



October 9, 2013

VIA E-Mail and U.S. Mail

CONFIDENTIAL

Kurt Young, Compliance Officer
State of Washington Public Disclosure Commission
711 Capital Way, Room 206
P.O. Box 40908
Olympia, WA 98504-0908

Dear Mr. Young:

The Grocery Manufacturers Association ("GMA") provides the following responses to Mr. Stutzman's October 4, 2013 letter to me. The information in this letter and the attached documents, labeled for production as GMA-PDC 000001 through 000045 are being provided to you in a timely and cooperative manner, and have been provided voluntarily. We request they be treated as confidential. Many of the documents reflect internal current and forthcoming nonpublic work, strategies, and funding on behalf of the association. We further request notice prior to any public disclosure of any information provided to you by GMA, sufficient to allow GMA to pursue an appropriate course of action to protect the confidentiality of these documents.

To provide some protections against the disclosure of confidential and privileged information, we have redacted portions of the documents that are privileged or not responsive to your requests. GMA is producing these documents with the expectation they will remain confidential under an investigative privilege. GMA does not waive any right to assert privileges or other protections against their disclosure or use.

By way of background, GMA opposed California's Proposition 37 last year, a ballot initiative similar to I-522. Last year, Proposition 37 in California came upon the industry quickly, with little time for thoughtful planning to address the challenge. GMA itself did not have sufficient funds, or enough time to adequately plan for contributing to the campaign and performed a special assessment specifically to raise funds for the campaign from our member companies. Campaign finance reports filed in California by GMA thus properly disclosed the contributing companies and amounts.¹ During and following Prop 37, it became clear to GMA and its members that, despite the victory in California, the industry would face "continued pressure from other states, shareholder activists, non-governmental organizations, and others to label products containing genetically engineered ingredients." (See, Memo to GMA Board of Directors, January 14, 2013, GMA-PDC 000005-09; see also, "The battle lines on food labeling," POLITICO, October 8, 2013, GMA-PDC.) The industry was in need of a long-term, thoughtful, strategically flexible approach to prospective engagement on this labeling issue at the local, state and national levels.

¹ The allegations of the "inadmissible" whistleblower in the recent *Moms for Labeling v. No on I-522* matter appear to be based entirely on GMA's actions in soliciting and reporting contributions to California's Prop 37 campaign.

GROCERY MANUFACTURERS ASSOCIATION

1350 I Street, NW :: Suite 300 :: Washington, DC 20005 :: ph 202-639-5900 :: fx 202-639-5932 :: www.gmaonline.org

GMA began preparing a comprehensive plan to address this issue in totality, including state and federal legislative efforts, and communications and legal support for these efforts. This necessarily includes ballot measure campaigns in states with an initiative process. The resulting plan included both near-term efforts and long-term strategies to: continue to oppose state efforts, explore and advance a transparency and disclosure platform that will serve as a tool in the long-term effort; pursue federal legislation related to GMO labeling; execute a program to protect and enhance the image of the industry. Executing this plan is expensive, and the plan includes a mechanism to fund these efforts that allows GMA to meet multiple challenges in multiple venues at the local, state and federal levels, and allows member companies to better plan for expenditures, rather than consider each time providing funds for each and every fight GMA engages in. (See, Memo to GMA Board of Directors, February 18, 2013, GMA-PDC 000010- 23.)

1. Copies of all communications to GMA members discussing the creation or use of the "strategic account."

With only three business days' notice to collect and produce documents, GMA could not reasonably perform a comprehensive search for copies of all communications. Instead, GMA focused on collecting communications between GMA staff and GMA's Board of Directors and the Executive Committee of GMA's Board of Directors relevant to your request. GMA believes these documents reflect the information you seek and are sufficient to show the creation, purpose and use of the strategic account, which is known as the Defense of Brands Fund. The first document, GMA-PDC 00001-3, while undated, was created and circulated in the second half of December 2012, more than a month before the Secretary of State certified I-522 to the Legislature for consideration.

2. Copies of invoices sent to GMA members for the "strategic account" GMA formed.

Please see documents marked as GMA-PDC 000034 through GMA-PDC 000041 for examples of the March and August 2013 invoices. All invoices and cover emails are identical except for the addressee of both the email and the invoice, and the greeting in the body of the email. The names and addresses of the addressee have been redacted on these samples.

3. Please identify each month that GMA members received invoices for payments to the "strategic account."

The account is a multi-year account used for a variety of projects and efforts GMA contemplates in the coming years. Members have been and will continue to be invoiced over the course of the multi-year cycle and GMA will decide how and when the funds will be used. Thus far, in general, companies represented on the Board of Directors who manufacture food and beverages were invoiced in March 2013 and August 2013 (GMA-PDC 000034-41). There may have been a couple members invoiced a few weeks later (e.g., to a company going through a merger), but the bulk of the invoices issued thus far were in March and August 2013.

4. Please identify whether GMA member payments to the "strategic account" were voluntary or part of a mandatory obligation on the member.

The Board directed GMA to issue invoices to all Board Members who manufacture food and beverages. Whether the members pay those invoices is not within GMA's control, and payment of some invoices is still outstanding.

5. Please identify the total amount collected to date from GMA members and attributed to the "strategic account."

Based on current rough estimates that are subject to change based on federal and state government action, GMA's current goal is to collect [REDACTED] to fund the multi-year and multi-purpose strategic account. As of October 7, 2013, GMA received \$13,480,500.00 for the strategic account. We anticipate members will continue to provide substantial additional funds to the account in 2013 and over the course of the multi-year cycle envisioned for the account.

