

Registration No. 333-56319

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

POST-EFFECTIVE  
AMENDMENT NO. 1 TO  
FORM S-4/S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

THE HAIN FOOD GROUP, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

2099  
(Primary Standard Industrial  
Classification Code Number)

22-3240619  
(I.R.S. Employer  
Identification Number)

50 CHARLES LINDBERGH BOULEVARD  
UNIONDALE, NEW YORK 11553  
TELEPHONE: 516-237-6200  
(Address, including zip code, and telephone number, including area code, of  
registrant's principal executive offices)

IRWIN D. SIMON  
THE HAIN FOOD GROUP, INC.  
50 CHARLES LINDBERGH BOULEVARD  
UNIONDALE, NEW YORK 11553  
TELEPHONE: 516-237-6200  
(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

COPIES TO:

ROGER MELTZER, ESQ.  
CAHILL GORDON & REINDEL  
80 PINE STREET  
NEW YORK, NEW YORK 10005  
(212) 701-3851

J. MARK METTS, ESQ.  
VINSON & ELKINS L.L.P.  
2300 FIRST CITY TOWER  
HOUSTON, TEXAS 77002  
(713) 758-3820

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as  
practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in  
connection with the formation of a holding company and there is compliance with  
General Instruction G, check the following box. / /

If the only securities being registered on this Form are being offered  
pursuant to dividend or interest reinvestment plans, please check the following  
box. / /

If any of the securities being registered on this Form are to be offered to  
on a delayed or continuous basis pursuant to Rule 415 under the Securities Act  
of 1933, other than securities offered only in connection with dividend or  
interest reinvestment plans, check the following box. / /

If this Form is filed to register additional securities for an offering  
pursuant to Rule 462(b) under the Securities Act, check the following box and  
list the Securities Act registration statement number of the earlier effective

registration statement for the same offering. / / \_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / / \_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / / \_\_\_\_

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

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PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS/INFORMATION STATEMENT

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Article Tenth of the certificate of incorporation of Hain eliminates the personal liability of directors to Hain or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such elimination of the personal liability of a director of Hain does not apply to (a) any breach of the director's duty of loyalty to Hain or its stockholders, (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) actions prohibited under Section 174 of the Delaware General Corporation Law (the "DGCL") (i.e., liabilities imposed upon directors who vote for or assent to the unlawful payment of dividends, unlawful repurchase or redemption of stock, unlawful distribution of assets of Hain to the stockholders without the prior payment or discharge of Hain's debts or obligations, or unlawful making or guaranteeing of loans to directors), or (d) any transaction from which the director derived an improper personal benefit.

Section 145 of the DGCL provides, in summary, that directors and officers of Delaware corporations such as Hain are entitled, under certain circumstances, to be indemnified against all expenses and liabilities (including attorneys' fees) incurred by them as a result of suits brought against them in their capacity as a director or officer, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, if they had no reasonable cause to believe their conduct was unlawful; provided, that no indemnification may be made against expenses in respect of any claim, issue or matter as to which they shall have been adjudged to be liable to the corporation, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, they are fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper. Any such indemnification may be made by the corporation only as authorized in each specific case upon a determination by stockholders or disinterested directors that indemnification is proper because the indemnitee has met the applicable standard of conduct. In addition, Article Eleventh of Hain's certificate of incorporation and Article VI of Hain's by-laws provide for Hain to indemnify its corporate personnel, directors and officers to the full extent permitted by Section 145 of the DGCL, as the same may be supplemented or amended from time to time.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

- \*2.1 Agreement and Plan of Merger by and between The Hain Food Group, Inc. and Arrowhead Mills, Inc. dated April 24, 1998 (included in Annex A to the Prospectus/Information Statement).
- \*2.2 Agreement and Plan of Merger by and between The Hain Food Group, Inc. and Garden of Eatin', Inc. dated April 24, 1998 (included in Annex B to the Prospectus/Information Statement).
- \*2.3 Voting Agreement and Irrevocable Proxy between The Hain Food Group, Inc. and Alexander Dzeduszycki, The George Dana Sinkler, Jr. Revocable Living Trust and TSG2 L.P. dated April 24, 1998
- \*2.4 Voting Agreement and Irrevocable Proxy between The Hain Food Group, Inc. and TSG2 L.P. and Al. H. Jacobson dated April 24, 1998
- 2.5 First Amendment to Agreement and Plan of Merger by and between The Hain Food Group, Inc. and Garden of Eatin', Inc. dated June 25, 1998.
- 2.6 First Amendment to Agreement and Plan of Merger by and between The Hain Food Group, Inc. and Arrowhead Mills, Inc. dated June 25, 1998.

