Zentralverband
des Deutschen Bäckerhandwerks e.V.

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BENEFITS

The organisations of the German craft bakers trade offer on local, regional and national basis a comprehensive service to their members.

Vocational education and further training

The demands on master bakers and other leading employees in production and sales are becoming increasingly complex and a continuous further training is therefore mandatory. At the *National School in Weinheim* and the provincial vocational schools of the *German Craft Bakers Academy*, a future-oriented choice of seminars is available to all bakery businesses.

Experts in business management, sales and marketing, technical equipment, product development, labour and tax law, food law and nutrition science lecture and disperse information in contemporarily designed seminar rooms. A technology centre with its own laboratory as well as training bakeries, confectioneries and retail shops endorse the choice from the practical side. More detailed information on *www.akademie-baeckerhandwerk.de*.

Publicity and Advertising

T*he advertising community of the German Bakers' Confederation* promotes by means of publicly effective actions the positive image of the bakers' trade and its products among the consumers. By means of continuously co-operating with the media and regular advertising, such issues like the variety and quality of the products as well as the significance of the craft bakers' trade for the economy and the labour market are being communicated.

Consultation on issues of operational equipment and business management

Experts of the *provincial guild associations* and of the *German Bakers' Confederation* provide advice and assistance to the bakeries in investment, business assignment, location finding or analysis of economic data. Based on software developed especially for the bakery business, weak points and vulnerabilities can be analysed and solutions quickly found and implemented. This can significantly contribute to secure and increase profits. In case of arising legal questions concerning rent, lease or purchase contracts an individual appointment for advice can be arranged. The quality inspection and consultancy service is also at the disposal of the guild bakeries, offering advice in terms of environmental protection and quality management in addition to the bread, rolls and fruit loafs tests and preparing and executing of certifications according to DIN ISO 9000 as well.

Financial Sponsoring of Vocational Schools

The *Promotion Foundation for the Employees of the German Craft Bakers Trade* registered association, grants assistance to facilities for vocational and civic training and education. Capable to receive financial contributions are among others the *National School in Weinheim* and the provincial schools of *the German Craft Bakers Trade.*

Custom-made insurance protection

Custom-oriented consultancy in all operational and private insurance issues is offered to the handicraft businesses by *Signal Iduna, the Münchener Verein and the Property and Public Liability Insurance Company of the German Bakers' Handicraft (SHB)*.

Guild members benefit especially from the professional retirement arrangements, tailored particularly for the needs of business owners and employees and developed in collaboration between the *Signal-Iduna-Pensionskasse* (pension fund) and the *Münchener Verein*.

ORGANISATION

There are some 14,500 craft bakeries in Germany. 10,500 of them are members in the bakers guild, which means a rate of unionisation of approx. 72 %. On regional and national *level the national guild associations in the provinces* and the "Zentralverband des deutschen Bäckerhandwerks" – *Central Union of German Bakers' Handicraft* represent the interests of the guilds members and of the entire German bakers' handcraft.

German Bakers' Confederation

The Central Union as an umbrella organisation represents the interests of the member businesses on federal level and before the European institutions. This is being performed in the course of co-operation with Members of the German Bundestag and the German Bundesrat / the Federal Council, with representatives of the highest federal authorities, top business associations as well as trade unions and cooperatives. In addition, the Central Union is the responsible body of the *Academy of German Bakers' Handicraft Weinheim,* the main educational facility of the German bakers' handcraft.

Provincial guild associations

On provincial level there are 16 *provincial guild associations* taking care of the interests of the members. They collaborate with the provincial parliaments, the provincial ministries and all other administration bodies in the respective land and are beyond that the responsible bodies for vocational schools within the *Academy of German Bakers' Handicraft* as well. The care for the guilds and the businesses is another central responsibility of the provincial associations. Their information centres offer help and assistance in all operational, technical and legal concerns.

Guilds

In Germany, presently there exist 296 *bakers guilds*. They are the unsolicited association of freelance bakers of the rural districts and the district-free towns. They represent the interests of their members before local authorities, offices and institutions. The bakers guilds are responsible for the management of apprentice training and trade tests.