6. For the "strategic account," please identify:

a. How much money collected to date for the "strategic account" has been spent;

As of October 7, 2013, GMA has spent \$8,066,659.58. It owes an additional [REDACTED] in existing contractual obligations due and has already entered contracts for [REDACTED] for activities occurring in 2014. The contractual obligations are unrelated to I-522.

b. What percentage of the total collected has been spent;

As of October 7, 2013, year-to-date payments made from the strategic account as a percent of total year-to-date collections is 59.84%.

c. A general description of categories for such spending;

State Legislative Efforts: This category includes state legislative advocacy efforts to defeat mandatory labeling laws harmful to the association. GMA's funding supports legislative efforts in 25 states currently.

Federal Consultants: Federal legislative advocacy expenditures, including coalition building and education of policy-makers. In terms of labeling issues, which is only a small portion of GMA's activities, GMA is primarily focused on highlighting the flaws of a mandatory label, and promoting a national uniform regulatory system at the federal level based upon sound science. The strategic account allows GMA the flexibility to respond quickly to issues that arise and to fund an effective legislative program.

Legislative Drafting: [REDACTED]

Federal Communication Support: Communications consultants in support of the above-referenced federal legislation and lobbying.

Consumer Research: Broad-based consumer research identifying understanding of and views on GMOs. The activities include funding and conducting surveys and studies to assist the grocery manufacturing industry's understanding of the market.

Transparency Template Development: Based on the consumer research above, develop communications options (web-based and other) to provide greater transparency and disclosure on the inclusion of GMOs in products.

Industry Image: Efforts to enhance the image of the industry and its brands with consumers, focusing on the good work of the industry and countering the activists' assaults and false criticisms.

State Ballot Measures: Labeling ballot measures are pending, anticipated, or have recently been rejected in a variety of states including California, Oregon, Florida, Arizona, Ohio, Massachusetts, and Washington. GMA has been involved or anticipates being involved in each ballot measure campaign. In Washington, GMA conducted polling on labeling issues and decided to make contributions to the No on I-522 campaign. GMA did not make any commitments to No on 522, but reviewed a budget range projecting potential needs for the campaign. The budget range is not binding on GMA, however, and GMA's willingness to contribute to No on 522 has depended and continues to depend upon its determination of the quality of the campaign, other fundraising success, and its likelihood of success. In certain documents produced with this letter, projected figures for expenditures include a note "(except CA)". The forward looking figures are budget projections based on the best available information at the time, and because California initiatives cost so much more than initiatives in other states, we clarified that the budget figures were not based on California numbers.

Legal Support / Legal Challenge: [REDACTED]

d. The percentage of money spent to date on each category;

Taking a snapshot of expenditures from the strategic fund in 2013 is misleading because the account is in the first year of a multi-year cycle. In fact, total expenditures in 2013 are anticipated to be less than [REDACTED] of the expenditures from the account over its planned duration. As a result, looking only at funds spent thus far distorts the perceived purpose of the account and is inconsistent with GMA's approach to the strategic account and the account's purpose. Nevertheless, below are the percentages of money spent to date on each category versus total expenditures to date.

Again, because this is a snapshot as of October 7, 2013, these numbers are not representative of overall anticipated spending given the delay in invoicing by vendors for past work, as well as very large anticipated spends in the last quarter of 2013 on workflows unrelated to I-522 and commitments already made for 2014. In 2013, GMA has spent \$8,066,659.58, with an additional [REDACTED] in contractual obligations unrelated to I-522. [REDACTED]

As a total of anticipated collections and expenditures over the lifetime of the strategic account (2013-2015), GMA expects less than [REDACTED] of the funds will be contributed to No on I-522.

Expense Category	YTD Expenses	Percent of Total
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		Expenses
State Ballot Measures	\$7,222,500.00	89.54%
Legal Support / Legal Challenge		
State Legislative Efforts		
Federal Consultants		
Legislative Drafting		
Federal Communications Support		
Consumer Research		
Transparency Template Development		
Industry Image Campaign		
Total YTD Expenses	\$8,066,659.58	100%

- e. *Whether any funds from the "strategic account" were used to make contributions to the No on I-522 political committee;*

Yes.

- f. *If so, how much money from the "strategic account" fund was contributed to the No on I-522 political committee.*

Less than [REDACTED] of the anticipated resources of the strategic fund will be used to make contributions to No on I-522. Thus far, \$7,222,500.00 has been contributed. [REDACTED]

[REDACTED] In addition, 25 states are currently considering legislation affecting the association's interests, so expenditures for state lobbying and legal challenges may increase dramatically depending on the legislative outcomes. [REDACTED]

[REDACTED] The existence of the strategic fund allows GMA to be flexible in responding to these and other challenges to the industry quickly. The particular uses of the funds in the strategic account are directed by GMA's Board of Directors based on the association's priorities at any given time and are not based on direction of individual members providing funds to the strategic account.

7. *In the event the source of the contributions made by GMA to the No on I-522 political committee were not made from the "strategic account," please identify the fund source and provide documentation of that information.*

All funds from GMA to the No on I-522 campaign came from the "strategic account," so this question is not applicable.

As I indicated in our phone call on Monday, October 7, 2013, I would welcome the opportunity to meet with you at your earliest convenience to discuss the allegations and provide contextual background for the documents, as well as answer any questions you may have.

