

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (I-Bank)
INDUSTRIAL DEVELOPMENT REVENUE BOND FINANCING PROGRAM**

STAFF REPORT

EXECUTIVE SUMMARY

Applicant:	Olam West Coast, Inc. dba Key Food Ingredients (Olam)	Amount Requested:	Not to exceed \$10,000,000
Applicant Description:	Olam West Coast, Inc., incorporated in November 2008, dehydrates and processes vegetables for various companies including McCormick and Company, Inc., Champagne Foods Limited, Campbell Soup Company, and The Clorox Company.	Date of Board Meeting:	May 19, 2009
		Resolution Number:	09-19
		Type of Bonds:	New Issue
Project Site:	47641 West Nees Avenue, Firebaugh 93622	Prepared by: Andrea Kennedy	
Project Description:	The project (Project) involves the purchase of a vacant dehydration facility on 84 acres, consisting of 28 buildings totaling 639,871 square feet; building renovations of existing equipment.		
Uses of Bond Proceeds:	Bond proceeds (Bonds) will be used to pay the cost of the Project , including issuance costs.		
Public Benefits:	<ul style="list-style-type: none"> • An estimated 175 new full time jobs are expected to be added within two years of Project completion, which is expected to occur in July 2009. • The Project is located in a state-designated Fresno County Regional Enterprise Zone in a county sub-area that has an unemployment rate of 14.7% of the 2008 statewide rate of 7.2%, a poverty rate of 218.9% of the statewide rate of 10.6% and median family income of less than 52.3% of the statewide average. • Project will reuse a vacant facility previously occupied by a now defunct vegetable dehydrating company. 		
Financing Structure:			
Type of Issue:	Publicly-offered, variable rate demand bonds issued in minimum denominations of \$100,000 or any multiple of \$5,000 in excess thereof.		
Tax Status:	Tax-exempt industrial development revenue bonds.		
Term:	Not to exceed 30 years.		
Credit Enhancement:	Letter of credit from Harris N.A., a Chicago based bank.		
Credit Rating:	Expected A+/A-1 by Standard and Poor's based upon the credit rating of Harris N.A.		
Est. Sources of Funds:		Est. Uses of Funds:	
Par Amount of Bonds	\$10,000,000	Project Costs	\$12,300,000
Equity Contribution	2,500,000	Costs of Issuance	200,000
TOTAL SOURCES	\$12,500,000	TOTAL USES	\$12,500,000
Financing Team:			
Bond Counsel:	Hawkins Delafield & Wood, LLP		
Underwriter:	BMO Capital Markets GKST, Inc.		
Trustee:	The Bank of New York Mellon Trust Company, N.A.		
Staff Recommendation:			
Staff recommends approval of Resolution 09-19 for an amount not to exceed \$10,000,000 for Olam West Coast, Inc.			

APPLICANT BACKGROUND AND HISTORY

Olam West Coast, Inc., dba Key Food Ingredients (Olam) was incorporated in November 2008. Olam is 100% owned by Olam Americas, Inc., a wholly-owned subsidiary of Olam International Ltd (Olam International) is a publicly traded company based in Singapore. Olam dehydrates and processes vegetables mainly for McCormick and Company, Inc., a spice manufacturer. Other customers include Champagne Foods Limited, Campbell Soup Company, and The Clorox Company, owner of Hidden Valley Ranch. The Company anticipates selling 90% of its products outside California, a small percentage of which is expected to be sold overseas.

Olam International operates an integrated supply chain for 14 products sourcing from over 40 countries of origin and delivering them to over 4,000 customers in 60 destination markets. Products include cocoa, coffee, cashew, sheanuts, sesame, rice and teak wood.

