

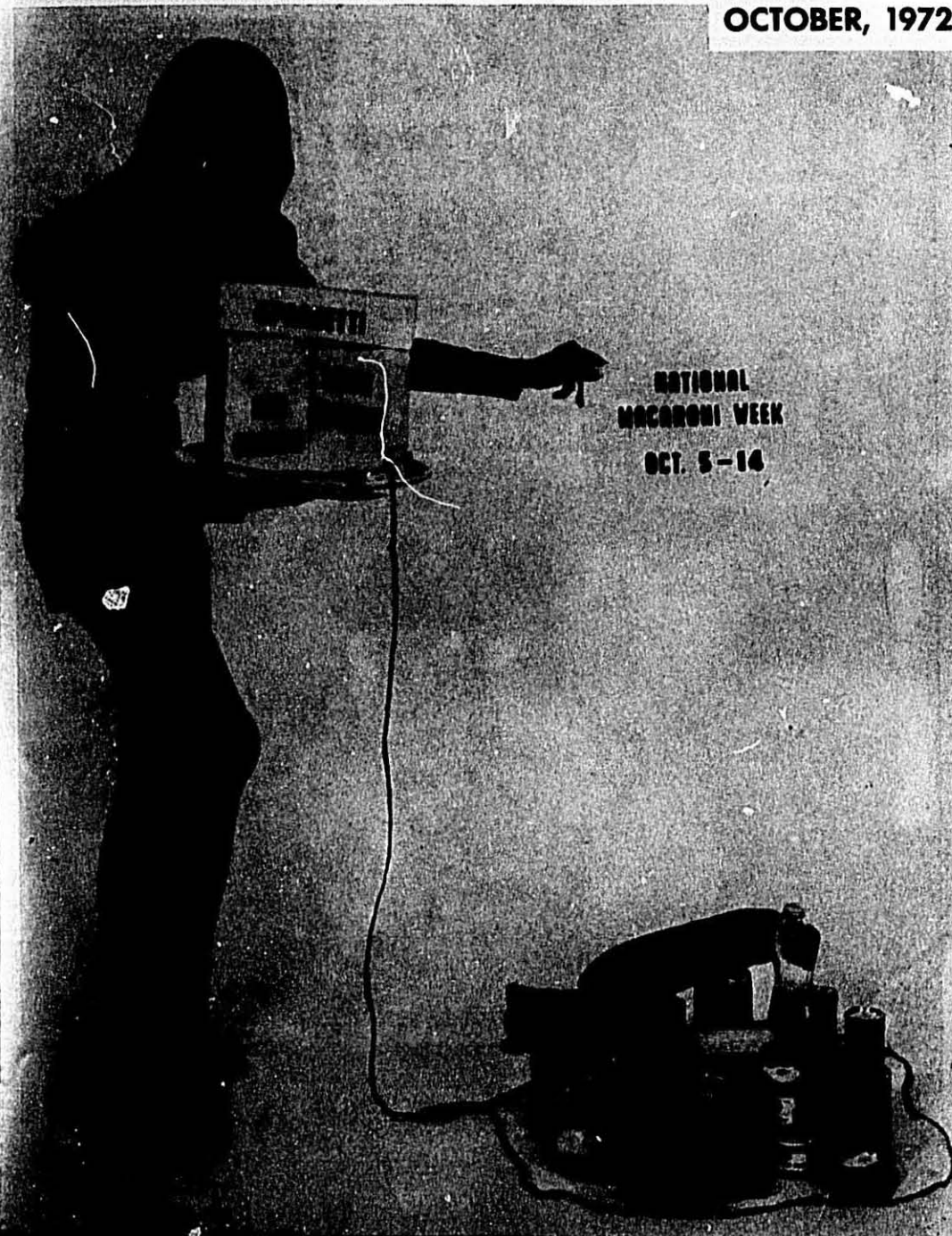
**THE
MACARONI
JOURNAL**

**Volume 54
No. 6**

October, 1972

Macaroni Journal

OCTOBER, 1972



NATIONAL
MACARONI WEEK
OCT. 5-14

**ROSSOTTI:
A NEW
GENERATION
OF PACKAGING
SERVICE.**

Rexham

Rossotti Sales, Rexham Corporation, Saddle Brook, New Jersey

The **Macaroni Journal**

October
1972
Vol. 54
No. 6

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MACARONI JOURNAL

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Editor's Notebook:

Big illusion . . . almost every association has some members who suffer from the Big Illusion—that they can get full dividends from their dues investment without taking part in the work. Content to let the "other fellow" do the thinking, perform the chores and go after new members, they miss the greatest benefit of belonging—participation in significant projects.

"Being a good member calls for effort, attention and interest," one ob-

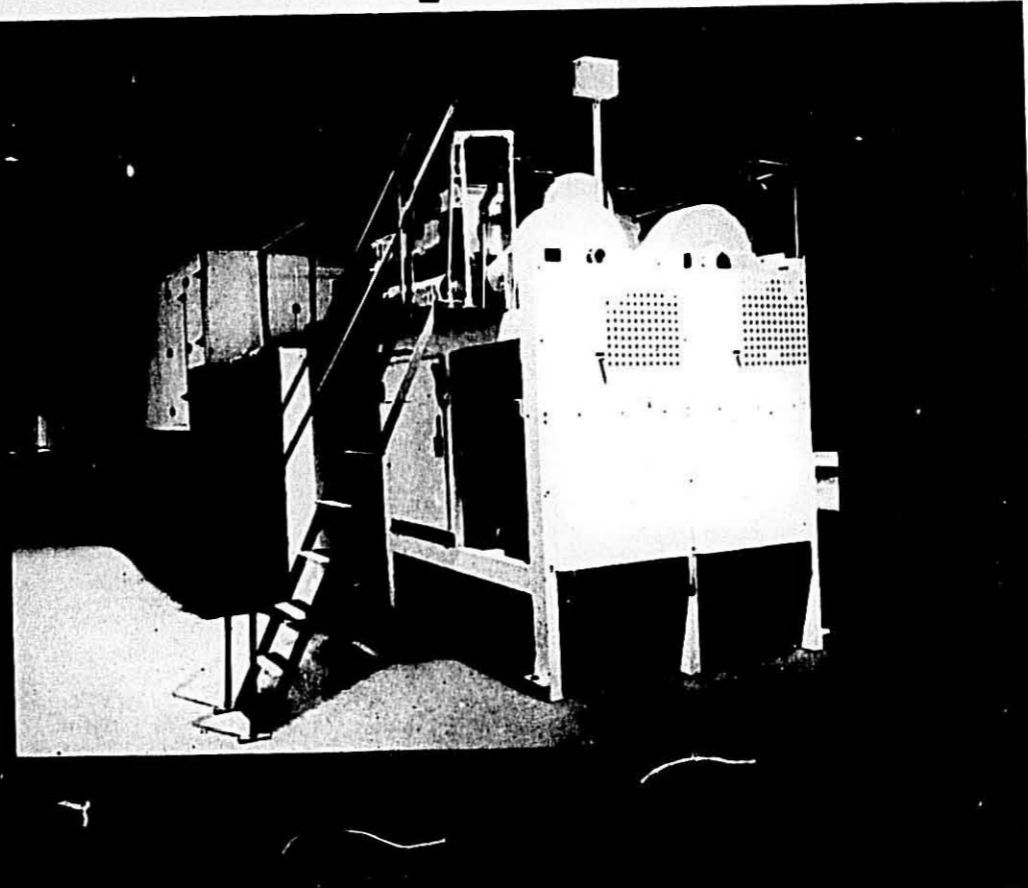
server wrote. "No organization amounts to much whose members interest is confined to the annual gesture of writing a check. Meaningful membership calls for an active interest in the association's affairs; attendance at a reasonable number of meetings; reading its publications and communications; serving on committees when called upon to do so, and conducting one's business in a way that reflects credit on the organization. This kind of membership pays."