Mr. Kurt Young, Washington Public Disclosure Commission
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GMA requests that the Public Disclosure Commission ("PDC") treat this letter and the attached documents as confidential under RCW 42.56.240(1). In addition, to the extent any public records request is made for this letter and attached documents, or other letters or information sent to your office by GMA, GMA requests that the PDC provide GMA with notice of any request so that, if necessary, it may take steps necessary to protect the confidential nature of the material.

As before, we look forward to working with you to resolve any questions you may have as expeditiously as possible, and I look forward to meeting with you. In the meantime, please do not hesitate to contact me by phone at (202) 295-3940 or by email at kmoore@gmaonline.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. F. R. Moore".

Karin F.R. Moore
Vice President and General Counsel

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MEMORANDUM

TO: GMA Government Affairs Council

FROM: Louis Finkel, GMA Executive Vice President, Government Affairs

CC: Jim Skiles, GMA General Counsel

RE: GMA Board of Directors Preferences for Addressing GMO Labeling Post Prop 37

Since November 8th, the GAC has been meeting on a regular basis to develop options and recommendations for the GMA Board to consider for addressing both short term and long term challenges presented by proposal for mandatory labeling of any products containing GMOs.

In response to the memo presented by the GAC, the presentation Pam and I gave to the board, and the conversation that ensued, the Board expressed the following views:

1. Information on the label needs to be reserved for material information that allows consumers to understand the product they purchase.

REDACTED

2. The board understood that a long term solution could take time and together short-term and long-term solutions could be costly. The Board expressed a desire to have these costs better understood in advance to allow for better planning of expenditures. And, the board expressed a preference for GMA to be the funder of such efforts, rather than individual companies.
3. In order to allow time for development and realization of a long term solution, we must fight state-by-state efforts.
4. **REDACTED** the Board recognized the need for greater transparency and disclosure, and noted that the GMO issue is a subset of a larger issue -- GMA member companies' commitment to provide consumers with the information they seek about their food, recognizing that the label must be used for science and fact-based information.

The following outlines the preferences expressed by the GMA board and the direction provided to GMA staff.

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Immediate Steps

The board has directed GMA staff to pursue the following immediate efforts:

1. Plan and conduct consumer research;
2. Conduct polling in Washington State, in partnership with the biotech companies;
3. Develop plans and budgets for the next the 3 years to address and accommodate the work on this issue; and
4. Work toward the creation a GMA Defense of Brands strategic account, including a funding formula, to fund all programs and efforts around GMOs.

Consumer research

REDACTED

The results of this consumer research should be the basis for the prospective thinking of the industry related to greater transparency and disclosure about the use of GMOs.

Washington State Polling – The Board has directed GMA staff to immediately initiate baseline polling in Washington State to determine the viability of a campaign to defeat I-522. GMA has already engaged with Winner and Mandabach to conduct the polling. The \$ cost of the poll will be split with BIO.

Plans and Budgets – the Board has directed GMA staff to prepare plans and budgets for addressing the challenges presented by the GMO issue over the next 3 years. These plans and budgets should incorporate all the matters addressed in this memorandum.

Defense of Brand Strategic Account – The Board has directed GMA staff to scope out a funding mechanism to address the GMO issue and other threats to the integrity of our products and our brands by working toward the creation of a strategic account allowing for greater planning in the funds required to combat current threats while better shielding individual companies from attack for providing funding.

Short Term Efforts

The board has directed GMA staff to begin planning and prepare for execution of the following short-term efforts:

1. Base upon the consumer research, examine uniform options for conveying information to consumers
2. Oppose state efforts to require mandatory GMO labels:
 - a. Fight Washington State Ballot Measure
 - b. Fight state legislative efforts

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Examining Options for Conveying Information to Consumers –

REDACTED

Oppose state mandatory labeling requirement efforts –

REDACTED

understands the need for continued opposition to efforts at the state level to impose mandatory labels and has directed GMA staff to continue to oppose such efforts:

GMO Labeling Ballot Measure in Washington State – Following the results from the polling which is being conducted, and assuming the polling results indicate that an aggressive campaign can result in electoral victory, the Board has directed GMA staff to begin preparations for a campaign, in partnership with the biotech companies, to defeat I-522, the Washington State Ballot measure.

State Legislative Efforts – The Board has directed GMA staff to continue efforts to defeat legislative efforts to require mandatory labels in all state legislatures.

Future Ballot Measures – GMA staff will continue to monitor efforts to initiate future ballot measures, preparing for opposition efforts and the costs associated with those campaigns.

Long Term Path Forward

After discussion and consideration of the 4 options provided by the GAC, the Board expressed support

REDACTED

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Davis, Tracy

From: Mason, Cheryl
Sent: Monday, January 14, 2013 2:16 PM
Subject: GMA Board Decision Document - GMO Post Prop 37
Attachments: GMO Post Prop 37 Board Decision Document 1 11 2013.docx

TO: GMA Board of Directors

Attached is the GMA Board decision document on GMO strategy options. This reflects the considerable work and impact of the GAC on this subject over the past several months.

Pam

Pamela G. Bailey
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MEMORANDUM

TO: GMA Board of Directors

FROM: GMA Government Affairs Council
Louis Finkel, GMA Executive Vice President, Government Affairs
Jim Skiles, GMA General Counsel

RE: Decision Document: Options for Addressing GMO Labeling Post Prop 37

In November, we were able to realize electoral success in California with the defeat of Proposition 37, a ballot measure that among other things would have required special mandatory labels on all packaged foods containing genetically engineered ingredients. Despite this victory, the industry is facing continuing pressure from other states, shareholder activists, NGOs, and others to label products containing genetically engineered ingredients. As we transition away from the costly campaign in California, our industry would have three primary objectives that are addressed in this memo:

1. To avoid an endless cycle of expensive campaign efforts fighting ballot measures;
2. To preserve companies' ability to use the package only to convey material information to consumers; and
3. To communicate more information to consumers about the use of ingredients derived from biotechnology, but in a way that is best for both the consumer and the industry.

