

Business & Ag

Tasty Bake down to one employee in Baker City

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The abrupt halt in distribution, employee layoffs, a temporarily disconnected phone number, and office door sign stating “We are NOT Accepting Applications” could all be sobering indicators of Tasty Bake’s future here: There may not be one.

Earlier this year, the company, which has had a significant presence in Baker City for over 30 years, suddenly stopped shipment of its pizza dough products, according to three different food brokers for Tasty Bake: Ken Lance, of Columbia Pacific Brokerage, in Oregon; Matt Lindley, of Main Street Marketing, in Idaho; and John Portillo, of Portillo Sales & Marketing, in Southern California.

Lance and Lindley cited the cryptosporidium outbreak in the summer of 2013 as the catalyst for the large reduction in the workforce then, and continuing issues, because of the loss of distribution to clientele, such as WinCo Foods, a major contract for Tasty Bake.

Portillo said that the crypto was a non-issue, because the company was fully capable of continuing its operation, even today, with the change in ownership.

Lance said, “That crypto thing really crippled them... It’s sad to see something like that go—an Oregon company that was doing very well, to have the crypto thing happen, and then, this (the recent halt in distribution, and layoffs)...”

Lindley said, “I know that crypto thing put a damper on things ... Locally (in Baker City), the loss is a big deal ...”

Portillo said, “I think that (the crypto outbreak) has nothing to do with anything ... That is a moot point ... When they (the current owners) acquired that company (in the fall of 2014, from former owner and President from 2001 to 2014, Peter Johnson), the company had full capabilities, and it had full team members...”

According to an Oregon Public Health Division investigation, on Tuesday, July 30, 2013, the Baker County Health Department (BCHD) notified the Oregon Health Authority (OHA) of three laboratory-confirmed cryptosporidiosis cases at St. Alphonsus Medical Center, because Baker County typically reports a single case of cryptosporidiosis each year.

The municipal drinking water supply was suggested as the likely source of the illnesses, and in response, the City issued a boil water order on the morning of Wednesday, July 31, 2013, according to the report.

On Monday, August 5, 2013, Johnson wrote via email to Baker City Public Works Director Michelle Owen, “...like everyone we are concerned about the water. Our advantage is that our product is cooked at 400-600 degrees after adding the water. We are advised this will kill



Todd Arriola / The Baker County Press

Tasty Bake in Baker City sits virtually idle now.

the bacteria. Then the customer cooks it again at 400-600 degrees. What is the update, status on the water. I know a test was supposed to have been done yesterday. Please advise.”

In response, Owen stated that initial tests confirmed the presence of crypto the previous Friday night, August 2, 2013. She said that more tests were being conducted, and, “For now, the boil water advisory remains in effect... Continue to follow the boil water advisory until otherwise notified.”

On August 8, 2013, a voluntary product recall was sent via email, from Tasty Bake, to the U.S. Food and Drug Administration (FDA), regarding 490 cases worth of frozen dough balls the company produced between August 1, 2013, and August 8, 2013, under the brand name WinCo, or Tasty Bake, and distributed in Oregon, Idaho, and Washington.

On Friday, August 16, 2013, a large number of employees—estimated at possibly 30 to 56—were laid off, and Johnson cited the crypto outbreak, and the ensuing loss of clientele, as the cause for the reduction in the workforce, which he said was a major loss for the community. Johnson declined to comment on the current situation, and on previous issues, including the loss of clientele, and layoffs.

According to *Business Oregon*, between 1982 and 2010, Tasty Bake’s production increased by more than 400%, with distribution to schools, supermarket delis, restaurants, and retail outlets, in 11 western states, southwestern Canada, and Asia. In 2010, the company received a \$100,000 loan from the Oregon Business Development Fund, and along with private bank financing, Tasty Bake met its operating capital needs, and expanded production. That same year, Tasty Bake received a \$50,000 BOOST (Building Opportunities for Oregon Small Business Today) grant, which allowed an expansion in the workforce of 20 employees, for a total of over 60 at that time. Also, beginning in 2010, the company completed electrical, plumbing, mechanical, and structural projects, including a 15’ by 25’ exterior shed.

In the fall of 2014, current Tasty Bake President Yasar Samarah, of Merchants Capital Corporation, of Chicago, Illinois,

acquired the company, and the 37,000 square foot property, including the 15,000 square foot building at 1945 8th Street, which was constructed in 1951, from Johnson, with the assistance of Rick Piper, of Lake Oswego-based The Piper Group, LLC, a national and international provider of middle-market merger and acquisition/business brokerage services.

The Piper Group was involved with the sales and acquisitions of Tasty Bake, at least as far back as 2001, when Johnson acquired the company from the original owners, Roger Brown, and Donn Mires. Piper declined to comment on whether there may be any negotiations currently with Samarah regarding the company, because of confidentiality agreements, concerning offerings.

Samarah, Johnson, and Brown communicated to Piper that the sales and acquisitions were positive experiences with the Piper Group.

Plant Manager Curtis Taylor appears to be the sole employee left to maintain the property during the regular work week, according to several sources; however, he declined to comment about the current or future plans for Tasty Bake, stating that the new owners required him to remain silent for now on the subject.

Lance, Lindley, and Portillo did comment about the sudden termination in distribution after the change in ownership, the loss of clientele, the layoffs, and the impacts to the community.

Lance said, “Since then (the beginning of the year), there’s been no contact between us and Tasty Bake. It was pretty abrupt, kind of all of a sudden ... I think it started in January (this year), and by the beginning of February, everybody was gone, that we had ever talked to ... We had some pretty major customers that got left out—it wasn’t a pretty ending.”

