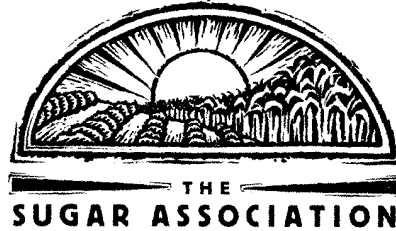


Ex. 4



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DATE: September 13, 2004  
TO: Sugar Association Board  
FROM: Andy Briscoe  
SUBJECT: Status on HFCS Management By Objective

In October 2003, HFCS was approved by the Board as our number one management objective out of nine such objectives. That objective read, “food and beverage industry replacement of HFCS with sucrose.” The approved activities included meeting with the CDC on current research concerns involving fructose. Activities also included exploring a research hypothesis that fructose in high fructose corn syrup (HFCS) is not molecularly bonded to glucose as it is in sucrose. And the scientific question was “does the body distinguish and utilize the entire portion of unbound fructose as ‘free fructose?’” Our Scientific Advisory Committee call for a review of existing science identified 13 published studies which validated potential differences could exist. However, specific research comparing sucrose to different fructose levels had not been done.

As part of the budgetary process, two research projects were included in the 2003-04 budget. Both were discussed by the Board and approved for funding. The project led by Dr. Peter Havel is an independent review of the existing published literature. This summary is close to being submitted for publication – maybe in September.

In April 2004, the Board condensed our management by objectives down to three, with HFCS continuing to be included. And a consensus of support to continue the research projects involving fructose/HFCS was also agreed to.

At their July 31, 2004 meeting, the American Sugarbeet Growers Association adopted a resolution (attached) which objected primarily to any consideration by the Sugar Association to publicly disparage HFCS. This is obviously an important issue for the sugar industry and should result in additional discussion on the specific parameters of our existing HFCS management by objective.

In addition to the ASGA resolution, one Board member has suggested “pulling the plug” on our two projects involving sucrose and HFCS should we anticipate any negative outcomes our research concerning HFCS might bring to bear on the corn industry.

That brings us to the point we are today – are we as an industry ready to stop our two projects as, formally approved and budgeted for, that were initiated to achieve our primary objective of learning more about sucrose and identifying the gaps in science. We are not doing research to denigrate HFCS, but we are doing research to verify the nutritional safety of sugar. We are working closely with the Washington reps to make sure the corn folks understand our objectives; however there are no guarantees that the Havel review and Parks research study will not reflect negatively on fructose. It is critical to note that fructose, as defined by Dr. Havel, is not HFCS. They are separate and distinct entities.

The Sugar Association is not the primary funding source of the Havel literature review. Primary sources include: National Institute of Health, USDA, International Life Sciences Institute, and Academic Network. Academic Network is funded by the Dairy Council, the Sugar Association, and the Salt Institute. So the Sugar Association, while having interest in this review by Dr. Havel, is only a secondary funding source.

I have had Jim Meers review the concern from an antitrust perspective and his memo is attached.

Staff is seeking the counsel and clear direction from the Board on how you would like us to proceed. Do we “pull the plug” on the research we have underway. Or do we stay the course in trying to achieve our mission, “to promote the consumption of sugar as part of a healthy diet and lifestyle through the use of sound science and research.”