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More Twinkies rolling off the line

BY DIANE STAFFORD - THE KANSAS CITY STAR

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Emporia, Kan., could have bragging rights as the Twinkie capital of the world.

Its [Hostess Brands](#) plant, reopened last year and expanded this year, has added \$30 million worth of improvements, including a \$25 million bakery line to churn out more snack cakes.

On Friday, a 9:30 a.m. ribbon cutting will celebrate construction of a new 36,000-square-foot warehouse. On Saturday, the city's [Flinthills Mall](#) will have a Twinkie festival, where from 10 a.m. to 1 p.m. there will be Twinkie-themed costume, recipe, song and eating contests.

Emporia officials are relishing the city's status as home to the company's flagship snack cake bakery, which also turns out Hostess Cup Cakes, Donettes, Coffee Cakes and a new product, Greek Yogurt Cakes.

"It's beneficial to us and to Hostess, too," said Rob Gilligan, a city commissioner and chairman of the [Emporia Regional Development Association of East Central Kansas](#). "We're glad they recognize the productivity of our people."

When the new bakery line is fully operational it will produce 1.6 million Twinkies a day and is expected to be the top Twinkie producer in the Hostess network.

It's a bittersweet success, in that about 500 jobs were lost when the plant shut down in 2012 following a wage battle between Hostess Brands Inc. and the [Bakery, Confectionery, Tobacco Workers & Grain Millers International Union](#). The disputes contributed to the demise of the former Hostess company, which was attempting a second bankruptcy reorganization.

The Emporia plant was one of four Hostess bakeries reopened last year after an investor partnership of Metropoulos & Co. and [Apollo Global Management LLC](#) paid about \$410 million for the bakeries and some other Hostess assets.

With the purchase came rights to make Twinkies, Ding Dongs, Ho Hos, Donettes, Zingers, Suzy Qs, Mini Muffins and the original Hostess Cup Cakes.

The reopened Emporia plant, now non-union, employs 330, and about 50 more jobs are expected. Hiring is under way for both bakery and warehouse jobs, a Hostess spokeswoman said.

City officials said some of the current employees were former union members who were rehired.

"These are good jobs with benefits packages that are very competitive," said Emporia Mayor Jon Geitz. "Once the employees get past their trial period they have full-time jobs with 401(k)s and health care. Hostess is a top employer in our city."

Geitz said many people in Emporia still refer to the bakery as the "Dolly Madison place" because the plant initially was built by that company. "Either way," he said, "it's now an economic impact of multiple millions of dollars."

Hostess received a tax abatement on the addition to the plant. Also, there is no property tax in Kansas on manufacturing equipment, so the company considers that a “substantial benefit,” the company spokeswoman said.

The reborn Hostess Brands LLC, which once again has corporate offices in Kansas City, has previously said the company baked 500 million Twinkies a year. What output occurs in Emporia isn’t made public.

The Metropoulos and Apollo investors acquired 11 former Hostess snack cake facilities in all but expected to invest in fewer than half of them. The Emporia improvements are part of that investment.

The three other snack cake bakeries acquired in the bankruptcy deal were in Columbus, Ga., Schiller Park, Ill., and Indianapolis.

Officials from the state of Kansas, including Gov. Sam Brownback, Mayor Geitz, leaders of the Emporia Regional Development Association of East Central Kansas, and officers from Metropoulos, Apollo Global Capital and Hostess Brands LLC are expected to attend the event Friday.

Bloomberg News reported in May that the Apollo group— led by billionaire Leon Black, who aided the turnaround of Chef Boyardee and Bumble Bee Tuna — planned to take a \$175 million payout from Hostess Brands.

Standard & Poor’s said Hostess’s credit rating of B- was unchanged, and it was left with \$40 million in cash and \$60 million in available credit. Hostess had a “highly leveraged” financial risk profile, but S&P said its rebirth consumed less cash than forecast and its earnings before interest, depreciation and amortization exceeded estimates.

Hostess Brands was founded as Interstate Bakeries Corp. and was based in Kansas City until 2009. The revamped headquarters on Armour Boulevard had about 75 employees as of last year.

While the Midwest region has led the snack cake resurgence, other regional bread-making facilities of the former Hostess company have not reopened. In the bankruptcy sales, 20 of the former company’s bread and bun-making plants were purchased by a different buyer, [Flowers Foods Inc.](#)

Those assets included the Home Pride and Wonder bread and bun bakery in Lenexa and a bun bakery in Boonville, Mo.

Along with acquiring Wonder and Home Pride rights, Flowers got the Nature's Own, Butternut and Merita brands in its \$360 million deal.

Flowers, a publicly owned company based in Thomasville, Ga., has been silent about its intent regarding the Lenexa and Boonville plants, which had employed nearly 200 and about 90 workers.

“We are assessing our need for additional production, and we expect to open bakeries where more capacity is needed to support sales growth,” said Sally Bowman, a spokeswoman for Flowers. “As we make the decision to open a bakery, we will announce that news in local communities.”

Bowman said Flowers has reopened two former Hostess bakeries — one in Nevada and one in Tennessee — but she had no other plans to announce.

Flowers is distributing some former Hostess bread products in the southern two-thirds of Missouri and a small part of southeast Kansas. Nationally, its distribution network stretches from California across the Southern states and up through the Middle Atlantic states to Maine.

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