REDACTED

The Government Affairs Council (GAC) and GMA staff has been working toward development of options for the GMA Board of Directors to consider.

This memo outlines the following matters:

1. Necessary immediate steps;
2. Current challenges that must be overcome; and
3. Strategic options developed by the GAC for consideration by the GMA Board of Directors

Necessary Immediate Steps

Regardless of the path selected by the board, the GAC recommends several efforts be undertaken immediately that will help support the chosen path.

Consumer research – working with the Consumer Insights Working Group that supported and directed the consumer research for Facts-Up-Front, the GAC recommends engaging in thoughtful and detailed

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consumer research. [REDACTED]

REDACTED

Examining Options for Conveying Information to Consumers – regardless of the strategic path chosen to address the policy challenges, it is important that the membership immediately begin to explore options for communicating to the consumers who desire information about the use of GMOs. This can be accomplished by making information readily available through several mediums including publication on websites. The consumer research mentioned above will help guide this effort.

REDACTED

GMO Labeling Ballot Measure in Washington State – On January 3, the activists in Washington state submitted signatures to qualify a similar measure to Prop 37 for the 2013 ballot. Those signatures are being reviewed by the Secretary of State, but we expect the measure will qualify. This effort could force the GMA membership to again engage in an expensive electoral fight. GMA has engaged a media consultant in Washington state to begin educating the media about this issue. This was in advance of the measure qualifying and in preparation for engaging with the Washington Legislature. Preliminary cost estimates for a campaign to defeat the Washington measure are \$ [REDACTED] million. To determine the viability of a campaign in Washington to defeat this measure, the GAC has directed the GMA staff to conduct a baseline assessment poll. The cost of this poll will be \$ [REDACTED]

The board will need to consider if there is an appetite to mount a campaign to defeat the Washington State Measure

Current Challenges

Cost of Fighting Ballot Measure – as we know, we expect the activists to continue pursuing ballot measures. The cost of fighting these state-by-state is expensive

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There have been increasing discussions with retailers about the need for “greater transparency” with consumers and a means to make information about the use of biotechnology in products available to consumers.

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Need to protect the label for material information – information on the label has been reserved for material information that allows consumers to understand the product they purchase. A mandate to place information on the label related to a safe ingredient would set a dangerous precedent.

Strategic Options and the Path Forward

As was noted above, the following options have been developed and discussed by the GAC for presentation to the Board.

REDACTED

The options outlined below can be advanced concurrently as a comprehensive approach to address this issue or could be advanced exclusively. Advancing all three concurrently as a comprehensive approach would require additional resources, as each effort has costs.

The GAC believes the Board should be well informed that each option carries financial costs and risks. The cost of advancing these options will be beyond the current GMA operating budget funded by dues and conference revenues.

The GAC is providing the following four (4) strategic pathways for consideration:

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REDACTED

REDACTED

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MEMORANDUM


TO: GMA Board of Directors

FROM: Pamela G. Bailey, President and CEO
Louis Finkel, Executive Vice President, Government Affairs

CC: Steve McCroddan, Senior Vice President and CFO
Bill Macleod, Kelley, Drye, and Warren, LLP

RE: Plan and Budget for Defense of Brands and Addressing GMO Labeling Post Prop 37

At the meeting held on January 19, 2013, the GMA Board of Directors coalesced in support of a multipronged approach for our industry's prospective engagement to address the challenges presented by proposals for mandatory labeling of any product containing GMOs. In general, the Board directed GMA staff to pursue the following course:

1. To oppose all state efforts that would impose mandatory labels while efforts are taken to pursue a federal solution:
 - a. Engage in state-by-state campaigns to defeat ballot measures;
 - b. Oppose state legislation
 - c. **REDACTED**
2. Develop a transparency and disclosure platform based on consumer research:

3. Pursue statutory federal preemption which does not include a labeling requirement;
4. Engage in efforts that protect the image of the industry while engaging in these efforts.
5. Develop a long range funding mechanism for GMA companies to support these efforts and other Board approved initiatives in defense of the industry brands that provides greater financial certainty and reduces companies' exposure to criticism

In evaluating the options presented to the Board, the following views were expressed by the Board:

- Information on the label needs to be reserved for material information that allows consumers to understand the product they purchase. A mandate or agreement to place information on the label related to a safe ingredient would set a dangerous precedent.

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AGO-PRRs

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- The Board understood that a long-term solution could take time and together short-term and long-term solutions could be costly. The Board expressed a desire to have these costs better understood in advance to allow for better planning of expenditures. And, the Board expressed a preference for GMA to be the funder of such efforts, rather than individual companies.
- To allow time for development and realization of a long-term solution, we must fight state-by-state efforts.
- **REDACTED**, the Board recognized the need to communicate GMA member companies' commitment to transparency and disclosure, and noted that the GMO issue is a subset of a larger issue -- GMA member companies' commitment to provide consumers with the information they seek about their food, recognizing that the label must be used for science and fact-based information.

PRELUDE

At the direction of the Board, and based upon the discussion and outcomes of the Board meeting, GMA staff has prepared the following plan and budget for prospective engagement of the GMO issue. The budget targets provided are early estimates and will be refined as workflows develop.

