

**THE
MACARONI
JOURNAL**

**Volume 51
No. 10**

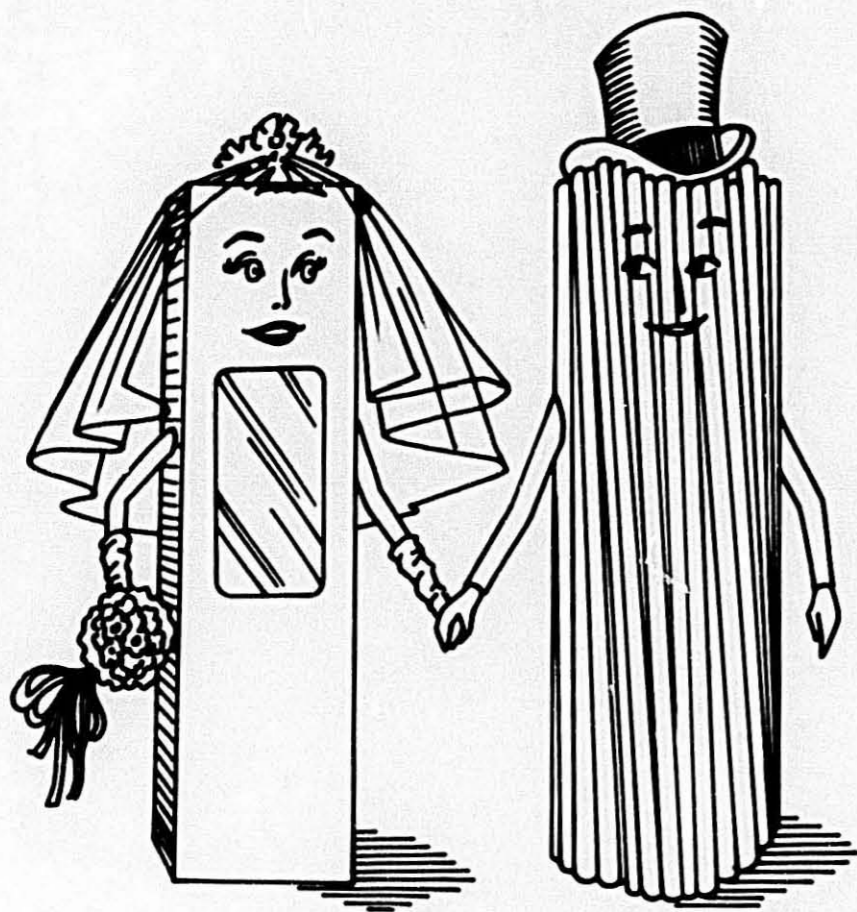
February, 1970

Macaroni
Journal



FEBRUARY, 1970

The Great Combiner



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The Macaroni Journal

February
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Cover Photo

Macaroni is a bargain and a great combiner. Variations to macaroni and cheese can include caraway seed, stuffed olives, green pepper, chives, pimentos, poppy seed, garlic salt, scallions or tomatoes.

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MACARONI TRENDS

1969 was a very good year. More macaroni products were made and sold in the United States than any time in its history.

In contrast to a year ago and in 1967 when there was concern that consumption might be leveling off because of inroads of combination dinners both with pasta and rice, this year's high meat prices coupled with generally high prices for all foods made macaroni, spaghetti and egg noodles a better value than ever.

1967 was a poor year, with the durum millgrind showing an increase over 1966 of only 0.75%. 1968 posted a gain of 1.71% over the previous year, and for the first ten months of 1969 the increase amounted to 5.2%. Business has been particularly good the second half of the year. The percentage gain for the first half was 3.7%, but July posted a millgrind 13% over a year ago, August was up by 3%, September 7%, and October another 3%—making the cumulative total for the first ten months 5.2%. November and December have seen good directions occasioned by brisk retail business.

Census Data

The preliminary report on the Census of Manufactures for 1967, released in October, put usage of semolina and durum flour in 1967 at 9,699,500 cwt. with farina and other wheat flour usage at 822,900 cwt. This does not quite square with 1963 data, where a lower tonnage showed a higher quantity of material used—9,881,600 cwt. of semolina and durum flour and 990,700 cwt. of farina and other wheat flour.

In another report of flour and other grain mill products, production of semolina and durum flour was shown as 12,622,000 cwt. in 1967 compared with 10,936,000 in 1963. Some went for export, of course.

Using the percentage of gain for the durum millgrind, indicated macaroni production for 1969 would be 1,311,810,600 pounds.

Some people find fault with the millgrind as an index, because it does not indicate the amount of blending, which is an unknown; hence, we are asking macaroni manufacturers to supply us the best information they can in order to verify or recheck this conclusion.

In the four year span since the previous Census, there was a mortality of four plants in New England, six in the Middle Atlantic states, eight in the East North Central, West North Central states even, the South gained two, and

the West lost one. Most plants in the industry are small. Only 75 of the 205 plants employ as many as 20 employees, and the mortality is occurring among these smaller plants.

Vintage Durum

The vintage crop of durum that came in this year in ample supply has caused the militant National Farmers Organization to call for growers to hold out for \$2.00 a bushel Minneapolis, or more than 30¢ above current levels. The Durum Growers Association however advocates orderly marketing and states: "We need the macaroni manufacturers and we need the exporters, and we will at all times provide an adequate supply of durum for the industry." In mid-December, No. 1 Hard Amber Durum sold at \$1.61 to \$1.66 Minneapolis, compared with \$1.91 to \$2.10 a year ago. Semolina was \$6.25 per cwt. compared with last year's \$6.90.

Durum wheat exports in the 1968-69 crop year totaled 46,402,000 bushels. Good crops in western Europe will probably make it difficult to equal such a record this crop year, but inspections for the season through November totaled 19.4 million bushels compared with 19.1 million the same period last year.

High Priced Eggs

Eggs keep going up every week with mid-December quotations at 54¢ for current receipts, dried whole eggs and yolks a good third more than a year ago. Frozen yolks are virtually unavailable, while frozen whole eggs have sold as high as 43¢ a pound compared with year-ago levels of 28 to 27¢.



Soaring egg prices have prompted an investigation by the Commodity Exchange Authority of trading in egg futures at the Chicago Mercantile Exchange. CEA Administrator Alex Caldwell said his agency hasn't any information that egg traders may have violated Federal law but said it is looking at the situation because of the sharp rise in egg-contract prices and trading volume in recent months.

Leo Melamed, chairman of the Mercantile Exchange, said the Exchange has always worked closely with CEA "and welcomes their efforts." Mr. Melamed said that the Exchange knows of no wrongdoing but that if any is discovered it "will vigorously aid the CEA in punishing the wrongdoers." In January, 1968, complaints were leveled at the Mercantile Exchange when egg prices fell to lows. The Exchange said future markets only reflect market conditions and do not affect them.

Italian Foods Popular

The Chain Store Age Supermarket Sales Manual, in July 1969, said that new interest in Italian foods was sparking growth of pasta products. Rigatoni and lasagne were reported scoring gains, while spaghetti, elbow macaroni and egg noodles remained the most popular items. Pasta dinners were not so hot as buyers believed price was the main reason that these items haven't taken off.

There was a flurry of reports of spaghetti house franchisees being established around the country, with Italian athletes or entertainers lending their

(Continued on page 6)

THE MACARONI JOURNAL

ADM Milling Co.

Macaroni Trends—

(Continued from page 4)

names to various projects. Eating out declined during the year however, as the cost of living rose. The National Restaurant Association reported industry sales growing at a rate of 2% annually, down from the 7% rate of the past few years. With restaurant meal costs up 6% from a year ago, at least one industry executive worries that consumers think that eating out is a luxury. High price spots weren't hit as hard as lower priced establishments catering to younger families. Over the past decade, the cost of food at home has risen nearly 23%, while the cost of food away from home has jumped 48%.

Hunger Problem

The hunger problem drew national headlines during the year, and the Department of Agriculture purchased 960,000 pounds of enriched wheat and soya macaroni and enriched milk macaroni for market testing in New York, St. Louis and San Diego. It is almost a certainty that more of this type of product will be purchased by the Government in their relief feeding efforts.

A petition to increase enrichment levels of flour, bread and rolls has been made by the Millers' National Federation and the American Bakers Association. Another effort will attempt to increase the riboflavin content. These proposals were considered by macaroni manufacturers at their Winter Meeting. Consumerism and the impact of governmental regulations or the every-day operations of business made it more important than ever to know what was going on in Washington.

The National Macaroni Manufacturers Association held a successful meeting in Washington on September 23, to hear Government representatives discuss the work of their agencies. In the evening, a reception and dinner party for members of the Congress turned out to be a highly beneficial affair.

Food Editors

The next day in New York the National Macaroni Institute held its Third Annual Press Party for the elite corps of writers for magazines, newspaper syndicates and related-item advertisers.

A Safari of some twenty food editors was taken to North Dakota during the durum wheat harvest, where the writers for leading publications saw the durum stor, from field to milling and manufacture of macaroni products, plus being supplied with enticing recipes for the end product. This event, sponsored jointly by the North Dakota Wheat Commission, North Dakota Mill and

Elevator, North Dakota Business and Industrial Development Department, and the National Macaroni Institute, garnered many stories in newspapers around the country.

In addition to the day in and day out efforts of Theodore R. Sills and Associates in developing recipes and sending out background material to food editors on macaroni products, two new projects to television proved successful. One tied in with the Spaghetti Safari, while another featured new swimsuit fashions along with weight-watcher recipes for macaroni foods.

Meetings

A technical seminar on eggs held by NMMMA in Chicago in April was timely. The Annual Meeting at del Coronado, California in July was very well attended, and the Management Seminar in January on "Penetrating People Problems" won acclaim for lecturer Dr. Billy Hodge.

The Winter Meeting January 18-22 held at Boca Raton Hotel & Club in Boca Raton, Florida was a sellout. Seminar discussions on advertising and protecting profit margins apparently struck a responsive chord.

Meetings and gatherings such as this provide informal channels for obtaining a tremendous amount of information that will not be available otherwise—the kind one finds only by getting to know people on a personal basis, so that later, when a problem arises, one member feels free to contact another and ask how he handles it. This is an interchange of information that is entirely different from reading the papers presented in the Macaroni Journal or the news in the weekly news letter.

These are tools of the trade. Use them and prosper in 1970.

Census of Manufactures

A preliminary report of the 1967 Census of Manufactures was issued in the late Fall of 1969.

The Macaroni, Spaghetti, Vermicelli and Noodles Industry was defined as including establishments primarily engaged in manufacturing dry products and summarized under Industry Code 2098 by the U. S. Department of Commerce.

Establishments primarily engaged in manufacturing canned macaroni products are classified in Industry Code 2032.

The data in this preliminary report will be superseded in a final report to be issued at a later date.

The industry has been relatively stable in the past twenty years. In

1967, the Bureau of the Census counted 205 plants compared with 222 in 1963, 214 in 1958, 233 in 1954, 226 in 1947, and 328 in 1939.

In 1967, the value of products shipped and miscellaneous receipts of establishments classified in the macaroni industry amounted to \$266,000,000, an increase of 19 percent compared with 1963. Value added by manufacture at \$119,700,000 in 1967 was 25 percent more than value added in 1963. Average employment in the industry showed an increase of three percent from 1963, to a total of 7,500 employees in 1967.

Of the \$226,000,000 total value of shipments and other receipts of establishments classified as manufacturers of macaroni products, \$7,800,000 were products primary to other industries, and \$13,500,000 were receipts for miscellaneous activities.

The industry shipments of primary products represented 97 percent of the total manufactured product shipments, primary and secondary. This percent, called the specialization ratio for the industry, was 96 percent in 1963.

Distribution of Macaroni Factories From 1967 Census of Manufactures

Plants	Value of Shipments '000's	% of Total
New England	19 \$ 19,700	7.4
Middle Atlantic	53 104,600	39.3
East North Central	35 43,700	16.4
West North Central	16 37,300	14.0
South	21 18,100	6.8
West	61 42,600	16.0

Mortality

In the four year span since the previous Census, New England lost four plants, Middle Atlantic states six, East North Central eight; West North Central stayed even, the South gained two, and the West lost one.

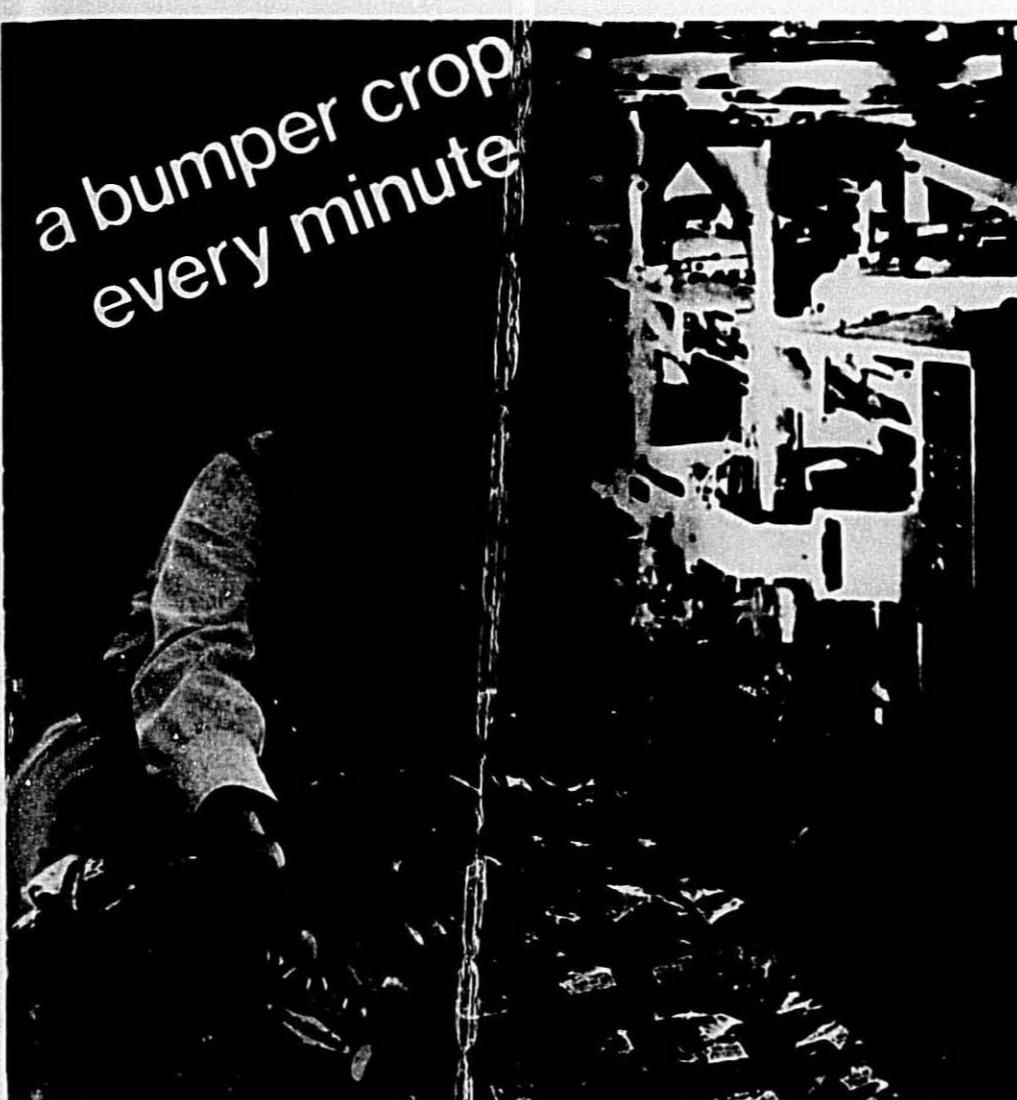
Most plants in the industry are small. Only 75 of the 205 plants employ as many as 20 employees. There were five plants in New England that hire 20 or more employees. There were 22 such plants in the Middle Atlantic states, 16 in East North Central, nine in West North Central, nine in the South, and 14 in the West.

