



MANUFACTURERS CONTENT WITH PRODUCT MIX

ADDING TO PRODUCT LINE:

(percentage of manufacturers adding items to product line; total exceeds 100% because multiple categories cited)

Cakes	20%
Cookies	20%
Artisan bread	13%
Buns and rolls	13%
Danish	13%
Donuts	13%
Other sweetgoods	11%
Muffins	9%
Pan bread/commercial bread	9%
Snack cakes	9%
Croissants	7%
English muffins	4%
Bagels	2%
Pie	2%
Other	9%

DROPPING FROM PRODUCT LINE:

(percentage of manufacturers dropping items from product line; total exceeds 100% because multiple categories cited)

Donuts	5%
Pie	5%
Artisan bread	2%
Bagels	2%
Pan bread/commercial bread	2%
Buns and rolls	0%
Cakes	0%
Cookies	0%
Croissants	0%
Danish	0%
English muffins	0%
Muffins	0%
Other sweetgoods	0%
Snack cakes	0%
Other	0%

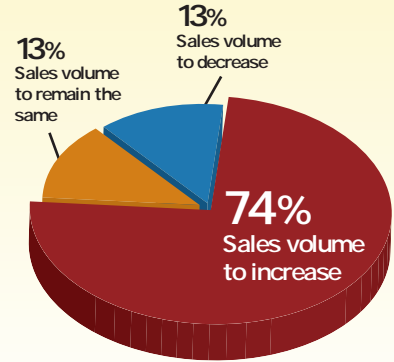
Not adding any items 33%

Did not drop any products 88%

Source: *Baking Management* Wholesale Bakery Industry Study, 2010

BAKERS REMAIN OPTIMISTIC IN DOWN ECONOMY

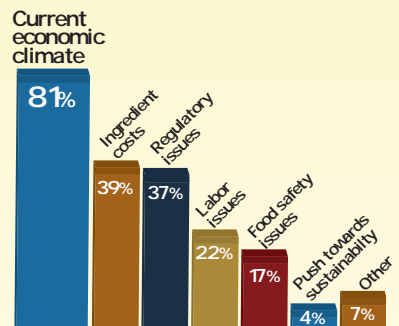
(percentage of operators predicting sales volume compared to previous year)



Source: *Baking Management* Wholesale Bakery Industry Study, 2010

IT'S THE ECONOMY, STUPID...

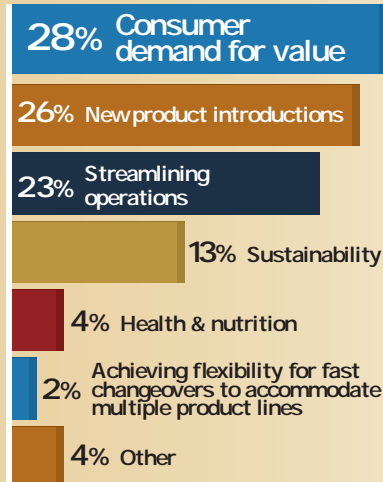
(biggest challenges affecting business; percentage of manufacturers' total exceeds 100% because multiple categories cited)



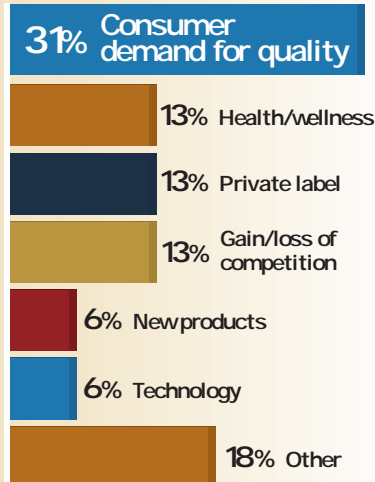
Source: *Baking Management* Wholesale Bakery Industry Study, 2010

VALUE DRIVES CONSUMER PURCHASES BUT QUALITY IS SEEN AS BIGGEST OPPORTUNITY TO GROW BUSINESS

(biggest consumer factor driving business; percentage of manufacturers)



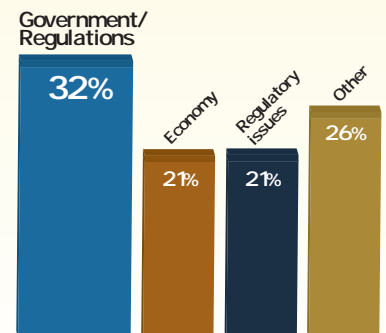
(percentage of manufacturers reporting biggest opportunity to drive business)



Source: *Baking Management* Wholesale Bakery Industry Study, 2010

...AND GOVERNMENT/REGULATIONS A TOP CONCERN

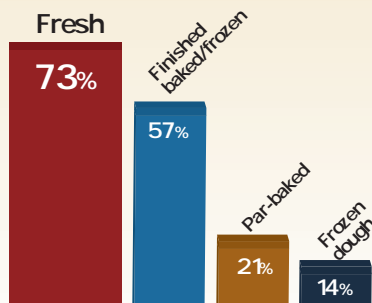
(manufacturers' top concerns in 2010)



