



Bulletin

Serving the Baking Industry Since 1897

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ABA and ATBI Hold Joint Fall Board of Directors Meeting - Large Industry Turnout



ABA Chairman George Deese, President & COO, Flowers Foods, addressing the Board of Directors.

Approximately 55 members of ABA and the Allied Trades of the Baking Industry (ATBI) were on hand for the annual joint Board of Directors meeting recently held at the Grandover Resort in Greensboro, NC. The two groups met separately for their individual Board meetings, then came together for a portion of the ABA Board meeting and a joint Board dinner.

“This annual joint meeting continues to foster the close working relationship between the bakers and allied members and gives both groups the opportunity to chart many industry initiatives for the benefit of the entire grain-based foods industry,”

remarked ABA Chairman George Deese, President & COO, Flowers

Foods. “This was a great meeting to have all segments of the industry come together. We had a very meaningful and comprehensive agenda with particular interest and time spent on the fall elections, acrylamide and our newly released consumer survey for bio-engineered grain-based foods,” he added.



Invited guest John Tate, Chief Operating Officer, Krispy Kreme Doughnut Corporation (left), pictured here with Gary Edwards, Lallemand/American Yeast, attends first ABA Board meeting.



From left: Invited guest Paul Stroup, Lance Foods, and ABA Board members Chuck Sullivan, Interstate Bakeries Corp; Jack Lewis, Lewis Bakeries; and Bill McCurry, Manildra Group USA.

ABA Welcomes New Member:

*Bake-Line Group, LLC
Oakbrook Terrace, IL
Governor: James T. Spear,
Co-Chief Executive Officer*



ABA Board members from left: Albert Lepage, Lepage Bakeries; Lisa Maloney, ABA; Chip Klosterman, Klosterman Baking Company; Rafael Velez, Grupo Bimbo; Lou Gonnella, Gonnella Baking Company; Juan Muldoon, Bimbo Bakeries USA; and Robb MacKie, ABA.

ABA Board Reviews Survey Results of Consumer Perceptions of Biotech Wheat and Grain Based Foods

- Industry Position Supporting Consumer Choice is Reinforced



Dr. Tom Hoban briefing the Board of Directors on the ABA-sponsored survey on consumer perceptions.

On October 10, Dr. Tom Hoban, North Carolina State University, briefed the ABA Board of Directors and the ATBI Board on the results of the ABA-sponsored survey that studied consumers' perceptions of biotech wheat and grain-based foods that could be derived from biotech wheat in the future.

The study, co-funded by the American Society of Baking, the North American Millers Association and ConAgra Grain Processing Company, was developed by Dr. Hoban and Angus McAllister, President, McAllister Opinion Research, with the assistance of ABA Biotechnology Subcommittee Chairman André Biane, VP Research, Development and Total Quality, Sara Lee Bakery Group, and ABA Food Technical Regulatory Affairs Committee (FTRAC) chairman Len Heflich, Director, Corporate Quality Assurance, George Weston Bakeries, Inc. The national telephone survey of 1000 people was conducted in early August.

"The survey establishes important benchmarks key consumers' perceptions of genetically modified wheat in comparison to other GM commodities and biotech foods. It specifically gathers information on consumers' perceptions of grain-based products derived from biotechnology. This information will greatly assist the industry as we move forward in addressing issues of biotechnology and advances in the future," said Lee Sanders ABA Vice President for Regulatory and Technical Services. "The survey results reinforce ABA's 2002 Biotech Position Paper which stated that the industry wants to provide choice for its consumers and that the issue is consumer driven," said Mr. Biane.