PROJECT DESCRIPTION

Proceeds will be used to finance the acquisition of commercial land and buildings, and renovation of existing dehydration and packaging equipment located at 47641 West Nees Avenue, Firebaugh, CA 93622. This facility has been vacant for approximately 3 years. There are a total of 28 buildings comprising 639,871 square feet. The buildings and equipment used to process, dehydrate, mix, blend and package the vegetables will be repaired and renovated to ensure that they are suitable for the dehydration and storage of dehydrated vegetables. The equipment to be renovated includes conveyors, cleaning and cutting equipment, dryers, mixers, electronic and mechanical sorters, blenders and packaging equipment. It is not anticipated that any substantial new equipment will be purchased as the existing equipment is usable. (See Appendix B for site pictures)

The renovation process began in January 2009 and is anticipated to be completed in July 2009.

The estimated useful life of the buildings is 40 years. The estimated useful life of the equipment is 20 years.

FINANCING STRUCTURE

Olam West Coast, Inc. is requesting the issuance of variable rate tax-exempt bonds in an aggregate amount not to exceed \$10,000,000 (Bonds). Payment of principal and interest on the Bonds will be enhanced by a letter of credit from Harris N.A. to be executed simultaneously with the issuance of the Bonds. The Bonds are expected to be rated A+/A-1 by Standard & Poor's based upon the letter of credit provider's credit rating.

In no event shall the Bonds constitute a pledge of the faith and credit of the State or any political corporation, subdivision or agency of the State, and neither the State nor any political corporation, subdivision or agency of the State shall be liable to make any appropriation for the repayment of the Bonds except for the I-Bank. The Bonds shall constitute a special obligation of the I-Bank, payable solely from revenues consisting of repayments of a loan provided for in a loan agreement between the I-Bank and Olam, and other funds held by the Bond Trustee.

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE SCORING/PUBLIC BENEFITS

The Project received private activity bond allocation from California Industrial Development Financing Advisory Commission (CIDFAC) on April 22, 2009.

SCORING

EVALUATION SCORING		
Point Criteria	Maximum Points Allowed	Points Scored
Community Economic Need:	10	5
1. Unemployment Rate of Project Area		
2. Poverty Rate of Project Area	5	5
3. Special Designation Area	5	5
4. Median Family Income of Project Area	5	5
Job Creation Ratio (1/\$57,143)	25	5
Welfare to Work Program Participation	5	5
Health Care Benefits	5	5
Average Hourly Wage	5	1
Land Use	5	5
Transit Corridor	5	0
Energy Efficiency	5	0
Leveraging	5	0
Total Points	85	41

DESCRIPTION OF PUBLIC BENEFITS

- **Distressed community location:**
The Project is located in the County of Fresno, with an unemployment rate of 148% of the state average, poverty rate of 218.9% of the state average and median family income of less than 52.3% of the statewide average.
- **Total number of new jobs to be created and jobs to be retained within two years of project completion:**
Olam anticipates hiring 175 new full time employees and 117 part time employees within two years of project completion.

At the April 22, 2009 CIDFAC board meeting, Mr. Timothy Bennett of Sagaser, Jones & Helsley, representing Sensient Dehydrated Flavors LLC, provided testimony opposing approval of the private activity allocation.

OTHER PROJECT DATA

PERMITS AND APPROVAL	
Required?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, Describe: Building permits are required and have been obtained for the renovation of an existing facility.
TEFRA	
Date of TEFRA:	February 18, 2009
Publications:	<i>The Sacramento Bee</i> <i>The Fresno Bee</i>
Any Oral/Written Comments:	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, Explain: See Appendix A
LEGAL QUESTIONNAIRE	
Completed?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Legal Issues?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, Explain:
ELIGIBILITY REVIEW	
Project meets Public Interest Criteria (per G.C. § 63046 and 63047(d)) <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	<ol style="list-style-type: none"> 1. The project is in the State of California. 2. Olam is capable of meeting its obligations incurred under the proposed loan agreement, and, in particular as to its loan repayment obligations which secure the bonds, as a result of providing a direct-pay letter of credit from Harris N.A. with a rating sufficient to obtain the anticipated rating on the bonds. 3. Payments to be made by Olam to the I-Bank under the proposed loan agreement are adequate to pay the current expenses of the I-Bank in connection with the financing and to make all the scheduled payments on the bonds. 4. The proposed financing is appropriate for the Project. 5. The Project is consistent with any existing local or regional comprehensive plans.
The Project meets the Policies and Procedures for Conduit Revenue Bond Financing for Economic Development Facilities established as guidelines for I-Bank Staff by the Board: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
INDUCEMENT CERTIFICATE	
Completed?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES Certificate No.: C-09-0002 <input type="checkbox"/> N/A Date: January 26, 2009

