Customer Panel Addresses What Is Top of Mind for Consumers and Customers

At the 2016 ABA Convention business session “Maximizing the Relevancy of Baking to Power Growth,” a distinguished panel of baking industry customers discussed how consumers are growing increasingly curious about the ingredients in their food, while simultaneously asking for new and unique flavors. They also addressed how food manufacturers can balance freshness with food safety and shelf life. The panel concluded its presentation by identifying opportunities to maximize the value and relevancy of baked goods to ultimately drive growth in the category.

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Customer Panel (from left): Kevin Davis, Bristol Farms/Lazy Acres; Joe Schechinger, Wendy’s QSCC; Kerry Robinson, Walmart. Mark Baum (right), Food Marketing Institute, served as the moderator.

2016 ABA Convention Attendees Feel the Power of Success

With hundreds of executive leaders gathered at the sold-out Arizona Biltmore, the 2016 ABA Convention brought together some of the brightest and most dedicated individuals in the baking industry.

“This year’s Convention was powerful,” said Matt Grogg, ABA Director of Meetings and Education. “The energy among the attendees was palpable, and we received a lot of positive feedback regarding the quality of the Convention. We will keep the momentum going through IBIE 2016, which is all about advancing the baking industry.”

(Continued on page 3)
Reagan Advisor Shares Unique Leadership Lessons

Ambassador and former Arms Control Director for President Ronald Reagan Ken Adelman served as keynote speaker of the Allied Trades of the Baking Industry (ATBI) Leadership Breakfast.

Adelman’s presentation, “Leadership Lessons from the Master: Ronald Reagan,” drew upon his highly acclaimed book, *Reagan at Reykjavik: Forty-Eight Hours that Ended the Cold War*. As advisor to the president during the historic Iceland superpower summits with Soviet leader Mikhail Gorbachev, Adelman shared his insider’s experience to offer a dramatic, firsthand look into the character and leadership of Reagan during the weekend that became a key turning point in the Cold War.

(Continued on next page)
Ken Adelman Inspires Baking Industry Leaders

“Negotiate from a position of strength, trust but verify, and never accept defeat were some of the top lessons that I learned from President Reagan,” said Adelman. “And as tough as he was, Reagan had a kindness and friendliness to him that made others gravitate toward his positions and ideas.”

“It was a fascinating insider’s account of perhaps the most critical two days in our country’s national security up to that point in time,” said ABA incoming Chairman Fred Penny, Bimbo Bakeries USA. “What Reagan and his team accomplished at Reykjavik is an example for business leaders to follow.”

Adelman’s experience inspired his book, which will become the feature film *Reykjavik*, starring Michael Douglas as President Reagan and Christopher Waltz as Mikhail Gorbachev, with Ridley Scott as producer.

Attendees Feel the Power of Success

This year’s Convention featured more high-profile speakers and thought-provoking sessions than ever before, including Ken Adelman, Jonathan Perelman, and Todd Hale. ABA hosted three business sessions and two panels, and played matchmaker to countless connections and relationships built between bakers and suppliers during the course of four days.

The American Bakers PAC Dinner, which featured Carly Fiorina, stood out as one of the premier events during the Convention and put PAC on course to break its fundraising record — yet again.

Be sure to save the date for the 2017 Convention: March 26–29, Boca Raton Resort & Club, in Florida!
Convention Business Sessions

Customer Panel Dialogue with Bakers

Speaker and business session sponsors with the customer panel.

Morning Business Session
Sponsored by

Speaker Todd Hale
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Bakers Selling Themselves Short with Customers, According to Hale

Retail insights thought leader Todd Hale provided a focused, deep dive into consumer trends and the baking category during his presentation, “What’s In-Store for 2016 and Beyond.” Hale challenged the baking industry to do more to educate its customers on the power of the baking categories. He implored the industry to stop selling itself short, as it has a terrific story to tell; Hale gave a few highlights of that story in his PowerPoint presentation.

How can sellers provide the best possible shopping experience for our consumers?