Tonnage

Census data shows the following production in pounds for the macaroni products industry:

1939	684,390,000
1947	818,375,000
1954	874,946,000
1958	996,207,000
1963	1,207,490,000
1967	1,245,100,000

(Continued on page 8)



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Census of Manufacturers—

The 1967 census of the manufacturing industry, SIC Code 2000, is a significant milestone in the history of the industry. It provides a comprehensive overview of the industry's performance and trends. The census shows that the industry has experienced a steady decline in output since 1963, with a 10.5 percent decrease in 1967. This decline is attributed to a variety of factors, including changes in consumer demand, technological advancements, and increased competition. The census also highlights the industry's efforts to improve efficiency and reduce costs, which has helped to maintain its position as a major sector of the economy.



At the recent California Grocers Association Food and Fixture Fair held in San Francisco, Golden Grain Macaroni Company's attractive display was featured with a variety of pasta, rice, and other products. Jack Tamarkin, Golden Grain's general manager, is the man operating the booth. Photo: Mark W. ...

California Plant for Lipton

The construction of a new plant for Lipton in California is scheduled to be completed and operating by mid-1971. The plant will have a capacity to produce approximately 2,000 packages each week. The project is being managed by West Hill Construction Co., Inc., and is expected to create approximately 100 jobs during the construction phase.

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Ronzoni Sauce ad features Ronzoni people. Photo: Ralph Emmons. Ronald Ronzoni, president of the family-owned spaghetti sauce company, is featured in the ad. The ad also includes a photograph of the Ronzoni family and a sign that says 'PLEASE'.

Buitoni Joins Italian Merger

The Buitoni family has joined an Italian merger, a move that is expected to have significant implications for the company's future. The merger involves the combination of Buitoni's resources with those of other Italian companies, creating a stronger and more competitive entity. This move is seen as a strategic decision to expand the company's market reach and improve its operational efficiency.

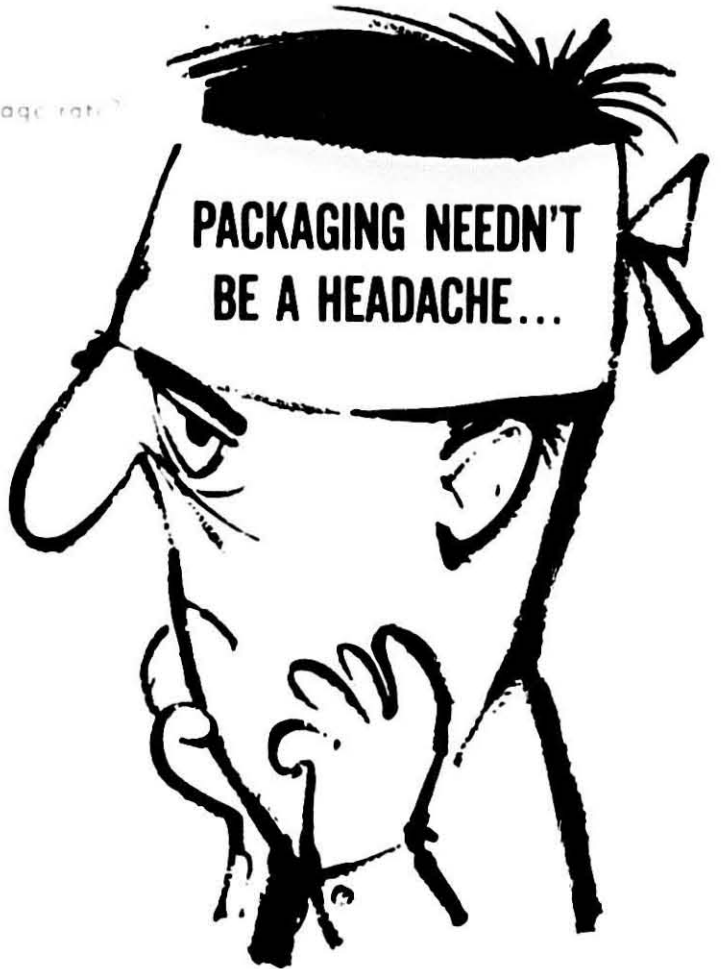
New FDA Chief

A new chief has been appointed to the Food and Drug Administration, a position of great responsibility. The new chief is expected to lead the agency in its efforts to ensure the safety and efficacy of food and drugs. This appointment is seen as a key move by the government to strengthen the FDA's leadership and oversight.

APRIL 16 SEMINAR ON GOOD MANUFACTURING PRACTICES
in cooperation with the Food and Drug Administration

APRIL 17-18 SEMINAR ON POINTERS ON METHODS, MATERIALS AND MACHINES.

- How does your package rate?
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- As a salesman?
- Display well?
- Eye-catching?
- Invite handling?
- Look like good value?
- Easy to price mark?
- Give you picture of product?
- Product name and name easy to identify?
- Have you given complete instructions, suggested uses?
- Is your package easy to open, easy to store?
- Are you saving your customers' time?
- Are you panel experts?



Hotel St. Moritz On-the-Park 500 ... close to the Coliseum, site of the Packaging Show, April 20-30

Reservations for rooms and seminars through National Macaroni Manufacturers Association P. O. Box 336, Palatine, Illinois 60067

Short February is Long on Promotion Events

DR. Edward A. Brand, in his book "Modern Supermarket Operation," states: "The number and kind of promotions used by any retail outlet determines to a considerable extent the personality image of the store. This personality image is what people think of the store as a place to shop—favorable or unfavorable. Other factors that affect the store image include location, price, merchandise, employees, and the building and the decorative scheme.

"Competing on price only makes the operator vulnerable to price cutting. Competition based on store personality image is broader and safer. Customers shopping on the basis of liking the total operation are more permanent than price shoppers. Distinctiveness is achieved by the use of many promotional devices."

Opportunities

Although February has only 28 days, it abounds in promotional opportunities.

February 6 marks the Chinese New Year, The Year of the Dog, and a chance for an out-of-the-ordinary promotion, with noodles pushing out rice if you get there first, along with soy sauce and fortune cookies.

Early Lent

Ash Wednesday falls on February 11, and Lent is still the time to sell meatless dishes, even though the religious dietary restrictions have been eased. It was because of these restrictions on the use of meat that consumption of fish traditionally climbed during Lent. But seafood has overcome this difficulty and has been promoted to become popular all year round. Nevertheless, this is a particularly good time for promoting macaroni products with seafood.

Similarly, combinations of macaroni foods with eggs and cheese products fulfill the old tradition of meatless meals during this period.

Famous Birthdays

Abraham Lincoln, whose birthday is celebrated every February 12, has been honored by placing his portrait on the five dollar bill and his profile on the one-cent coin. Penny-savers or one-cent sales to salute Lincoln's birthday make a lot of sense in a time of high prices. Probably one of the most successful single retail promotions in the country is the annual One-Cent Sale promoted

nationally by a drug store chain. Margins in the supermarket business are not such as to permit doing this on a large scale, but it is possible to find many items that can be sold for a penny when a certain number of the same items are bought at the regular price.

There is a tendency to think in terms of Valentine's Day, February 14, as a great time to sell candy, flowers and greeting cards. And it is a great time to sell all of those things. But most supermarket shoppers are females, and their valentines want such non-hearts-and-flowers items as a spaghetti and meatball dinner, chicken and noodles, or a Macaroni Sweetheart Salad. Heart-shaped showcards can promote these ideas, so it will be love at first bite.

George Washington's birthday on the 22nd has been associated so long with cherries that cherry pie or cherry tarts are an obvious dessert, but something has to be served for the main course, so suggest a macaroni product, dish as the entree for a Washington's Birthday menu.

Food Festivals

International Food Festivals are always good promotional themes, and the related items sold by macaroni, spa-

ghetti and egg noodles are infinite for such a possibility. Because these products are universal in appeal, they can tie-in with almost any ethnic promotional theme.

Help your customers to help themselves, and you will boost the sales of your products.

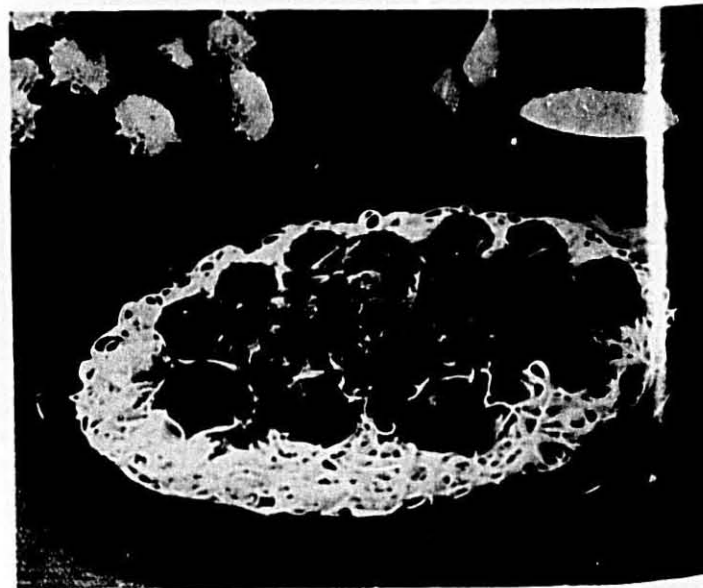
BASIC RECIPES

MACARONI products are generally interchangeable in most recipes, and they combine with an infinite variety of related items.

Basic Macaroni Cheese Salad, making eight servings, is given below, followed with variations.

Basic Macaroni Cheese Salad With Variations (Makes 8 servings)

- 2 tablespoons salt
- 4 to 6 quarts boiling water
- 4 cups elbow macaroni (1 pound)
- 2 cups (8 ounces) shredded Cheddar cheese
- 1 cup chopped green pepper
- 1 cup chopped celery
- 2 teaspoons each: salt and grated onion



Italian Meatballs and Spaghetti

THE MACARONI JOURNAL

- 1 1/2 cups mayonnaise
- 2 tablespoons vinegar
- 1 1/2 tablespoons dry mustard
- Dash pepper

Add 2 tablespoons salt to rapidly boiling water. Gradually add macaroni so that water continues to boil. Cook uncovered, stirring occasionally until tender. Drain in colander. Rinse with cold water; drain again. Toss macaroni with remaining ingredients.

Variations: Use a different dressing. Omit the mayonnaise and vinegar and use instead one of the following:

- 1. 1 pint (2 cups) dairy sour cream and 2 tablespoons lemon juice. Add 1 teaspoon dill weed.
- 2. 1 cup bottled salad dressing.

Vary the ingredients. Omit the green pepper and use instead one of the following:

- 1. 1/2 cup sliced pimiento stuffed olives.
- 2. 1/2 cup sliced pitted ripe olives.
- 3. 1 can or jar (4 ounces) pimiento.
- 4. 1/2 cup sliced sweet gherkins.

Serve it differently:

- 1. Serve on a platter, ringed with sliced tomatoes.
- 2. Serve in salad bowl lined with crisp greens of any kind.
- 3. Serve in avocado half-shells.
- 4. Serve individual portions in lettuce cups.

Basic Macaroni and Cheese Casserole With Variations (Makes 4 servings)

- 1 teaspoon salt
- 3 quarts boiling water
- 2 cups elbow macaroni (8 ounces)
- 1/2 cup chopped onion
- 3 tablespoons butter or margarine
- 3/4 cup milk
- 1/4 cup salt
- 1/4 cup onion dry mustard
- 1/4 cup onion pepper
- 1/4 cup Worcestershire Sauce
- 2 1/2 cups grated sharp Cheddar cheese

Add 2 tablespoons salt to rapidly boiling water. Gradually add macaroni so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander.

Meanwhile, cook onion in butter until crisp tender. Quickly stir in flour, gradually add milk stirring constantly; add seasonings. Cook, stirring, until sauce boils 1 minute. Stir in 2 cups of the cheese; continue stirring until cheese melts. Remove from heat; combine with macaroni. Turn into 1 1/2 quart casserole. Sprinkle with remaining 1/2 cup cheese. Bake in 400° (hot) oven 20 minutes or until bubbling and lightly browned. Garnish with parsley, if desired.



Macaroni and Cheese Salad

To this basic recipe may be added any of a number of ingredients, to vary the finished dish according to the fancy of the cook. Here are eight suggestions for variations:

- 1. Add 1/2 cup chopped or sliced pimiento-stuffed olives to cheese sauce.
- 2. Add 1 can (3 or 4 ounces) chopped or sliced mushrooms, drained, to cheese sauce.
- 3. Add 1/2 cup chopped green pepper to cheese sauce.
- 4. Add 1 can or jar (4 ounces) chopped or sliced pimientos, drained and diced, to cheese sauce.
- 5. Add 2 tablespoons chopped chives to cheese sauce.
- 6. Add 1 1/2 tablespoons caraway seeds to cheese sauce.
- 7. Add 2 tablespoons poppy seeds to cheese sauce.
- 8. Top macaroni and cheese with 2 medium tomatoes, sliced, before baking.