- \*4.1 Restated Certificate of Incorporation of Hain. (Incorporated by reference to Exhibit 3.1 to Hain's Registration Statement on Form SB-2, File No. 33-68026 (the "IPO Registration Statement")).
- \*4.2 By-laws of Hain. (Incorporated by reference to Exhibit 3.2 of the IPO Registration Statement).
- \*4.3 Certificate of Incorporation of Hain Acquisition Corp.
- \*4.4 By-laws of Hain Acquisition Corp.
- \*4.5 Securities Purchase Agreement, dated as of April 14, 1994, relating to, among other things, 768,229 shares of Common Stock of the Registrant. (Incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K dated April 14, 1994 (the "Hain 8-K")).
- \*4.6 Common Stock Subscription Agreement, dated as of April 14, 1994, relating to the issue and sale of 1,871,770 shares of Common Stock of the Registrant. (Incorporated by reference to Exhibit 4.3 to the Hain 8-K).
- \*4.7 Common Stock Registration Rights Agreement, dated as of April 14, 1994, relating to the shares of Common Stock of the Registrant, issued pursuant to the Securities Purchase Agreement and Common Stock Subscription Agreement. (Incorporated by reference to Exhibit 4.5 to the Hain 8-K).
- \*4.8 Form of Warrant to purchase Common Stock of the Registrant. (Incorporated by reference to Exhibit 4.6 to the Hain 8-K).
- \*5 Opinion of Cahill Gordon & Reindel regarding the legality of the securities being registered.
- \*8 Tax opinion of Vinson & Elkins L.L.P.
- \*16.1 Letter from McGinty & Associates regarding change in certifying accountants.
- \*16.2 Letter from Katz & Bloom, LLC regarding change in certifying accountants.
- \*23.1 Consent of Ernst & Young LLP, Independent Auditors.
- \*23.2 Consent of Price Waterhouse LLP, Independent Auditors.
- \*23.3 Consent of McGladrey & Pullen, LLP, Independent Auditors.
- \*23.4 Consent of McGinty & Associates
- \*23.5 Consent of Katz & Bloom, LLC
- \*23.6 Consent of Cahill Gordon & Reindel (included in Exhibit 5).
- \*23.7 Consent of Vinson & Elkins L.L.P. (included in Exhibit 8).
- \*24 Powers of Attorney authorizing execution of Registration Statement on Form S-4 on behalf of certain directors of Registrant (included on signature pages to this Registration Statement).
- \*99.1 Form of consent for shareholders of Arrowhead Mills, Inc.
- \*99.2 Form of consent for shareholders of Garden of Eatin', Inc.
- \*99.3 Opinion of Wasserstein Perella & Co., Inc. (included in Annex C to the Prospectus/Information Statement).
- \*99.4 Letter of Transmittal for shareholders of Arrowhead Mills, Inc.
- \*99.5 Letter of Transmittal for shareholders of Garden of Eatin', Inc.
- \*99.6 Consent of Wasserstein Perella & Co., Inc.
- \*99.7 Form of letter to shareholders of Arrowhead Mills, Inc.
- 99.8 Form of supplemental letter to shareholders of Arrowhead Mills, Inc.

(b) Financial Statement Schedules. Not Applicable.

\* Previously filed.

ITEM 22. UNDERTAKINGS.

1. The undersigned registrant hereby undertakes as follows: that prior to any public reoffering of the securities registered hereunder through use of a Prospectus/Information Statement which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering Prospectus/Information Statement will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form.

2. The registrant undertakes that every Prospectus/Information Statement (i) that is filed pursuant to paragraph (1) immediately preceding, or (ii) that purports to meet the requirements of section 10(a)(3) of the Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

4. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

5. The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

PROVIDED, HOWEVER, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the Registration Statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

6. The undersigned registrant hereby undertakes to deliver or cause to be delivered or cause to be delivered with the Prospectus, to each person to whom the Prospectus is sent or given, the latest annual report to security holders that is incorporated by reference in the Prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X is not set forth in the Prospectus, to deliver, or cause to be delivered to each person to whom the Prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the Prospectus to provide such interim financial information.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Post-Effective Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the State of New York, on this 26th day of June, 1998.

THE HAIN FOOD GROUP, INC.

