

American Bakers Association

NEWS

FOR IMMEDIATE RELEASE

February 3, 2006

Contact: Kelly Kotche

Membership & Communications Manager
202-789-0300

ABA Discusses Sugar Availability, Farm Bill, and Nutrition Education with Secretary of Agriculture Johanns – Applauds USDA Announcement Increasing Sugar Imports

“Secretary Johanns and I had a very good dialogue regarding the wholesale baking industry’s concern about sugar supplies and I applaud the Secretary for his quick and decisive action,” said American Bakers Association President and CEO Robb MacKie. “I enjoyed the chance to begin what we hope will be a close and productive relationship with Secretary Johanns. This will be critical with the farm bill reauthorization looming on the horizon.”

On behalf of the baking industry, Mr. MacKie discussed with US Department of Agriculture Secretary Mike Johanns the recent tightening of sugar supplies in a phone call on Tuesday, January 31, 2006. Mr. MacKie impressed upon Sec. Johanns that the tight supply situation prevalent in the aftermath of Hurricanes Katrina and Rita had returned and that bakers were once again feeling the pinch.

Yesterday, the USDA announced that it was further modifying the 2006 sugar import program to allow for increased availability to meet domestic sugar needs. USDA increased the Overall Allotment Quantity (OAQ) by 525,000 short tons, raw value (STRV) to a total of 9.350 million STRV. Due to the inability of domestic producers to fill this need, USDA announced that it is also increasing the tariff rate quota (TRQ) by 500,000 evenly divided between refined and raw sugar.

“ABA Commends USDA on its willingness to work with the baking industry on this most recent increase to the Overall Allotment Quantity (OAQ), said Kelly H. Knowles, ABA’s Director of Government & Political Affairs. “As the largest group of industrial sugar users, access to sufficient quantities of this commodity continues to be a challenge for our industry.”

In addition to sugar availability, Mr. MacKie also began the dialogue with Secretary Johanns on the baking industry's perspective on the upcoming farm bill reauthorization. Specifically he mentioned the Conservation Reserve Program and the need to maintain access to quality wheat production lands. Mr. MacKie also discussed possibly partnering with USDA on greater promotion of the benefits of grain based foods in the diet, and the My Pyramid released last year, as strategies for addressing obesity. According to Mr. MacKie the Secretary was very receptive to working with bakers on nutrition education.

“It was important to get the baking industry's oar in the water early with Secretary Johanns,” said Mr. MacKie. “He will be leading the charge for the Administration on the most significant farm bill reauthorization in many years.”

###