From: School Business Affairs

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PRODUCT PROMOTION REPORT



Theodore R. Sills

Ted Sills and Elinor Ehrman, vice president in charge of the Women's Service Division of Theodore R. Sills, Inc., gave the report on product promotion for the National Macaroni Institute.

They emphasized that macaroni is being promoted as (1) a fun food, (2) a low cost meal, and (3) a nutritious, natural food.

A visual presentation showed clippings from placements in the past six months. Highlights included the following:

In January: Family Weekly, Jan. 9, a syndicated Sunday supplement distributed with 264 newspapers with a combined circulation of 9,000,000 devoted three pages to pasta in an article entitled "What Every Cook Should Know About Pasta."

Magazine breaks that appeared in January issues included Ladies' Home Journal, Good Housekeeping, American Home, Esquire, Essence and Jive.

In February: Good Housekeeping magazine devoted fourteen pages to macaroni products under the caption "New Ways with Spaghetti, Macaroni and Noodles." The article included six full color photographs and twenty-five recipes.

Woman's Day pictured pasta in their Collectors' Cookbook and Lady's Circle used an NMI photo to illustrate story on "Meals That Cook Themselves."

In March: The Ladies' Home Journal pictured Sophia Loren on the cover and carried a double-page color spread of Sophia preparing fusilli with eggplant in a feature story on her forthcoming cookbook "In the Kitchen With Love."

Other magazine breaks during the month included Better Homes & Gardens, Parents' Magazine, Teen, House Beautiful, Sunset, and What's New in Home Economics. Meanwhile newspaper coverage of Lenten ideas for macaroni, spaghetti and egg noodles was heavy.

by Ted Sills and Elinor Ehrman

In April: Food prices were making headlines on the front pages of newspapers as well as on the food pages. Seventy-five percent of the clippings and tear sheets for the month spoke to the point that pasta products help save mealtime dollars. There were many color placements in rotogravure around the country, and items in Sunday supplements and syndicated columns.

Cooperative publicity came from a wide variety of companies and associations, including: Armour Co., American Lamb Council, Reynolds Metals, Osterizer, National Live Stock & Meat Board, National Fisheries Institute, and the Poultry & Egg National Board.

In May: Weight Watchers Magazine gave official cognizance to pasta products in their regulated Weight Watchers diet. The cover showed various macaroni shapes and readers were told "Legal Italian Recipes with—Would You Believe—Pasta?"

Other magazine breaks during the month included Better Homes & Gardens, Good Housekeeping, Southern Living, Ebony. Newspapers widely used the idea of being a gourmet on a budget and using pasta to ease the tax bite.

In June: The television program kit prepared by NMI, "Pasta Cuts the High Cost of Eating," was well received around the country.

In the Celebrity Cookbook by Johnna Blinn, syndicated columnist, recipes of Sophia Loren were run along with the report that she calls her little son "Spaghetti" because he adores it.

Newspapers were utilizing the versatile theme of macaroni products.

In July: Family Circle urges readers to "Take the Calories Out of Pasta." Barbara Gibbons' entire article was devoted to slimming down traditional Italian foods. Recipes included Slim Chicken Tetrazzini, Low-Calorie Lasagna, and Slim Spaghetti and Meatballs.



Elinor Ehrman

Miss Ehrman reported that two interesting cookbooks recently published do well by pasta. They are "For Gourmets with Ulcers," and "The Doctor's Save Your Heart Diet."

Macaroni as a natural food is being promoted with a release and color photograph this fall. Sesame Street, popular television show for children, will have a segment utilizing clips from the film "Durum, Standard of Quality," in September.

The annual family reunion for food editors at the New York Rifle Club will be held on September 13.

The 23rd annual National Macaroni Week will be celebrated October 5-14. The theme will be on macaroni helpers: how macaroni and noodle products save the homemaker time and money.