Italian Meat Balls and Spaghetti (Makes 4 servings)

- 1 pound ground beef
- 2 tablespoons chopped chives
- 2 tablespoons chopped parsley
- 1/2 teaspoon salt
- 1/2 teaspoon pepper
- 2 tablespoons salad oil

- 1 medium green pepper, diced
- 2 cloves garlic, chopped
- 1 can (1 pound) tomatoes
- 1 can (6 ounces) tomato paste
- 1/2 teaspoon onion salt
- 1/2 teaspoon basil
- 1/4 teaspoon oregano
- 1/2 teaspoon crushed red peppers
- 1 tablespoon salt
- 3 quarts boiling water
- 8 ounces spaghetti
- Parmesan cheese

Mix together beef, chives, parsley, 1/2 teaspoon salt, and 1/4 teaspoon pepper. Shape beef mixture into 2-inch meat balls. Heat oil. Add meat balls and cook over medium heat until lightly browned on all sides. Add green pepper and garlic and cook until lightly browned. Add undrained tomatoes, tomato paste, remaining 1/2 teaspoon salt, onion salt, basil, oregano, crushed red peppers and 1/4 teaspoon pepper; mix well. Cover and cook over low heat, stirring occasionally, 1 hour.

Meanwhile, add 1 tablespoon salt to rapidly boiling water. Gradually add spaghetti so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander. Pour sauce over spaghetti. Serve with Parmesan cheese.

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Peavey strategically located in the heart of North Dakota's
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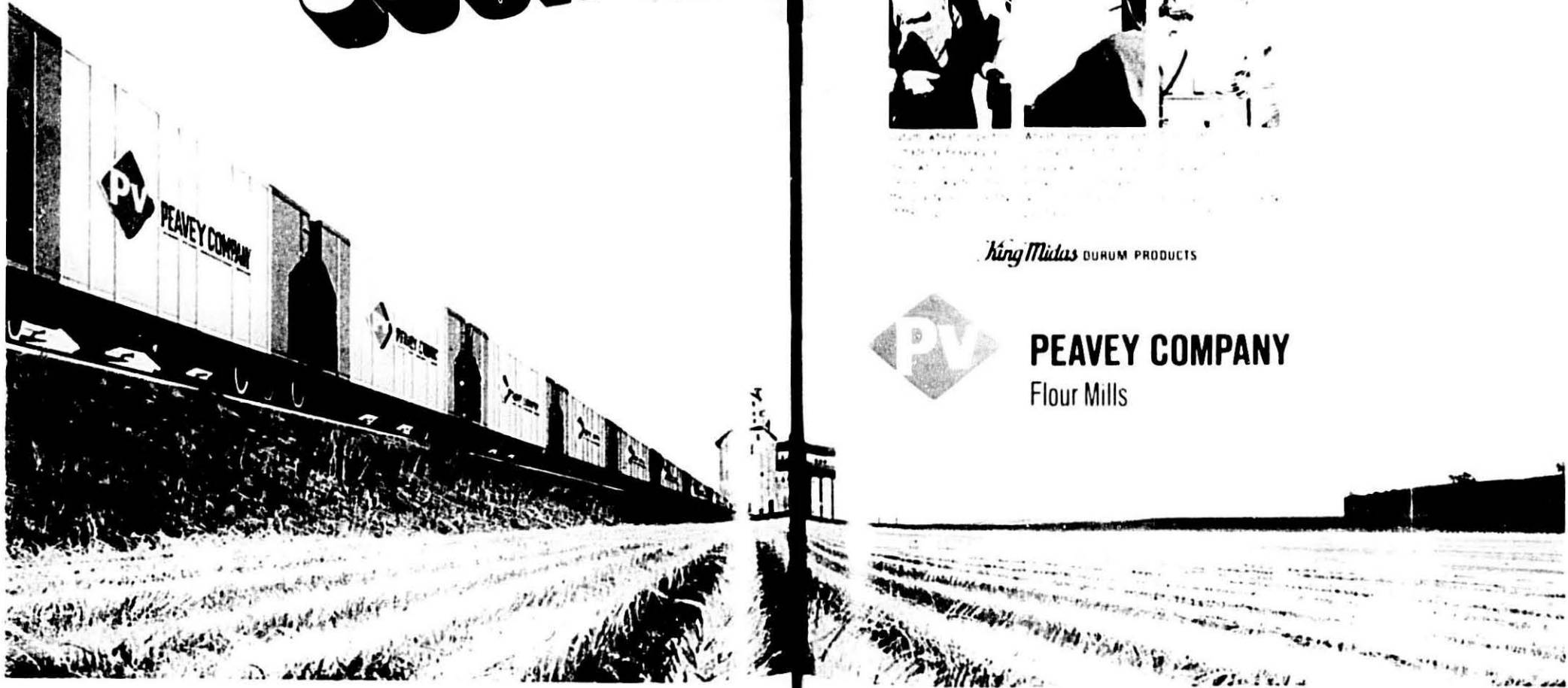


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King Midas DURUM PRODUCTS



PEAVEY COMPANY
Flour Mills



RIGHT AND WRONG WAY

An editorial from The Southwestern Miller

AS Under Secretary of Agriculture J. Phil Campbell told the annual meeting of the Oregon Wheat Growers' League in early December, a growing demand is developing "on the part of farm operators for a stronger voice in the marketplace." What Mr. Campbell did not say is that commendable objective can be attained in two ways—a choice made crystal clear by happenings in the durum wheat producing area of North Dakota in the past several days. In announcing a "spot holding action" on durum, the National Farmers Organization, the most militant of the producer bargaining groups, entered into the bailiwick of another farmer association that has had a high degree of success in recent years in advocating a policy of "orderly marketing." The latter group, the United States Durum Growers Association, has stimulated producers not to press supplies on the market while at the same time working closely with domestic and export industries to stimulate disappearance. Its pricing goals, never in the form of fixed target prices, have wisely equated improvement in income with expansion of outlets.

NFO Calls for \$2 Durum

Oren Lee Staley, the fiery president of N.F.O., has called upon farmers to withhold durum from the market until bids reach \$2 per bushel, basis Minneapolis, or more than 30 cents above current levels. That plea, which attracted more than 500 farmers to a meeting in Devils Lake, North Dakota, appears to be lacking in economic soundness. For example, John W. Wright, president of the United States Durum Growers Association, emphasized that his organization follows the policy of giving producers the facts and then allowing individual growers to hold and to determine their own selling levels. More importantly, Mr. Wright noted, "We need the macaroni manufacturers and we need the exporters, and we will at all times provide an adequate supply of durum for the industry."

The soundness of the N.F.O. target price may be challenged on several counts. None is more telling than the fact that the N.F.O. is ultimately aiming for marketing of durum to domestic millers through a collective bargaining procedure. Completely overlooked in this stand is the fact that, while the quality-conscious macaroni manufacturing industry is reluctant to substi-

tute hard wheat for durum in its pasta products, too wide a spread of durum over spring wheat could prompt some blending and result in a net reduction in durum grind for straight semolina. The present market for durum is 17 cents a bushel below 14 percent protein spring. This price relationship also provides a key to the acreage planted to durum and spring in areas where farmers have a choice of substitution between the two classes. The present price spread undoubtedly would spur some reduction in durum seedings next spring and thus lend strength to the market.

Another Fallacy

Another fallacy in the N.F.O. proposition is its complete neglect of the export market. The Department of Agriculture does not expect durum exports in 1969-70 to be much different from the 1964-68 average of 34,000,000 bushels, which would be down sharply from the near record shipments of 46,000,000 in 1968-69. In view of the fact that the estimated availability of durum for export and carryover on October 1, totaling 99,000,000 bushels, was up 10,000,000 from a year earlier, any further curtailment in shipments due to unusual domestic price advances would exert a serious impact on the durum growers' economic position. Under current export conditions, the prospect is that the durum carryover next July 1 will establish a new record. Reflecting this situation, the Economic Research Service recently observed that "durum prices may have difficulty remaining above the loan if exports do not show vast improvement." The market now is about five cents above the gross loan in Minneapolis. Past experience would indicate that the "orderly marketing program" of the United States Durum Growers Association may provide stiff resistance to realization of that projection.

The Marketplace

The approach of the growers' association largely involves the "right way" of improving the economic lot of a group of producers, while the N.F.O. fixation on a single price goal, without regard to impact on disappearance, appears to be the "wrong way." It was only a coincidence that another top official of the Department of Agriculture, Assistant Secretary Clarence D. Palmby, spoke earlier to members of the Producers

Grain Corporation in Texas on the same subject, involving grain sorghum, not durum wheat. "In the end, farm income has to come from the marketplace—either domestic or foreign," Mr. Palmby stated, in warning sorghum growers of the importance of a "reasonable and stable" price relationship between their grain and corn. The United States Durum Growers Association has earned respect for its appreciation of the impact of prices on demand and supply. That responsible attitude is demonstrated again by the association's refusal to endorse producer withholding for an arbitrary price goal without consideration to the needs of the marketplace.

Federation Statement on Wheat Programs

The Millers' National Federation has filed a statement with the Livestock and Grains Subcommittee of the House Committee on Agriculture urging that the wheat processing tax "be eliminated at the earliest possible time."

The statement pointed out clearly that the milling industry wants "growers to receive a fair return for their wheat," but stated that processor financing of a major part of the cost of the wheat support program will be self-defeating to the entire wheat industry in the long run. The program has the effect of placing wheat for food at a competitive disadvantage with corn and other grains used in food products. As an alternative, it was suggested that a processing tax be applied to the other grains when processed for food.

The Federation pointed out that only one proposal before Congress comes close to meeting Federation policy. H.R. 9009 and several identical bills would phase out the certificate levy over a five-year period.

Home Economist

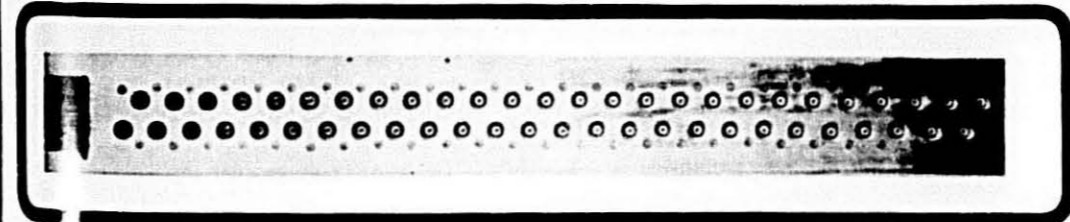
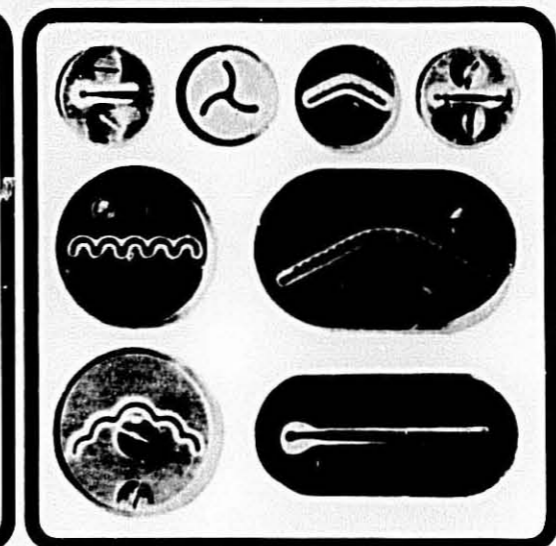
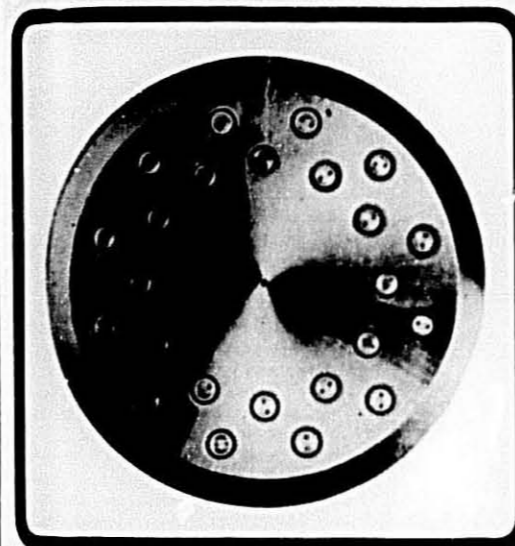
New director of home economics for the Wheat Flour Institute in Chicago is Miss Jan Sneesby. She holds a B.S. degree in home economics from Michigan State University. Previously, Miss Sneesby has been associated with Commonwealth Edison, Chicago, and the Dairy Council of Wichita.

Lent begins on Ash Wednesday, February 11. Easter Sunday is March 29.

THE MACARONI JOURNAL

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FEBRUARY, 1970

15

The Egg Market

The fresh egg market in December was apparently poised to the November and December futures. Retail prices ranged from 81 to 85 cents a dozen for large Grade A Whites and if there was any consumer resistance it was not noticeable by any surplus accumulation.

The amount of egg production was running slightly ahead of the previous year but there is a time lag in the reflection of price to demand. Recognition that the economic slowdown will increase the sensitivity of demand to price increase also takes time to develop but when it is evident that the price is meeting consumer resistance the decline will be sharply off.

Cautious Buying

V. Jas. Benincasa Company states: "Frozen egg and dried solids buyers are very cautious and are purchasing for immediate needs. Egg breakers are short of breaking stock and this has constituted a very firm supporting influence in the markets."

The Ballas trade letter concurs and adds: "The latest slaughter report is disappointing as producers have been holding up selling their flocks. We were running a slaughter of 6% over 1968 until the past few weeks, but the total for the year was only 2.6%. This means more hens are in the laying flock than previously estimated. The largest hatches in 1969 were in May and June, and these birds were at maximum production in January.

"The early part of January will see weak markets until breakers and consumers use up the accumulation from the end of December through early January. By the end of January, markets should strengthen and then get on a more level plane. The demand from breakers will help keep the market at reasonably high prices after some decline.

More Food Stamps

A \$7.5 billion agriculture appropriation bill was passed by Congress that more than doubles available funds for the food stamp program to feed the needy. The law makes \$610 million available for the food stamp program in the 1970 fiscal year compared with \$280 million spent on the program last year. One of the items purchased on this program was Dried Scrambled Egg Mix. Last year's purchase was 15,021,000 pounds at a cost of \$13,317,000. This was the equivalent of about 750,000 cases of shell eggs.

Frozen Egg Slabs

A freezing unit that produces 2,000 lb. of frozen eggs in convenient-to-use 5-lb. "slabs" eliminates the numerous sanitation problems encountered in conventional freezing methods. Storage, shipping, and defrosting are all simplified with polyethylene packaged slabs of frozen eggs.

Operation is as follows: liquid eggs may be fed directly from the pasteurizer or holding tank to unit filler. Filler measures out five pounds of eggs by volume and dispenses eggs into a stainless steel mold. After filling, egg molds are conveyed by intermittently driven conveyor chains into and through the freezing medium and are immersion frozen. Freezing medium is a refrigerated brine at a temperature of -32F.