Source: *Baking Management* Wholesale Bakery Industry Study, 2010

MAJORITY OF MANUFACTURERS STILL DELIVER FRESH PRODUCT

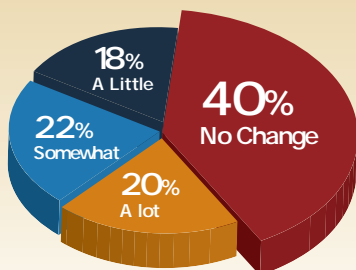
(format products sold; percentage of manufacturers; total exceeds 100% because multiple methods cited)



Source: Baking Management Wholesale Bakery Industry Study, 2010

PRIVATE LABEL SHOWING LITTLE EFFECT

(percentage of manufacturers reporting store brands' effect on business)



Source: Baking Management Wholesale Bakery Industry Study, 2010

AUTOMATION IS TOPS IN BOOSTING PRODUCTIVITY

(changes implemented in operations/facilities to increase productivity)

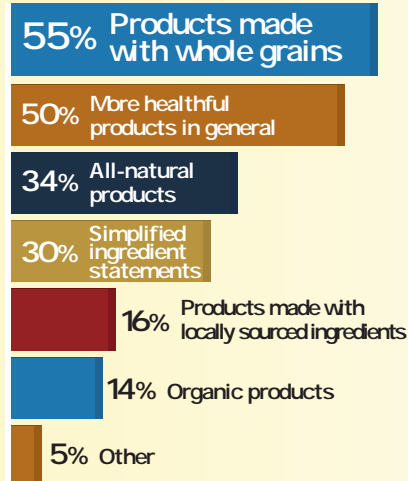
Automation/adding new lines	53%
Organization	12%
Communication systems	6%
Training	6%
Expansion	6%
New products	6%
Other	11%

Source: Baking Management Wholesale Bakery Industry Study, 2010

WHOLE GRAINS, WELLNESS TOP CONSUMER/CUSTOMER CONCERNS

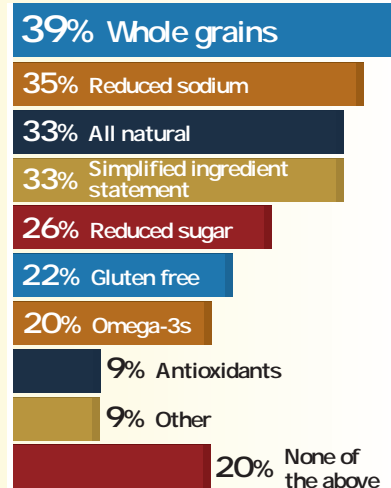
PRODUCT REQUESTS:

(percentage of manufacturers reporting customer requests; total exceeds 100% because multiple items cited)



CONSUMER TRENDS:

(percentage of manufacturers reporting consumer health trends affecting business; total exceeds 100% because multiple categories cited)

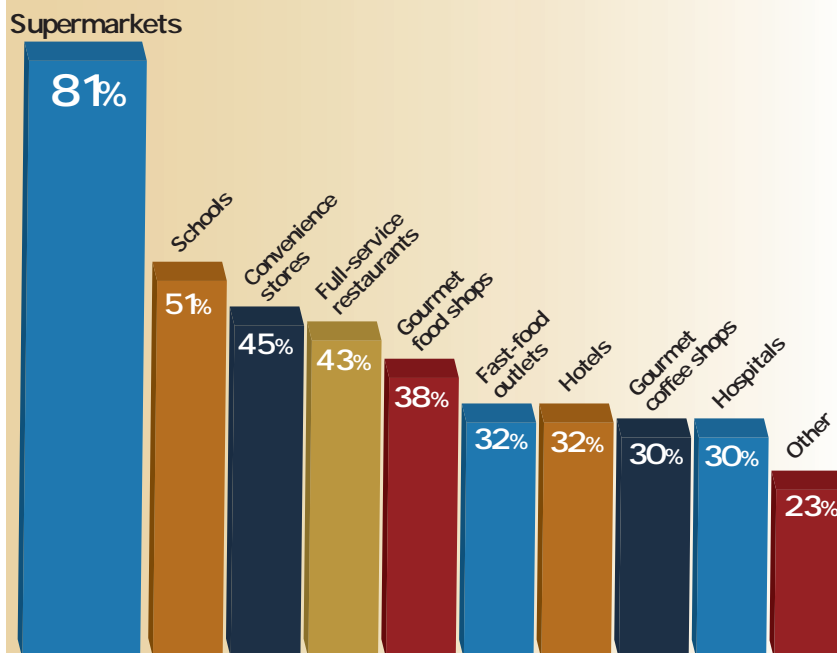


Source: Baking Management Wholesale Bakery Industry Study, 2010



SUPERMARKETS PRIMARY CUSTOMER

(percentage of manufacturers selling to market segments; total exceeds 100% because more than one category cited)



