



November 15, 2011

Dear Valued Customer:

In 2004 Niacet doubled its capacity for calcium propionate with the addition of our low-dust CrystalPro product. As of October 2011 Niacet completed a 5,000 MT expansion of our low dust CrystalPro facility. Niacet has been the only propionate producer to increase capacity in the last five years. As the global leader in calcium propionate production, Niacet is determined to maintain ample supply of propionate to the baking and agricultural market.

We at Niacet understand that in these economic times, recovering cost increases is very difficult. However, if adequate returns are not maintained, capital required for expansion of capacity to meet demand is difficult to justify. In the last two years, pricing for calcium and sodium propionate has not kept up with cost increases, despite increased global demand for the mold inhibitors. To assure that we can grow with customer demand, the off list prices of Calcium Propionate and Sodium Propionate will increase by US \$0.05/lb., not to exceed list price. This will be effective December 15, 2011 as contracts and agreements allow.

Niacet looks forward to meeting your continued needs for calcium and sodium propionate. We will continue to do all that we can to meet your chemical product and service needs. If you have any questions about these changes, please contact your account manager or customer service representative. Thank you for your continuing business.

Sincerely,

NIACET CORPORATION

Michael R. Bowers

Michael R. Bowers
Director, Sales & Marketing