Fast Freeze

Filled mold is completely frozen in 20 minutes time. Molds are then conveyed out of the freezing medium into the mold defrost and extraction section, where the frozen 5-lb. slab of eggs is withdrawn from mold.

Slab is carried away on the product discharge conveyor to the packaging area. In the packaging area, any one of several packaging techniques may be used. Each slab may be placed into a sleeve of polyethylene tubing and the sleeve sealed at both ends. Six sleeved slabs are then placed into a corrugated cardboard box to make up a 30-lb. package.

User receives a pallet of slab frozen eggs; each pallet contains two 100-lb. boxes of eggs. As eggs are required, the 30-lb. box is opened and desired number of 5-lb. slabs are removed.

After egg slabs have been extracted, molds are continuously washed by a three-station washing system: pre-rinse, wash, and after-rinse.

The appropriate amount of eggs may be melted directly into the mixing vat at the same time other ingredients are being added. Or the eggs may be quick-melted into a holding tank. Hard frozen eggs will not adhere to the polyethylene sleeve and eject from package without leaving a residue.

Details on the Slabfreeze available from FMC Corp., Canning Machinery Division, P.O. Box 1120, San Jose, Calif. 95108.

Egg Imports

A few thousand cases of shell eggs arrive each week in the East from England, Denmark and Holland. Quality is reported good but weights average below the domestic specifications grade for grade. So far these imports have cleared readily at prices around the market for standards.

Waltham Completes Acquisition of Seymour Foods

Paul I Stevens, President and Chief Executive Officer, announced completion of an agreement to acquire Seymour Foods, Inc. of Topeka, Kansas. Seymour is a substantial producer of egg-food products and is the world's leading producer of automatic egg-processing machinery.

"Seymour's egg and egg-food product line is sold to institutions and restaurants. Current development efforts are aimed at convenience packaging to reduce handling costs and food losses. Forecasted sales in the 1969-70 fiscal are considerably ahead of the previous year," stated Mr. Stevens. Seymour has the largest research and development program of their industry.

Waltham Industries, a diversified group of companies headquartered in New York City, emphasizes new product development and advanced engineering systems as well as medical and scientific technology.

Fairmont Foods Forms Pizza Division

Fairmont Foods Company has formed the DOB (Pizza) Division to develop the full potential for the distribution of Fairmont's line of frozen pizza ingredients both in the United States and Canada, it was announced by Gordon Ellis, president of Fairmont.

The DOB Division with headquarters in Los Angeles, California, became a part of the Fairmont organization in 1965. Since that time, DOB's distribution and processing activities have spread to Canada, and the division's distribution has penetrated new markets in the Midwest. The Division's production includes a full line of pizza food carry-out items, as well as Italian and Italian entrees and foods.

U.S. Cold Storage Warehouse Holdings

	Dec. 1, 1968	Dec. 1, 1968	Dec. 1, 1967
Shell Eggs, Cases	55,000	91,000	150,000
Frozen Whites, Lbs.	7,567,000	7,667,000	9,765,000
Frozen Egg Yolk	13,984,000	19,143,000	24,030,000
Frozen Whole Egg	24,780,000	51,784,000	60,210,000
Frozen Blend	1,405,000	3,843,000	1,664,000
Frozen Eggs, Total	47,732,000	82,437,000	95,819,000

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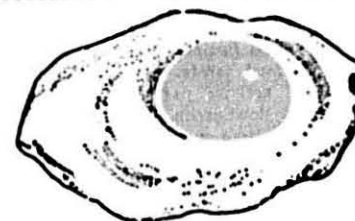
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White House Conference

AMONG the 3,000 persons who attended the White House Conference on Food, Nutrition and Health, were James J. Winston, Lloyd K. Skinner, Monsignor John Romapiello, Millers' National Federation staff representatives C. L. Mast, Jr., H. H. Lampman, Gordon Boals and Fred Mewhinney.

Hook-Up Report

The Millers' National Federation Hook-Up reported: "What the Conference accomplished will not be fully known for months. It is difficult to analyze the meaning of a meeting involving some 3,000 persons from corporate heads to militant minority leaders, which covered three days and was for the most part divided into widely diverse panel discussions.

"If there was a unifying thread, it was a general sense of urgency that immediate action is needed to meet what became the keynote phrase of the Conference—a 'national hunger emergency.'

"The Conference was established formally around 26 expert panels which had been at work for about two months. Their subject matter and discussions at the Conference were generally of a technical nature, dealing with such matters as food fortification, consumer labeling, food safety, and the like. The more activist participants were inclined to downgrade the importance of such matters on the ground that they would not provide immediate solutions. If a consensus can be said to have developed, it was that action on both fronts—emergency and long-range—is needed.

Urgency Reflected

"Urgency was reflected in the adoption by the Conference of a five-point program which was developed by the voluntary action task forces:

1. The President must immediately declare that a national hunger emergency exists.
2. Provision for a minimum guaranteed cash income of \$5,500 annually for a family of four.
3. As interim measures, present food programs must be reformed and expanded immediately.
4. A national free lunch and breakfast program must be made available immediately to all children.
5. All hunger relief programs must be shifted to the Department of Health, Education and Welfare.



Monsignor John Romapiello

"The above action recommendations were adopted by voice vote at the final plenary session."

Each of the five priorities was supplemented by a series of recommendations. Dr. Jean Mayer, coordinator of the Conference, described the total statement as the basic document of the conference. It is expected that the detailed recommendations that evolved during the three-day conference will be submitted to President Nixon with the priority statement as the preamble.

Panel Meetings

During the three days, prior to the issuance of the statement, the conference was divided into panel meetings to consider a wide array of recommendations dealing with the problems of hunger. The discussions were limited to each group's expertise, and no attempt was made at the conference to consolidate the group's findings into larger, more coherent proposals. As a result, it is expected that the technical recommendations associated with foods enrichment, incorporation of iron, labeling requirements, etc., will have to wait for more deliberate study by specialized science bodies.

It is assumed that the impetus for major moves in this direction was given a powerful push by the White House Conference.

Massive Adult Education

Dr. Mayer, the Harvard University nutrition expert who organized the conference for President Nixon, described

the meeting as "an enormous exercise in massive adult education." He said: "I think everyone at the conference has changed and learned a great deal, and this is the most important effect of the conference, especially considering the high stature of the people attending."

In his statement at the opening of the conference, President Nixon asked the delegates for support of legislation calling for new family assistance, food stamp reform and expansion reaching \$2,500,000,000 when fully implemented and provision of family planning services within the next five years. He also termed the conference as extremely important, one that must not "wither away in futility as the reports gather dust on government shelves." He announced that another meeting will be called a year from now, bringing the "key participants of the original conference to re-examine its findings and to measure what has been done about implementing them."

Panel Recommendations

The Southwestern Miller reported that some 25 recommendations were considered by the panel on Food Manufacturing and Processing, headed by C. W. Cook, chairman and chief executive officer of General Foods Corporation. Mr. Cook described the recommendations as the panel's answer to its assignment to set out "what the food industry can do to make food more nutritious and cheaper."

The 25 recommendations, which included some suggested modifications, were primarily directed toward improving the protein quality and additional enrichment of food with vitamins and minerals. They ranged from fortification of such basic foods as flour and corn meal and manufactured chocolate products and snack foods.

The panel also strongly recommended the transfer of cost of the wheat processing tax of \$1.72 per cwt. from the consumer to the taxpayer, recognizing that such a shift would require a change in subsidy financing policy. The panel made clear that in no way should the farmer be regarded as being overpaid for his wheat.

Enrichment Proposals

For the milling industry, the real significance of the Conference will be in the nature of the panel recommendations and the action eventually taken on them. While there are several con-

firming recommendations, the trends seem to be clear. One is that there should be a substantial increase in iron levels in presently enriched flour and breads already proposed by the milling and baking industries. There appeared to be strong support for the enrichment of all flour at the mill except to the extent that the "end-use of enriched flour presents insurmountable technical problems." It was also recommended that the enrichment standards should be continuously monitored to insure that they conform to the public's changing needs. Although strong emphasis was placed on the need to rely on our traditional foods, one panel spoke highly of Blend A and recommended intensification of research "to develop low-cost foods acceptable to consumers from this highly nutritious flour." More than one panel urged that industry undertake the nutritional enrichment of suitable snack foods.

Winston Reports

James J. Winston calls attention to some specific recommendations which the government is going to make an effort to carry out effectively.

Surveillance and Monitoring Systems—Federal Administrative Coordination.

It is recommended:

1. That presently diffused Federal machinery for dealing with food and nutrition relating to health be administered as a total system under clear policy guidance, accountability, program management and independent mechanisms for evaluation.
2. That a Special Assistant to the President for Nutrition be designated in the White House to follow through in implementing the findings and recommendations of this Conference.
3. That the Secretary of Health, Education and Welfare be assigned by Presidential Executive Order governmental policy and coordinating responsibility for food and nutrition as they relate to health and that he direct the Assistant Secretary for Health and Medical Affairs.
 - (a) to establish an Office of Nutrition with the responsibilities of a Project Manager to formulate and carry through policy priorities across the Department, and
 - (b) to plan and implement an effective nutrition surveillance and monitoring system linked with and cooperating with state, county and local nutrition and health units and with appropriate programs of the Department and other Federal agencies.

Surveillance and Monitoring Programs. It is recommended:

1. That the Department of Health, Education and Welfare plan and carry out nutrition surveillance and monitoring by providing for special surveys of selected target populations and areas and by developing techniques for a continuing system for monitoring diets.
2. That dietary information be provided through the USDA's Individual, Family and Household Foods Consumption Survey conducted every five years.
3. That all Federal health programs and area nutrition centers monitor the dietary intake of groups at high nutritional risk including institutions such as state prisons, hospitals and homes for the aging.
4. That clinical and laboratory procedures for detecting malnutrition be determined by the character of the study populations.

5. That anthropometric measurements be included in all nutrition surveys with selected subjects periodically assessed by random sample procedures and with high risk and ethnic groups grouped and evaluated separately.

6. That physical examinations and medical histories be obtained on all subjects selected for inclusion in all nutrition surveys with variation between surveys being the length and detail of examination, depending upon the purpose of the survey.

7. The standards for the evaluation of biochemical and clinical examinations currently employed by the National Nutritional Survey be adopted for use in the immediate future with a continuing reevaluation followed by modification and updating a methodology, as warranted.

8. That financial support be provided for the laboratory work and field trials essential for the development of improved methods, for the expansion of survey activities to measure additional nutrient adequacy and for the development of standards of evaluation.

9. That guidelines be formulated to indicate reasonable "cutoff points" in the nutritional assessment data which determine whether or not the problems encountered are of sufficient magnitude to require remedial programs and that as specific problems are identified, priority be given to problem-solving activities rather than to continuing general monitoring of the specific population under study.

10. That for groups at high nutritional risk surveys supply information on the status of dental health, followed by

an evaluation of the effectiveness of corrective measures in the future.

11. That in designing and implementing surveillance systems, governments at every level take steps to assure protection of persons against breach of privacy and utilize participation of representatives of the special groups selected as targets for surveys.

Iron Petition Time Schedule

A joint petition has been filed with the Food and Drug Administration by the Millers' National Federation and the American Bakers' Association requesting amendments to the Standards of Identity for enriched flours, bread and rolls. An approximate tripling of the required levels of iron was requested in response to new evidence of widespread iron-deficiency anemia, particularly among children and women of child-bearing years.

The Federation has received several inquiries, particularly from suppliers to the industry, as to how soon such an amendment might be made effective. Concern has been expressed about the status of inventories, both of flour and flour bags, on the effective date.

A simple food standards amendment, posing no practical or other problems, could be made effective within five and a half months. Most amendments, however, take longer, somewhat along the following lines:

1. The Commissioner, of FDA shall publish a petition, supported by reasonable grounds therefore, when filed by any interested party. This step can take varying amounts of time, depending on the nature of the proposal, but usually as long as 30 days. Occasionally, the Commissioner, on his own motion, will amend a petition prior to publication to bring the position of FDA into focus at the outset of the proceeding.

2. That published notice must provide at least 30 days for interested persons to present their views and comments in writing. FDA customarily grants 60 days, however.

3. "As soon as practicable" thereafter, usually a month or more, the Commissioner will publish his order acting on the petition to become effective not less than 30 days hence. During that 30 day period following publication, any person who will be adversely affected may submit objections and request a public hearing. Depending on circumstances, the Commissioner usually extends the effective date 30 days or more beyond the period for filing objections.

THE QUIET MIRACLE

SINCE 1941, the major portion of cereal foods in United States diet have been enriched. The B-vitamins—thiamine, niacin, and riboflavin—as well as food iron, have been added to white bread and flour, macaroni products, farina, white rice and corn meal—without changing taste or color . . . without adding calories or cost.

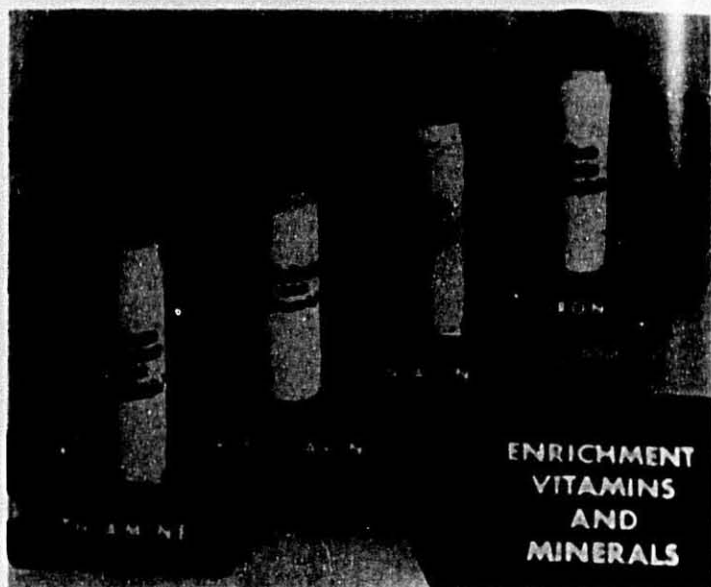
In the last 1930's, nutritionists became alarmed by surveys showing great public need for certain nutrients. By that time, scientific and industrial research made the nutritional improvement of foods not only possible, but commercially practical. The use of added nutrients in commonly accepted foods was urged in the interest of public health. In 1939, the American Medical Association recommended adding synthetic nutrients to general purpose foods to correct deficiencies in popular diet.

