

# THE HUFFINGTON POST

## **Bimbo & Twinkies: Mexican Mega Bakery May Save Brands From Hostess Liquidation**

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Grupo Bimbo, a Mexican company that is the world's largest bread baker, might hold the key to saving the Twinkie from extinction in a Hostess liquidation.

Though other companies have shown interest in buying some of Hostess' iconic brands, Bimbo might have the inside track, according to the Christian Science Monitor.

A \$10 billion sales business, Bimbo has pushed its way into the baked-goods big leagues through smart acquisitions under the leadership of CEO Daniel Servitje Montull.

In 2010, Bimbo bought the North American fresh-baked unit of Sara Lee for \$959 million, according to the Associated Press, and with it, well-known brands like Entenmann's and Thomas' English Muffins.

And this isn't the first time Bimbo has tried to save Twinkies. Bimbo in conjunction with a few others made a bid for the Twinkie-maker during its first bankruptcy 2007, but Bimbo ultimately backed out, according to Forbes.

Bimbo's access to cheap Mexican sugar might also give the company an upper hand. Hostess struggled with high sugar prices in the U.S., which were tied to trade tariffs, according to NBC News. Mexican sugar could help avoid those additional costs, but would also take production -- and manufacturing jobs -- south of the border.

Labor talks between Hostess and the unions that represent most of its 19,000 workers had gone on for months before the company's decision to liquidate Friday.

However, the gap left by departing Hostess jobs could be potentially be filled by other U.S. companies.

“It may well be that other US producers step into the void and expand their US production, in which case the Hostess liquidation might not be a total loss,” says Chris Edwards, a Cato Institute economist, told the Christian Science Monitor.

Twinkie fans have treated the popular snack food like a prized commodity following the news of Hostess' intent to liquidate on Friday. Hawkers on eBay and Craigslist began selling stashes of Hostess products online Saturday, reportedly for hundreds, and even thousands of dollars.

But the strange, snack-cake related behavior doesn't stop there. A bizarre petition urging President Barack Obama to "nationalize the Twinkie industry" circulated in the wake of the Hostess announcement.