(Continued on page 3)

COMING SOON:

Results of Consumer Biotech Perceptions Survey with Additional Demographic Data on CD-ROM - to be mailed to ABA members

Key Survey Findings

During his presentation, Dr. Hoban explained the three attitudinal segments that were identified based on the survey data:

Loyalists (50%) - Loyal bakery product consumers who say they would keep buying bakery products if they contained GM (genetically modified) wheat

Potential Switchers (40%) - Consumers who are voicing concern by saying they would switch to non-GM, or buy fewer baked goods if GM wheat was in a product

Market Exit (5%) - Consumers who already have or will stop buying wheat-based baked goods


Dr. David Lineback Updates Board on Acrylamide Issue



Dr. David Lineback addressing the Board of Directors on the issue of acrylamide.

Dr. David Lineback, Director of the University of Maryland's Joint Institute for Food Safety and Applied Nutrition, addressed the ABA and ATBI Boards during its joint meeting on October 10. Dr. Lineback, who is spearheading the acrylamide data collection, gave a thorough briefing on acrylamide in food including recent activities surrounding the issue. He discussed the history of the Swedish National Food Administration's review of the issue, levels in various foods including baked goods, and questions surrounding the formation in various foods and toxicology issues that have been raised. Dr. Lineback also reviewed priority areas for additional research and information which included the amount of acrylamide in different food products; mechanisms of formation

including bioavailability, exposure toxicology, human carcinogenicity, and lastly, the possibility of reducing amounts of acrylamide in foods.

Dr. Lineback is organizing an international workshop—"Acrylamide in Foods: Scientific Issues, Uncertainties and Research Strategies"—which will focus on science and the knowledge gaps and research priorities. The workshop will be held October 28-30, in Chicago. ABA will be represented by ABA Vice President, Regulatory & Technical Services, Lee Sanders and ABA Food Technical Regulatory Affairs Committee (FTRAC) Chairman Len Heflich, Director, Corporate Quality Assurance, George Weston Bakeries, Inc. Other industry participants include Wheat Foods Council President Judi Adams and AIB Vice President, Research and Tech Services, Maureen Olewnik. 

Consumer Perceptions Survey


(Continued from page 2)

Dr. Hoban noted that consumers are early in the judgment process with only one in two Americans being familiar with GM food issues in general, and just 16% familiar with biotech wheat specifically. At this early stage, approximately 50 percent are comfortable with GM foods and GM wheat in bakery products, while about 40 percent expressed concern. Of the latter, 15% expressed strong concern with GM foods in general and slightly more, 20 percent, expressed strong concern about GM bakery products specifically. Acceptance of GM wheat is at the same level as GM corn and tomatoes and oils which are already in production. The survey found that overall, however, a plurality still say the risks of GM wheat outweigh the benefits.

The number of "Potential Switchers" (40 percent) saying that they would switch from GM wheat bakery products is identical to that found for GM corn products. In reality, few consumers have switched from GM corn. A wholesale switch from GM wheat is not likely to happen without a trigger event that would draw more attention to the issue, or easy access to an alternative market to "exit" to (eg. organic or non-GM wheat alternative). For switching to occur, it is likely that "strong" awareness and "strong" rejection would have to increase significantly (i.e., to 40 percent of the population from the current 20

percent), and show up on the radar as an "unaided" concern. "Potential Switchers" tend to be older, female, western, less affluent, multi-grain bread consumers, while "loyalists" tend to be younger, male, southern, and affluent white bread consumers.

"Loyalists" tend to frame biotechnology as a technological and economic issue, while "potential switchers" tend to frame it as a social, environmental, health, ethical and moral issue. Dr. Hoban also noted that higher acceptance by those more familiar with the issue and increasing societal familiarity with genetic sciences suggest that acceptance will increase. Consumer choice, consumer education, endorsement from trusted sources, and differentiation from other less acceptable technologies are key to acceptance.

"The American Bakers Association has been a leader in addressing the issues of biotechnology for the baking industry. This survey will provide the industry with an understanding and sense of direction on issues surrounding GM wheat and possible GM grain-based foods. The results are not surprising and reinforce the need for consumer choice, which has been the ABA position. The survey results give us good solid facts on what consumers think and what type of challenges that are ahead of us," said ABA Chairman George Deese. 