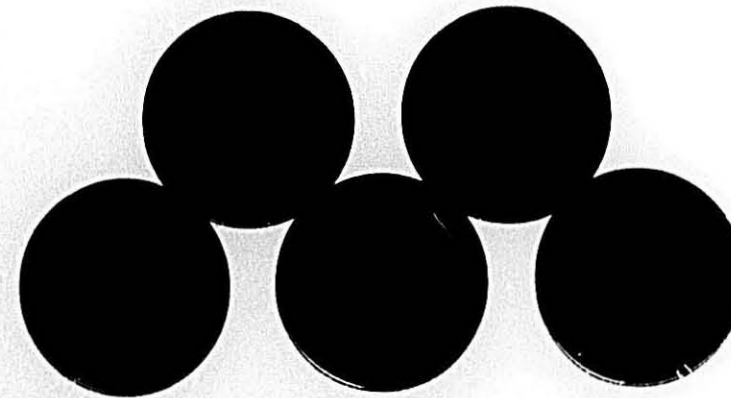
Ted Sills stated that some 3,000 Kraft representatives had been supplied point of sale materials to build displays to merchandise the Spanish Fiesta Salad with Kraft Mayonnaise, Spanish Green Olives and elbow macaroni.

In commenting on the Lloyd Sheare item in the Parade Sunday magazine supplement that declared spaghetti consumption was slipping in Italy, Mr. Sills said that publicity of that sort would not be refuted by the author even though he were proven wrong because it would be counteracted by positive publicity.

National Macaroni Institute — Box Score July 1, 1971 - June 30, 1972

| Medium | Placements | Circulation |
|--|------------|-------------|
| Consumer magazines — | | |
| Women's, Youth, Romance, Shelter, Farm, Negro, Spanish, Special Interest | 182 | 532,804,016 |
| Newspaper Syndicate and Wire Service Placements | 126 | 930,771,343 |
| Daily & Weekly Newspaper releases | 22 | 572,000,000 |
| Sunday Supplements | 45 | 99,999,192 |
| Color Pages | 96 | 32,215,854 |
| Negro and labor press releases | 2 | 33,000,000 |

THE MACARONI JOURNAL



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OCTOBER, 1972

MACARONI

IS NUMBER ONE

MACARONI IS THE NUMBER ONE HELPER. This will be the theme of the 23rd annual National Macaroni Week, October 5-14.

The variety and versatility of macaroni and noodle products helps the meal planner provide appetizing, interesting, and nutritious food combinations. They may be glamorously gourmet on one hand, while they may help the harried housewife stretch her budget on the other hand.

They give authentic ethnic atmosphere to the restaurateur serving these excellent universal dishes. They make a substantial contribution to good eating in institutional fare.

The grocer finds them a traffic builder and a profit maker not only for the margin they carry but for the related items they sell.

For the past 23 years, Theodore R. Sills and associates have been developing pasta recipes, and sending them with photographic material to every type of media. For example:

Story material and black and white photographs go on an exclusive basis to food editors in 219 standard metropolitan areas. These newspapers have a circulation of better than 30,000,000.

Releases to Small Town Daily and Weekly Newspapers add another 15,000,000 to the number of readers.

The Negro Press, with some 175 newspapers, and the Labor Press with 600 newspapers, are examples of other special media that add another 15,000,000 readers.

Special radio scripts are sent out to the 581 stations across the country while special material is developed for the better than 1,000 disc jockeys.

For television, special program kits are developed with script, 35 mm slides, visual aids and recipe leaflets. These go to better than 100 stations and rate good acceptance and use.

The National Macaroni Institute will host the sixth annual press luncheon at Tiro A Segno in New York on September 13. Approximately 100 representatives of newspapers, syndicated columns, magazines, radio and television will be in attendance.

A Helper for Grocers

Why Display Macaroni?