RECOMMENDATION

Staff recommends approval of Resolution 09-19 for an amount not to exceed \$10,000,000 for Olam West Coast, Inc.

APPENDIX A – TEFRA Oral/Written Comments

The I-Bank received both written and verbal public comments in response to its (Tax Equity and Fiscal Responsibility Act (TEFRA) notice. Written comments were in the form of a February 17, 2009 letter from Howard A. Sagaser of Sagaser, Jones & Helsley, a law firm which represents Sensient Dehydrated Flavors LLC. In the letter, Mr. Sagaser requested that the I-Bank delay the TEFRA hearing or deny Olam's application for IDB financing until his clients concerns about the Project were "more full identified and analyzed". The letter lists economic concerns (e.g., effects of the Project on an oversaturated vegetable dehydration industry and on jobs and local revenues) and environmental concerns (e.g., impacts on agricultural water supplies). (Copy attached)

Oral comments expressing concerns similar to those cited above were received at the TEFRA hearing from Mike Smyth, Senior Director of Manufacturing for ConAgra Foods, and Timothy Bennett, attorney with the Law Offices of Sagaser, Jones, and Helsley, which represents Sensient Dehydrated Flavors LLC. (Copy attached)

Olam's management provided a written response to these comments. (Copy attached)

APPENDIX B – Facility Pictures



Key Food Ingredients sign



Warehouse

TRANSCRIPT OF THE PUBLIC HEARING CONDUCTED FOR THE
CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK
CONCERNING THE ISSUANCE OF BONDS FOR
OLAM WEST COAST, INC.

On Wednesday, February 18, 2009 at 9:00 a.m., a public hearing was held in the Conference 110 Room, First Floor, 1001 "I" Street, Sacramento, California. The following is a text of the hearing:

Public Hearing
Relating to the Issuance by the California Infrastructure and
Economic Development Bank of
Industrial Development Bonds for
Olam West Coast, Inc.

Tara Dunn: My name is Tara Dunn. I am a Public Finance Specialist for the California Infrastructure and Economic Development Bank (the "Infrastructure Bank"), and I am conducting this hearing on behalf of, and by authorization of, the Infrastructure Bank. The Infrastructure Bank proposes to issue its multi-modal industrial development revenue bonds in one or more series, in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds") on behalf of Olam West Coast, Inc., a Delaware corporation (the "Corporation").

The proceeds of the Bonds are to be loaned to the Corporation or a related entity to (a) finance and refinance the acquisition, renovation, restoration, improvement, equipping and general development of a vegetable dehydration facility of approximately 640,000 square feet on 84 acres located at 47641 West Nees Avenue, Firebaugh, California 93622 (the "Facilities") in Fresno County (collectively, the "Project"), (b) pay costs of issuance of the Bonds, and (c) pay other related costs and expenses of the Corporation. The Facilities will be owned and operated by the Corporation.

For the interest on the Bonds to be excluded from gross income for federal income tax purposes, Section 147(f)(2) of the Internal Revenue Code of 1986 requires that an "applicable elected representative" of the host governmental unit, as well as an "applicable elected representative" of the issuer, approve the issuance of the bonds. Each such approval must follow a public hearing which has been preceded by reasonable public notice.

