

Our Philosophy Regarding the Use of Genetically Modified Organisms

At Brown-Forman, we continue to study the use of genetically modified (GM) products in the crafting of our spirit and wine brands. We believe in using the highest quality ingredients to make all of our products. The Jack Daniel's brand has long expressed this philosophy in the words of Mr. Jack Daniel, who said simply, "Every day that we make it we'll make it the best that we can." For our whiskey brands, this commitment means the use of corn, barley and rye that meet our exacting standards to produce an exceptional white spirit. This distillate is then matured in our own hand-made white oak barrels to create whiskeys of superb color and flavor.

Our philosophy regarding the use of GM products in the crafting of the distillate takes into consideration both the science of distilling and the perceptions and concerns of our consumers. From a scientific point of view, we have never been concerned by the use of GM grains in making bourbon and whiskey because none of the GM materials make it through the distilling process to the final product. However, in the year 2000, a number of our consumers, particularly those in Europe, expressed a preference for non-GM ingredients, and after considering those perceptions, we opted for only 100% non-genetically modified corn, the predominant grain for making of whiskey at our Jack Daniel, Woodford Reserve, Canadian Mist, and Brown-Forman distilleries. Again, we took this action to accommodate our consumers' perceptions even though we knew all genetic material is removed in distillation.

Today, nine years later, we find ourselves facing new realities that require continued study and thought regarding the use of GM grains. Since 2000, the North American grain market has changed significantly. A rapidly shrinking supply of non-GM corn in North America is making it increasingly more difficult to source the quantity of high quality corn required for our bourbons and whiskeys. For example, in 2000, about 25% of all corn grown in the United States and 46% of all corn grown in Canada was genetically modified, while in 2007, 80% of all U.S. corn and 84% of all corn grown in Canada was genetically modified. This trend is projected to continue and, in addition to reduced plantings of non-GM corn, we estimate that cross contamination will further reduce the amount of certified non-GM corn available.

Our growing inability to source enough high quality non-GM corn that meets our rigorous standards has led us to the decision to use GM corn in the fall of 2009 for some of our distilling. While we will continue to use non-GM corn at most of our distilleries, the diminishing supply of high quality non-GMO corn available in North America will cause us to reevaluate this position as we determine our sourcing each year.