A GREAT NUMBER of displays are built primarily to attract traffic. Macaroni displays will attract traffic, sell related items, and make a profit on the pasta margins of 20 to 25%.

- For consumers, macaroni is the original 'convenience food.'
- For the budget-conscious, macaroni and noodle products are a 'good buy.'
- For the nutrition-conscious consumer, macaroni is a natural food, combining well with every other type of food.
- For the gourmet, pasta products have infinite variety and are sufficiently versatile to go with any kind of creation.

The biggest problem for pasta today in the supermarket is to maintain increasing shelf space against the onslaught of low profit dinners which are not really economical.

A set of specific questions recently went out to macaroni marketers. Here they are with typical replies:

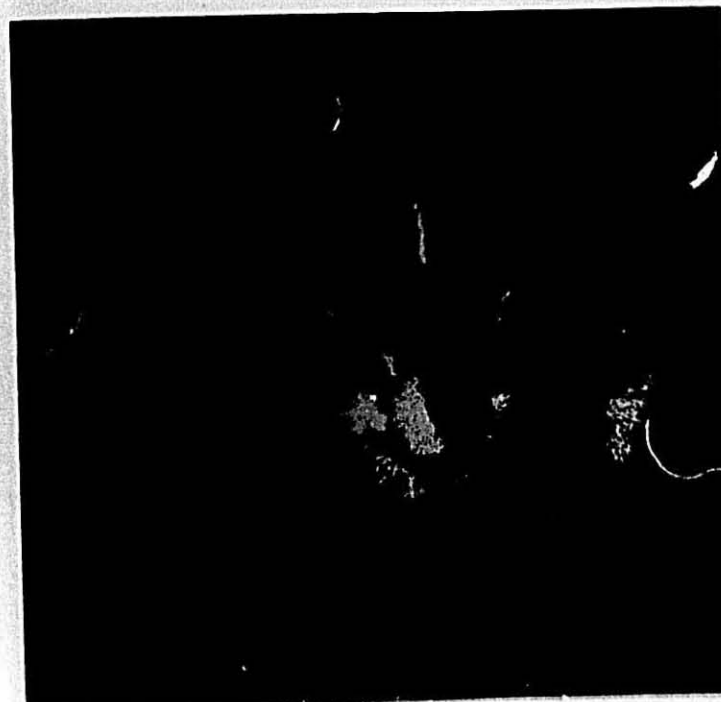
Question: What are the arguments in favor of expanding the macaroni section of food stores?

- A1.** The use of macaroni, spaghetti and noodle products are increasing dynamically. Consumers are trying out the new dinners and liking them. Many consumers are coming back to the pasta section to make their own versions of the "add meat to" dinners. Expansion of the entire section allows the consumer more variety to choose from and the opportunity to use her own creativity.
- A2.** Pasta products are one of the most widely accepted foods in the store. 90% of all housewives use macaroni, 89% use spaghetti, 81% use egg noodles. Use is frequent, averaging two to three times a month.
- A3.** The macaroni section should be expanded to sell more of the long margin pasta and related items as compared to short margin prepared dinners which sell very few related items.



Capture Related Item Sales During Macaroni Week. Kathy Fox shows how easy it is to lasso big related item sales with macaroni products. National Macaroni Week, October 5-14, is a great time to start giving extra shelf and display space to elbow macaroni, spaghetti, egg noodles and other macaroni shapes and sizes because just about every macaroni product sale results in related item sales as well. When 1 1/2 billion pounds of macaroni products are sold every year, it's easy to see how additional billions of pounds of meat, fowl, fish, cheese, butter, onions and peppers, spices, dressing, bread and rolls, oil, eggs and canned soups, tomatoes and mushrooms move off the shelves at the same time.