In summary, the plan and budget outlined below provides for a comprehensive approach to address this issue by agreeing to both near-term efforts and long-term strategies. Specifically, the industry will: continue to oppose state efforts; explore and advance a transparency and disclosure platform that will serve as a tool in the long-term effort; pursue federal preemption related to GMO labeling; execute a program to protect and enhance the image of the industry; and create a mechanism to fund all these efforts. These combined efforts serve as the strategic framework going forward and are further outlined below.

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Oppose State Efforts to Impose Mandatory Labeling

A continued and sustained effort to oppose and defeat state efforts to impose mandatory labeling efforts is a critical part of achieving a long-term solution. Accordingly:

GMO Labeling Ballot Measure in Washington State – GMA has initiated polling in Washington State to determine the viability and initial messaging for a campaign to defeat the Washington State ballot measure. This poll will be in the field by February 15th and we expect the results of this polling by the end of February. Following the results from the polling and assuming the polling results indicate that an aggressive campaign can result in electoral victory, the GMA staff will begin preparations for a campaign, in partnership with the biotech companies, to defeat the Washington State Ballot measure.

State Legislative Efforts – GMA staff will continue advocacy efforts to defeat legislative proposals to require mandatory labels in all state legislatures. An increasing number of states now have active legislative proposals including Vermont, Connecticut, New Mexico, Hawaii, Florida, and Missouri. Legislation is also being developed in Massachusetts, Arizona, Oregon, and Maryland.

Future Ballot Measures – GMA staff will continue to monitor efforts to initiate future ballot measures, preparing for opposition efforts and the costs associated with those campaigns.

Court Challenge Effort –

REDACTED

COST:

	2013	
Fight Washington State Ballot Measure →	\$	
Fight state legislative efforts →	\$	
Legal challenge to a state enacted measure →	\$	
2013 TOTAL	\$	
	2014	
Fight Future Ballot Measure →	\$	
Fight state legislative efforts →	\$	
2014 TOTAL	\$	
	2015	
Fight Future Ballot Measure →	\$	
Fight state legislative efforts →	\$	
2015 TOTAL	\$	

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Transparency and Disclosure

As a part of a larger, long-term program, the Board has committed to understanding and utilizing options to provide greater transparency and disclosure to consumers about the inclusion of GMOs in products. To effectively examine these matters, the industry will advance detailed consumer research and then use the findings to inform our efforts toward great transparency and disclosure.

Consumer research – working with the GMA Consumer Insights Working Group that supported and directed the consumer research for Facts-Up-Front, the Board has directed GMA staff to immediately initiate thoughtful and detailed consumer research.

REDACTED

Examining Options to Better Convey Information to Consumers – Based upon the consumer research, the Board has directed GMA staff to work with the membership to develop options for greater transparency and disclosure for consumers who desire information about the use of GMOs.

REDACTED

COSTS:

	2013	
Consumer Research →	\$	
Transparency Template Development →	\$	
Message and Language Support →	\$	
2013 TOTAL	\$	
	2014	
Transparency Template and Best Practices →	\$	
Message and Language Refined →	\$	
2014 TOTAL	\$	

REDACTED

NOTE: No spending expected in 2015 in this area, should be completed in 2014

February 18, 2013

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Federal Preemption

After discussion and consideration of the 4 options provided by the GAC, the Board has directed GMA staff to seek Federal Preemption with No Mandatory Label.

REDACTED

COSTS:

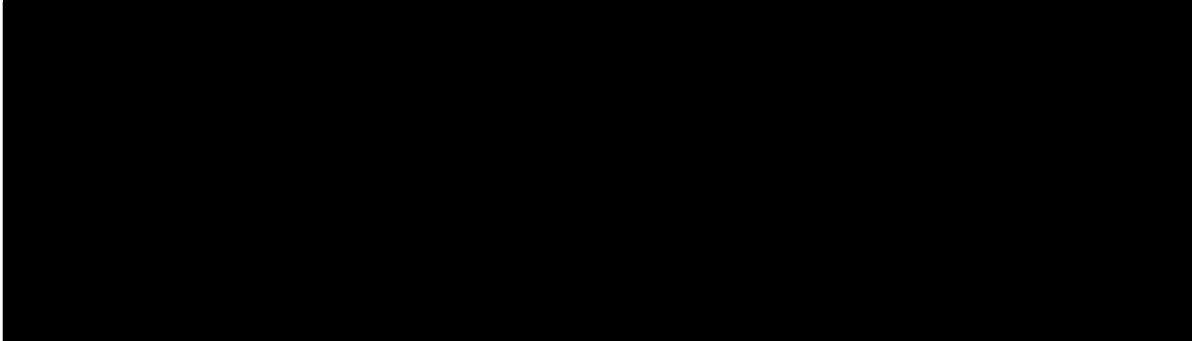
	2013	
Additional federal consultants →	\$	
Legislative Drafting, Legal Support →	\$	
Communications and PR support →	\$	
Grassroots Mobilization & coalition building →	\$	
2013 TOTAL	\$	
	2014	
Additional federal consultants →	\$	
Legislative Drafting, Legal Support →	\$	
Communications and PR support →	\$	
Grassroots Mobilization & coalition building →	\$	
2014 TOTAL	\$	
	2015	
Additional federal consultants →	\$	
Legislative Drafting, Legal Support →	\$	
Communications and PR support →	\$	
2015 TOTAL	\$	

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Industry Image Efforts

Criticism of the industry for its position on the GMO issue and our financial support for the campaign in California are the most recent attacks on our companies and the products we make.