ABA Board Receives Issue Reports

ABA Board Receives Update on Food Security; Allergen Legislation; Use of the Term Fresh

At the recent ABA Board meeting, Lee Sanders, ABA Vice President, Regulatory and Technical Services, provided the ABA Board of Directors with updates on a variety of timely compliance issues. Miss Sanders reviewed the most recent activities surrounding the food security legislation that was signed into law in June. The Public Health Security and Bioterrorism Preparedness and Response Act of 2002 constitutes a significant expansion of the food related enforcement authorities under the Federal Food, Drug and Cosmetic Act. Miss Sanders noted that the new law calls upon FDA to propose new rulemaking in the areas of registration of facilities, establishment and access to records, and prior notice of imports. At the request of FDA, ABA has already submitted preliminary comments on registration and records access to provide information to the agency as they formulate the proposal. ABA will submit additional industry comments after the formal proposals are published later this year or early 2003. She also briefed the group on details of the new regulations on records inspection and administrative detention authority that have already been implemented.

Miss Sanders also updated the Board on the pending Food Allergen Labeling and Consumer Protection Act. While the Senate HELP Committee unanimously approved bill September 25, it is unlikely that the bill will see action on the Senate floor before Congress adjourns. The Committee greatly improved the bill due to aggressive ABA educational efforts and proactive package labeling efforts by industry to

inform consumers about allergens through additional voluntary product package labeling. The new Senate version requires labeling of all of the "Big Eight Allergens" (milk, egg, fish, shellfish, tree nuts, peanuts, wheat and soy); calls for additional labeling if a common name is not used in the ingredient legend; deletes the exemption for spices, flavorings, color and incidental additives that include allergens; permits the Secretary of Health and Human Services to modify or eliminate the scheme of the bill to protect human health and lastly, calls for various studies on manufacturing practices, use of allergen advisory statements, gluten labeling and celiac disease. "We can expect to see this issue revisited in 2003," said Miss Sanders.


Finally, Miss Sanders reported that ABA submitted comments to FDA regarding the baking industry's objections to the FDA policy that disallowed the use of the term "fresh" on labeling of baked goods in the context of first amendment rights for free commercial speech. In its comments, ABA noted that FDA has wrongfully restricted the use of a truthful and non-misleading labeling claim in the absence of evidence of consumer deception. Subsequent to ABA's comments to the agency, The Washington Post ran an article on October 15, which reported a new interpretation from the FDA on the issue of "fresh" for baked goods, noting that bakers could in fact say "fresh" of its bread and other baked goods. "The industry is pleased that the agency has acknowledged that we have fresh products and that we can now package and market them as such," concluded Miss Sanders. 

ABA Board Approves Funding for Voter Education on Oregon Biotech Labeling Measure 27

The ABA Board unanimously approved a contribution of \$5000 to support the activities of the Coalition Against the Costly Labeling Law. Lee Sanders, ABA Vice President, Food Technical Regulatory Services, commented, "The Coalition has an aggressive voter education campaign consisting of television and radio advertisements and printed/mailed educational literature to oppose Oregon Ballot Measure 27. The proposal would require stringent biotech labeling of all foods and beverages that contain more than one-tenth of one percent of

genetically-engineered ingredients that are sold or distributed in or from Oregon. The measure will appear on the 2002 General Election ballot in Oregon."

The Oregon voting process is done through a lengthy mail-in ballot where voters have three weeks to review issues, vote and mail in their balloting booklets.

The Coalition is a diverse group comprised of statewide groups including farm groups, grocers, restaurants, consumers, as well as food and beverage companies. 


ABA Board Receives Issue Reports

ABA Board Focuses on Health Care, Other Human Resources Issues

The ABA Board of Directors received an extensive presentation on the rising cost of health insurance and the baking industry benefit system from ABA Vice President Government Relations Robb MacKie. Mr. MacKie highlighted for the Board the return of significant health care inflation with the latest national numbers showing an average of 12 – 15% annual increases. His presentation also showed the increase in the percentage of total baking industry employee compensation devoted to health care insurance.