BÄKO – the Industrial and Provident Society within the Bakers' Handicraft

BÄKO is the largest association of regional purchasing cooperative societies in Europe. With its two national headquarters (north and south), a federal network of a total of 50 wholesale locations and 3,500 employees BÄKO is the corner stone of the bakers' trade for purchasing and raw material supply. In addition, it offers a wide variety of machines and tools.

German Craft Bakers Academy

The German Craft Bakers Academy is the network of eight provincial vocational schools and the federal vocational school of the German Bakers' Handcraft. They accumulate professional knowledge in baking technologies, product development, business management, sales and marketing and provides by means of a comprehensive choice of seminars for further training in the bakers' trade. Information on a more detailed basis in respect of the choice and the services of ADB is available on the homepage *www.akademie-baeckerhandwerk.de*.

The German Bakers' Handcraft

FIGURES, FACTS, BACKGROUNDS 2010

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The bakery handicraft with an annual turnover of some 13 Bill. € and 291,900 employees belongs to the top group of German handcraftsmanship. In 2009 the businesses for the fourth time in series have been able to increase the number of employees and at least constant sales. This has a positive effect on the machines and equipment manufacturing industry as a whole. Every year German bakers invest some 500 Mill. € in new equipment, machines, vehicles, computers and retail shop equipment. Despite the hard competition the bakers' trade confirms their leading role.

The situation in terms of apprentice training shows clearly: The bakers' trade has a good future ahead! Presently some 35,000 young people are undergoing a vocational training as a baker or as a skilled bakery shop assistant, which is 12 % of all employees.

The consumption of bread and cookies has remained constant in recent years. The in-house consumption of bread in 2009 alone amounted to 43 kg per household. In addition, the out-of-house consumption of bakery products becomes more significant.

Regardless of the stable demand, this trade shows a continuous process of concentration: since the 1950's the number of baker businesses decreased from some 55,000 (on the territory of the former Federal Republic) to some 15,000 businesses (as per 31st December 2009) in all Germany. This goes along with a lasting structural change, caused by the implementation of state-of-the-art technology in production and sales as well as with modified habits of nutrition and consumption.

Craft bakeries used to be mainly family-owned businesses with an adjoined retail shop. Today, more and more bakeries run a joint central baking facility with local or regional branch networks. In a number of cases branches of former, now retired colleagues are being bought-out.

The larger turnover per business facilitates the implementation of new technologies: flour silo lines, dough lines, computer-controlled weighing systems and refrigerating systems are no longer rarities in bakery shops. They enable an efficient and flexible production and a larger variety of products at the same time. Thus they make it possible to keep the self-prepared products of dough cooled over night and to bake them the next day in the baker shop or selling point. The variety of products, freshness and a superb baking quality add to the individual customer service to make the German baker's trade a very special one.

The concentration in the food retail sale business (LEH) requires from the bakers' trade a permanent reorientation in respect of its sales structure. Thus today one can find in many super markets a selling point of a craft baker. LEH-own pre-bake stations and the discount bakeries resulted in a further aggravation of competition. Based on the low purchase price of the prepared and cooled dough, the limited range of products, the simple furnishing and the self-service concept both sales lines can offer bakery products at discount prices.