Nutritionists recommended the fortification of margarine with Vitamin A; milk with vitamin D; table salt with iodine; the restoration of breakfast cereals; and the enrichment of bread, flour and similar foods. By definition, "fortification" means the addition of nutrients not normally present in a food; "restoration" means replacement of nutrients which have been lost in processing; "enrichment" means the addition of specified amounts of thiamine, niacin, riboflavin and iron to flour and bakery foods.

Even in 1939, some bakers and millers were adding B-vitamins, non-fat dry milk and sometimes vitamin D to improve their products nutritionally. But specifications and agreement were needed.

After many hearings, the term "enriched" was adopted by the U. S. Food and Drug Administration to describe specifically the addition of exact amounts of the three B-vitamins and iron to flour, bread, rice, farina and corn meal. Standards were issued May 27, 1941, and later amended as enrichment was made mandatory for the duration of the War. Since 1946, enrichment laws have been adopted by more than half the states. (See table below). Today all family flour is enriched. Authorities estimate that 80 to 90 percent of all bread and macaroni foods are enriched.

Since the start of the enrichment program, the available supplies of the particular nutrients in national diet have been increased to help combat the vitamin deficiency diseases, ariboflavinosis, beri-beri and pellagra. The iron of the enrichment formula was added to help



correct the widespread public health problem of simple iron deficiency anemia.

Nutritionally-improved foods have received scientific acceptance and approval and have proved themselves of public benefit. In almost all cases, the foods selected or approved as carriers of added nutrients are relatively low-cost, readily available, every-day foods. For example, breads and cereals are perhaps the most widely consumed of all foods.

While the enrichment program can probably be credited for upgrading the level of national health, more recent surveys show apparent widespread malnutrition, particularly among lower economic groups. To counter this trend, the milling and baking industries are currently consulting nutrition authori-

ties to explore the possibility of increasing the amounts of the enrichment nutrients, or perhaps, adding new nutrients to their products. The question of adding greater amounts of assimilable iron has been given top priority by representatives of medicine, government and industry since the problem of iron-deficiency anemia has been shown to be of particular concern among women and children.

Along with flour and bread, popular macaroni foods have also proved excellent carriers of added thiamine, niacin, riboflavin and iron. Because of their mild flavor, many varieties and "filler" power, enriched macaroni, spaghetti and egg noodles complement other foods to everyone's satisfaction, whether it be at the start, middle or finish of the meal.

STANDARD FOR ENRICHED MACARONI PRODUCTS

Required Ingredients per Pound of Flour

	Minimum	Maximum
Thiamine	4.0 milligrams	5.0 milligrams
Riboflavin	1.7 milligrams	2.2 milligrams
Niacin	27.0 milligrams	34.0 milligrams
Iron	13.0 milligrams	16.5 milligrams
Optional Ingredients		
Calcium	500.0 milligrams	625.0 milligrams
Vitamin D	250 U.S.P. Units	1000 U.S.P. Units

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FOOD PROTECTION—the Microbiological Problem

by Kenneth R. Lenington, Assistant to the Associate Commissioner for Compliance
Food and Drug Administration, Consumer Protection and Environmental Health Service
Public Health Service, Department of Health, Education, and Welfare

Presented at the Grocery Manufacturers of America, Food Processors' Council for Product and Commodity Associations to announce an Industry-wide Sanitation Education Program, Washington, D.C., October 21, 1969.

CONSUMER protection is much in the news these days. It is the goal of a host of laws, programs and proposals designed to safeguard the consumer's health and pocketbook. There is a new and growing understanding, and appreciation, of these activities. And there are also some common misconceptions about what constitutes consumer protection. One of these is the idea or impression that it is the law that does the protecting, or that it is the Government agency alone—the Food and Drug Administration—for instance, that provides the protection. Of course, laws are necessary, and enforcement is very necessary, but that is only part of the story. The fact is that a great amount of protection is actually provided through the efforts of industry to comply with the laws which it realizes are just and necessary. If the Government had to do it all, the consumer would either get little protection, or FDA would cost the taxpayer a lot more than 33 cents per person, which is approximately what it cost last year.

A Specialized Field

Another misconception about consumer protection is that compliance with the law is something that just happens automatically, to be assumed and taken for granted because most everybody does the right things.

It isn't that simple. Our meeting today is a good illustration of the kind of effort that is needed to cope with the big, complex consumer problems that arise from modern technology. Consumer protection in our society is a specialized field combining law, science and technology with expertise from both Government and industry.

The Grocery Manufacturers of America are to be commended for launching this industry-wide educational program to insure food safety from the bacteriological standpoint. Thus, we are co-operating to deal with what I feel is the major problem in food sanitation today—to break the chain of infection which causes innumerable cases of gastro-intestinal illness each year throughout the Nation.

Perspective is important when we consider such matters. A hundred years ago smallpox, typhoid, scarlet fever, diphtheria and tuberculosis were great killer diseases—all commonly carried by food or water. Today we have largely succeeded in controlling them. How is it that the so-called food poisoning organisms have continued to be a problem? One reason is that we have not known the extent of the problem. The reporting of Salmonella outbreaks was not required until 1962, and it is still far from adequate. Then, too, it is difficult for the local practitioner without clinical laboratory assistance to determine the causation of gastro-intestinal upsets. We know now that these are frequent, and may be very serious in some cases. So we are progressing toward the elimination of another hazard in the long list of diseases and conditions which are no longer major health problems. It is a nation-wide effort, by literally scores of agencies, public and private, to acquire knowledge and take action. And in this room we have the capability to accomplish a large part of the job that confronts us.

Viral Contaminants

Preventing microbial contamination is one of the most important food programs in FDA today, and current research and evolving technology suggest that it will need to be expanded considerably in the next few years. The field of enteric and food virology, for example, is still in its early phases of research. As laboratory methods are developed for isolating and identifying viral contaminants, it seems likely that new hazards will be disclosed.

Early in 1967, the full scope of the Salmonella problem was illustrated through its widespread occurrence in food and drug products. The Department of Agriculture and the Food and Drug Administration contracted for a detailed study and evaluation of what might be done to control, or at least reduce, the incidence of Salmonella. That study was undertaken by the Committee on Salmonella of the National Academy of Sciences/National Research Council. After 18 months of study of all aspects of the matter, the report was published. It is called "An Evaluation of the Salmonella Problem," and is also identified as the Academy's Publication No. 1683.

Its 200 pages contain some 55 specific recommendations grouped around the major problems in preventing Salmonellosis outbreaks. They deal with such areas as environmental control, animal husbandry, food processing, and a massive sanitary education program.

Plan for Action

This report is the product of complete and careful deliberation by top authorities in medical and biological sciences, and represents the combined views and recommendations of physicians, educators, epidemiologists, molecular biologists and other specialists. It is not only a scientific report, but a plan for action. I recommend it highly for your consideration of the role which the food industry should play in educating food handlers, those engaged in mass feeding operations, and the consumer. We know that many outbreaks of food poisoning are due to mishandling of clean, wholesome foods during the period of final preparation and serving. Until an appreciation of proper food handling and serving is learned by those who prepare our meals, outbreaks will continue, irrespective of the microbiological quality of the commercial products.

FDA is actively seeking to carry out those recommendations of the report that fall within our jurisdiction. But any effective implementation of the recommendations in toto will require coordination and cooperation between a number of Federal Departments and Bureaus, State and local agencies, industry organizations, and consumers. As a step toward this goal, the Consumer Protection and Environmental Health Service and the FDA are sponsoring a National Conference on Food Protection. It is planned to make a working forum—to establish a national strategy for control of Salmonellosis and related food-borne infections. Fortunately, the educational activities, control measures, and improvements in sanitation to deal with Salmonella, are also applicable in preventing Staphylococcus, Clostridium, Enterobacterial and even viral contamination.

Frequently, we receive requests from industry that we develop and publish official microbiological standards for

(Continued on page 24)

THE MACARONI JOURNAL

"Business deserves consumer confidence"

This past year, American consumers made 3,296,293 calls to 126 Better Business Bureaus across the country.

For every one complaint there were nine inquiries—people who simply wanted to check on the reputation or reliability of a company, or find out about some business practice.

Compare that to 30 years ago, when the opposite was true: most people called the Bureau to complain.

Indeed, Bureau records show that not one consumer complaint are serious or justified. Frequently even serious complaints are the result of a company's unintentional mistake.

In the vast majority of cases, whether the mistake was intended or not, the Bureau obtains voluntary corrections.

In spite of these favorable signs, business today faces a crucial need to do a still better job of self-regulation of advertising and selling, and to do more to inform both government and the public concerning business progress in serving customers in the public interest.

Hence the Better Business Bureaus, drawing on their unique 54-year experience, have launched an expanded action program. It features these developments:

1. Expanded Service By Individual Bureaus. In city after city BBBs are broadening the geographic areas they serve, adding more telephone lines, installing automated filing and reporting systems—so they can give more con-

sumers better and faster service.

Increasingly, individual Bureaus are called upon to testify before state legislatures.

In some cities, Bureaus are setting up Consumer Affairs Councils to provide local forums for discussion of consumer problems.

And each year new Bureau offices are opened.

All this costs money; but it demonstrates the spirit of a great business community which understands that it can survive only if it enjoys the confidence of its customers, and which will go beyond any possible law in protecting this relationship.

2. BBBs' Research and Education Foundation. Activated under the direction of a distinguished Board of Trustees, this foundation will conduct urgently-needed studies to shed the light of objective fact on issues of concern to consumers. Under its aegis the BBB will initiate new programs to protect both the consumer and the enterprise system.

3. Office of National Affairs. This office has been opened in Washington. It will use the goldmine of information gathered by Better Business Bureaus across the nation, providing federal officials—for the first time on a systematic, continuing basis—with reliable data based on more than three million consumer contacts per year.

It will also offer facts on how business

regulates its marketplace activities in the public interest, and report back to business on government activities and plans affecting business-government relations in the consumer area.

4. Stepped-Up Mass Communication. This program will express industry's concern for the consumer, explain industry's self-regulation efforts, upgrade consumer buying skills, and increase public understanding of the enterprise system.

How can you as a businessman cooperate with this expansion program?

Bear this in mind: the heart of the BBB complex remains the individual Better Business Bureau.

It works to improve the business climate, to safeguard your community's buying power and maintain a market environment in which your business can operate profitably.

And it supplies data now being relayed to both federal and state governments to show why business deserves consumer confidence.

Write or call the manager of your nearest BBB. Tell him your reaction to the Bureaus' expanded action program. See how you can help to make it succeed.

Association of Better Business Bureaus International, One Greenwich Plaza, Greenwich, Conn. 06830.



Food Protection—

(Continued from page 23)

various categories of processed foods, similar to the standards for Grade A milk. We are moving in this direction, but I want to emphasize that the development of such standards is not a simple matter. Food protection specialists, in our country and throughout the world, agree that microbiological standards should:

First, accomplish what they are supposed to do: reduce public health hazards;

Second, be technically practical, that is attainable under conditions of good commercial practice, and

Third, be administratively practical, that is, capable of enforcement.

We are interested and desirous of promulgating meaningful and interpretable microbiological standards, especially for those categories of foods recognized as "high risk" products by reason of their potential for contamination and constituting the greatest public health hazard. But, before microbiological standards can be set, entire industries must be surveyed, with samples taken throughout the manufacturing process, and at the same time, correlated with the sanitary conditions in the plants.

Imitation Foods

Consideration must be given to the natural and normal microbial level of each product, and ingredient. Seasonal, regional and technological factors must also be weighed. Sufficient samples from plants operating under good manufacturing practice must be examined and correlated to establish the capability of each industry. Thus it becomes apparent that development of valid, attainable microbial standards is not a simple process accomplished without sound scientific data.

We and others have begun work toward such standards. For example, work is in progress toward microbial standards for imitation cream-type pies.

Frozen Foods

A committee of the Association of Food and Drug Officials of the United States has recently published recommended microbiological limits, and procedures for their applications, for frozen pre-cooked beef and chicken pot pies. Studies leading to development of those recommended limits were underway for well over three years and required examination of over 900 samples by each of four laboratories.

Since our resources and manpower are determined by our budget, FDA

must make priority decisions in the food microbiological field. We feel strongly that our resources must be focused on those products that have been found through human experience to be hazardous, and on those products, which by reason of their ingredients, physical characteristics and manner of processing, may be hazardous. In the course of this top priority work, we are accumulating data that will be of value in promulgating standards. In-pit of reliable data by industry, food science departments of our universities, and other competent investigators would assist in timely completion of the information necessary for development of microbiological standards.

We invite your suggestions concerning the types of food where such standards are most urgently needed.

Good Sanitary Practices

Regardless of these objectives, neither you nor we can sit back and wait. The role of good sanitary practices and procedures is well recognized and this goal must be achieved promptly with or without standards.

We are presently aiming at a list or category of high priority foods, both by product and by organisms. We are arranging for input and participation by industry experts in drafting this classification of potentially hazardous products.

We also have a continuing responsibility to attain compliance with the requirements in the law that foods, in general, be prepared, packed, and held under sanitary conditions, and do not contain filthy, putrid, or decomposed substances, or which are otherwise unfit for food.

Insanitary Practices

In recent years, the emphasis FDA has placed on bacteriological contamination of foods unfortunately has resulted in less attention being given to filth and extraneous materials. I do not like this. Food should not contain such things as insects, insect parts, rodent excreta and hairs, anymore than it should contain bacteria or virus which are health hazards. In a practical sense, insanitary practices which result in filthy food are hard to distinguish from those which result in hazardous foods.

The Congress took this into consideration when drafting the statute, and FDA in its enforcement must likewise take this into consideration.

There are always those who would cut costs by cutting corners on sanitation. And every now and then a new product comes along, or a new firm or industry, where for some reason the level of sanitation falls far short of

what is acceptable and readily available. When we have a situation like this, we must act promptly, with an effective enforcement and compliance program, so that the consumer will be protected.

The Human Element

Today mass production, coupled with our rapid transportation capability, practically insures that food contamination at any point before serving can endanger thousands of people. This is not confined to foods, since we are also finding microbial contamination in certain drugs and cosmetics. To meet the need for more effective control, and prevention, the FDA has established at Minneapolis, a National Center for Microbiological Analysis. Here we hope to be able to examine large numbers of samples rapidly and efficiently, which will provide a sound basis for whatever action is required or taken.

Human behavior has always been the basic factor in sanitation cases under the pure food and drug laws. The attitudes of management, the habits of employees, the mistakes that stem from ignorance or carelessness, may all be summed up under that one term—the "human element." But sanitation pays. It pays because it is an index of good management. The insanitary plant is usually marked by confusion, disorder, and low employee morale. It is hard to tell which is the cause and which is the result. When such conditions are corrected, there is improvement all along the line. All of you, I am sure, are familiar with the new Good Manufacturing Practice Regulations for food establishments. These spell out basic requirements for sanitation that are common to all food handling and processing operations.