By: /s/ IRWIN D. SIMON

-----  
Name: Irwin D. Simon  
Title: President and Chief Executive  
Officer

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Pursuant to the requirements of the Securities Act of 1933, as amended, this Post-Effective Amendment to the Registration Statement has been signed by the following persons and by Irwin D. Simon as Attorney-in-Fact in the capacities and on the date indicated.

* ----- Andrew R. Heyer	Chairman of the Board of Directors	June 26, 1998
/s/ IRWIN D. SIMON ----- Irwin D. Simon	President, Chief Executive Officer and Director	June 26, 1998
* ----- Jack Kaufman	Vice President and Chief Financial Officer	June 26, 1998
* ----- Beth L. Bronner	Director	June 26, 1998
----- William P. Carmichael	Director	June 26, 1998
* ----- William J. Fox	Director	June 26, 1998
* ----- Jack Futterman	Director	June 26, 1998
* ----- James S. Gold	Director	June 26, 1998
* ----- Barry Gordon	Director	June 26, 1998
* ----- Steven S. Schwartzreich	Director	June 26, 1998

\*By: /s/ IRWIN D. SIMON  
-----  
Irwin D. Simon  
Attorney-in-Fact



FIRST AMENDMENT TO  
AGREEMENT AND PLAN OF MERGER

THIS FIRST AMENDMENT TO AGREEMENT AND PLAN OF MERGER, dated as of June 25, 1998 (this "Amendment"), is by and among Garden of Eatin', Inc., a California corporation (the "Company"), and The Hain Food Group, a Delaware corporation ("Hain").

WHEREAS, the parties hereto have entered into that certain Agreement and Plan of Merger, dated as of April 24, 1998 (as amended hereby, the "Agreement") (capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement);

WHEREAS, pursuant to the terms of the Stock Purchase Agreement dated December 23, 1997 and the letter agreement dated April 21, 1998, in each case between TSG2 L.P. and Mr. Al H. Jacobson (together, the "Prior Acquisition Agreements"), Mr. Jacobson is entitled to receive, on or before December 23, 1999, an aggregate of \$2 million in cash consideration for 4,000 shares of Company Common Stock owned by Mr. Jacobson on the date hereof;

WHEREAS, the parties desire to amend certain provisions of the Agreement in order to reflect the terms of the Prior Acquisition Agreements, copies of both of which documents have been furnished by the Company to Hain; and

WHEREAS, the boards of directors of the Company and Hain have approved and deemed it advisable and in the best interests of their respective shareholders to consummate the transactions on the terms set forth in the Agreement, as amended hereby;

NOW THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements contained herein, the parties hereto agree as follows:

1. Section 3.1(a) of the Agreement is hereby amended so that the last sentence of Section 3.1(a) reads in its entirety as follows:

"CLOSING DATE MARKET PRICE" means, with respect to each share of Hain Common Stock, the average closing price for such share as reported on the National Market System of The Nasdaq Stock Market, Inc. for the 10 most recent trading days ending on June 24, 1998.

2. Section 3.1(b) of the Agreement is hereby amended to read in its entirety as follows:

(b) ADJUSTMENT TO CASH MERGER CONSIDERATION. The aggregate amount of Cash Merger Consideration shall be reduced immediately prior to the Effective Time by an amount equal to the sum of (i) the amount of fees, costs and expenses incurred or reasonably estimated to be incurred by the Company or incurred (but not paid) by the shareholders of

the Company existing immediately prior to the Effective Time to the extent that the Company and/or the shareholders of the Company are liable therefor pursuant to Section 8.11 hereof and (ii) the amount of the Jacobson Payment (as defined below); PROVIDED, HOWEVER, that any reduction in Cash Merger Consideration shall not result in any adjustment to the amount of Stock Merger Consideration for purposes of this Article III. The aggregate amount of Cash Merger Consideration shall be increased by the amount, if any, that the Company's cash and cash equivalents exceed indebtedness for borrowed money as of the Closing Date. At the Effective Time, Hain shall pay \$2,000,000 cash (the "Jacobson Payment") directly to Mr. Al H. Jacobson in full satisfaction of the obligations set forth in the Prior Acquisition Agreements (as defined below) with respect to the 4,000 shares of Company Common Stock (the "Specified Jacobson Shares") required to be purchased from Mr. Jacobson under the Prior Acquisition Agreements for an aggregate cash consideration of \$2,000,000. Such payment shall be deemed to be made (i) in accordance with the terms of the Prior Acquisition Documents and (ii) in full satisfaction of Mr. Jacobson's right to receive aggregate consideration of \$2,000,000 in return for 20% of the Company's outstanding shares prior to December 23, 1999. Upon the payment of the Jacobson Payment, at the Effective Time, for all purposes of this Agreement, TSG2 (or its successors and assigns) shall be treated as the record owner of the Specified Jacobson Shares. The term "Prior Acquisition Agreements" shall mean the Stock Purchase Agreement dated December 23, 1997 and the letter agreement dated April 21, 1998, in each case between TSG2 L.P. and Mr. Al H. Jacobson, copies of both of which documents have been furnished by the Company to Hain. Notwithstanding any provision in this Agreement to the contrary, for purposes of the second sentence of this Section 3.1(b), the amount of cash and cash equivalents in excess of indebtedness for borrowed money as of the Closing Date shall be deemed to be \$100,000.

