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Dear Bakery Customer:

Many of you have experienced the rising costs in bakery products and the Retail Bakers of America would like to address the reasons behind this. As many of you know from your trips to the supermarket, prices of products in general are rising. With grain based products this is especially true. The price of a bushel of wheat has increased daily in the commodities market and this trend will continue for the foreseeable future. This translates to increases in the cost of flour that your baker pays each time he or she buys a bag of flour. Many bakeries have seen the cost of their flour bill almost double what it was in fall 2007.

The cost of wheat is impacted by multiple events. There was less acreage of winter wheat planted than the market anticipated. Farmers are being paid to plant crops for use in ethanol fuel rather than as food crops. There have been bad crops overseas and with the low U.S. dollar foreign countries are buying more U.S. wheat. The spring wheat crop that will soon be planted has already been sold at the higher prices. We anticipate that farmers will plant more acreage this spring but we won't see an impact until the fall and even then we probably won't see a change in the commodities market until mid-2009.

As you can see from the attached charts, wheat prices in 2008 have been on a steady march upward.

In addition to the cost of flour, other commodities such as eggs, butter and shortening that bakers use have risen. Now, with the sugar refinery in Georgia destroyed the cost of sugar will begin to rise and could well rival the rise in flour prices.

We all know where the cost of gas and electricity has gone and this plays a big role in the bakery product that you buy. From growing and shipping grain to milling flour to baking the finished product, the cost of gas impacts the price of the commodity at each step.

The members of the Retail Bakers of America are committed to providing the highest quality products and service for their customers. You can be assured that every effort is being made to control the cost increases by our members.

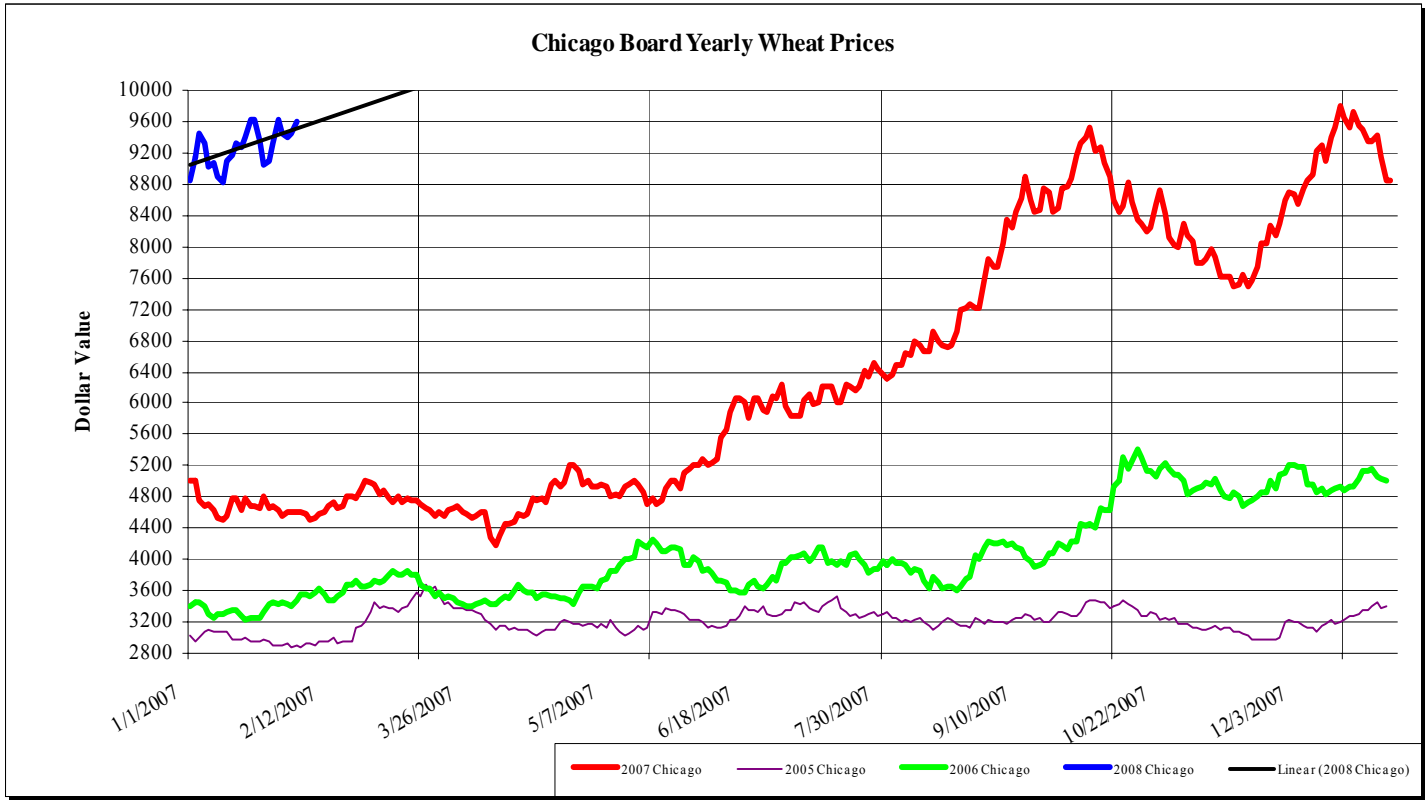
Your local baker and the Retail Bakers of America thank you for your continued support.