Kerry Robinson: Our retail environment is continuously changing, and it’s changing rapidly. With that said, there are four points that are imperative in terms of always providing a seamless shopping experience. First, we have to win with our stores. We have to deliver an experience that makes them want to come back. Second, we have to deliver value to our consumers. Third, our outlets must be convenient and accessible, both in person as well as on the phone or online. Lastly, we have to make sure our merchandising focuses on the specific desires of our customers.

The former Nielsen SVP of Consumer and Shopper Insights also explored the importance of wellness claims to the bakery category, the continued impact indulgence categories are having on sales, and which categories — private label or brands — are driving the greatest growth.

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Customer Panel Dialogue with Bakers

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How can we build excitement and buzz for our products?

Joe Schechinger: Educate your customers. The front-line employees must be excited and engaged about the ingredients and make it fun for the consumer. Share the excitement forward from R&D to the front line and, ultimately, the consumer.

Kerry Robinson: Offer customers a premium product by providing the right product at the right price, and cater to product niches. Store formats can possibly determine certain bakery products and offerings.

Kevin Davis: Build “excitement by theater” — i.e., use chalkboard art to fuel product excitement, or place bakery items around fruits to add drama. Theater is key to providing excitement.

Are health and taste mutually exclusive?

Joe Schechinger: Healthy alternatives must be of the highest quality — full of flavor and taste — so as to not make nutrition and taste exclusive. Fast food is often looked at as sinful, so to keep hold on our flavor and consumer satisfaction, quality must be maximized. This, however, raises the issue of balancing ingredients seen as “unnecessary,” and preserving product shelf life. Needless to say, the food industry must be creative.

Kerry Robinson: For the past five years, consumers have increasingly sought out more information about what is in their food, and I don’t mean just allergy information and basic nutritional facts. Consumers want to know more about the ingredients and are asking other questions pertaining to genetic modification and other processes related to food preparation. Without question, health is a big issue for our consumers, and we have an obligation to make sure that taste doesn’t suffer.

GMOs — yes or no?

Joe Schechinger: We have to look at the customer and see what they really want as opposed to what they say they want. In order to keep the level of quality that consumers have come to expect, we have to make sure we have unhindered access to certain ingredients.

What is the role of social media when it comes to consumer trends?

Kerry Robinson: Real-time marketing accelerates product success. Sales of Patti LaBelle Sweet Potato Pies exploded at Walmart because social media messages regarding the pies’ taste were overwhelmingly positive.

Joe Schechinger: The power of Yelp. Trying to direct social media is like trying to nail Jell-O to a tree.

Kevin Davis: Social media forces a retailer or supplier to be better at the game. Good or bad — social media will track and show your success or failure.

Customer Panel recommendations to bakers:

To be successful, bakers must focus on the latest customer tastes and wants. Bakers need to tell the story about why their products are different, fun, and exciting, not to mention good for you. Bakers must offer the right product, at the right price, to the right customer.
Today’s consumers are complex. Jonathan Perelman, former top executive of BuzzFeed and Google, has made his mark creating unique content that tells a story in a few short minutes, leaving the consumer looking for more. Perelman’s dynamic presentation shared tactical steps needed to engage your company’s customers in this tech-savvy era. Getting your voice heard online can feel overwhelming. We are awash with technology platforms today that focus on different needs and age groups. How to get above the fray? Content.

Think about a social-first mindset as you develop your company’s content for communication. Content is today’s proxy for communication, and content becomes currency. Today, consumers share what they see online to form a community and build a brand. Take this opportunity to think creatively about the content that you develop to market your brand and what makes you unique. Social media and its tools have grown from more than small blogs to larger bites of content aimed at striking an emotional cord with consumers. During a special informal dialogue with the industry’s rising stars after his presentation, Perelman was asked his opinion of traditional advertising and social media. His feedback — “Companies are shifting their resources toward social media and away from traditional advertising. Don’t get left behind.”
NextGenBaker Makes a Mark at Convention

NextGenBaker Reception
Sponsored by

Top 10 Reasons to Attend IBIE

# 1  Check Out What’s New
# 2  Shop & Compare Your Options
# 3  Elevate Your Career
# 4  Get a Fresh Take on Baking
# 5  Connect with Baking Pros from Around the World
# 6  Mix Business with Pleasure
# 7  Get All the Tools in One Place
# 8  Support the Industry
# 9  Enjoy Las Vegas
#10  Get Great Value!