3. Hain hereby agrees to use its best efforts to maintain the continuous effectiveness of a registration statement covering the sale of the Reoffer Shares (as defined below) under the Securities Act of 1933, as amended (the "Securities Act"), for a period beginning at the Effective Time and ending on the earlier to occur of (i) the first anniversary of the Effective Time and (ii) the date on which all of the Reoffer Shares (as defined below) have been sold by the Selling Stockholders (as defined below). Such registration statement shall contain a reoffer prospectus pursuant to which the Reoffer Shares may be sold without exemption or additional action under the Securities Act; PROVIDED, HOWEVER, that nothing in this paragraph shall prevent Hain from substituting another reoffer prospectus for the current reoffer prospectus covering all of the Reoffer Shares. The term "Reoffer Shares" shall mean the shares of Hain Common Stock to be received in the Merger and/or the AMI Merger by the parties to the Voting Agreement and/or the voting agreement delivered pursuant to the AMI Merger Agreement, together with their respective successors and assigns (collectively, "Selling Stockholders"). The Selling Stockholders, their respective successors and assigns are intended third party beneficiaries of the agreement in this paragraph and the agreement in this paragraph may be enforced by such persons.

4. Each of the parties hereto agrees to use commercially reasonable efforts to cause the Closing to occur on July 1, 1998. If the Closing shall not have occurred by 5:00 p.m. (New York time) on July 6, 1998, (a) paragraph 1 of this Amendment shall be null and void, (b) Section 3.1(b) (as amended hereby) of the Agreement shall be deemed further amended so that the last sentence thereof is deleted and (c) the first sentence of Section 3.1(b) (as amended hereby) of the Agreement shall be further amended by inserting the following language immediately prior to the proviso:

and (iii) any indebtedness in the aggregate for borrowed money of the Company (net of cash and cash equivalents) as of the Closing Date

5. Except as expressly set forth herein, the terms and provisions of the Agreement are hereby ratified and confirmed.

6. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Company and Hain have caused this Amendment to be signed by their respective officers thereunto duly authorized as of the date first above written.

GARDEN OF EATIN', INC.

By: /s/ CHARLES H. ESSERMAN

-----  
Charles H. Esserman  
President

THE HAIN FOOD GROUP, INC.

By: /s/ IRWIN D. SIMON

-----  
Irwin D. Simon  
President and Chief Executive Officer

FIRST AMENDMENT TO  
AGREEMENT AND PLAN OF MERGER

THIS FIRST AMENDMENT TO AGREEMENT AND PLAN OF MERGER, dated as of June 25, 1998 (this "Amendment"), is by and among Arrowhead Mills, Inc., a Texas corporation (the "Company"), and The Hain Food Group, a Delaware corporation ("Hain").

WHEREAS, the parties hereto have entered into that certain Agreement and Plan of Merger, dated as of April 24, 1998 (as amended hereby, the "Agreement") (capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement);

WHEREAS, the boards of directors of the Company and Hain have approved and deemed it advisable and in the best interests of their respective shareholders to consummate the transactions on the terms set forth in the Agreement, as amended hereby;

NOW THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements contained herein, the parties hereto agree as follows:

1. Section 3.1(a) of the Agreement is hereby amended so that the last sentence of Section 3.1(a) reads in its entirety as follows:

"CLOSING DATE MARKET PRICE" means, with respect to each share of Hain Common Stock, the average closing price for such share as reported on the National Market System of The Nasdaq Stock Market, Inc. for the 10 most recent trading days ending on June 24, 1998.