This hearing is being conducted pursuant to notices published on February 3, 2009 in *The Sacramento Bee*, a newspaper of general circulation within Sacramento County, and *The Fresno Bee*, a newspaper of general circulation within Fresno County. Upon completion of this hearing, the Treasurer of the State of California, as an "applicable elected representative" of the State of California will consider approval of the proposed issuance of the Bonds.

The Bonds will be paid entirely from repayments by the Corporation under the Loan Agreement. Neither the faith and credit nor the taxing power of the Issuer, the State of California (the "State") or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of, premium, if any, or interest on, the Bonds, nor shall the Issuer, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal of, premium, if any, or interest on, the Bonds except to the extent the Issuer is obligated to pay from repayments by the Corporation.

As announced in the published notices, we now offer this opportunity for those wishing to comment on the proposed nature and location of any of the facilities and the proposed issuance of the Bonds to speak or submit written comments as to whether such Bonds should be issued.

For the record, I would like to note that written comments were received on February 17, 2009, from the Law Offices of Sagaser, Jones & Helsley representing Sensient Dehydrated Flavors, LLC. Copies of the written comments are available upon request by contacting the I-Bank at (916) 322-1399 or at ibank@ibank.ca.gov.

Now I open it up for any other comments.

Mike Smyth: My name is Mike Smyth. I'm the Senior Director of Manufacturing for ConAgra Foods. I have a few comments I'd like to make.

First ConAgra does not object to new competition in the dehydrated vegetable industry. Our major products included dehydrated onion, garlic and parsley. In fact in California, there's a well established industry for processing and selling dehydrated vegetables. ConAgra Foods and Gilroy Foods & Flavors is just one of several companies that produces dehydrated vegetables in the State of California. However, given the financial pressures of the State today, we believe limited dollars allocated for business development should be directed to new infrastructure projects particularly those to help alleviate the State's water shortage which could provide a benefit to producers, processors and customers across the agricultural industries, not just the dehydrated vegetable industry.

Additionally it should be noted that the State of California has sufficient production capacity for producing dehydrated vegetable products today. This is due to the fact that production of dehydrated garlic which uses similar processes has shifted to China. California based businesses have accordingly reallocated dehydrated garlic production capabilities to the production of dehydrated onions. Again this illustrates the fact that the State of California does not need to invest in a development of this particular industry and that the State's limited funds could be better invested in bringing new industries to the State.

Lastly we believe that the business development funds are best used when they are used to encourage new infrastructure projects that benefit all participants in the California Ag industry. Thank you.

Timothy Bennett: My name is Timothy Bennett. I'm with the Law Offices of Sagaser, Jones & Helsley. We did submit written comments into the record but I think you've already put that on the record here today. I would like to also offer some additional comments into the record orally. I am located in Fresno, California at 2445 Capitol Street, Fresno, California 93721.

I'm here representing Sensient Dehydrated Flavors, LLC and one of the things in looking at the issuance of these bonds is what is the purpose of the Act and the best that we can understand the purpose of the Act is to in fact ensure that there's a mutual benefit for the people of the State of California. Some of the things that are being proposed here today, it's unclear whether or not, in fact, there's been enough analysis, enough environmental analysis, enough industry analysis to support the issuance of these bonds.

I would just like to briefly speak on a couple of the points that were raised my letter. First, over the course of the last, greater than the last decade, there has been a shrinking in the dehydrated food industry. Something that Mr. Smyth just spoke about was that there has been a shift to a lot of the onion dehydration is now being processed in China... I'm sorry, garlic, and as a result of that there has been a shrinking in the California food industry. Our fear is that can the market sustain the growth that's necessary in order to continue to operate. When you're talking about the mutual benefit, you're talking about job creation and what's not clear is whether or not, in fact, if we introduce a, or I should say, reintroduce a facility, a 700,000 sq ft facility, that has already previously failed back into a market that could not sustain it before, we would like to know what effect, or what analysis has been done to identify whether, in fact, it's going to create new jobs or, in fact, relocate jobs that are currently being supported in other jurisdictions within this same industry.