A great deal has been done, is being done, and will continue to be done to support our efforts to make the American food supply the safest and best in the world. Microbiological contamination, however, is a hidden hazard. Management may have a bacteriological problem so serious as to require shutting down the plant and recalling every package from the market, without knowing that the problem exists.

It is not unprecedented for trade associations to organize industry-wide programs to minimize such risks. Some of these were organized many years ago, are still being carried on, and have paid enormous dividends for their respective industries. But I do not know of any which has had a greater challenge than this Intra-Industry Sanitation Program, sponsored by GMA's Technical Committee for Food Protection.

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International Milling To Change Name

International Milling Co., North America's largest flour miller, wants to change its name to International Multifoods Corp.

The 77-year-old Minneapolis firm submitted the new name to stockholders at a special meeting January 16. IM was founded as New Prague, Minn. in 1892 as the New Prague Flouring Mill and was reincorporated as International Milling Company in 1910.

William G. Phillips, who joined IM as its first "outside" president 14 months ago, explained the reasons for the change.

"When a company gets to the point where it produces some 200 different food products ranging from pickles and relishes to eggs and frozen turkeys, it's misleading to continue to call it a milling company," he said.

He noted that the word "Multifoods" was selected because it accurately describes the wide-ranging product mix of IM. In addition to milling flour, the company produces such products as bakery mixes, broilers, chicks, eggs, Supersweet animal feeds, wild bird feeds, jams, jellies, Robin Hood consumer baking mixes, olives, popcorn, wheat germ, animal health products, a frozen turkey entree and others.

Diversification

The firm has been pursuing a policy of diversification for several years to reduce its dependence on milling as a major source of revenue. Last year, 33 percent of its sales came from non-flour mill products, compared to 11 percent in 1960. Phillips said he expects this trend to continue.

He predicted that total sales for the current fiscal year would exceed \$375 million, an all-time record. Sales last year totaled \$338 million, ranking IM as the nation's 246th largest corporation according to *Fortune Magazine*.

Phillips said that the company expects the contribution of non-flour mill products eventually to rise to two-thirds of sales. He emphasized that

"this growth will come from enlargement of overall sales rather than a decrease of our flour sales."

Since 1967, International Milling has made a number of acquisitions which have contributed to its substantially broader product base. Within the past few months, product diversification activities were accelerated as IM moved into several new food ventures, including Sveden House, a franchise chain of 50 self-service restaurants; Alver Popcorn Co.; Saginaw Feed Co., marking IM's first entry into the Texas feed market; and Wagon Popcorn Franchises. In addition, IM expects to finalize by the end of December the previously announced agreement to purchase King Foods, a national distributor of frozen portion controlled meats.

International

Phillips pointed out that the word "International" was retained as part of the new name because it "accurately describes our geographic base as a multinational company with operations in five countries and serving some 70 overseas markets."

International Multifoods fits the company's corporate symbol—a bold, modern looking "IM" which was introduced two years ago. The globe that dots the "I" represents the firm's world-wide operations. An upright grain shaft within the "I" symbolizes the agricultural basis of its variety of food products. The sturdy lettering suggests the permanence that comes from 77 years in business.

Peavey Realigns Coastal Operations

Realignment of Peavey Company's west coast grain and commodity merchandising operations will bring offices in Portland, Oregon and Fresno, California into the Producer Service division as of January 1.

The great increase in the westward movement of grain out of Montana and the Dakotas during recent years is one of the factors creating a need for the reorganization.

Fred Wells, divisional vice president who will be responsible for all West Coast grain merchandising, said Peavey will continue to push for growth in services to exporters, western flour mills, food processors, feedlots and livestock industries.

The future use of the small grain terminal, part of Peavey's Portland operations, has not yet been finally determined. Personnel reassignments stemming from the change in command is to be announced.

Wells explains that the restructuring is in line with corporate reorganization and streamlining in order to meet growth and profit objectives. "It is intended to strengthen, not weaken, Peavey's participation in west coast grain business," he comments.

He pointed out that a similar strong interest in Pacific slope animal agriculture is evident in Peavey's Canadian affiliate, National Agri-Services, Ltd., through its feed operations and research in British Columbia and other western provinces.

New Starch Plant

VWR United Corporation will build a wheat starch and gluten plant in Spokane, Wash. In 1970, it was announced today by James H. Wiborg, VWR United president.

The plant will produce wheat gluten for use in food products and starches used in the forest products and other industries. Completion of design and construction of the facility, which will represent an investment of approximately \$1.5 million dollars, will require about ten months.

The plant will be operated by the Centennial Mills Division of VWR United, which also operates a major flour mill at East 2301 Trent St., Spokane. This will be the second starch/gluten plant operated by Centennial, which built one of the industry's most fully automated plants in Portland, Ore. in 1966.

VWR United's other major units are involved in national distribution of chemicals, scientific apparatus and home furnishings, and the manufacture of specialty chemicals and resins.

First Among the First

John Julien, son of William A. Julien, durum sales, ADM Milling Co., was born Sept. 14, 1950. His birth date entitled him to No. 1 in the recently held Selective Service lottery.

In addition, the letter J was drawn to be first among those with No. 1 in the letter applying first to the surname and then to the given name. Thus, John, who is a student at the Minneapolis School of Arts, rates "first among the first" in the draft call when his student deferment expires.

Sweet Note

Paul De Domenico is the new president of Ghirardelli Chocolate Company, San Leandro, California, a subsidiary of Golden Grain Macaroni Company.

Werner/Lehara Merge

The merger of Werner Machinery Company of Grand Rapids, Michigan and Lehara Corporation, of New York City, has been announced by C. R. Werner, president of Werner, and Ralph W. Hauenstein, president of Lehara. The new corporation will be known as Werner/Lehara, Inc. Commensurate with the merger of the two corporations, contractual agreements will be enforced between European companies and the new firm for an exchange of manufacturing facilities, service and technical know-how. The basic goal of Werner/Lehara is to provide the world's food industries with a single source for specialized processing equipment.

Since 1904

Werner Machinery Company, in operation since 1904 when it introduced the rotary cookie machine, has been a leader in the creation of high efficiency automated production equipment for the baking industry. The rotary cookie machine was the first of many Werner innovations for the biscuit and cracker baker. Known as a specialist in the design and production of customized heavy duty baking equipment, Werner has also been successful in developing automatic forming equipment for the candy manufacturer, and has created specialized systems for a number of widely diversified food processors in the forming and baking area.

Lehara in 1946

The Lehara Corporation, formed in 1946, is an international organization, has been associated with Werner for decades in the United States and foreign markets. In addition, Lehara is associated with a number of European companies who produce specialized machinery for the manufacturers of macaroni, spaghetti, sugar wafers, candy, chocolate coated items and a variety of specialty foods. Lehara's highly skilled technicians provide necessary production assistance and installation supervision for its customers.

Through Lehara offices and facilities established in Canada, Europe, Latin America and the Orient, the new company, Werner/Lehara, Inc. will offer the world wide market a combination of Werner engineering skill, Lehara's technical know-how and the engineering excellence of specialized European suppliers.

Idea Factory

According to C. R. Werner, president of the new company, Werner/Lehara will operate as an "idea factory" to



Charles R. Werner, President (left), and Ralph W. Hauenstein, Chairman of the Board, Werner/Lehara, Inc.

whom bakers and food processors can bring all types of problems—from product design, development, improvement and testing to the engineering and production of efficient processing and handling equipment.

Ralph Hauenstein, will serve as chairman of the board; F. C. Werner, former chairman of Werner, as vice-chairman; John Van Laar and Luis Ortiz will continue as vice-presidents of the new corporation.

Circular Pasta Cooker

From across the country, restaurants report that pasta products are becoming increasingly popular with their customers. However, they also report that their customers are becoming more knowledgeable as to how these dishes should be prepared, and chief among their demands is that the spaghetti or macaroni be freshly cooked just before serving.

While the serving of freshly cooked spaghetti is a matter of policy in some restaurants, many others are forced to cook up large amounts of spaghetti at one time because of a shortage of skilled help. Then they hope a sufficient number of their customers will order it before it becomes too badly overcooked.

On too many occasions things do not work out as planned, and spaghetti becomes an adventure in eating. As an answer to this problem, Braibanti, S.p.A. of Milan, Italy has developed a new, semi-automatic, pasta cooking unit that will turn out properly prepared and freshly cooked pasta for each and every customer.

Compact Unit

The Braibanti circular pasta cooker is less than four and a half feet in diameter and is equipped with ten individual cooking pots arranged on a circular motor driven platform.

To operate, water is placed in the pots, the gas heaters are lit, and the drive motor is turned on. Salt is added

to each pot, and when the water begins to boil the pasta product is added to each pot as it reaches the boiling point.

Since the drive motor is controlled by a timer, the unit can be set to cook the product for whatever time might be desired, and with a normal cooking time from 14 to 15 minutes, and by using all ten pots, the unit can turn out on a continuous basis about one pound of freshly cooked pasta every two minutes.

Each pot is equipped with its own individual strainer so the cooked product can be properly drained before it is served.

The cooker can be operated on 220 volt electric current and comes equipped for operation on either natural or bottled gas. Braibanti representative in the U. S. and Canada is Werner/Lehara of New York City.

John Tobia Feted

On November 20, 1969, John M. Tobia successfully completed thirty-five years with the Rossotti Packaging Corporation. John and his wife Kay were given a dinner at the White Beeches Golf & Country Club of Haworth, New Jersey, in recognition of his fine services to the company. The dinner was attended by numerous old timers in the Rossotti organization.

Charles C. Rossotti, president of the company, praised John for his long and dedicated services to the firm. On a personal basis, he remarked: "If you continue to keep yourself out of trouble, you may stand a chance of equalling my record of 48 years with our company."

John is well known to the macaroni industry, having attended many conventions and meetings of the National Macaroni Manufacturers Association.

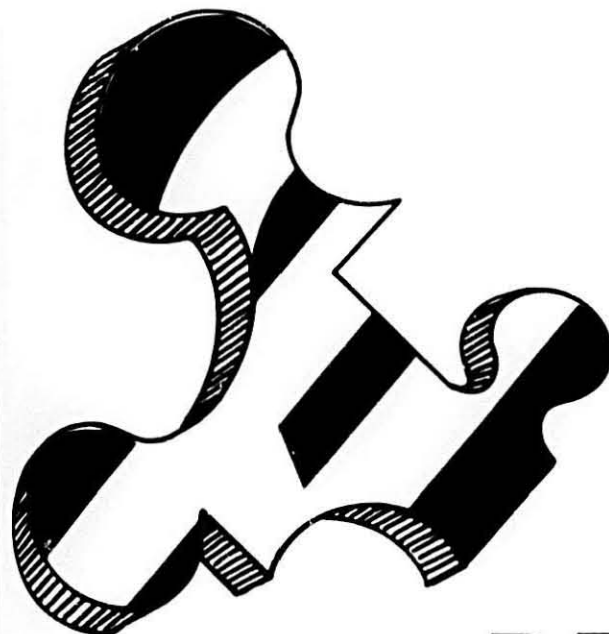
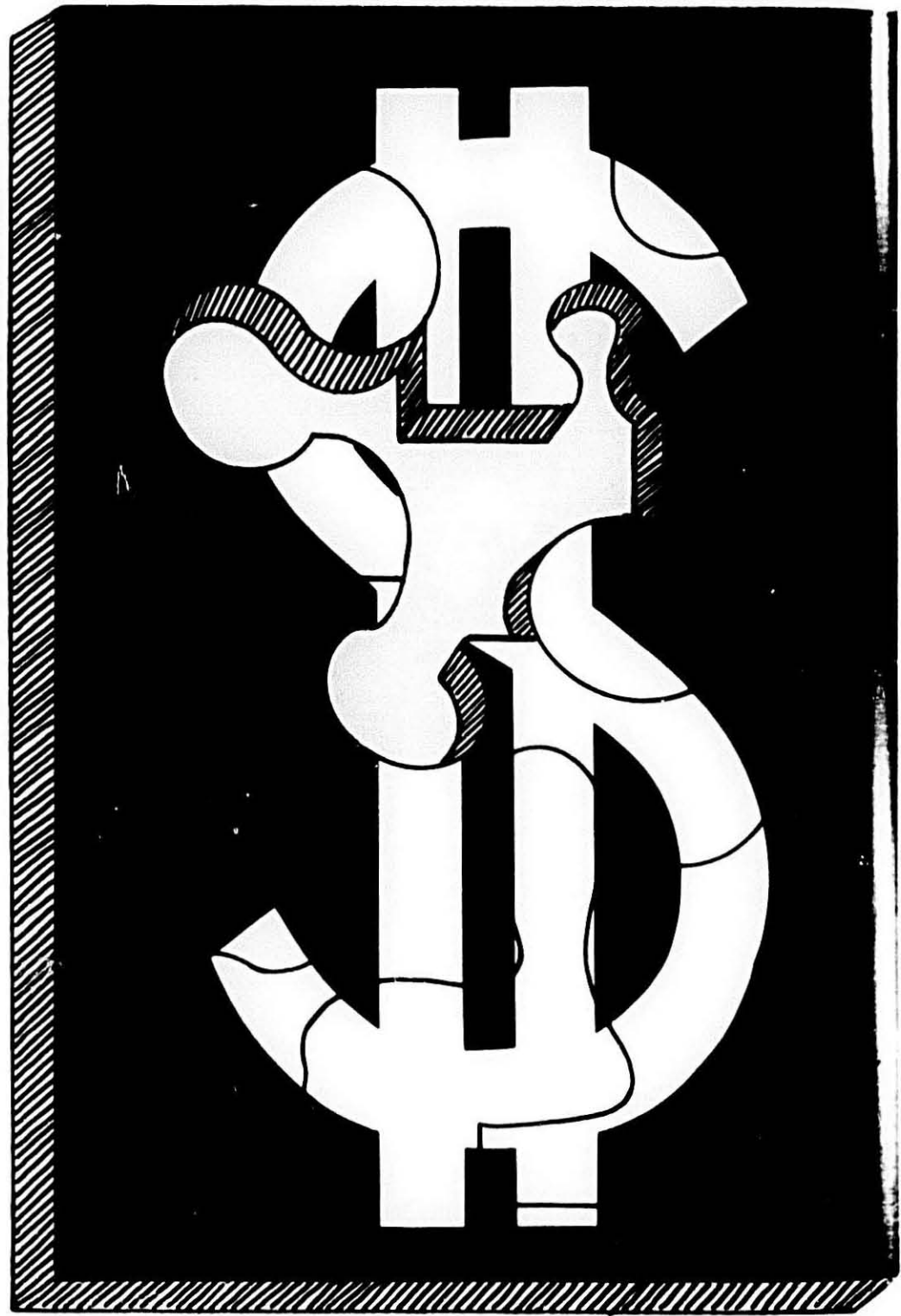
John and Kay live in Haworth, New Jersey and have a married son who lives in Milwaukee, Wisconsin. They have one grandchild.

