PROPOSED COMPLETION OF MR. J. R. ECK'S STATEMENT:

Following notification the FDA and USDA issued a joint press release, indicating that some 16,000 tons of fish meal had been contaminated by PCB's and that there was a danger of chicken contamination in 10 southern states, possibly affecting several million birds. This statement resulted in adverse publicity in several national and local newspapers, but the story did not have the degree of impact which we originally feared.

During the past few weeks the FDA and USDA have tested hundreds of samples of chickens and eggs, from flocks known to have been fed the contaminated fish meal. Results so far have shown only small numbers of chickens and eggs with PCB's in excess of the FDA guidelines (maximum 5ppm for chickens and 0.5ppm for eggs). To date 77,000 chickens have been slaughtered by a breeder. Some 400,000 eggs and 30,000 lbs. of processed eggs have been destroyed by the USDA and 45,000 lbs. of catfish feed has been declared unfit for use.

The final outcome of this incident is unknown at this stage, but there is a possibility that Monsanto could be involved in lawsuits as a codefendant with the fish meal

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processor. Based on the number of contaminated chickens and eggs so far identified, the cost to Monsanto is expected to be significantly less than was originally anticipated.

It should be emphasized that Monsanto's sale of PCB containing heat transfer fluid to the fish meal processor did not in any way contravene federal or state laws. The sale was however contrary to our internal policy not to sell PCB containing products to food related industries.

Action has been taken to avoid any repetition of this incident. The product manager responsible for the error has been removed from his position, and strict controls requiring written approval for all sales of PCB containing heat transfer fluids have been instituted. In addition, we have taken the decision to restrict even further our sales of these products and we will accept orders only from those customers who can demonstrate a critical need for a high degree of fire resistance, and who are willing to sign a letter agreeing to hold Monsanto harmless in case of legal action or lawsuit.

8/23/71 JM

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