So the primary thrust of our concerns is - what is the true net effect? Is it a net gain of creation of new jobs or is it, in fact, a net - maintaining the same, or even less, jobs because of the potential financial impact to the California dehydrated food industry as a whole? Cities like Livingston, Turlock and Greenfield, as well as Modesto and Bakersfield all stand to potentially be affected by the introduction of this new plant in Fresno County. We'd like to know where these jobs are coming from and absent an environmental impact analysis, and even a water supply survey, it's hard for us to understand why we would want to move forward with this.

One of the things I raised in the letter by Mr. Sagaser was the fact that California is now suffering from drought as well as from water shortage and on-going water shortage. Until we can get a better understanding about what effect that's going to have on the California commodities industry, it's hard for us to try and come out in support of a project that could potentially be damaging to our industry as a whole. And with that I would just like to say thank you.

Tara Dunn: Thank you. Are there any other comments? There being no further oral or written comments, this hearing is adjourned.



Tara Dunn
Public Finance Specialist, Bond Financing Programs

ATTEST:



Paula Connors
Manager, Bond Financing Programs

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February 17, 2009

Via Facsimile (916) 322-6314 and United States Mail

California Infrastructure And Economic Development Bank
c/o Roma Cristia-Plant, Assistant Executive Director
1001 I Street, 19th Floor
Sacramento, California 95814

Re: Proposed Multi-Modal Industrial Development Revenue
Bonds to Finance Vegetable Dehydration Facility at
47641 West Nees Avenue, Firebaugh, California 93622

Members of the Committee:

This law firm represents Sensient Dehydrated Flavors LLC ("Sensient"), who has several concerns regarding the potential effects of the proposal for Olam West Coast, Inc. ("Olam") to acquire bond proceeds to finance the acquisition and rehabilitation of an abandoned vegetable dehydration facility in Firebaugh, California (the "Proposed Project"). For the foregoing reasons, Sensient requests that the California Infrastructure And Economic Development Bank ("Committee") continue its hearing, or in the alternative, deny the Olam application until these concerns, and economic and environmental impacts, can be more fully identified and analyzed.

Over Saturated Industry. At the outset, I believe that it is important for the Committee to understand the sensitive nature of the vegetable dehydration industry in the State of California. Over the past decade, the vast majority of vegetable dehydration facilities have either dissolved or consolidated as a result of a number of global, regional, state and local marketplace and environmental factors. De Francesco & Sons, Basic Vegetable Products, and Empire Foods have each fallen victim to the destabilized industry. Olam, whose principals are based in Singapore, with no apparent expertise in

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the California vegetable dehydration industry, seeks to enter the market already suffering from over saturation.

Agricultural & Water Impacts. There is no information concerning what impacts the Proposed Project may have on the central San Joaquin Valley's agricultural industry and water resources. Without this information, it is impossible to determine whether the Proposed Project would have significant effects directly on agricultural users, and indirectly on the dehydrated food processing industry statewide. Therefore, a water supply assessment should be required and circulated to inform the farmers, cities, counties, and public of any impacts as a result of the Proposed Project. For example, farmers on the Westside of Fresno County were informed that they would receive no federal water deliveries this season. (The Fresno Bee, "Fresno Westlands growers get some bad news" January 28, 2009, attached hereto as Exhibit "A") Competition in the marketplace is healthy, but not to the detriment of the regional economic benefit. If farmers continue to struggle to obtain water deliveries and the result is that crop yields suffer, there simply will not be enough vegetable commodities to support the California dehydrated food processing industry.

Effect on Jobs and Local Revenue. There is no information concerning what impacts the Proposed Project may have on property and sales tax revenue from the Olam vegetable dehydration facilities and its related employees. For example, in cities such as Livingston, Turlock, and Greenfield, the tax revenue impacts of the Proposed Project should be analyzed. In an already saturated marketplace the creation of a "new" facility will cause the relocation of jobs, not new jobs. The Proposed Project may temporarily improve Fresno County's unemployment, but many of the employees will likely be relocated workers from Livingston, Turlock, and Greenfield. Again the net effect is that the Proposed Project will cause other cities' unemployment rates to increase and reduce their local revenues. Therefore, the net effect would not be an increased economic benefit to California. Moreover, the Proposed Project may result in the further destabilization of the fragile California dehydrated food industry.

