FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

| Check this box if no longer subject to |
|--|
| Section 16. Form 4 or Form 5 |
| obligations may continue. See |
| Instruction 1(b). |

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL OMB Number: Estimated average burden hours per response: 0.5

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| 1. Name and Address of Reporting Person* Osanloo Michael | | | | | | 2. Issuer Name and Ticker or Trading Symbol KRAFT FOODS INC [KFT] | | | | | | | | | elationship deck all applic | able) r | g Pers | 10% Ow | ner |
|--|---|--|---|---------|-----------|--|---|--|--|---|--------------------|--|-------------------------------|------|---|--|--------|--|--|
| (Last) (First) (Middle) KRAFT FOODS INC. THREE LAKES DRIVE | | | | | 02/ | 3. Date of Earliest Transaction (Month/Day/Year) 02/23/2010 | | | | | | | | | X Officer (give title Other (specify below) EVP, Strategy | | | | |
| (Street) NORTHFIELD IL 60093 | | | | | 4.1 | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | | | | | | | | Individual or Joint/Group Filing (Check Applicable le) X Form filed by One Reporting Person Form filed by More than One Reporting Person | | | | |
| (City) (State) (Zip) | | | | | <u> </u> | | | | | | | | | | | | | | |
| Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned | | | | | | | | | | | | | | | | | | | |
| 1. Title of Security (Instr. 3) 2. Transac Date (Month/Date) | | | | | | ear) | 2A. Deemed Execution Date, if any (Month/Day/Year) | | Transaction Dispose Code (Instr. 5) | | Disposed | ities Acquired (A) o d Of (D) (Instr. 3, 4 | | | 5. Amour Securitie Beneficia Owned F Reported | es For ally (D) Following (I) (| | m: Direct or Indirect nstr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | | | | | | | | Code | v | Amount | (A) or (D) | | rice | Transact (Instr. 3 a | ction(s) | | | |
| Class A Common Stock 02/23/ | | | | | | .0 | | | A | | 8,580 | (1) A | | \$0 | 38, | 3,070 | | D | |
| Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) | | | | | | | | | | | | | | | | | | | |
| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution E if any (Month/Day | Date, T | Code (Ins | | | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | | 7. Title and Amoun of Securities Underlying Derivative Security (Instr. 3 and 4) | | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | | | c | Code | v | (A) | | Date Exercisab | | expiration pate | Title | Ame or Num of Sha | | | | | | |
| Stock Option (right to | \$29.145 | 02/23/2010 | | | A | | 51,480 | | (2) | 0 | 2/21/2020 | Class A Common | 51 | ,480 | \$0 | 51,480 | | D | |

Explanation of Responses:

- 1. Shares of restricted stock awarded pursuant to Issuer's 2005 Performance Incentive Plan. Shares will vest on February 22, 2013.
- 2. Options will vest in three annual installments as follows: 33% vest on February 22, 2011; 33% vest on February 22, 2012; and 34% vest on February 22, 2013.

/s/ Irma Villarreal, by Power of <u>Attorney</u>

02/25/2010

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

- * If the form is filed by more than one reporting person, see Instruction 4 (b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.