

File 62



Dr. S.J. Green,
Research & Development Dept.,
Millbank.

D.R. Davies

DRD/PSD

8th January, 1974

Imperial Group Flavours and
Product Development Laboratory Manufacture

I have recently supplied to Mr. R.D. Lowe casing and flavour formulations for those Imperial Group brands currently manufactured and marketed by B-A.T. I understand that current arrangements may change and pose problems for P.D.L.

Flavours are our main concern and particularly the Capstan Medium flavours. The flavour for Capstan Medium pipe tobacco is STANUNED, which is a spice mixture infused on stillage for some 12 months.

In 1973 we supplied:-

	<u>Quantity</u>	<u>Value Ingredients</u>
	(Litres)	(£)
To Denmark and Liverpool	1,200	382
To New Zealand and Columbo	1,044	334

(Loss of Denmark and Liverpool represents approximately £3,000 sales.)

The figures are calculated as STANUNED which is added to tobacco with the spice residues. Columbo, in fact, take EDSTAN which is a filtered version of STANUNED.

Our stock of STANUNED at the end of 1973 was 5,560 litres at various stages of maturity, i.e. a stock cover of approximately 2.5 years. We carry spice stocks for approximately 1.5 further years.

We will need to know whether there is likely to be a cut-back in our flavour production if Imperial Group are going to manufacture their own requirements in the future or whether to increase our stocks in the event that Imperial can be persuaded to buy their total flavour requirements from us.

We do not know what Capstan flavour, if any, Imperial Group use on Home Trade manufacture, except that the product is less fully flavoured than our version. This is probably because of current Customs regulations on free side manufacture where strict

/restrictions ...

105523740

restrictions on residual solids in flavours obtains. Our
flavours would not be suitable for free side manufacture at
the present time.



D. R. DAVIES

cc: Dr. F. Haslam ✓

105523741