Mr. MacKie explained the structure of the industry's health benefits, focusing primarily on prescription drugs. He also discussed a number of options to try and contain the

growing cost of those benefits. The ABA Human Resources Committee has devoted tremendous attention to this issue and it will be a focus again at its January 13-15 meeting in Washington, DC.

Mr. MacKie also presented a summary of the recently ratified settlement between United Parcel Service and its Teamster drivers and its potential impact on baking industry contracts. He indicated that the ongoing Master Freight Agreement negotiations could provide some trends and insight into future baking industry contracts as well. In addition, he briefed the Board on recent activities on ergonomics, flour dust, transportation security and Canadian trade. 

Clear Skies Act of 2002 and EPA's TMDL - Focus of Environmental Issues Update

Clear Skies Act of 2002

In her report, ABA Vice President Environmental Activities Dr. Anne Giesecke informed the Board of Directors that the Clear Skies Act of 2002, was modified in the Congress at the request of ABA to include an exemption for cogeneration. The bill, supported by the Bush Administration, is primarily directed at controlling emissions from coal power-generating facilities. Critically important to the baking industry is the provision that an operation may be exempt from controls if the unit has a nameplate capacity of less than 25 MW and sells less than one-third of the power. Bakers usually burn very clean natural gas and make multiple use of the energy, i.e., steam and power generation. Generally, bakers use cogeneration to minimize peak load demand and therefore limit the need for new power plants.

TMDL Watershed Rule


Additionally, Dr. Giesecke reported that ABA is working very hard to move the EPA Total Maximum Daily Load (TMDL) Watershed Rule through the regulatory process. The rule will result in increased waste water treatment costs

for the baking industry, however it is dramatically improved over a previous Clinton Administration rule. The TMDL watershed rule should move forward because:

1) Major issues have been moved in a scientifically based and reasonable direction. The proposed rule is expected to reflect the need for state flexibility and long term planning for business. The 1992 rule and the complexity of court decisions irregularly addressing a multitude of issues have become an unworkable program;

2) The rule will provide a solid foundation for water management. The rule is expected to require the states to develop a listing methodology based on science. The rule recognizes the natural variability of water bodies and is expected to provide for a five part list for waters allowing for realistic and scientifically based management decisions; and

3) Integrated planning and management decisions for the program and for permits are facilitated because implementation plans are separate from the TMDL.

The momentum of the process leads ABA to believe that the comment period will be constructive and will address particular issues that may remain in the rule. No action will result in a weak program and diminish the progress ABA is making on improving water quality. 

BIPAC's Budde Gives ABA-ATBI Boards Candid Election Assessment - Urges Active Participation



Bernadette Budde giving the ABA-ATBI Boards an assessment of the upcoming elections.

President of the Business Industry Political Action Committee (BIPAC) Bernadette Budde provided the Boards of the ABA and the ATBI with a frank assessment of the upcoming elections. As the dinner speaker, Ms. Budde highlighted many of the competitive elections for the US Senate and House of Representatives. Her prognosis was that while the players might change, that essentially the partisan make up of both bodies would remain the same.

She did exhort the attendees to make sure that they participate, starting with the simple act of voting. However, she reminded the group that they are respected leaders of their companies and in their communities and they need to share their views on various candidates for office.

“Many of your employees look to you for advice and guidance on how candidates stack up on industry issues, you should not be shy about sharing your insights with them,” said Ms. Budde. “You know how these candidates fall out on issues important to the baking industry. Don’t hide your light under a bushel.”