Source: Baking Management Wholesale Bakery Industry Study, 2010



BREADS STILL KING IN WHOLESALE BAKING

(percentage of manufacturers currently offering product; total exceeds 100% because multiple categories cited)

Buns and rolls	47%
Pan bread/ commercial bread	45%
Muffins	40%
Cakes	38%
Artisan bread	34%
Danish	34%
Cookies	30%
Croissants	28%
Other sweetgoods	28%
Pie	28%
Snack cakes	26%
Bagels	23%
English muffins	23%
Donuts	21%
Other	21%

Source: *Baking Management Wholesale Bakery Industry Study, 2010*

BREAD RECORDING GREATEST SALES GROWTH

(percentage of manufacturers citing items with greatest sales growth in past year; total exceeds 100% because multiple categories cited)

Buns and rolls	22%
Pan bread/ commercial bread	22%
Cakes	20%
Artisan bread	17%
Pie	17%
Cookies	15%
Muffins	15%
Danish	7%
Donuts	7%
Bagels	5%
Croissants	5%
Other sweetgoods	5%
Snack cakes	2%
English muffins	0%
Other	12%

Source: *Baking Management Wholesale Bakery Industry Study, 2010*

BAKER GIVES “STARTING FROM SCRATCH” A NEW MEANING



Independent baker Fred Piechocki comes from a proud family of bakers. However, during the Great Depression, his grandfather, Stanley, and father, Edward, lost their bakery. As a result, this third generation baker had no recipes or business to carry on.

So what did Fred do? He started his bakery from scratch. In 1979, Fred opened The Cakery Bakery in Philadelphia, Pennsylvania. Ten years later, he moved to Warrington, Pennsylvania, where he and long-time friend, Henry Stoughton, opened the Warrington Pastry Shop. Fred describes his business as a European style, traditional bakery where products are baked from scratch every day.

Best known for the 60 to 100 decorated cakes it produces a week, Warrington Pastry Shop also turns out 10 to 15 wedding cakes a week-end during prime wedding season. It is also well known for Danish, regular cakes, cupcakes, butter cakes, cinnamon buns and donuts.

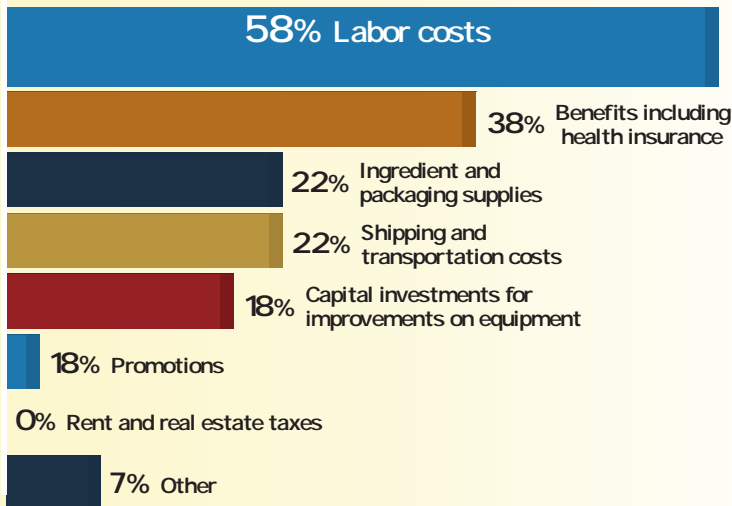
“My greatest accomplishment is to consistently produce a high-quality product,” said Fred. International® Bakers Services has played a key role in maintaining this quality.

“When I started out, I received a sample of International® Bakers Services B&V® and I have used IBS flavors ever since,” Fred recalled. His bakery also uses chocolate, banana, rum, coconut and hazelnut flavors. “I am very happy with IBS products,” Fred stated. “They are easy to use, very consistent and economical. Most importantly, the flavors hold up.”

“Using ingredients that will keep product quality high will make you proud to be an independent baker,” Fred advised. If you value consistent quality, you should get to know International® Bakers Services. Contact us toll-free at (800) 345-7175, by fax at (574) 287-7161, or in writing at 1902 North Sheridan Ave., South Bend, Indiana 46628. We have the flavors your customers deserve.

LABOR TOP EXPENSE

(most expensive aspect of running a bakery; percentage of manufacturers; total exceeds 100% because multiple categories cited)



Source: *Baking Management Wholesale Bakery Industry Study, 2010*

For more information, complete the Fast Fax on page 29.