Lenore Kutz Injured

Mrs. Lenore Kutz, wife of C. W. Kutz, durum products sales manager for ADM Milling Co., Kansas City, suffered hip and wrist fractures sustained in a fall while checking into a motel en route home from a Thanksgiving holiday in Minneapolis. Mr. and Mrs. Kutz had been visiting their son, Richard and his wife, who are teachers in Renville, Minnesota.

Mrs. Kutz was hospitalized at Fairview-Southdale Hospital in Minneapolis.

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Brokers Post Sales Gains

The nation's food brokers, who serve as local sales organizations for a majority of American food and grocery product manufacturers, have outpaced other elements of their industry in sales gains over the past decade. They can also look forward to additional volume over the next five years from manufacturers who currently use only their own sales force.

These were among the findings of a comprehensive study by GROCERY mfr. magazine reported to the National Food Brokers Association.

"Median sales for all brokerage companies increased 50%, from \$2.8 million to \$4.2 million" in the past five years, said Julian Handler, Editor of GROCERY mfr. He noted that a 1965 study of brokers showed a 55% sales gain for the first half of the 1960's meaning "a gain of well over 100% for the ten years." During the same period, grocery store sales were up 64% and sales of leading grocery manufacturers averaged a 65% gain.

Potential

Handler said the study—done among food brokers and grocery manufacturers, also revealed that one-third of manufacturers surveyed who do not now use brokers said it was at least somewhat likely that they would use brokers within the next five years.

The average food broker today represents about 23 manufacturer-principals, selling a total of 600 different items, Handler said. "Canned foods still comprise the number-one category from which income is derived," he added, "but its share has dropped sharply in five years from 50% to 39%, with frozen foods conversely showing gains."

Other Findings

Other findings of the study reported by Handler and Lawrence E. Doherty, GROCERY mfr. Editorial Director, were:

Reputation with buyers is the most important factor in the selection of food brokers by manufacturers. And depth of retail store coverage is the number-two factor.

Three out of every four principals that were represented by the average broker five years ago are still represented by the same broker.

The average food broker has been in business 28 years—and one-third of all brokers own rather than rent their office facilities.

"Defend me from my friends; I can defend myself from my enemies."

—Voltaire

Brokers' Compensation Considered

"The name of the game is profit . . . if your food broker shows a profit on your line, your sales will continue to grow and grow. Adequate compensation for your food brokers is the best investment you can make." So stated Richard H. Luth, 1969 National Chairman of the National Food Brokers Association, at NFBA's 66th Annual Convention and National Food Sales Conference.

Addressing NFBA's Saturday Business Session, the National Chairman discussed the subject of food broker compensation as it relates to a confidential survey taken of the entire NFBA membership. In conducting the survey, the research firm of Tyson, Belzer and Associates questioned NFBA members on their attitudes concerning their Association and on other subjects relating to their business.

Major Concerns

Luth stated that according to the survey, an area of major concern to many NFBA members is adequate compensation. "To the principals present here today and to others who will read of this meeting, NFBA food brokers make this request: Will you re-study your compensation program for your brokers? Correct the inequities that exist, bring your commission rates in line with modern-day operating costs, and with the increased demand for services. Every businessman is aware of increasing costs for salaries, for equipment, for paperwork—for every activity in the business operation.

"Recognize that the problem is as severe for your food brokers as it is for your firm. It is not enough to tell the broker that he has the same problem you do. Neither is it enough to say that extra volume will bring extra compensation. If a broker firm is able to achieve extra income by continually building volume, then that income should go toward building its organization for the future, toward its profit structure, and not toward offsetting rising costs.

"As food brokers, we do not mind the reward for extra volume being used as a carrot held in front of us. We don't mind 'running faster.' That is one of the characteristics of the food broker. But we don't want to be kept in a squirrel cage where the extra effort does not get us anywhere. For too many brokers, the brokerage rates set in the past have resulted in placing them in a squirrel cage today. They run faster and faster. Their sales volume increases steadily,

but their net return gets smaller and smaller."

District Managers

Another subject frequently mentioned in the Tyson, Belzer survey was the manufacturers' regional or district managers, Luth said. Many NFBA members, he stated, want manufacturers' field contact men to be better informed on broker operations and the broker-manufacturer relationship. "Let me assure the principals present," he said, "that brokers are not objecting to the use of field contact men. There are far too many good ones performing a valuable service for the principal and also for the broker. But even though they be in the minority, those who are inadequate prove more irritating, more time-wasting, and more of a hindrance than is warranted by their number.

"In a number of instances, top management of a few manufacturers has been abdicating its own management responsibilities in regard to hiring and discharging of food brokers. The result is that newly-appointed or recently-transferred field contact men have sometimes used improper judgment in exercising the prerogative of hiring or discharging of brokers. They have done so based on emotionalism, cronyism, or political maneuvering. That is not in the best interest of the manufacturers. Changes in broker representation may be needed from time to time in any manufacturer's sales organization. But such changes should be made by top management based on solid and substantial factual information, submitted by a well-informed, objective, and well-trained field contact force."

Longer-Term Contracts

Longer-term contracts, too, were frequently noted by NFBA members in replying to the survey. "I consider the advantage of adequate compensation procedures. This works both ways. A contract clause on termination binds the food broker as well as the principal. The principal has as much to gain as the broker."

NFBA's National Chairman stated that as food brokers have legitimate and proper requests of principals, so do they recognize their own obligations and commitments. "One obligation," he said, "is to continue to improve our performance. Our long-term success depends on it. Every food broker organization, large or small, should periodically give itself a crisp going-over to make sure it is producing effectively under current existing circumstances. We should measure our performance to make sure it is up to the standards

which we would set for other people in a similar position.

"To do an even better job for their principals, NFBA members should take advantage of the aids provided by NFBA," Luth continued. He said he was referring to the aids such as the NFBA Convention, the Management Conference, educational workshops and seminars, special studies, publications, and other educational materials. "These," he said, "are all designed to enable us to implement proven techniques into our own organizations' activities for a more improved daily performance.

"Basically," Luth said, "the responsibility of the food broker and his principal is one of mutual cooperation. Brokers and principals need to establish more consistent dialogue with a purpose. This kind of communication should be carried on between the broker and the field contact man, the broker and sales management, the broker and top management. Anyone who unwaveringly refuses to submit his ideas to the test of communication through dialogue will be quite unfit to meet the demands of existence in these days.

Be Aware of Change

"As food brokers, we must always be aware of the changes taking place in our own industry. To assess these changes, we need ever to observe what is going on around us and filter it through a layer of common sense. We must expose it to examination and evaluation so as to decide in what direction and to what extent we have to alter our course. And we must not hesitate to alter our course when change demands it."

Referring to NFBA members, attitude toward the Association's conference and workshops, Luth said the survey showed that participants had profited greatly from these activities, and that they were an extremely good investment. He added that Tyson, Belzer, in presenting its analysis of the survey, indicated that the morale of the NFBA membership is very high, and that confidence in NFBA is widespread and solid. Tyson, Belzer also indicated that they have never before encountered a situation where so many members have thought so consistently well of an association for so long a period of time.

"Speaking for your Executive Committee," Luth concluded, "we want to thank you for your vote of confidence. We want to assure you that in the future we shall work even harder to maintain and to deserve that kind of spirit of cooperation."

How the Food Broker's Sales and Merchandising Efforts Can Build Frozen Food Sales—The Wholesale Distributor's Viewpoint

by John F. Baugh, Chairman of the Board
Zero Foods Company, Houston

It is a privilege to participate with you in discussing the subject, "How the Food Broker's Sales and Merchandising Efforts Can Build Frozen Food Sales," for Zero Foods Company of Houston, Texas, has for many years been, and now is, the recipient of the excellent efforts of some highly esteemed gentlemen who have distinguished themselves as capable and responsible food brokers in those cities in which my company conducts its operations.

Some Specifics

I am equally pleased to have the opportunity of propounding a few questions concerning some broker-related matters which are of serious concern to me. But first, some specifics concerning "how the food broker's sales efforts can build frozen food sales through Zero Foods Company":

1. The broker, the food manufacturer whom he represents, and my company should be in complete agreement concerning the guidelines within which we three conduct our unified efforts.

2. We could have far more assurance of the beneficial results of the broker's sales efforts if those efforts are made by an individual who is thoroughly trained, or at least has been carefully selected for the position—one who is fully qualified as having expertise concerning the particular products under discussion—and equally familiar with all factors related to competitive products in the market, for we consider his most important sales efforts to be those of demonstrating to our 32 sales personnel the efficacy of the subject product.

3. Well planned—by appointment—product demonstrations to the users are profitable for the manufacturer, broker, wholesale distributor, and food service operator.

4. The broker sales representative can serve the interest of all with whom he is allied by furnishing new account information. The most perceptive salesman secures new account information from unique sources, even from sources such as the issuance of building permits!

5. There are many additional things which the broker's representative may do to build frozen food sales, such as:

- Prepares sales kits, product brochures, etc., to be used by our sales people.
- Prepare product samples in portioned packages—ready to be car-

ried in dry ice and to be demonstrated to the food service operators by our sales people.

(c) Frequent review, with our executives, of the various merchandising aids materials, such as menu clip-ons, table tents, etc., in order that these represent "fresh ideas" as well as to generate continuing enthusiasm to implement the use of such aids.

(d) Maintenance of a "target list," with our executives, concerning the continuity of usage of priority products by selected food service operations.

(e) Innovative contests are fun—and should be encouraged—both at the level of our sales personnel and food service operations personnel.

6. The next suggestion should afford easy compliance—and I cannot understand the apparent complexities inherent in the matter. We make these simple requests:

(a) Please accept our order.

(b) Please advise us of anticipated product arrival date.

(c) Please advise us—well in advance—of any change in the scheduled date of shipment, and please advise us of the newly-anticipated arrival date. I believe that the failure of the food manufacturer and his broker to comply with this simple request is due solely to their combined default at this point. I must assume that a pre-determination has on occasion been made to withhold accurate information from the wholesale distributor—for it obviously is not difficult to deliver information, even if you are unable to deliver product.

Convenience Entree Syndrome

Now, please, may I inquire concerning some of the matters which are of grave concern to so many wholesale distributors of food service products?

Has the "convenience entree syndrome" become the seedbed of a series of frenzied decisions?

There have been several recent incidents by major food manufacturers, while local sales calls are being made by their own employees, to conceal this activity from their local broker. It is extremely disconcerting to be aware—

(Continued on page 33)



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Frozen Food Selling— (Continued from page 31)

much less caught in the middle—of such conflicts. This is an entirely new dimension, or it is new to me, inserted into the manufacturer-broker-wholesale distributor relationship. Even my psychiatrist cannot understand this one!

Some food manufacturers apparently are requesting their brokers to make regular sales calls on all food service accounts in a specific market. This seems to be sheer economic folly, and we assuredly have the experience to know that it is. In order to market innovative and specialty frozen food products properly—as we understand the function—for the products to be physically carried by the salesman, to be shown, sampled, and demonstrated to all of the potential users—and then to be promoted as long as is necessary for good usage—it has always cost the wholesale distributor approximately 1% of sales to do a creditable job for such products. And the certified full service wholesaler is the only one capable of performing this task knowledgeably, thoroughly, and economically. Fulfilling some of the demands now being imposed upon the broker could not be economically justified even if the broker received a 10% brokerage fee.

The increasing criss-crossing of product lines which has been generated by mergers, the "convenience entree syndrome," and other factors, is most disconcerting to some of us. Perhaps we are exceedingly fortunate in Texas in that we have so many brokers who are energetic, resourceful, conscientious, and are esteemed friends as well as highly respected citizens of our community. We experience dismay when such a broker is confronted with the ultimatum to resign representation of Company "A" with which he has been associated for fourteen years, or from Company "B" which he has represented for eighteen years. This is most distressing for we find that we have enjoyed our association with both companies and we have the highest appreciation for our friend, the broker. This must be extremely disturbing for the broker for he has not changed a thing, he has continued to perform well—and the only change which has occurred is that Company "B" has decided to get into the frozen widget business, and Company "A" has developed a new line of very excellent frozen widgets! I am caused to wonder why a highly responsible food broker who has demonstrated both his ability and integrity for many years could not or would not continue in outstanding and productive

representation of the two manufacturers.

Because of this dilemma, we are now carrying high performance fresh frozen hari-kari sets in our inventory for some of our broker friends.

Slick Super Transients

Will you broker friends please try to do something about the individuals whom we know as the S.S.T.'s? This does not mean supersonic transport—it means the "Slick Super Transients."

We have the highest regard for the many good men who have called on us, helped us, and who have shared their expertise with us for so many years. But the S.S.T.'s are an expanding tribe.

These are the personality boys who go around the country putting on their own version of the dog and pony show. They are sales executives of Company "C" one month, and a high level executive with Company "D" the next.

This transient rep of the food manufacturer jets into town, pulls his toga about his handsome torso, utters his pronouncements of wisdom, and boozes off into the night, never to be heard from again—until he arrives on the scene again as a new executive of Company "X".

We grow a bit weary of having to provide the stage for the same old production, especially as there are better performances in the worst of the late movies.

Is there any way to succinctly suggest that such a player soils the uniform of a good company?

Institutional Distribution

And I must bother you with this question: What will be the long-term effect of the major retail food chains, now becoming wholesale distributors of institutional foods?

As I contemplate the possible future activities of food manufacturers, food brokers, and wholesale distributors, I am astounded that the immediate and short-term considerations have apparently obliterated the necessity for long-range planning. It seems that few have recognized that, in reality, many chain retailers, now purveyors of institutional foods, are customers of today and competing manufacturers of tomorrow.

Is it correct that some chain retailers generate a majority of their products through their company-owned manufacturing facilities?

Is it likely that some of the chains would even now use their retail shelf space exclusively for their own labels of consumer products if they could refuse shelf space to the advertised brands of the foods manufacturers?

Is it correct that the major manufacturers of advertised brands of consumer products are able to provide continuity of sales of their products only through a direct dialogue with the individual consumers, direct dialogue through the radio, printed, and television media?

Will such dialogue be possible with the other type of consumers, the patrons of the food service operations?