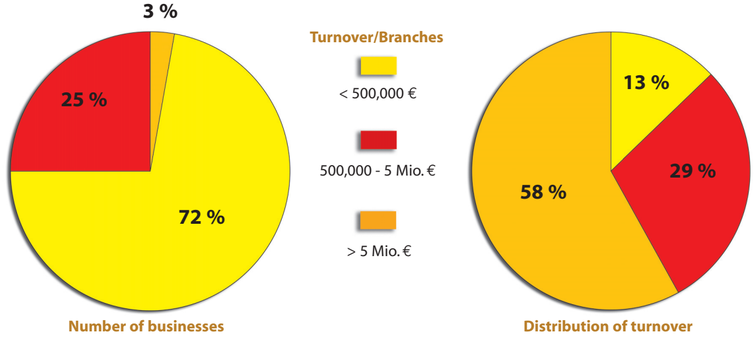
ECONOMIC SITUATION

Development of the German Craft Bakers' Trade from 2004 till 2009

	2004	2005	2006	2007	2008	2009
Businesses 1)	17,178	16,741	16,280	15,781	15,337	14,993
Branches 2)	30,000	30,000	30,000	30,000	30,000	30,000
Specialised bakery shops, total	47,328	47,000	47,000	46,000	45,500	45,000
Employees, of them apprentices	272,300 32,968	274,000 34,753	275,700 36,209	283,900 36,871	287,800 36,057	291,900 35,067
Total turnover/ net sales in Bill. € 3)	11.76	11.89	11.88	12.34	12.88	12.86
Average number of employees/business	15.90	16.40	16.90	18.00	18.80	19.50
Average turnover per year/business	695,000	710,000	730,000	782,000	840,000	858,000

1) As per 31. December 2009 2) Projection 3) VAT not included

Distribution of Sales in the German Craft Bakers' Trade



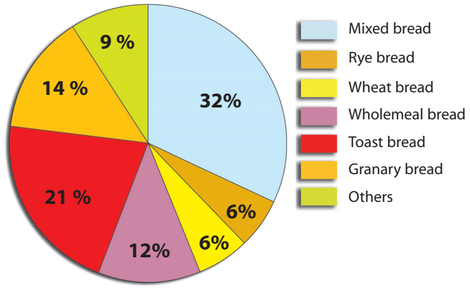
The graphs give an idea of turnover distribution in the German baker's trade. The smallest group, taking only 3 % of the bakeries with more than 5 Mill. € of annual turnover achieve 58 % of the total turnover. Businesses with 500,000 to 5 Mill. € of annual sales make 29 % of the total turnover and bakeries with less that 500,000 € annual sales (72 % of all businesses) make 13 % of the total turnover.

DATA COMPACT

Germany – THE LAND OF BREAD. There is no other country on earth having a larger variety of bakery goods. More than 300 types of bread and 1,200 kinds of cookies are manufactured by the craft bakers all over Germany. Regional specialities, manufactured according to individual recipes, are a permanent part of the everyday culture and habits of living and eating. The rich choice and good taste are the main reason for the high consumption of bakery products by the Germans.

The germans' bread basket is illustrated here according to the amounts consumed:

Breadbasket of the Germans 2009



Graph: Brotkorb (breadbasket) 2009 GfK 2010

In addition to bread, bread rolls and morning goods the german bakeries produce a large variety of fine bakery products, like tarts, slices, puff-pastries and other kinds of cookies and pastries.

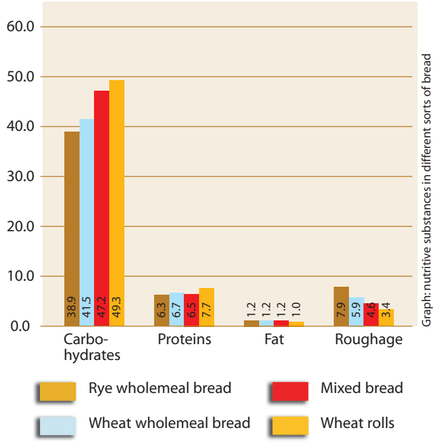
Since many years now, people have been increasingly eating outside their houses, therefore many bakeries have enlarged their choice of bread and rolls by ingenious snacks.

PRODUCTS

Bread – just perfect for a well-balanced and roughage-rich nutrition

According to the actual nutrition report Germans eat too much, too fat and too little of complex carbohydrates and roughage. Bread, particularly wholemeal bread, being a low fat, carbohydrates- and roughage-rich basic foodstuff, essentially contributes to a well-balanced nutrition. This is so because the carbohydrates and roughage contained enable the human body to be supplied smoothly with energy and help to prevent an energy drop. Roughage is also important for a regular and good function of the intestines and thus promote the physical comfort. In addition, bread contains valuable vegetable protein, vitamins and minerals.

Average nutrition facts (g/100 g)



Graph: nutritive substances in different sorts of bread