.

The Pharmco Products' / AAPER Alcohol's guarantee is also a process claim. It means that GMO's are not permitted in any phase of production. Furthermore, every effort has been made to protect the organic product from contamination. This is done by product segregation, separation and system dedication.

In addition, the following claims can be made concerning Pharmco Products' / AAPER Alcohol's GMO free Organic Alcohol:

1.) There are no additives, flavoring, or ingredients in the product that are produced by gene modification.

2.) There are no additives flavorings or ingredients in the product that are derived from genetically modified organisms or from use of genetically modified organisms.

3.) There are no additives, flavorings or ingredients in the product likely to contain DNA and or protein resulting from genetic modification.

4.) There is no possibility of the presence of DNA and or protein resulting from genetic modification due to extrinsic source, outside contamination or any other means or venues.

Unavoidable Residual Environment Contamination (UREC) is always a factor governing Organic Certification. In the case of synthetic prohibited pesticides, the organic industry currently sets a rejection level of 5% of EPA action levels for pesticide residues. It can do this based upon years of actual data.

Unfortunately, the organic industry does not have sufficient data concerning GMO contamination; nor does there currently exist government action levels such as those established for pesticide residue levels.

Therefore, the organic industry is unable to set rejection levels that are realistic or scientifically defensible. This means that some GMO's may be present that are truly unavoidable. To the best of our knowledge, however Pharmco Products' / AAPER Alcohol's Organic Certified Alcohol is a GMO Free product.

Kosher For Passover Alcohol:

Kosher for Passover Alcohol is by nature of its origin and process a GMO Free product. This alcohol is produced from the sugar byproduct in the pulping operation of trees. The raw material (wood chips) are derived from the natural forests of Canada and do not, to the best of our knowledge, contain any GMO material. In addition, each phase of the operation is certified Kosher by a duly authorized and recognized Rabbinical authority. Therefore proper measures for the segregation and handling of this product are in force.

Due to the strict Kosher standards of manufacturing, processing and handling, which Kosher for Passover Alcohol must meet, and the source and process of Alcohol production, Pharmco Products / AAPER Alcohol is confident of its GMO free claim. This is a process claim and therefore, this statement contains the same liability of UREC as does Organic Certified Alcohol. Pharmco Products / AAPER Alcohol have submitted random samples for independent evaluation. The analyses for GMO detection were negative.

Synthetic Alcohol:

Synthetic Alcohol is derived from the hydration of ethylene at high temperatures and pressures. Through a series of chemical treatments, rectification and fractional distillations, pure synthetic alcohol is produced.

Pure synthetic alcohol is identical in every way to naturally derived alcohol with the exception of parts per million contaminants. These contaminants vary slightly by chemical compound (type) and quantity from those found when alcohol is derived through fermentation processes.

Ironically, due to the 100% chemical process within closed systems dedicated solely to chemical production, Synthetic Alcohol meets and or exceeds GMO free levels of Organic Certified or Kosher For Passover Alcohol.

Like the GMO Free statements for Organic and Kosher for Passover Alcohol, the GMO Free statement for Synthetic Alcohol is a process claim. However, due to the synthetic origin and chemical process of production the chance of UREC is significantly reduced.

Grain Neutral Spirits (GNS):

GNS is pure alcohol derived from the enzymatic conversion and subsequent fermentation of grain (corn). This is not a GMO-free **certified** process but it is a GMO free process. Pharmco Products / AAPER Alcohol have submitted random samples for independent evaluation. The analyses for GMO detection were negative.

The following process statements can be made concerning the GMO status of Pharmco Products' / AAPER Alcohol's GNS:

- 1.) There are no additives, flavoring, or ingredients in the product that are produced by gene modification.
- 2.) There are no additives flavorings or ingredients in the product that are derived from genetically modified organisms or from use of genetically modified organisms.
- 3.) There are no additives, flavorings or ingredients in the product likely to contain DNA and or protein resulting from genetic modification.
- 4.) There is no possibility of the presence of DNA and or protein resulting from genetic modification due to extrinsic source, outside contamination or any other means or venues.

GNS is Kosher Certified. This does not mean that it is Certified Kosher for Passover. These are two separate products and while Pharmco can issue a GMO Free statement for Kosher For Passover Alcohol, it cannot for GNS or Kosher GNS.