Sensient welcomes open competition. However, Olam is a Singapore based company that is not seeking to compete on the same level playing field as other existing companies, but rather seeks to compete with subsidized loans. The business Olam seeks to revive is the failed Francesco & Sons plant. If the Olam plan requires subsidized loans to succeed, then its business plan must be carefully analyzed.

Summary. In light of the foregoing, Sensient requests that the Committee deny the current Proposed Project. Sensient further requests that, to the extent the Committee wishes to consider approving the Proposed Project and its current application,

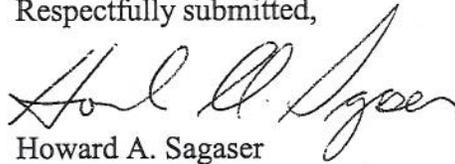
SAGASER, JONES & HELSLEY

February 17, 2009

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that the Committee continue the approval until the economic and environmental impacts can be more fully identified and analyzed.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Howard A. Sagaser".

Howard A. Sagaser

Enclosure

You're in the



Business section

Fresno Westlands growers get some bad news District likely won't receive federal water deliveries this season.

Wednesday, Jan. 28, 2009

By Robert Rodriguez / The Fresno Bee

FIVE POINTS -- West Fresno County farmer Bob Diedrich hoped for good news during a standing-room-only meeting of Westlands Water District growers Wednesday.

But Diedrich, a farmer for 45 years, didn't like what he heard.

Westlands officials said growers in the district will likely receive no federal water deliveries this season.

"Our projections are that our allocations will be zero, absent a significant change in hydrology," said Tom Birmingham, general manager of the Westlands Water District in Fresno.

Farmers are heading into their third consecutive dry year.

Diedrich was one of about 100 crammed into a shop building at the district's west side office eager to hear details from district officials and Ron Milligan, operations manager for the U.S. Bureau of Reclamation.

"What am I supposed to do, if I have no water?" Diedrich asked. "I have five guys that I employ year-round, and now I may have to tell them they don't have jobs."

Diedrich farms 960 acres that at one time grew processing tomatoes, dry beans, cotton and alfalfa. He is contemplating pulling up stakes temporarily and moving to Texas to live with his son.

"We are at the point where a lot of us farmers need to make some decisions today about whether we are going to plant this year," Diedrich said. "We don't want to just walk away from this."

Birmingham told growers that the district is working on options, including water transfers and accessing water that was not used as part of a water rationing program last year.

"We are literally looking all over the state to get water as quickly and inexpensively as possible," Birmingham said.

But none of those options is guaranteed.

Farmer and Westlands board President Jean Sagouspe sympathized with growers, saying he, too, is having to make tough decisions.

But Sagouspe also said the problem is not just the lack of rain and snow. He said environmental policies, including court-ordered pumping restrictions in the Sacramento-San Joaquin River Delta to protect endangered fish, have helped create this current crisis.

"People don't have a clue about what is going on," Sagouspe said. "The governor doesn't even care. He will only care when L.A. runs out of water."

Although the U.S. Bureau of Reclamation won't announce a water delivery forecast until Feb. 20, Milligan told growers several things are certain: Rainfall is below normal, the state reservoirs are depleted and the snowpack is small.

And the short-term weather outlook is not promising.

"We do not see a lot of water in the forecast," Milligan said. "And that will make it a very complicated

operational season."

Westlands growers, who suffered the biggest hit among water districts on the west side of the Valley, are expected to have only about 300,000 acres in production this year, down from 500,000 acres that are farmed.