Sincerely,

Susan G. Nicolais, CAE
Executive Vice President
Retail Bakers of America

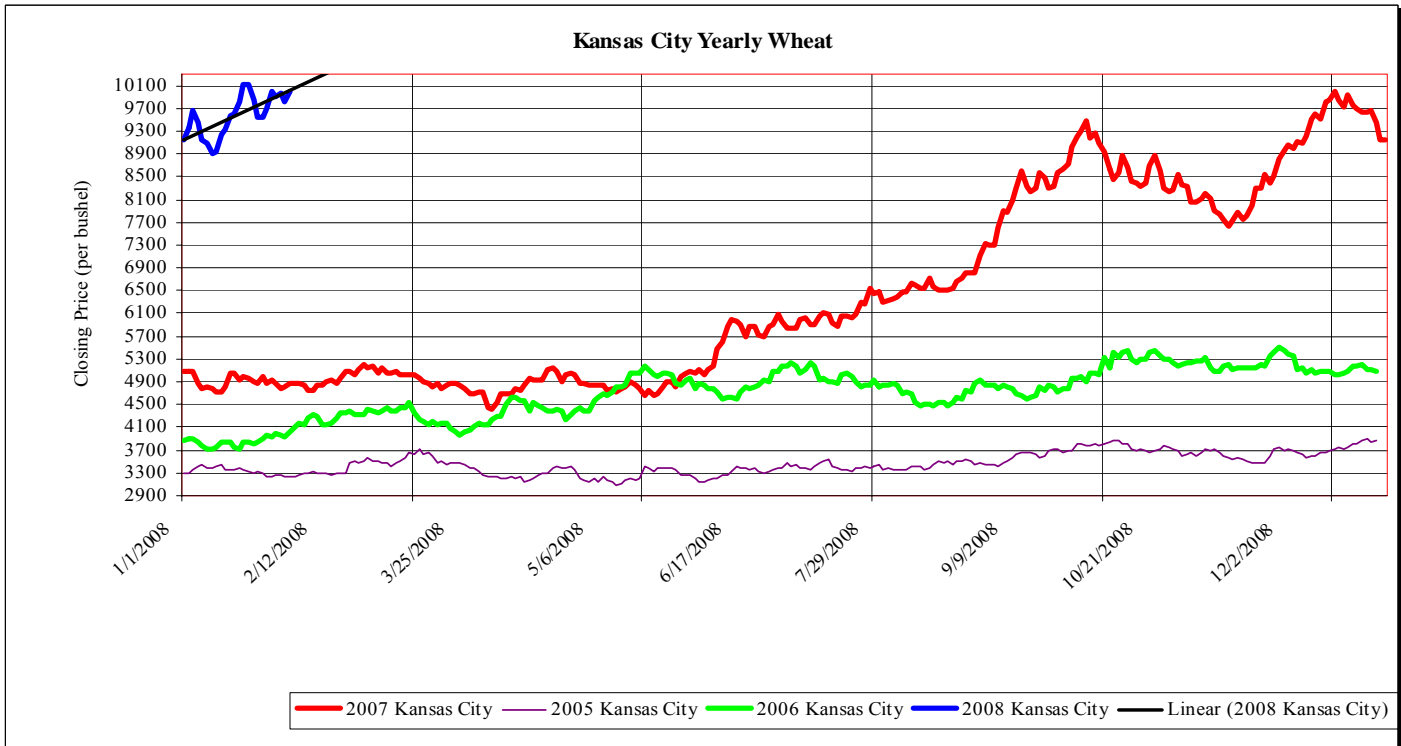
Chicago Board Yearly Wheat Prices:

2008 is highlighted in Blue. Last year was a transitional year for prices, the new price point is from this year, forward.



Kansas City Yearly Wheat:

2008 is highlighted in Blue



Minneapolis Yearly Wheat:

2008 is highlighted in Blue. Last year was a transitional year for prices, the new price point is from this year, forward.

