



# ABA News

Press Release from the American Bakers Association



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

## **High Food Prices Impact American Families Focus of ABA Testimony for Joint Economic Committee Hearing**

Washington D.C. – The American Bakers Association participated in the May 1, 2008, Joint Economic Committee hearing on how high food prices are impacting American families. “Food inflation in the first quarter of this year almost matched the rate for all of 2007, which places a tremendous burden upon families,” said ABA President & CEO Robb MacKie. “There are steps Congress and the Administration can take that would ease this burden on American families.”

“The high costs of commodities have driven up the price for essential foodstuffs at the grocery store,” continued Mr. MacKie. “While there are many factors as to why commodity prices are so high, the effects of the government ethanol policy and land retirement programs cannot be ignored.”

“ABA supports increasing the use and development of alternative fuels, but such policy should ensure a proper balance between traditional agriculture and alternative fuel production as the balance impacts the ability to provide consumers with reliable and affordable food products,” said Lee Sanders, ABA Senior Vice President of Government Relations & Public Affairs. “Continuing on the current path may lead to increased dependence on foreign supplies of basic commodities such as wheat, which can lead to increased risk for food safety and security for our nation.”

“Why are we putting food in our gas tanks instead of our stomachs,” asked Rich Reinwald, owner of Reinwald’s Bakery and First Vice President of the Retail Bakers of America, in testimony before the Committee. Mr. Reinwald spoke on behalf of the ABA and the Retail Bakers of America. “The U.S. has a finite number of acres for food production. Where will the land come from to grow more crops to meet the new ethanol mandate? U.S. cropland is already stretched to its limit.”

“The Energy Independence and Security Act of 2007 allows for a waiver of the renewable fuel standard if implementing the standard would harm the economy. We are reiterating our call to implement the waiver,” said Mr. MacKie. “ABA has argued that the economy is under tremendous stress due in part to the ethanol mandate. We need to step back from this obsession with ethanol and thoroughly examine the impact on our food supply. While the jury is out on whether ethanol is the answer to our nation’s fuel needs, we know that it is currently wreaking havoc on our food supply.” ABA will continue its efforts with Congress and the Executive Branch to allow this waiver.

### ***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.*