He said that one day, there simply wasn’t any product being distributed, as he noted some key Oregon contracts, including with Sysco, Alpine Food Service, and Izzy’s Pizza—a big customer. “All of that’s gone. We haven’t sold a case of product, probably since the middle of January ...

They pretty much just shut the thing down, as far as I could tell ... Everybody got laid off, and they just kind of ceased to exist ... We

represented them for a really long time (from right after Johnson took over the company) ... It was the oddest thing, I think, I’ve been involved with, ever ... There was no explanation, no contact ...” Lance said.

He said that there were customers, but, with distribution halted, there was no product to sell to them. He said he had the impression the Tasty Bake employees were surprised, as well, at the sudden cease in operation, and the recent layoffs.

“I think Pendleton Flour Mills (merged with Cereal Food Processors, Inc., and Milner Milling in May 2014, to form Grain Craft) was one of their big suppliers for raw material. I think WinCo (the WinCo contract loss) was one of those Murphy’s Law kind of things ... Everybody (the clientele) has found solutions (for supply), that I know of ...” Lance said, noting that Spokane, Washington-based Rizzuto Foods is one of the replacements for Tasty Bake’s services.

Lindley noted that Tasty Bake’s sole distribution in Idaho was to WinCo (short for Winning Company, an employee-created name), and, he said, “I haven’t even really received some official communication from Tasty Bake (regarding the cease in distribution, etc.). Just the next thing I know, they’re closing down. They’re not taking orders ...”

He said the loss of employees, including in 2013, was a significant hit to a community like Baker City. Lindley said, “There are not a lot of people who go out of business in our industry, you know, to just shutter the doors like that. It was a bit strange...” He said his guess is that WinCo probably acquired product distribution from Rizzuto Foods, or Gladstone, Oregon-based Roadrunner Home Bake, Inc., after terminating the contract with Tasty Bake.

Portillo said, “The new owners came in, acquired the company from the previous owner, and stopped shipping to anybody... They just stopped ... And, why they did that, I have no idea. There are some companies, you know, they do things for different reasons. I know they were in the acquisition mode of purchasing many companies in Oregon...”

SEE TASTY BAKE
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— WEEKLY HAY REPORT —

Friday, April 1, 2016 — Eastern Oregon

Prices trended generally steady compared to week-ago prices in a very limited test. Many producers have decided to hold on to their hay for now, in hopes for higher prices or to feed to their own animals. Many hay producers are sold out for the year.

Tons Price Range Wtd Avg

Alfalfa —Large Square Good	400	150.00-150.00	150.00
Alfalfa / Orchard Mix —Small Square Premium	10	195.00-195.00	195.00

USDA Market News Service—AMS.USDA.gov

— CATTLE MARKET REPORT —

Wednesday, March 30, 2016

Vale, Oregon

Cattle sold through the auction: 958

Steer Calves

300-400#	Bulk	203.00 - 215.00	Top 220.50
400-500#	Bulk	172.00 - 203.00	Top 209.00
500-600#	Bulk	171.00 - 197.00	Top 205.00

Heifer Calves

300-400#	Bulk	161.00 - 188.50	Top 196.00
400-500#	Bulk	161.00 - 180.00	Top 181.50
500-600#	Bulk	153.00 - 173.00	Top 173.50

Yearling Steers

600-700#	Bulk	157.00 - 173.00	Top 177.00
700-800#	Bulk	132.00 - 143.00	Top 146.00
800-900#	Bulk	131.00 - 143.00	Top 144.00
900-1,000#	Bulk	128.00 - 137.00	Top 139.00

Yearling Heifers

600-700#	Bulk	139.00 - 156.50	Top 157.50
700-800#	Bulk	129.00 - 142.50	Top 143.50
800-900#	Bulk	124.00 - 136.00	Top 137.00
900-1,000#	Bulk	N/A	Top N/A

Thin Shelly Cows	52.00 - 69.00
Butcher Cows	71.00 - 79.00
Butcher Bulls	71.00 - 88.00
Stock Cows Yng.	1600.00 - 1875.00
Younger Hfrts.	N/A
Stock Cows Older.	900.00 - 1200.00

ProducersLivestock.com
541-473-3136

— LOG PRICE REPORT —

Price per 1,000 board feet: Northeast Oregon

Currently the local log market is flooded with fire salvage logs. The log buyer for Malheur Lumber Co. stated they have all the logs they need under contract and are not accepting any new purchases. BCC/LLC of La Grande has receive so many burned fire salvage logs they are no longer accepting logs at the La Grande log yard. Any additional pine logs have to be delivered to the Elgin Log yard cut in plywood lengths and to a 8 inch top. For these pine logs cut in plywood lengths, BCC is offering \$280.00/mbf. They are also paying \$410.00/mbf for Doug Fir & Western Larch. For White Fir they are offering \$310.00/mbf. At the Pilot Rock Saw Mill BCC is offering \$360.00/mbf for a 12 to 15 inch top, for 16 to 19 inch top \$400.00/mbf & offering \$425.00/mbf for 20 inch plus top

Courtesy of Arvid Andersen,
Andersen Forestry Consulting

— PRECIOUS METALS REPORT —

Price per ounce, USD

Gold: \$1,231.30

Silver: \$15.11

Platinum: \$952.10

Palladium: \$547.20

Bloomberg.com

— AG COMMODITIES —

Corn: \$357.00/bu/USD

Wheat: \$472.50/bu/USD

Soybeans: \$904.25/bu/USD

Oats: \$185.00 bu/USD

Rough Rice: \$9.79/cwt/USD

Canola: \$480.20 CAD/mwt

Live Cattle: \$120.75/lb./USD

Feeder Cattle: \$150.20/lb./USD

Lean Hogs: \$79.00/lb./USD

Bloomberg.com