Birmingham said that while he hopes for a solution, he knows it may come too late for some growers. "I pray that I am wrong," he said. "But the reality is that a lot of you in this room may not survive this."

The reporter can be reached at brodriguez@fresnobee.com or (559) 441-6327.



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February 20, 2009

VIA OVERNIGHT COURIER

California Infrastructure And Economic Development Bank
c/o Roma Cristia-Plant, Assistant Executive Director
1001 I Street, 19th Floor
Sacramento, California 95814

Re: Proposed Multi-Modal Industrial Development Revenue
Bonds to Finance Vegetable Dehydration Facility at
47641 West Nees Avenue, Firebaugh, California 93622

Members of the Committee:

This letter shall respond to the February 17, 2009, letter from the law firm of Sagaser, Jones & Helsley sent on behalf of Sensient Dehydrated Flavors, LLC ("Sensient") and the comments raised at the February 18, 2009 public hearing by Mike Smyth on behalf of ConAgra Foods ("ConAgra"). In this letter we will respond to each of the points raised by Sensient and ConAgra. At the outset, however, it is important to note that both Sensient and ConAgra are competitors of Olam West Coast, Inc., and its affiliated companies ("Olam") in the food commodity and spice business.

Oversaturated Industry. The spice business, including dehydrated vegetables, is a worldwide business. Olam, Sensient and ConAgra all source, process and market spices on a global basis. Contrary to Sensient's assertions, Olam has extensive experience and expertise in the spice business. Through one of its affiliated companies, Olam produces and markets dehydrated garlic and related products. Moreover, the senior management team at the Firebaugh facility has extensive experience in the vegetable dehydration business. As a global company involved in the sourcing, processing, packaging and trading of agricultural commodities, Olam and its affiliates are keenly aware of the economics of operating a vegetable dehydration business and are committed to the success of the Firebaugh facility.

Olam is not new to California. Anderson Clayton, 100%-owned subsidiary of Olam, has been providing agricultural services to California's growers for 95 years.



Olam Americas, Inc.

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Agricultural and Water Impacts. The Firebaugh facility will have no detrimental effect on water supplies in the area. The Firebaugh facility draws its water from a well located on the facility property. The adjacent agricultural property receives water from Panoche Water District. Prior to Olam's acquisition of the agricultural property, this property was historically farmed by the prior owner or its tenants. The amount of district water available to the property is limited by available supplies and Panoche Water District policy and is consistent with the historical use of the property.

Contrary to the assertions of its competitors, the operation of the Firebaugh facility is a boon to growers in the Central Valley. It provides a market for onions and an assured source of income for Olam's growers.

Effect on Jobs and Local Revenue. The Firebaugh facility will generate new jobs for Fresno and Madera Counties. The Firebaugh area is economically depressed. Local leaders have welcomed Olam for the jobs it will create and the local income it will generate. In that regard, please find enclosed an article published in the Fresno Bee after the acquisition, quoting the mayor of Firebaugh saying "[w]e are awfully glad to be able to land these companies." The Firebaugh City Manager was also quoted as saying, "[g]iven the economic woes with the state and federal government, what better present than to have these companies coming to our community." Additionally, we will be submitting letters of support from Fresno County Supervisor Phil Larson, in whose district the Firebaugh facility is located and from the Fresno County Economic Development Corporation. Olam is working with the Economic Development Corporation to provide employment opportunities for residents of the area.

Olam's application for I-Bank bond proceeds is entirely consistent with the mission of the I-Bank to finance private development that promotes economic growth, revitalizes communities and enhances quality of life for Californians. Olam is excited about expanding its international food processing business into the State of California. Olam has a long history of hiring on a local basis as well as supporting local farmers and businesses in a socially responsible manner. The start-up and operation of the Firebaugh plant will be no exception.

Please let us know if you would like any further information or documentation.

Very truly yours,

A handwritten signature in blue ink that reads "John Gibbons by [Signature] (Vice President)".

John Gibbons, President
Olam West Coast, Inc.