<u>**FORM 51-102F3**</u>

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Menu Foods Income Fund
8 Falconer Drive
Streetsville, Ontario
L5N 1B1

Item 2 Date of Material Change

March 16, 2007

Item 3 News Release

A press release was issued on March 16, 2007 in Toronto, Ontario and disseminated across Canada by CCNMathews.

Item 4 Summary of Material Change

Menu Foods Income Fund has initiated a precautionary recall of a portion of the dog and cat food it manufactured between December 3, 2006 and March 6, 2007. The recall is limited to “cuts and gravy” style pet food in cans and pouches manufactured at two of the Fund’s United States facilities. These products are both manufactured and sold under private-label and are contract-manufactured for some national brands.

Item 5 Full Description of Material Change

A full description of the material change is set forth in the press release attached at Schedule “A”

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

None.

Item 8 Senior Officer

The following senior officer of Menu Foods GenPar Limited is knowledgeable about the material change and this report:

Mark Wiens
Tel: 905.826.3870

Item 9 Date of Report

March 20, 2007.

Schedule "A"
Press Release

NEWS RELEASE TRANSMITTED BY CCNMATTHEWS

FOR: MENU FOODS INCOME FUND

TSX SYMBOL: MEW.UN

March 16, 2007

CORRECTION FROM SOURCE: Menu Foods Income Fund Announces Precautionary Dog and Cat Food Recall

TORONTO, ONTARIO--(CCNMatthews - March 16, 2007) - The following corrects and replaces the release sent on March 16, 2007 at 1351 ET. The telephone number for Consumers to contact should read 1-866-463-6738. The complete and corrected release follows.

NOT FOR RELEASE OVER US NEWSWIRE SERVICES

Attention Business/Financial Editors

Menu Foods Income Fund (the "Fund") (TSX:MEW.UN) today announced the precautionary recall of a portion of the dog and cat food it manufactured between December 3, 2006 and March 6, 2007. The recall is limited to "cuts and gravy" style pet food in cans and pouches manufactured at two of the Fund's United States facilities. These products are both manufactured and sold under private-label and are contract-manufactured for some national brands.

Over the past several days, the Fund has received feedback in the United States (none in Canada) raising concerns about pet food manufactured since early December, and its impact on the renal health of the pets consuming the products. Shortly after receipt of the first complaint, the Fund initiated a substantial battery of technical tests, conducted by both internal and external specialists, but has failed to identify any issues with the products in question. The Fund has, however, discovered that timing of the production associated with these complaints, coincides with the introduction of an ingredient from a new supplier. The Fund stopped using this ingredient shortly after this discovery and production since then has been undertaken using ingredients from another source.

At the same time, the Fund's largest customer, for which it manufactures on a contract basis, received a small number of consumer complaints and has initiated its own recall. Furthermore, for the time being, the customer has put future orders for cuts and gravy products on hold. This customer's cuts and gravy purchases in 2006 represented approximately 11% of the Fund's annual revenue.

"We take these complaints very seriously and, while we are still looking for a specific cause, we are acting to err on the side of caution" said Paul K. Henderson, President and CEO, Menu Foods. "We will do whatever is necessary to ensure that our products maintain the very highest quality standards."

While the number of complaints has been relatively small, Menu is taking this proactive step out of an abundance of caution, because the health and wellbeing of pets is paramount to the Fund.

In addition to changing suppliers, for production after March 6, the Fund has increased testing of all raw materials and finished goods. It is also working closely with regulatory authorities and its customers to learn more and will take whatever additional actions are appropriate. The Fund estimates that based on currently available information, this recall could cost between $30 million and $40 million, which will be financed from a combination of internally generated cash flow and bank credit facilities. Furthermore, the Fund is aggressively producing product, utilizing a different supplier for the ingredient in question, to replenish customers as quickly as possible.

In order to determine whether cat and dog food in their possession is subject to recall, consumers should refer to the list of brand names ("listed products") at www.menufoods.com/recall. This will be available by 6 a.m. Saturday March 17, 2007. Products not identified on the website can continue to be used.

Menu is the leading North American private-label/contract manufacturer of wet pet food products sold by supermarket retailers, mass merchandisers, pet specialty retailers and other retail and wholesale outlets. In 2006, the Fund produced more than one billion containers.

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FOR FURTHER INFORMATION PLEASE CONTACT:

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Media and Investor Relations
Sarah Tuite
(416) 848-1703

OR

Menu Foods Income Fund
Consumers
1-866-463-6738
Website: www.menufoods.com

INDUSTRY: Financial Services-Personal Finance, Retail-Consumer Interest
SUBJECT: COR

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