Registration open! Only $75 for ABA members with discount code.
PAC Events Bolster 2016 Election Cycle Fundraising

Over $182,000 was raised in one evening alone — the largest amount of PAC dollars contributed to a single event in ABA history — with 225 baking industry leaders gathered in support of the American Bakers Political Action Committee’s primary fundraiser of the year.

“2016 is perhaps the most important election of our lifetime,” said PAC Chairman Steve Avera, Flowers Foods. “From the presidential race down to House and Senate contests, American Bakers PAC must be fully engaged in the political process. Due to the outstanding support of the ABA membership, American Bakers PAC will raise over $350,000 for this cycle — an all-time high,” said Avera.

Carly Fiorina, renowned technology business executive and one of America’s most visible and influential corporate leaders, served as the keynote speaker for the dinner. Fiorina addressed baker and allied executives about political leadership, her time on the presidential

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American Bakers PAC Roundtable

National Security and Economic Policy Key Topics at American Bakers PAC Roundtable

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campaign, and her vision for America to bring back a citizen government. “Too much power in the hands of too few leads to an abuse of power,” said Fiorina. “We need to reduce the concentration of power and put it back in the people’s hands.”

She applauded everyone for attending the dinner and playing a role in changing the direction of the country’s leadership. “Your voices count — more citizens need to stand up and participate,” she said. “Don’t be a manager. Managers follow the status quo in an existing system that is usually already broken. Be a leader. A leader’s job is to challenge the system to bring about change.”

Fiorina also met with VIP contributors for a semiprivate Industry Roundtable. National security, opportunities to repeal and replace the Affordable Care Act, and economic policy were topics of discussion at the sold-out event. Bundy Baking Solutions sponsored the hospitality at the Roundtable. “ABA members understand the need for a unified political voice representing the baking industry, and American Bakers PAC provides us the opportunity to support candidates who will stand up for free enterprise and the business community in Washington,” said ABA Director of Political Affairs Kelly Knowles. “ABA is very grateful to Markel Food Group for their sponsorship of the dinner.”

Hospitality at the PAC Roundtable Sponsored by
ABA Chair Rich Scalise, Hearthside Food Solutions, being honored for his service as ABA Chairman.

ABA All Membership Meeting

ABA Chair Reports on ABA’s Success and Impact “Despite Gridlock in Washington”

At the ABA All Membership Meeting, ABA Chair Rich Scalise, Hearthside Food Solutions, remarked on the state of the industry and reflected on ABA’s successes over the past year, reinforcing the industry’s “Power of Baking.”

“ABA continues to succeed despite the gridlock in Washington,” he said. “Last fall, I had the firsthand opportunity to see the ABA team up close at work by attending meetings on Capitol Hill. I experienced for myself the respect for ABA and the baking industry with our country’s policymakers.”

Scalise remarked that House Speaker John Boehner and House Leader Mitch McConnell have held twice as many votes on our priorities combined. “We may not win every issue, but ABA is having an impact on the outcome of issues we care about.”

Scalise also discussed last year’s election and the role of American Bakers PAC. “Thanks to many of you here today, American Bakers PAC played a pivotal role in last year’s election. Our PAC allowed the industry to support candidates that support a strong baking industry and national economy.”

Lastly, Scalise encouraged ABA members to increase their participation on all levels. “Our full participation makes ABA stronger and gives our association a louder voice with lawmakers.”

Kelly Kotche Honored at 20-Year Mark at ABA

“As the association has grown, Kelly’s knowledge and innovative skills have helped guide its success,” said ABA President & CEO Robb MacKie. ABA Membership & Marketing Director Kelly Kotche was recognized during the All Membership Meeting for 20 years of service to ABA, IBIE, and the baking industry. Her husband Tim was a surprise guest and on hand for a special video and presentation. “It is a privilege and honor to work for this industry. ABA members and staff are like family,” said Kotche.