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These efforts will not be initiated until the second half of 2013

COSTS

	2013		
Industry Image Protection →		\$	
	2014		
Industry Image Protection →		\$	
	2015		
Industry Image Protection →		\$	

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Defense of Brand Strategic Account

To effectively execute the comprehensive program moving forward, additional financial resources will be required. GMA staff is working on the fundamentals for a funding mechanism to address the GMO issue and other threats to the integrity of our products and image of our industry. This mechanism would be referred to as the "Defense of Brand Strategic Account". The funds would be segregated from GMA's general operating funds and would be used for purposes directed by the Board and the Government Affairs Council through GMA's annual strategic planning and budget process. The creation of this fund will allow for greater planning for the funds required to combat current threats and better shield individual companies from attack that provide funding for specific efforts. Specifically, by creating this fund and using the funds for multiple purposes, GMA would become the "funder" of campaign related efforts instead of individual companies (as was the case in California). The funding outlined below includes the receipt to contingency funding. This is to help avoid subsequent funding requests to the membership

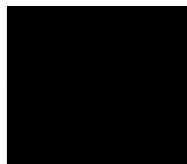
Below is a projected funding need for the account over the next three years:

Defense of Brand Contribution Need by Year

2013 Defense of Brands Contributions

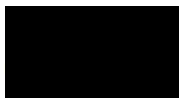
2014 Defense of Brands Contributions

2105 Defense of Brands Contributions



GMA will develop an annual funding schedule in which payments will be invoiced and paid in two installments in 2013. The timing of these payments is in correlation to the funding needs for activities scheduled this year as outlined in the attached timeline:

- March
- July



For 2014 and 2015, the funding schedule will be developed in November of the previous year and will likely include three contribution payment installments.

Attached is a spreadsheet providing complete detail of the revenue and expenditures. These funding and revenue targets assume certain contingency funding is being provided. Due to the nature of this fund, all unspent contributions in any given fiscal year will be carried forward to the subsequent year and will be available for future spending from the fund. This type of fund is purposely not set up to zero out each year and provide refunds to contributing companies for any unspent contributions. This will allow spending flexibility and resource availability for issues that arise quickly and require a quick response. If the account is adequately funded to meet the expected need or a matter is addressed without making the expected investments, and there is sufficient contingency funding available, the third member company contribution included in the annual schedule could be canceled.

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TIMELINE FOR 2013

FEBRUARY

REDACTED

MARCH

REDACTED

February 18, 2013

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GMA-PDC 000017

8

GMA-00023
AGO-PRRs

Privileged and Confidential

REDACTED

APRIL

REDACTED

May

REDACTED

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June

REDACTED

July

REDACTED

August

REDACTED

September

February 18, 2013

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GMA-PDC 000019

10

GMA-00025
AGO-PRRs

REDACTED

October

November

REDACTED

**GROCERY MANUFACTURERS ASSOCIATION
2013, 2014 & 2015 DEFENSE OF BRANDS BUDGET PROPOSAL
Report as of 2/8/2013**

Color Coding Definitions
 State
 Federal
 Transparency
 Industry Image

2013 BUDGET YEAR

<u>REVENUE</u>	<u>2013¹ BUDGET</u>	<u>NOTES:</u>
2013 Defense of Brands Member Contributions	\$ [REDACTED]	
<u>SPENDING</u>		
Washington Ballot Measure Campaign Legal Support/Legal Challenge State Legislative Efforts Federal Consultants Legislative Drafting Communications Support Grassroots Consulting Consumer Research Transparency Template Development Message Support Industry Image Campaign	10,000,000 [REDACTED]	[REDACTED]
Total 2013 Defense of Brands Spending	\$ [REDACTED]²	
2013 Contingency funds to be Carried over to 2014 if unspent	\$ [REDACTED]³	

2014 BUDGET YEAR

<u>REVENUE</u>	<u>2014¹ BUDGET</u>	<u>NOTES:</u>
2014 Defense of Brands Member Contributions	\$ [REDACTED]	
Possible carry-over from 2013	\$ [REDACTED]	
Total Contributions Available for Spending	\$ [REDACTED]	
<u>SPENDING</u>		
Ballot Measure Campaign (except CA) State Legislative Efforts Federal Consultants Legislative Drafting and Analysis Communications Support Grassroots Consulting Transparency and Disclosure Message Support Industry Image Campaign	[REDACTED]	[REDACTED]
Total 2014 Defense of Brands Spending	\$ [REDACTED]²	
2014 Contingency funds to be Carried over to 2015 if unspent	\$ [REDACTED]	

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GMA-PDC 000021**

**GROCERY MANUFACTURERS ASSOCIATION
2013, 2014 & 2015 DEFENSE OF BRANDS BUDGET PROPOSAL
Report as of 2/8/2013**

Color Coding Definitions

State
Federal
Transparency
Industry Image

2015 BUDGET YEAR

<u>REVENUE</u>	<u>2015¹ BUDGET</u>	<u>NOTES:</u>
2015 Defense of Brands Member Contributions	\$ [REDACTED]	
Contributions carried-over from 2014	[REDACTED]	
Total Contributions Available for Spending	\$ [REDACTED]	

SPENDING

Bailot Measure Campaign (except CA)	[REDACTED]	REDACTED
State Legislative Efforts	[REDACTED]	
Federal Consultants	[REDACTED]	
Legislative Drafting and Analysis	[REDACTED]	
Communications Support	[REDACTED]	
Transparency and Disclosure	[REDACTED]	
Message Support	[REDACTED]	
Industry Image Campaign	[REDACTED]	