Are the retail chains going to ultimately distribute the manufacturer's products, or their own?

What effect will this have on your business? Sand provides excellent protection for the head of an ostrich—but his tail feathers are just a wee bit exposed!

The Food Service Market

"The best way for food brokers to enter the food service market is to totally commit themselves and their company through money, manpower, and knowledge," was one of the recommendations heard during NFBA's Food Service Sales Workshop.

Food brokers thinking of entering the rapidly expanding food service field were told that they should familiarize principals with their market, its requirements, and estimated sales potential. Brokers, said one participant, "need to understand that the food service market is not one but many. Not all products fit all markets. Not all markets operate the same way."

Separate Division

A separate food service division within the brokerage company was considered essential by a number of brokers experienced in the market. These brokers also agreed that highly trained salesmen were needed to staff this separate division. "Salesmen should have complete knowledge of the products, portion control, and of the market," they said. "You are not selling deals as much as you are a product and its place," declared another broker. "And because it is different, it offers a tremendous individual challenge," he added.

In communicating with brokers, food service principals need to provide information about their production facilities and capabilities, chain of command, and advance schedules of when they expect to visit their brokers, one participant said.

They Want to Know

On the subject of food service distributors, it was pointed out that distributors want to know the advantages of a particular product, the cost per

(Continued on page 34)

Food Service Market—

(Continued from page 33)

servicing and ease, and how simple it is to prepare with inexperienced help.

Another workshop participant declared that while he was proud of the job he was doing, proud of his firm's growth, and proud of the increased services he was offering, all of this had resulted in increased costs. "Compensation," he said, "must be approached with integrity and with a sense of fair play."

The Job Food Brokers Are Doing Today

by Robert L. Bull, Director

Food Business Institute, University of Delaware

I welcome this opportunity to comment on the job brokers are doing and on how brokers might enrich still further the quality of their services. My remarks are based chiefly on the exhilarating experience of participating in the 1968-69 series of workshops on food service and industrial sales.

The job brokers are doing is being assessed constantly from two vantage points: that of principals and that of brokers themselves. Any broker tends to judge himself by what he feels capable of doing. The principal judges him solely by what he has done. Most striking about the posture of brokers, as we enter the 70's, is that documented achievements have caught up with the optimistic expectations with which brokers viewed themselves as the decade of the 60's began. How is this?

1. A broker knows that he seldom improves much if he has no model but himself to go by. So brokers now share their know-how. They share it at workshops and seminars, where each one trades one or two of his best ideas in return for dozens, sometimes hundreds, of good ideas from others. . . . And the whole profession advances faster as a result.
2. Brokers are aware that the rate of change in the industry is constantly accelerating. Thus, their tempo in adopting new methods for better sales results and improved services is a faster one than ever before . . . very often going beyond the best marketing techniques that principals themselves could suggest.
3. Brokers are dedicated to the pursuit of higher standards of professionalism. Time was when you would hear a manufacturer chide: "Brokers are fine, but their enthusiasm doesn't substitute for our vast knowledge." Not so today. The broker analyzes

Open to both brokers and manufacturers, the Food Service Sales Workshop was moderated by Robert L. Bull, Director, Food Business Institute, University of Delaware. Mr. Bull also served as moderator of NFBA's 1968-1969 series of food service and industrial sales workshops. Hundreds of NFBA members participated in these workshops, which gave them the opportunity to exchange new ideas, methods, and problems concerning food service sales. NFBA will provide another series of workshops on food service sales in 1970.

his own market in depth, evaluating his principal's products thoroughly in relation to that market, and his superior knowledge of how to capture maximum market shares is rarely even questioned. The same kind of professionalism extends to innovative merchandising, new services in traffic management, and end-user (food service) work, for example, and the training he gives his sales force.

For the Future

Suggestions for the future, based on workshop deliberations, are these:

1. Encouragement and help for additional brokers to enter the food services and industrial fields, capitalizing on the same basic advantages that spell success with consumer products, so that principals may find it easier to market food service and industrial products nationally through skilled brokers.
2. Sharper criteria for principal selection, the goal being fewer and better principals all firmly committed to essential marketing support for development of the market, thus avoiding a thin spread of resources.
3. Candor in coping with problems of under-compensation which harm principal and broker interests alike, with periodic review of product service requirements in relation to compensation by individual brokers and their individual principals.
4. Stress on paperwork simplification.
5. Continued emphasis on refined data reporting services, training and re-training of personnel, food service distributor teamwork, support at the end-user level for food service selling, and on feed-back information services to principals.

Thus, the overall broker fraternity can take pride in its professional stature as food service and industrial marketing specialists. Yet the very nature of that professionalism calls for continued diligence so that the standard may be raised even higher.

Professional Working Relations Between Manufacturers and Brokers

Manufacturers and food brokers seeking a better understanding of their joint responsibilities in the market place should read "Professional Working Relations Between Manufacturers and Brokers," the newly-revised book soon to be released by GMA and NFBA. This was the advice of W. C. Ethridge, Chairman, NFBA Merchandising Committee at their annual convention.

Ethridge told the huge gathering of manufacturers and food brokers that the new book is an updated version of "Guidelines Principal-Broker Relations," which was prepared jointly by GMA and NFBA as a result of workshop sessions of the two organizations. The new publication resulted from a three-day GMA-NFBA workshop in June of this year between the GMA Broker Relations Committee and the NFBA Merchandising Committee, Ethridge said.



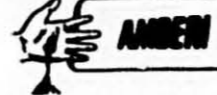
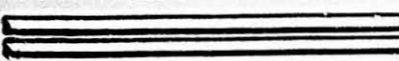


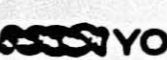
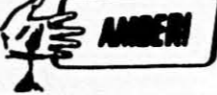
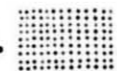
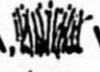


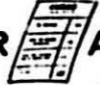


He stated that both manufacturers and food brokers hailed the original edition of the book as a valuable contribution toward maintaining a smooth and cohesive broker-principal relationship.

"Professional Working Relations Between Manufacturers and Brokers," Ethridge said, will cover subjects such as the manufacturer's field contact man, the marketing of new products, communications, selection of food brokers, the use of food broker advisory committees, retail manpower and supervision. New chapters include "Coordinating Shipments and Deliveries" and "Broker-Manufacturer Evaluation."

Ethridge said the 80-page publication is now on the press and will be available early in 1970. He added that implementation of it by brokers is the primary goal of the NFBA Merchandising Committee for the coming year. He said the book would be distributed to members of both GMA and NFBA and that it would receive wide distribution throughout the industry.

He urged manufacturers and brokers to read the book carefully and to disseminate the information throughout their organizations.



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A Written Policy on Long Term Contracts and So-Called Product Conflicts

by Robert L. Siler, Division Vice President and Director,
Distribution and Administrative Services, Relston Purina Company

SOME of the most stimulating and thoughtful sessions I have ever participated in on any subject have been the joint problem solving meets of the NFBA Merchandising and GMA Broker Relations Committees. The resulting guidelines publication discussed by Bill Edridge is, in my judgment, a most remarkable and practical publication. To our company, it is one of the more important policy influences available.

Annual Evaluation

As a company, we have highly valued the frank evaluations of our operations given us by our brokers annually. Often we found areas of concern were founded on misunderstanding and poor communications, rather than lack of agreement. We believe the industry as a whole has made substantial progress these past few years in establishing a professional partnership between broker and principal. Yet, though, there are two areas that seem of continuing consternation for many of us in this room: the contents and length of the contractual agreement, and the so-called product conflict controversy.

Although Purina has operated generally without difficulty in either of these areas, we listened most carefully to Watson Rogers' comments on both subjects at this meeting a year ago. Even then we were not entirely unaware that our moves to direct company operations in several locations amplified the concerns some of our brokers had on both key points.

Some of you will remember in the spring of 1965 Purina set up its first direct sales force, its prime purpose being the training of future management personnel. Since then we have attempted to keep abreast of our manpower requirements through three such organizations. Close to fifty men have graduated to these field and headquarters management responsibilities. Still we have underestimated our needs.

Yet, despite this obvious confirmation of our intent, we knew last year there were brokers and perhaps even some of our own people who wondered not whether we would go direct in more markets, but when. Our formal broker contract offered little comfort to anyone in this respect, especially our brokers.

What about so-called product conflicts? The acquisition and merger sweepstakes are as popular in the food industry as they are elsewhere. I suspect more than one broker or principal in this audience has awakened in the middle of the night wondering what one of these acquisition announcements meant to him. Partly because of the nature of our product lines and primarily because of our lack of concern over the subject, Purina probably was guilty of underestimating the worries our expansion activities were causing brokers on this subject.

New Contract

How, then, to restore that confidence, if it were indeed lacking, on the part of our brokers relative to these two important areas? How should we preserve an integrity of relationship built up over a period of many years? How should we do it in a positive way? Our answer was to overhaul and detail a new contract.

Most broker-principal contractual arrangements we knew anything about had thirty-day termination clauses, if indeed they had anything spelled out. Few had any written provisions for probationary periods or a clearly defined base for termination. Yet, we had informal policies in these respects. We felt it was time to place them in writing with our brokers.

In May and June of this year a new contractual agreement was drawn up for the majority of our brokers. Because it's an experience oriented document, we restricted its offering to our dry grocery retail brokers. We did not feel we had sufficient product sales history to make it applicable to our frozen and food service operations.

The agreement is for two years of representation. It contains specific termination clauses meant to give protection to all parties concerned. Believing sales is the name of the game, the contract is largely dependent upon a broker's ability to maintain a 90% quota speed during a fiscal year in a product category.

Should a broker fail to maintain that speed, Purina may at its discretion, but not necessarily, place a broker on a 90-day probationary period. This is

done by written notice identifying the deficiency and suggesting corrective action. It is meant to be a time of most serious cooperation. It usually is, and the results are usually favorable.

But should the deficiency not be corrected in the 90-day period, Purina then shall have the right to terminate the contract with a traditional 30-day notice. It may very well not! There have been times when the effort has been exceptional, yet the results disappointing for a variety of reasons. By mutual agreement, then, the broker may be returned to full status. Yet the formal review opportunity has been there, and it is understood by all concerned.

What if the broker would like to terminate the contract before the two years are up? Certainly he should be entitled to do so. The contract requests only that he give us 60 days' notice of his intent, allowing us the opportunity to change representation in an orderly fashion.

Why Two Years?

Why not a contract longer than two years? Perhaps some day it will be. Right now, we remind ourselves it is an experiment. We want to make certain it works. Secondly, it is probable our experience will make certain revisions wise. Finally, in our present judgment two years is an appropriate length of time in which to forecast our growth and commit ourselves accordingly.

Yes, the broker is given some planning assurance for two years. But how does he plan at the end of the contractual time? To give him some protection, the broker shall be notified at least 120 days before the contract's expiration of the company's intent to negotiate a new contract with him or not. In other words, a broker has a possibility of six months' planning time to prepare his organization for the loss of the revenue from our account.

Product Conflicts

Now for so-called product conflicts. Without attempting to enter into a philosophical discussion, so-called product conflicts seem to depend on who is making the definition. If a sales manager is responsible for multiple lines, each with its own product manager, he will tell (Continued on page 38)

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A Written Policy—

(Continued from page 36)

you that often each product manager looks on every other line in the company as a conflicting item!

We respect the position of any manufacturer or broker in this interesting area of definition. It has been our observation that we can sell two, even three, labels of tuna through the same broker successfully. Each cereal in our line can be called a competitor with another. Certainly our four varieties of dry cat food compete for the same cat! And to my own memory, clear back to 1954, we had brokers selling quite well indeed our cereals and those of another manufacturer.

When writing our new contract, we decided it was time to formally state our policy concerning so-called conflicts. It says simply that Purina will not "concern itself with so-called product conflicts." It positions our philosophy with, "We believe we can rely on your integrity to represent each of our lines fully and properly."

What happens if another principal objects to a product that we are preparing to introduce? Is the broker put in an either/or position? It can be a most difficult matter. Because of distribution techniques and certain integrated mar-



Joseph J. Mastrone

keting practices, we feel we must determine which of our products shall be associated with one another in broker representation. The contract reserves our right to make changes in the designated product categories we feel are necessary.

But, remember, we operate with more than one broker in many marketing areas, our announced purpose being to select the best representation available for the product and/or line involved. Consequently, Purina's contract states we shall exercise every reasonable effort to prevent a broker from being placed in a revenue loss position because of the objections of another principal to one of our product lines and will do our best to place it elsewhere.

We can appreciate each principal must determine his own direction and decision. So must a broker. We don't pretend to prescribe our policies and experiments for others. Our past ten years of explosive growth have been both pleasurable and painful. We are looking for answers to keep us abreast of this tremendous surge in Consumer Products Group activity. Eighteen months from now we will evaluate the results of these formal approaches. Perhaps then we will be ready to give some unsolicited advice.

The formalizing of such a contract takes sincere top management understanding of the broker-principal relationship. We have been particularly blessed in this respect. We also have appreciated the response of our brokers approached, willing in every case to enter into this arrangement.

Purina takes no particular pride in the authorship of this new contract. We encourage others to tackle these perplexing problems with authority and originality. Above all, we commend broker and principal alike to the importance of continuing efforts to upgrade the professionalism of our relationship and combined performance.

Viva Appointments

Joseph J. Mastrone has been appointed sales manager of Viva Macaroni Manufacturing Company and Thomas A. Grupa has been appointed controller.

This was announced by Vice President of Consumer Foods Richard D. McGoldrick, Bay State Milling Company of Boston. Viva is a subsidiary of Bay State.

Mastrone joined Viva 23 years ago and had been regional sales manager for most of this time until his promotion. Before coming to Viva he worked for United Aircraft Corporation three years and was production group leader for most of that period. For seven years he owned and operated an Italian food specialty store in North Adams, Mass.

He is a native of Springfield, Mass., and attended schools there. Mastrone is a member of the Knights of the Grip of Western Massachusetts. He has been a member of the United Commercial Travelers for a number of years and has held offices for six years. One of his main interests is working with retarded children's programs.

His pastimes are golf, bowling and gardening. He and his wife Stella have two children, Joanne and Gene, both married, and three grandchildren.



Thomas A. Grupa

Grupa had been order processing manager at Bay State's executive offices at Boston before his promotion to controller at Viva. He has been with Bay State five years.

The new controller is a native of Winona, Minn. He was graduated from Winona State College in 1963 with a B.A. degree in business administration and also attended Cornell University.

He is a member of the Association for Systems Management, is a captain in the National Guard and commands the Headquarters and Headquarters Company, First Brigade, 26th Yankee Division.

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