2. Section 3.1(b) of the Agreement is hereby amended as follows:

- a. Clause (ii) of the first sentence of Section 3.1(b) is hereby deleted.
- b. The following sentence shall be added to the end of Section 3.1(b)

Notwithstanding any provision in this Agreement to the contrary, for purposes of the second sentence of this Section 3.1(b), the amount by which \$20.0 million exceeds the aggregate indebtedness for borrowed money of the Company (net of cash and cash equivalents) as of the Closing Date shall be deemed to be \$100,000.

3. Hain hereby agrees to use its best efforts to maintain the continuous effectiveness of a registration statement covering the sale of the Reoffer Shares (as defined below) under the

Securities Act of 1933, as amended (the "Securities Act"), for a period beginning at the Effective Time and ending on the earlier to occur of (i) the first anniversary of the Effective Time and (ii) the date on which all of the Reoffer Shares (as defined below) have been sold by the Selling Stockholders (as defined below). Such registration statement shall contain a reoffer prospectus pursuant to which the Reoffer Shares may be sold without exemption or additional action under the Securities Act; PROVIDED, HOWEVER, that nothing in this paragraph shall prevent Hain from substituting another reoffer prospectus for the current reoffer prospectus covering all of the Reoffer Shares. The term "Reoffer Shares" shall mean the shares of Hain Common Stock to be received in the Merger and/or the GOE Merger by the parties to the Voting Agreement and/or the voting agreement delivered pursuant to the GOE Merger Agreement, together with their respective successors and assigns (collectively, "Selling Stockholders"). The Selling Stockholders, their respective successors and assigns are intended third party beneficiaries of the agreement in this paragraph and the agreement in this paragraph may be enforced by such persons.

4. If the Closing shall not have occurred by 5:00 p.m. (New York time) on July 6, 1998, paragraphs 1 and 2 of this Amendment shall be null and void. Each of the parties hereto agrees to use commercially reasonable efforts to cause the Closing to occur on July 1, 1998.

5. Except as expressly set forth herein, the terms and provisions of the Agreement are hereby ratified and confirmed.

6. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Company and Hain have caused this Amendment to be signed by their respective officers thereunto duly authorized as of the date first above written.

ARROWHEAD MILLS, INC.

By: /s/ CHARLES H. ESSERMAN

-----  
Charles H. Esserman  
Secretary

THE HAIN FOOD GROUP, INC.

By: /s/ IRWIN D. SIMON

-----  
Irwin D. Simon  
President and Chief Executive Officer

ARROWHEAD MILLS, INC.  
110 SOUTH LAWTON  
HEREFORD, TEXAS 79045

June 26, 1998

Dear Shareholder

On June 22, 1998, you received a Prospectus/Information Statement containing information relating to an Agreement and Plan of Merger (the "Merger Agreement") by and between Arrowhead Mills, Inc. and The Hain Food Group, Inc. ("Hain"), under the terms of which AMI will merge into a subsidiary of Hain (the "Merger"), and each issued and outstanding share of AMI common stock ("AMI Common Stock") will be converted into cash, or a combination of cash and Hain common stock ("Hain Common Stock").

In anticipation of the consummation of the Merger, the Merger Agreement has been amended as of June 25, 1998 to provide that the shares of Hain Common Stock to be received by you will be determined based upon the average closing price for Hain Common Stock on the Nasdaq National Market for the 10 day trading period ended June 24, 1998, or a price of \$23.1625 per share, and that the outstanding debt balances of AMI and its subsidiaries used to determine the total cash merger consideration to be received by AMI shareholders will be deemed to include \$100,000 in cash and cash equivalents in excess of indebtedness for borrowed money.

On or about the time the Merger is expected to be consummated, a letter of transmittal and instructions for its use will be sent to all holders of AMI Common Stock to enable you to surrender your stock in exchange for a combination of cash and Hain Common Stock, as described above and in the Prospectus/Information Statement. ACCORDINGLY, YOU ARE REQUESTED NOT TO SURRENDER YOUR CERTIFICATES FOR EXCHANGE UNTIL YOU RECEIVE THE LETTER OF TRANSMITTAL AND INSTRUCTIONS ON HOW TO SURRENDER YOUR SHARES IN CONNECTION WITH THE CONSUMMATION OF THE MERGER.

If you have any questions or need any further assistance, please call.

Sincerely,  
Charles A. Lynch  
Chairman of the Board and  
Chief Executive Officer