Industry Bids Mark Sabo Farewell at Convention

“Mark Sabo has humbly served ABA, Sosland, and the baking industry for over 30 years. His leadership has always been guided by the principle of what was good for the industry was good for his company. Whether it was propelling the industry to address the commodity crisis, taking needed steps to improve food safety, or creating venues for the industry to share new ideas and find solutions to common challenges, Mark was a strong, guiding force,” said MacKie in recognition of Sosland’s longtime President during the ATBI Leadership Breakfast. “Mark always spurred his team to actively give back and help strengthen the industry.”
Grain Foods Foundation Panel: Grains Are a Nutrition Winner

“Harnessing the Power of Research — What’s Next for the Grains Industry,” co-moderated by ABA President & CEO Robb MacKie and GFF Executive Director Christine Cochran, was a powerful session that explored the tremendous value of GFF’s research with Nutrition Impact.

GFF Scientific Advisory Committee members Dr. Richard D. Mattes MPH, RD, Distinguished Professor of Nutrition Science at Purdue University, and Julie Miller Jones, Emeritus Professor of Nutrition at St. Catherine University, joined with Yanni Papanikolaou, Vice President of Nutrition Research, Nutrition Impact, in a lively, interactive exchange about the recent grains research.

The panelists reinforced the importance of maintaining a cadence of proactive research efforts. Other industries — such as the nut and egg industries — have benefited tremendously from investing in research over the long term to shift consumer perceptions.

The research conducted to date has helped inform the Dietary Guidelines for Americans (DGA), 2015–2020, and uphold the recommendation for six servings of grains each day. The baking industry must next focus on DGA 2020 and select projects that continue to protect grains’ place on the plate. New elements in 2020 will be the separate recommendations from birth to two years of age, where grains and carbohydrates play a critical nutrition role.

“Grains have a great story, and you need to be aggressive in telling it,” said Papanikolaou. Noted Jones, “You cannot underestimate the uniqueness of cereal fiber. The body needs all kinds of fiber, including cereal fiber. Other fibers don’t provide what is needed the way grains do.” Mattes added, “As we move forward, we should look at eating frequency and the role of grain snacks.”

“Bread is the staff of life and the way to start life. Infants start consuming foods, such as cereals and bread, establishing how they will enjoy and consume these products as they grow. This will be important to reinforce for the 2020 DGA review,” concluded Jones.

The GFF Scientific Advisory Committee kicked off its 2016 global tour with the presentation of three abstracts at Experimental Biology in San Diego. To learn more about the GFF research, please visit www.grainfoodsfoundation.org. Last year, the team presented at 13 leading scientific meetings across the globe.
Bakers Discuss Key Findings, Solutions to Workforce Gap

Bakers dove into key highlights from “The Workforce Gap in U.S. Commercial Baking: Trends, Challenges and Solutions,” a project commissioned by ABA and the American Society of Baking, to detail the extent of the current and expected skills gap, as well as to propose solutions for filling the void. The panelists and moderators detailed specific concerns the industry is facing regarding a dearth of talent, and discussed solutions that the industry can undertake now to help address the workforce gap.

Panelists focused in on the current and expected gap, indicating that the industry is facing a high or severe shortage in skilled maintenance and engineering positions, and 40 percent are facing a shortage in skilled machine operators. If the industry adopts the “do nothing plan” as coined by the panel, the shortage of skilled machine operators is expected to increase to 61 percent by 2025, while the shortage of skilled talent in maintenance and engineering would stay the same.

Panelists urged attendees to take leadership of the shortage of skilled labor and implement programs now that can help fill the gap. Solutions include increasing industry and employer branding to better connect with all generations in the workforce, creating a positive workplace culture, and increasing outreach and coordination with local community resources.

The ABA HR Committee will continue to focus on building solutions to help fill the gap in skilled talent, with an official unveiling of programs and resources to be made available to the industry at IBIE.

