

Bakers urge actions to deal with low wheat stocks

By Sara Wyant

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The American Bakers Association (ABA) took its concerns about tight U.S. wheat supplies and high prices to key policymakers in Washington last week. During what the association billed as a “Band of Bakers & Allied Forces March,” 80 bakers, representing businesses of all sizes, visited with 45 members of Congress, Secretary of Agriculture Ed Schafer and key White House policy officials to **urge immediate action on ABA’s Three Point Plan**, including:

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

According to Lee Sanders, ABA Senior Vice President of Government Relations and Public Affairs, the bakers’ had a “very good meeting at the White House” but a “disappointing” visit to USDA. **“We did not sense that there was a lot of sympathy or flexibility on the part of the Secretary.”** Sanders told Agri-Pulse that Schafer made it “quite clear” that he would not exercise his authority to waive penalties for farmers seeking an early release from CRP contracts. Sanders added, however, that Schafer promised to review other USDA programs and policies in light of historically low wheat stocks “to see if there was anything that could be revisited.”



Sanders said the bakers’ problem is simple. “Since January alone, wheat prices have increased 50% and since May of last year, they have increased 151%.” They’re also worried about the unprecedented drawdown of stocks. The ABA projects the U.S. will only have a 27 day supply of wheat at the end of the current marketing year on June 30. Sanders said, “this is a trend that we could see for several years to come; usually, there are about three months of surplus stock.”

Despite a statement attributed to ABA President Robb MacKie on February 8 that ABA was requesting that USDA “curtail wheat exports,” Sanders insisted that ABA has **“never endorsed an embargo or a moratorium” on exports**. “What we were asking for from the start was for USDA to look at their current policies and make sure that there is adequate supply for domestic companies, including bakers.”