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MACARONI WEEK - a national publicity effort for macaroni product



Theme: Macaroni The Helper

Dates: October 1-14, 1972



Macaroni Is the No. 1 Helper

Looking at the related items used in these recipes and photographs going to major market newspapers, syndicated columnists, and special media:

1. Baked Stuffed Rigatoni (upper left)
2. Egg Noodle Salad (upper right)
3. Macaroni Waldorf Salad (lower left)
4. Macaroni and Cheese Salad (lower right)
5. Spaghetti with Hot Sausage Sauce (upper left)
6. Egg Noodles with Veal Birds (upper right)
7. Spinach Noodle Ring (lower left)
8. Egg Noodles with Hungarian Goulash (right).

here are the ingredients:

Baked Stuffed Rigatoni
(8 to 10 servings)

- 8 oz Rigatoni (about 60)
- 1/2 cup Chopped Onion
- 2 lbs. Ground Beef or Pork Sausage
- 1/2 cup Dry Bread Crumbs
- 2 tbs. Vegetable Shortening
- 1 clove Mined Garlic
- 2 Eggs, beaten
- 2 tbs. chopped Parsley
- Salt & Pepper

Tomato Sauce made with

- 5 slices diced Bacon
- 1/2 cup chopped Onion
- 1/2 cup chopped Celery

- 1 cup diced Carrots
- 2 28 oz. cans Tomatoes in Tomato Puree
- 2 10 1/2 oz. cans condensed Beef Broth
- 1/2 tbs. Salt
- 1/2 tsp. Sugar
- 2 cloves crushed Garlic
- 8 Parsley sprigs
- 1/2 tsp. Thyme leaves
- 1 Bay leaf

Egg Noodle Salad
Serves 8

- 1 cup Egg Noodles (about 2 1/2 cups)
- 1 cup grated Carrots
- 6 hard-cooked Eggs, chopped

(Continued on page 12)

Here Are the Ingredients:

- 1 cup cooked Salad Dressing
- 2 cups diced Apples
- 1/2 cup chopped Sweet Pickles
- 1 tsp. grated Onion
- 1 tsp. Salt

Macaroni Waldorf Salad

Serves 8

- 2 cups Elbow Macaroni (8 oz.)
- 1 cup dark seedless Raisins
- 1/2 cup broken Walnuts
- 1 cup heavy Cream
- 1 cup Dairy Sour Cream
- 1/4 tsp. Vanilla
- 3 cups diced Apples
- 1 cup diced Celery
- 3 tsp. Lemon Juice
- 2 tbs. Sugar
- 1/4 tsp. Cinnamon
- Salt
- Crisp Salad Greens

Macaroni & Cheese Salad

Serves 8

- 4 cups Elbow Macaroni (1 lb.)
- 1 cup chopped Green Pepper
- 2 tps. each Salt and Grated Onion
- 2 tsp. Vinegar
- Dash of Pepper
- 2 cups (8 oz.) shredded Cheddar Cheese
- 1 cup chopped Celery
- 1 1/2 cups Mayonnaise
- 1 1/2 cups Dry Mustard

Spaghetti with Hot Sausage Sauce

Serves 12

- 1 lb. Italian Hot Sausage, cut into chunks
- 1/2 lb. sliced Mushrooms
- 1 medium sliced Onion
- 1/4 cup chopped Parsley
- 2 cans (8 oz. size) Tomato Paste
- 1 Bay Leaf
- 1 tsp. Basil Leaves
- 1/4 cup shredded Carrot
- 1/2 cup chopped Celery
- 1 can (1 lb. 12 oz.) Plum Tomatoes
- 2 lbs. ground Beef Chuck
- 1 cup dry Red Wine
- 2 tsp. Salt
- 1/4 tsp. Pepper
- 3 tbs. Salt
- 1 1/2 lbs. Spaghetti

Egg Noodles with Veal Birds

Serves 4

- 1 1/4 lbs. (8 slices) Veal Scaloppini
- 4 slices Bacon
- 1 medium Onion, chopped
- 1 can (16 oz.) Tomatoes
- 1/2 tsp. Salt, Pepper, Paprika, Garlic Salt
- 1/4 cup Butter
- 1/2 medium Green Pepper
- 3 tbs. dry Red Wine
- 1/2 cup Dairy Sour Cream
- Chopped Parsley
- 1 tbs. Salt
- 8 oz. Wide Egg Noodles (4 cups)

