

Dear Industry Partner,

I am sure you know that the discussion continues in the ethanol industry regarding the use of antimicrobials and their potential impact on distillers' grains. It is crucial to be aligned with credible and reliable suppliers for your fermentation needs. Phibro has been closely monitoring the situation and talking to industry partners to ensure accurate information is provided to all.

Our LACTROL brand virginiamycin (VM) is the leading antimicrobial in the ethanol industry.

You can be assured that the use of LACTROL as a process aid in your plant complies with all current guidelines issued by the Food and Drug Administration's (FDA) Center for Veterinary Medicine (CVM).

When using LACTROL at approved dosages, the distillers' grains (DG) produced will meet the guidelines set by the CVM. Your customers can be assured they are purchasing products that meet or exceed government standards.

In 1993, LACTROL received the Letter of "No Objection" (LONO) from the FDA's CVM. In 2008 and again in 2009 Phibro received letters from the CVM stating that LACTROL can be used under regulatory discretion and that distillers' grains produced while using LACTROL as indicated can safely be fed to all species. This does include laying hens and dairy cows. We continue to demonstrate our industry leadership as we apply substantial regulatory resources to work closely with CVM on a Food Additive Petition application. The process continues to evolve and our cooperation with CVM is well documented. We anticipate completion of our filing to occur soon.

It's natural that our stakeholders in the animal feed community may ask questions and we want you to be prepared to meet their needs. Please stay informed by visiting www.lactrol.com where you can find the latest information on our products, services and regulatory information.

Finally, if you need further documentation of LACTROL's compliance, we are prepared to provide our confidential correspondence between the CVM and Phibro. These documents are available to active LACTROL customers by contacting Tom Slunecka, Vice President of Marketing. Tom can be reached at 402-575-5855 or tom.slunecka@pahc.com.

Phibro will continue to take a leadership position on the safe and efficacious use of antimicrobials in ethanol production. On behalf of Phibro Animal Health Corporation and our Ethanol Performance Group Division, we thank you for your patronage and your continued confidence in LACTROL.

Sincerely,

Michael J. Giambalvo



President

A Division of Phibro Animal Health Corporation

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