

Generally Recognized as Safe (GRAS) Determination for:

Intentional use of Lactoside V™'s Virginiamycin as a processing aid Distillers' grains containing Virginiamycin residues of 1 PPM are considered safe

Lallemand Biofuels & Distilled Spirits has successfully completed a review of **Lactoside V™**, resulting in a GRAS (Generally Recognized as Safe) determination as defined by Section 201(s) of the Federal Food, Drug and Cosmetic Act and corresponding Food and Drug Administration (FDA) guidelines. Virginiamycin is the active ingredient in **Lactoside V™**, a leading antimicrobial for renewable fuels production.

Since its launch, **Lactoside V™** has proven to be a safe product for use in renewable fuels and distillers' grain production. It was previously sold under a letter of "regulatory discretion" from the FDA's Center for Veterinary Medicine (CVM). Lallemand Biofuels & Distilled Spirits has consistently been working on regulatory compliance for all its antimicrobial products with the FDA. A number of years ago, under the guidance of the FDA's Food Additive Petition (FAP) process, Lallemand Biofuels & Distilled Spirits began preparing scientific data and research necessary to secure long-term regulatory compliance for **Lactoside V™**'s virginiamycin. During this time, Lallemand Biofuels & Distilled Spirits developed a proprietary process for determination of residuals in distillers' grains.

The GRAS determination was made by independent experts and counsel after a comprehensive evaluation of Lallemand Biofuels & Distilled Spirits' validated residual test method and scientific data. The experts' determination is based upon the publicly available scientific literature pertaining to the safety of the product and a dietary exposure assessment which concludes that virginiamycin residues of 1 ppm in distillers' grain are recognized as safe.

Lallemand Biofuels & Distilled Spirits' virginiamycin GRAS determination now obviates the need for a Food Additive Petition to achieve regulatory compliance. However, Lallemand Biofuels & Distilled Spirits is committed to working with FDA and will submit its scientific data and research to CVM for the record.

Lallemand Biofuels & Distilled Spirits has studied a recent publicly announced GRAS determination for Virginiamycin for distillers' grains that residuals of up to 1ppm in distillers' grains were deemed safe by a separate, independent panel of recognized experts. Lallemand Biofuels & Distilled Spirits' experts' determination supports their finding.

Lallemand Biofuels & Distilled Spirits' **Lactoside V™** usage instructions will continue to advise users on dosage rates as a process aid in ethanol fermentation to achieve residuals of 0.5 ppm or less in distillers' grains. Although residual levels of 1 ppm are considered safe, Lallemand Biofuels & Distilled Spirits is able to advise customers on the use of good hygiene practices and/or other GRAS antimicrobials as an alternative to high dosages of a single antimicrobial activity.