She impressed upon the group that voter turnout will be key and getting industry employees engaged and to the polls will be critical in determining the future make up in Congress. She mentioned the 2000 Presidential election and several congressional races as examples of how important even a few hundred votes can be. 🍞

ABA BreadPAC Makes Great Strides at Board Meeting

ABA’s Bread Political Action Committee (BreadPAC) received a significant fundraising boost at the October Board of Directors meeting when a number of Board members made substantial contributions. These contributions go a long way toward meeting the Board’s goal of BreadPAC contributing \$75,000 in the 2002 election cycle.

ABA’s BreadPAC will be making a final round of contributions to federal candidates for the United States Senate and House of Representatives in an effort to return control of the Senate to Republican hands. BreadPAC has focused its resources on those key open seats and challenger races that could bear fruit toward that effort.

“We are extremely grateful to all of the ABA members, and especially those Board members, who stepped up their giving in this important effort,” said ABA President and CEO Paul Abenante. “These midterm elections are so critical in terms of pursuing our goals and objectives in the coming year - the resolution of issues such as health care costs and allergen labeling hinges on this election.” 🍞

Bakery Chef Makes BreadPAC Donation



John Bischoff, Bakery Chef, Inc., presenting Anne Northup with a BreadPAC check during her visit to the Bakery Chef’s Louisville, KY plant this past August.


Baking Industry Icon Retires after 20 Years of Dedicated Service to ABA



Chuck Sullivan (left) being presented with a plaque of appreciation by ABA Chairman George Deese during the ABA-ATBI joint dinner.

At the joint ABA-ATBI Board dinner, Chuck Sullivan, Chairman CEO of Interstate Bakeries Corporation (IBC), was recognized and honored for his 20 years in the baking industry and dedicated service to ABA and the ABA Board of Directors.

Mr. Sullivan, one of the industry's most successful leaders, was the ABA Chairman for the 1992-94 term, and has been a member of the ABA Board of Directors for most of his career in the baking industry. Mr. Sullivan also selflessly served on the Baking Expo Committee for both the '97 and the 2001 shows.


Mr. Sullivan, 67, is retiring after 13 years as CEO of IBC. He has been succeeded by James R. Elsesser, a member of the Board of Directors of IBC since 1995 and a former Ralston Purina Co. Executive. Mr. Sullivan will remain on the IBC Board of Directors as Chairman. 

EPA Reopens Refrigerant Discussions: New Deadlines, New Penalties

The U.S. Environmental Protection Agency's Director, Air Enforcement Division, Bruce Buckheit, held a meeting with representatives of the baking industry on October 18, 2002. Dr. Anne Giesecke, ABA Vice President, Environmental Activities, was on hand to represent ABA members. At the meeting, Mr. Buckheit stated EPA's willingness to reopen discussions about the EPA voluntary Ozone-Depleting Substance Emission Reduction Bakery Partnership Agreement for the use of certain refrigerants by bakeries. Bakers who wish to participate in discussions, including bakers who have signed the agreement, should contact their trade association representative or EPA's Charles Garlow at telephone 202-564-1088 by November 8, 2002. A meeting will be held soon after this date to discuss the scope and terms of the agreement. Issues for discussion include the provision that "a penalty of \$10,000 shall be

paid for each ODS containing appliance..." and the "additional 'per pound' penalties for all appliance leaks discovered during the audit..."

Also to be discussed is total conversion to non-ODS and the schedule for companies who sign the agreement at this point in time. A baker's expression of interest to a trade association or to the EPA is not an obligation to sign a future agreement or to modify an existing agreement, it is only an interest in discussion of possible terms.

"This is a positive move by the Bush Administration to address concerns that did not meet bakers' expectations under the Clinton Administration agreement. Bakers should think seriously about this opportunity," stated Dr. Giesecke. ABA will hold a meeting October 30th in Washington, D.C., for baking companies to discuss this opportunity. For information about the meeting, contact Dr. Giesecke at 202-789-0300. 

