



ABA News

Press Release from the American Bakers Association



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Contact: Lee Sanders, ABA Vice President, Government Relations & Public Affairs; 202-789-0300

ABA Band of Bakers Urge Congress, Administration to Address Wheat Crisis: Efforts to “Save Our Wheat” Continue

“Bakers from across the country came together to send a loud and clear message to Congress and the Bush Administration that immediate action needs to be taken to alleviate the commodity crisis,” said Robb MacKie, President & CEO of the American Bakers Association (ABA). “The wheat supply is at historically low levels, commodity prices are at an all time high, the dollar is down and the consumer is just starting to feel the impact. ABA and its members have been warning government officials about the pending crisis for the past year; any further delay could have extremely serious consequences,” added Mr. MacKie.

On Wednesday, March 12, 2008, the ABA was joined by other industry organizations in Washington, D.C., for a “Band of Bakers & Allied Forces March.” This united effort was designed to alert Congress, the U.S. Department of Agriculture (USDA) and the Bush Administration to the severity of the crisis and the potentially dire impact on the industry and consumers. To kick off the day, ABA and its allies held a press conference at the National Press Club.

Over 80 bakers, representing businesses of all different sizes, visited with more than 45 members of Congress, the Secretary of Agriculture and his senior staff, and key White House policy officials to urge immediate action on **ABA’s Three Point Plan**, including:

- Early release of non-environmentally sensitive CRP acreage;
- Elimination of the ethanol import tariff and temporary waiving of ethanol production limits; and
- A USDA review of wheat export policies in light of the new market dynamics.

Bakers are hard pressed to manage the extreme volatility of flour prices. “Last year I was paying about \$14 for a hundred-pound bag of flour – last week I was quoted \$57 for that same bag of flour,” commented Len Amoroso, ABA member and Executive Vice President of Amoroso Baking in Philadelphia, Pa. “This means that I will have to spend \$13 to \$15 million more this year just on flour...bakers can’t keep up with these increases – we will be forced to make cuts or go under.”

Reuben Gist, Director of Advocacy, Capital Area Food Bank, spoke at the press conference about what this means to consumers. “A loaf of bread now costs the same as a gallon of gas. People are having to make hard decisions on the basics, including transportation, health care, childcare and housing. The result is that more of the working poor are turning to food banks, such as ours, for their basic food needs.”

Bakers and other wheat users are also very concerned over the historically low stocks, with the industry currently operating with less than a one-month supply. “ABA is asking USDA to review export policies in light of these historically low domestic wheat stocks,” said Mr. MacKie. “While we are not calling for an export moratorium, USDA has a responsibility to review its policies in light of the new commodity paradigm.”

“While there is no ‘silver bullet’ fix for the current commodity crisis, ABA strongly believes that steps can be taken to help stabilize commodity markets, give wheat users increased confidence about supply availability, and importantly, provide some relief for consumer concerns about escalating food prices,” commented David Brown, ABA Commodity Task Force Chairman and Vice President of Procurement for Sara Lee Corporation.

ABA was joined by a number of industry groups in its Band of Bakers and Allied Forces March on Washington, D.C. Members of the Independent Bakers Association, Retail Bakers of America, Snack Food Association and BEMA lent their voices to this critically-important effort. “We recognize that the drastic increase in commodity prices not only affects our baker members, but all commodity users. We greatly appreciate these allied groups’ support and participation in today’s meetings,” said Mr. MacKie.

“While the March was a success, I cannot stress enough the importance of our continued efforts to put pressure on policymakers in Washington to act now,” said ABA Chairman Ron Turano, President, Turano Baking Company. “All bakers should continue making calls, writing letters and visiting their members of Congress, to support the ABA Three Point Plan.”

For more information, contact Lee Sanders, ABA Senior Vice President, Government Relations and Public Affairs (lsanders@americanbakers.org) or Cory Martin, ABA Federal Government Relations Manager (cmartin@americanbakers.org). Both can be reached by telephone at (202)789-0300.

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.