Total 2015 Defense of Brands Spending	\$ [REDACTED]²
2015 Contingency funds to be Carried over to 2016 if unspent	\$ [REDACTED]

FOOTNOTES:

- ¹ Recalibration of spending activity to occur quarterly in 2013-2015 to ensure alignment with desired results .
- ² Spending to be reviewed and approved at the October Board meeting of the preceeding year.
- ³ [REDACTED]

Summary of Defense of Brand Contributions & Expenses

Contribution Revenue by Year

2013 Defense of Brands Contributions	\$ [REDACTED]
2014 Defense of Brands Contributions	[REDACTED]
2015 Defense of Brands Contributions	[REDACTED]
Total Defense of Brands Contributions	[REDACTED]

Projected Spending by Year

2013 Defense of Brands Spending	[REDACTED]
2014 Defense of Brands Spending	[REDACTED]
2015 Defense of Brands Spending	[REDACTED]
Total Defense of Brands Spending	\$ [REDACTED]

Summary of Defense of Brands Spending by Category

State	\$ [REDACTED]
Federal	[REDACTED]
Transparency	[REDACTED]
Industry Image	[REDACTED]
Total Defense of Brands Spending Total	\$ [REDACTED]

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Defense of Brand Funds Budget and Spending Update

Background

Activity is proceeding in all categories approved by the Board from the Defense of Brand Strategic Account. Attached is a spreadsheet showing the current budget projections. Below is a brief overview of the activity in each category.

State Initiatives

Campaign activity is proceeding in Washington State. GMA has provided \$472,000 to the campaign for early planning and organization activities and GMA expects to spend the full \$ budgeted in 2013 to support the campaign.

With the enactment of a mandatory GMO labeling measure in Connecticut and the advancement of a measure in Maine. **REDACTED**

State legislative advocacy continues to hold off any further state legislative efforts, most notably in the Northeast. The full \$ will be spent on these continued efforts throughout 2013.

Federal Initiatives

Efforts are underway in support of federal preemption legislation. Based upon additional work, recognized need, and circumstances, projections have changed in several budget categories. The advocacy needs and legislative drafting are projected to come in under the original budget projections -- compared to , and compared to) respectively. At the same time, the communications support and grassroots and coalition management have required additional investments – amounting to \$ in each category.

Voluntary Disclosure

Though minor adjustments have been made in the categories in the section, workflows have proceeded near budget estimates. The consumer research required a slightly higher investment, while the template development was slightly less. The message support in on track and on budget.

Industry Image Campaign

In 2013, the efforts in support of the Industry Image campaign consist of planning and research. **REDACTED** has been retained to help develop a comprehensive program for execution in 2014. **REDACTED**

REDACTED All the work should be executed in line with the original budget estimate.

From: Steven McCroddan
Sent: Friday, March 15, 2013 12:58 PM
To: [REDACTED]
Cc: Finkel, Louis
Subject: Invoice for GMA Defense of Brands Strategic Account and Update on Washington State

GMA

March 15, 2013

To: **REDACTED**
From: Pam Bailey
Subject: Invoice for GMA Defense of Brands Strategic Account and Update on Washington State

GMA Defense of Brands Strategic Account/ Invoice

As you know, on February 28th, the GMA Board of Directors approved the creation of the "Defense of Brands Strategic Account", a multipurpose account to help the industry fund programs to address the threats from motivated and well financed activists.

The new fund is segregated from GMA's general operating funds and can only be used for purposes authorized by the GMA Finance and Audit Committee. The strategic account will allow member companies and GMA to better plan for the funds and initiatives required to combat current threats. It will also shield individual companies from criticism for funding of specific efforts.

As was outlined on the February 28 Board call, the formula for the account is based [REDACTED]

In 2013, invoices will be issued in March and July to fund the 2013 programmatic activities previously approved by the Board.

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GMA-00030
AGO-PRRs

Attached is your March invoice. This invoice reflects one-half of your total 2013 assessment and is due upon receipt. Please plan for a similar invoice that will be issued in July.

Should you have any questions regarding the funding or the programs it supports, please feel free to contact me directly, Steve McCroddan, or Louis Finkel.

Update on Washington State

As was discussed on the Board call held on February 28th, over the past few months GMA staff have been working with partners in Washington State to assess the viability of a campaign to defeat I-522, the latest ballot measure that would require special labeling on any products that contain genetically engineered ingredients. Over the past few weeks, we have conducted detailed polling to better understand the landscape in Washington State and the messages that would allow us to mount a successful campaign.

Last week we received the results of this initial poll.

REDACTED

Much like California, this campaign will be challenging. 


In the coming weeks and months, we will continue to provide you with regular updates of our progress on the Washington State efforts and the execution of our broader long term strategy.

Should you have any questions, please feel free to contact me directly or Louis Finkel.