Upcoming ABA Annual Conventions

2003

*March 23-26
The Breakers
Palm Beach, Florida*



2004

*March 17-20
The Phoenician
Scottsdale, Arizona*


2005

*March 20-23
The Ritz-Carlton Orlando
Grande Lakes Resort
Orlando, Florida*

ABA Represented at AACCC Meeting

At the recent American Association of Cereal Chemists (AACCC) meeting recently held in Canada, Dr. Anne Giesecke, ABA Vice President Environmental Activities, and Karen Siffring, Interstate Brands Corporation, Cochairs of the American Association of Cereal Chemists Bread Baking Methods Technical Committee, represented their group before the Approved Methods Committee. They discussed the testing for acrylamide in baked foods by laboratories around the world. The Committee noted that it has developed guidelines for hamburger buns, tortillas, French bread and whole wheat bread. The Committee will develop guidelines for white bread, steamed bread, rye bread, cookies, cakes and leavened donuts, pie crust, cracker, and cake, and is developing Bread Scoring Guidelines. These formulations can be published along with the results of testing

providing information about potential mechanisms of formation as well as exposure data while protecting individual company formulations.


Lee Sanders, ABA Vice President Regulatory and Technical Services, attended the International Association for Cereal Science and Technology Conference, in addition to the AACCC Conference. Miss Sanders was nominated and approved as a member of the Advisory Board for the AACCC Milling and Baking Division and will serve on its Executive Committee. During the meeting, Miss Sanders and ABA-USDA Agricultural Research Service (ARS) Annual Meeting Coordinator Glen Weaver, ConAgra Grain Processing Center, met with USDA-ARS National Program Leader Frank Flora to discuss plans for the 2003 joint meeting on wheat, flour and end product quality. 

ABA Fleet and Distribution Committee Agenda Finalized

The ABA Fleet and Distribution Committee will be tackling an important and diverse agenda at its upcoming meeting November 6-8, 2002 in Chattanooga, Tennessee. The highlight of the meeting will be a joint discussion with the transportation executives of McKee Foods, Inc. This will be a unique opportunity to learn and discuss transportation and logistics issues with an industry leader.

The Committee also will continue to focus on the lost and stolen tray program known as Bakers Against Tray Theft and Lost Equipment (BATTLE). The group will finalize an industry-wide survey to determine the extent of tray loss and theft, as well as looking at model container law reform legislation.

Also on the agenda will be a meeting and visit with local distribution leader US Express. This will be an excellent opportunity to discuss distribution and maintenance issues in the hopes of identifying potential cost savings for the baking industry. The Committee also will hear from Detroit Diesel and Mercedes Benz representatives on new diesel engine technology that meets the new Environmental Protection Agency requirements for clean burning diesel engines. As always, the group will conduct its highly productive roundtable discussion.

For information on this important meeting, please contact Robb MacKie or Carol McDougall at the ABA office. 

ABA Legal Committee Receives Update During Conference Call

The ABA Legal Committee conducted a conference call last week to receive an update on ABA issues of importance. Leading the two-hour call was Committee Co-Chair Steve Avera, Flowers Foods. Twelve baking company representatives heard from ABA Vice President Government Relations Robb MacKie about the latest developments on recently enacted corporate accountability legislation known as Sarbanes-Oxley and its impact on publicly held baking companies. The Committee also heard from ABA Vice President Regulatory & Technical Services Lee Sanders regarding new developments in regulations to enact the food security and preparedness title of the Bioterrorism legislation enacted earlier this year.

care, trade and tax issues, wage and hour class action lawsuits, refrigerants, allergen labeling legislation and acrylamide research. The group also had the opportunity to participate in an open discussion to address other issues of concern. At the conclusion of the meeting, the group agreed to schedule next years Legal Conference for May 14 & 15, 2003 in Washington, DC.

“It was good to get the group back together to focus on industry issues,” said Mr. Avera. “In addition to the annual meeting, the Legal Committee will hold periodic conference calls to keep up to date. We want to spur discussion and interaction among the industry’s legal professionals and the ABA is a great organization to facilitate this activity,” concluded Mr. Avera. 