



# ABA News

Press Release from the American Bakers Association



[www.americanbakers.org](http://www.americanbakers.org)

**FOR IMMEDIATE RELEASE**

April 24, 2008

Contact: Lee Sanders, Senior  
Vice President, Government  
Relations & Public Affairs  
(202) 789-0300

## **ABA Urges CFTC to Take Action to Decrease Volatility in the Commodity Markets**

Washington, D.C. – On Tuesday, April 22, 2008, ABA Commodity Task Force Chairman David Brown, Vice President of Procurement, Sara Lee Corporation, and Cory Martin, ABA Federal Government Relations Manager, participated in a Commodity Futures Trading Commission (CFTC) agricultural forum to discuss current commodity market volatility.

“It seems extreme volatility is the norm of today’s commodity markets,” said Mr. Brown. “The futures markets were created as a regulated medium to allow physical commodity users to purchase goods from producers. Now these businesses that rely on purchasing commodities to provide the country with food products are being pushed out of the market due to increased speculation and a general move away from the original intent of the exchanges.”

“ABA was extremely pleased to hear today from Chairman Lukken that the CFTC is holding off at this time on implementing either of its recently proposed rules in light of current market volatility,” said Mr. Martin, referring to the recent proposed rule to increase federal speculative contract limits and eliminate contract restrictions for qualifying investors. “ABA believes both of these proposed rules may only exacerbate the volatility we are currently experiencing.”

“Much of this discussion focused on who and what was causing the extreme price fluctuations,” said Mr. Brown. “While this is important, as it may help lead to possible solutions, I believe the CFTC missed an important opportunity to discuss what the impact will be on the end user, the consumer. I can’t remember the last time market volatility meant cheaper food prices for consumers.”

“Consumers are having difficulty in keeping up with the increase in food prices,” said President & CEO of the American Bakers Association Robb MacKie. “Grocery food inflation is up 5.3 percent in just the first quarter of 2008, almost surpassing total food inflation for 2007. Action needs to be taken, and I believe the CFTC has taken an important first step in finding solutions to the current market crisis.”

“ABA believes that clarifying definitions and roles of all market participants is an important first step in understanding what is happening in today’s market,” said Mr. MacKie. “It seems that not all market participants are created equal. If there are discrepancies between how many contracts one entity can purchase, ABA would ask that the CFTC investigate these abnormalities and pursue rules that will help level the playing field.”

ABA is submitting written comments to the CFTC by its Wednesday, May 7, 2008 deadline.

### ***About the American Bakers Association:***

*ABA is the Washington D.C.-based trade association that has been the voice of the wholesale baking industry since 1897. ABA has a long and dedicated history of representing the interests of the wholesale baking industry before the U.S. Congress, federal agencies, state legislatures and international regulatory authorities. ABA represents approximately 80 percent of the wholesale bakeries in the U.S. and their suppliers.*