Sincerely,

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GMA-PDC 000035

GMA-00031
AGO-PRRs

Page 2 of 3



Pamela G. Bailey
President and CEO

Grocery Manufacturers Association
1350 I (Eye) Street, Suite 300, Washington, DC 20005 :: ph: (202) 639-5900 fx:
(202) 639-5932
www.gmaonline.org



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GMA-PDC 000036

INVOICE



Grocery Manufacturers Association

ATTN: Accounts Receivable
1350 I Street, NW, Suite 300
Washington, DC 20005
202-639-5900
www.gmaonline.org

INVOICE DATE 3/15/2013
INVOICE NO. DoB-008
CUSTOMER NO. [REDACTED]
TERMS [REDACTED]

BILL TO

[REDACTED]
REDACTED
[REDACTED]

PAGE

DESCRIPTION	AMOUNT
2013 Defense of Brands Contribution – Installment 1 of 2:	
Total Assessment \$164,000.00—50% due by April 15, 2013	\$82,000.00
<u>For check payments, please remit to GMA at the following address:</u> Grocery Manufacturers Association ATTN: Accounts Receivable 1350 I Street, NW, Suite 300 Washington, DC 20005	
<u>For wires, please use the following wiring instructions:</u> Account Name: Grocery Manufacturers Association Bank Name & Address: [REDACTED] ABA# (FOR WIRES ONLY): [REDACTED] ACCOUNT NUMBER: [REDACTED]	
TOTAL	\$82,000.00

Please include the invoice number on your payment and remit to Grocery Manufacturers Association at the address above

For billing inquiries, please contact our Accounts Receivable department at 202-639-5906.

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GMA-PDC 000037

Davis, Tracy

From: Davis, Tracy
Sent: Thursday, August 08, 2013 9:43 AM
To: Davis, Tracy
Subject: FW: Defense of BBrands Invoice Letter

TO: GMA Board of Directors
FROM: Pamela G. Bailey
DATE: August 8, 2013
RE: Invoice for 2013 2nd Installment for the GMA Defense of Brands Strategic Account

GMA Defense of Brands Strategic Account/ Invoice

Attached is your second 2013 invoice for GMA's Defense of Brands strategic account. This invoice reflects your remaining contribution, or half, of your total 2013 assessment and is due upon receipt.

As you know, on February 28th, the GMA Board of Directors approved the creation of the "Defense of Brands Strategic Account", a multipurpose account to help the industry fund programs to address threats from motivated and well financed activists. Over the past five months, GMA has used these funds to combat challenges the industry currently faces.

As a reminder, this new fund is segregated from GMA's general operating funds and can only be used for purposes authorized by the GMA Finance and Audit Committee. The strategic account allows member companies and GMA to better plan for the funds and initiatives required to combat current threats.

In 2013, the first invoice was issued in March with the understanding that a second invoice would be issues in July/August. These funds will support 2013 programmatic activity.

Should you have any questions regarding the funding or the programs it supports, please feel free to contact me directly, Steve McCroddan, or Louis Finkel.

Thank you again for your ongoing support.

Sincerely,

Pamela G. Bailey
President & CEO

From: Steven McCroddan
Sent: Tuesday, August 13, 2013 9:30 AM
To: _____
Cc: Finkel, Louis
Subject: 2nd Installment for GMA Defense of Brands Strategic Account

GMA

August 13, 2013

To: **REDACTED**
From: Pamela Bailey
Subject: Invoice for 2013 2nd Installment for the GMA Defense of Brands Strategic Account

GMA Defense of Brands Strategic Account/Invoice

Attached is your second 2013 invoice for GMA's Defense of Brands strategic account. This invoice reflects your remaining contribution, or half, of your total 2013 assessment and is due upon receipt.

As you know, on February 28th, the GMA Board of Directors approved the creation of the "Defense of Brands Strategic Account", a multipurpose account to help the industry fund programs to address threats from motivated and well financed activists. Over the past five months, GMA has used these funds to combat challenges the industry currently faces.

As a reminder, this new fund is segregated from GMA's general operating funds and can only be used for purposes authorized by the GMA Finance and Audit Committee. The strategic account allows member companies and GMA to better plan for the funds and initiatives required to combat current threats.

In 2013, the first invoice was issued in March with the understanding that a second invoice would be issued in July/August. These funds will support 2013 programmatic activity.

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Should you have any questions regarding the funding or the programs it supports, please feel free to contact me directly, Steve McCroddan, or Louis Finkel.

Thank you again for your ongoing support.

Sincerely,



Pamela G. Bailey
President and CEO

Grocery Manufacturers Association
1350 I (Eye) Street, Suite 300, Washington, DC 20005
ph. (202) 639-5900 fx: (202) 639-5932
www.gmaonline.org



CONFIDENTIAL
GMA-PDC 000040

INVOICE



Grocery Manufacturers Association

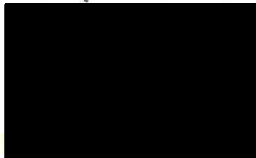
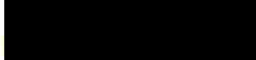
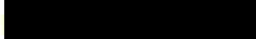
ATTN: Accounts Receivable
1350 I Street, NW, Suite 300
Washington, DC 20005
202-639-5900
www.gmaonline.org

INVOICE DATE 8/12/2013
INVOICE NO DoB-037-2
CUSTOMER NO
TERMS Upon Receipt

BILL TO

REDACTED

PAGE

DESCRIPTION	AMOUNT
2013 Defense of Brands Contribution:	
Installment 2 of 2 due upon receipt	\$100,500.00
Unpaid amount of 1 st installment as of August 12, 2013	\$100,500.00
<u>For check payments, please remit to GMA at the following address:</u>	
Grocery Manufacturers Association ATTN: Accounts Receivable 1350 I Street, NW, Suite 300 Washington, DC 20005	
<u>For wires, please use the following wiring instructions:</u>	
Account Name:	Grocery Manufacturers Association
Bank Name & Address:	
ABA# (FOR WIRES ONLY):	
ACCOUNT NUMBER:	
TOTAL	\$201,000.00

Please include the invoice number on your payment and remit to **Grocery Manufacturers Association** at the address above

For billing inquiries, please contact our Accounts Receivable department at 202-639-5906.

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GMA-PDC 000041

GMA-00037
AGO-PRRs