



AMERICAN  
BAKERS  
ASSOCIATION

# BAKED GOODS: PRICES ON THE RISE

Despite employing cost-saving measures across the board, consumers will see a 5-10% jump in prices for baked goods throughout 2022.\*



## COMMODITIES AND KEY INGREDIENTS

Supply shortages loom for critically important ingredients such as oils, sweeteners, and even gluten. Recent **explosions in input commodity prices** include nearly all-time highs for wheat, grains, and vegetable oils.



## WORKFORCE

The baking industry is dealing with exceedingly difficult workforce challenges. There are currently **12,000+** jobs available on the baking industry's careers website [BakingWorks.org](http://BakingWorks.org).

**238%**

price increase for soybean oil, a critical baking ingredient\*\*

**"49/50 of bakery inputs have seen price increases."**

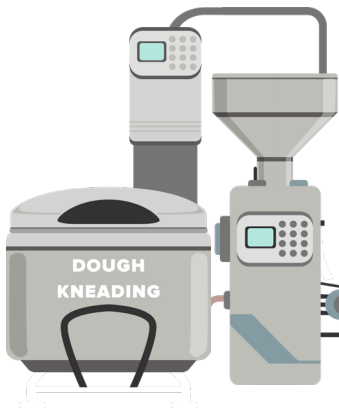
-CEO of one of the largest B2B providers of frozen baked goods in the U.S. and Canada

Commodity prices are up

**109%**

on the whole during the pandemic (at peak)\*\*\*

Price increases on baked goods, a major food staple, could be catastrophic to low-income families, feeding programs, and food banks.

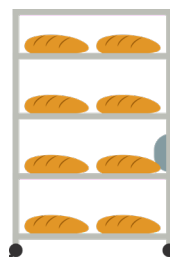


### OILS

Poor yields and heightened edible oil demand driven by federal and state renewable fuel initiatives crowd out food manufacturers from these essential ingredients. Projections indicate the situation will continue to worsen with existing policies.

### GLUTEN

Domestically-sourced gluten is not currently available, forcing bakeries to scramble for this scarce ingredient.



## OPERATIONS AND LOGISTICS

Bakers and suppliers must plan for longer lead times and increased costs for supplies, equipment, and packaging.

### INTERNATIONAL TRADE

Vessel and container shortages and bottlenecks at U.S. ports negatively impact the smooth flow of trade for both ingredient and supply imports and American product exports.

### EQUIPMENT

Increased steel/input costs and longer lead times for machinery suppliers means increased pricing and shorter quote timelines for customers.

### PACKAGING

Increased fuel and oil prices directly impact the cost and availability of materials used to make packaging for baked goods, such as polypropylene.

### TRUCKING

The baking industry has one of the biggest trucking fleets in the United States. Driver shortages nationwide strain an already short-staffed role in the supply chain. Increased fuel prices directly impact the cost of freight to ship baking supplies and products.

\*U.S. Bureau of Labor Statistics, American Bakers Association \*\*Chicago Mercantile Exchange, The Jacobsen \*\*\*Dow Jones Commodity Index (4/21/20-6/4/21)

ABA urges leaders to provide relief on policies that exacerbate supply chain disruptions to help the baking industry slow rising prices.

[www.AmericanBakers.org](http://www.AmericanBakers.org)