KSU’s Gordon Smith: Baking Careers Are Relevant

Dr. Gordon Smith, Head of the Grain Science & Industry Department at Kansas State University, implored industry leaders to support KSU’s grains program and encourage today’s students to consider a career in baking or milling. “This is a noble industry,” he said. “Feeding people is important and a noble profession.”

He told the group to not believe everything they hear about stereotypes and to not be afraid to hire millennials. “These are hardworking kids that aren’t afraid to pay their dues,” said Smith. “KSU students are problem solvers.”

“Kids these days worry more about being bored. Our industry is full of challenges and opportunities, and that resonates with our students,” Smith concluded.

KSU’s Dr. Gordon Smith addressing the Convention attendees.
ABA Board of Directors Meeting

GMO Labeling, Regulatory Push, Member Satisfaction Survey Highlight ABA Board Meeting

The ABA Board of Directors devoted a significant portion of its spring meeting to strategizing on GMO labeling legislation and the avalanche of regulations facing the industry in the final year of the Obama administration.

Following up on the Board fly-in to push for a national GMO labeling standard, and despite the unsuccessful preliminary vote in the U.S. Senate, the ABA Board reiterated its strong support for a national voluntary labeling standard. The Board also heard a recap of ABA’s successes in the budget package passed at the end of 2015.

For 2016 priorities, the Board focused on a number of policy priorities tied to the Obama administration’s regulatory onslaught in its final year in office. Topics included finalizing food safety regulations, Department of Labor proposals on overtime and union representation, OSHA penalties, and EPA efforts to rethink its refrigerants policies. Each of the issues could have a significant bottom line impact to ABA members.

The Board also reviewed the results of the 2016 Annual Membership Survey. Used throughout the year to enhance ABA’s member services, survey highlights included a majority confirmation of ABA as a strong brand and resource for the membership, as well as a strong evaluation of ABA member benefits. The current website and social media platforms were identified as opportunities for growth in the area of ABA communications.

ABA and B&CMA Boards Approve Exploration of Merger

The ABA Board of Directors joined the Board of the Biscuit & Cracker Manufacturers Association in approving the exploration of a merger. The yearlong process would look at combining the significant assets of both organizations to provide a greater value and service level for the members of each organization.

“Both ABA and B&CMA are stable, financially healthy organizations serving their constituents with a wide range of successful programs and services. This initiative seeks to build on each organization’s strengths to achieve a stronger future together,” said ABA Chair Rich Scalise, Hearthside Food Solutions. “We are very excited about possibly building upon B&CMA’s outstanding education platforms to fill gaps in the broader baking industry’s leadership and technical training regimens.”

“By working together and capitalizing on the strengths of both ABA and B&CMA, we will provide higher levels of service and value for our members and organizations,” said B&CMA Past Chairman Bill Quigg, Richmond Baking Company. “ABA’s extraordinary advocacy program, regular trends research, and partnership with the Grain Foods Foundation on their category promotion efforts would add tremendous value to B&CMA members.”
Dennis Satyshur Helps Golfers Hone Their Skills

This year’s Paul Abenante PEC Golf Tournament was a huge success, with nearly 150 golfers hitting the greens with longtime ABA friend Dennis Satyshur, Director at Caves Valley Golf Club, who joined ABA once again to lend a hand to the golf outing. “We are fortunate to have Dennis join us year after year. He’s truly a part of this industry group,” said tournament co-coordinator Phil Burris, D. Thomas & Associates.

Thanks to the PEC golf hole sponsors, the golf tournament raised $21,500 for ABA’s political education fund.

ABA thanks Pete Frederick, Grain Craft, and Phil Burris, D. Thomas & Associates, for their dedicated service as PEC Golf Tournament coordinators.
Sports Day!

Tennis Tournament in “Full Swing”!

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Lots of Networking at the Sports Luncheon

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Convention Highlights

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Attendees “Break Bread” at the BBQ Luncheon

Monday Evening Cocktail Reception

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Farewell Reception: It’s Always Hard to Say Good-bye!

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