Spinach Noodle Ring

Serves 6

- 1/4 cup Butter
- 2 cups Milk, scalded
- 1 pkg. (1/2 lb.) processed Cheese Spread
- 1 tbs. chopped Pimiento
- 1/4 tsp. Salt
- Dash Cayenne Pepper
- 2 tbs. chopped Onion
- 1 pkg. (10 oz.) frozen chopped Spinach
- 1 cup soft Bread Crumbs
- 4 Eggs, slightly beaten
- 1 tbs. chopped Parsley
- 1/2 tsp. Monosodium Glutamate
- 1 tbs. Salt
- 5 oz. Medium Egg Noodles

Mustard Sauce made with

- 1/4 cup Butter
- 1/4 cup Flour
- 1 1/2 tbs. Prepared Mustard
- 1/4 tbs. Pepper
- 1 tbs. each Salt, Horse-Radish, Monosodium Glutamate
- 2 cups Milk

Egg Noodles with Hungarian Goulash

Serves 4 to 6

- 3 tbs. Butter
- 1 1/2 lbs. Boneless Beef Chuck
- 2 tsp. Salt
- 2 medium Tomatoes, quartered
- 2 cups sliced Onions
- 4 1/2 tsp. Paprika
- 1 large Green Pepper, diced
- 1 tbs. Salt
- 8 oz. Medium Egg Noodles (4 cups)

Why Display Macaroni?

(Continued from page 8)

- A4. The inexpensive meals that can be prepared from macaroni products, plus the convenience factor are in tune with the state of the economy.
- A5. More exposure means more profits—from pasta and related items.
- A6. The space allocated in the macaroni section is determined at some headquarters. About the only argument you can use to expand the section is if you have out-of-stock conditions. The old adage "You can't do business from an empty wagon is as true today as it was 50 years ago."

Question: What are the arguments for better shelf position?

- A1. Macaroni is a popular food product—put it where the consumer doesn't have to look for it. It is also a high impulse item, not usually on the shopping list.
- A2. Better shelf position means eye level shelves, which means more sales of the fast moving items, especially elbow macaroni and noodles which are the more popular varieties used in prepared dinners.

A3. Better shelf position saves labor costs. In many instances macaroni is a "pack out" item, relieving store personnel from stocking and merchandising the section.

A4. Since macaroni usually carries a 20 to 25% profit, it should command good shelf position. The fact that it attracts so many related items is also in its favor for good shelf position.

Question: Why is it advantageous for the retailer to make macaroni displays in connection with related items?

- A1. The profit story—a dollar's worth of pasta sells \$6.95 of related items.
- A2. Displays of one or two pasta items and a few of the principal related items will make it easier for the consumer to make a decision.
- A3. No other product can make the claim for related item sales in the amount that pasta can.
- A4. Pasta is extremely versatile and can incorporate with many items. Why not choose the related items you want to sell with a tie-in display.

Question: What profit figures for macaroni sections can you give us that might be different from our usual related item story?

- A1. Develop the profitability of pasta products versus some other category.
- A2. The longer profit margins on pasta items are also available on related items. Some of the related items are even more profitable than the more popular pasta shapes.
- A3. A number of specialty cuts are showing strong sales trends. The specialties usually carry higher shelf prices and unit profit. Take advantage of the profit possibilities with lasagne, manicotti, rings, and other items offer.

Question: Macaroni sales have been increasing three to four percent per year. Has this resulted in increased shelf space?

- A1. Pasta sales have increased in spite of grocers' negative attitudes. We should take a positive approach of "Double your sales and triple your profits on pasta."
- A2. Housewives do not cook meals of pasta alone. Each dollar spent on pasta is responsible for \$6.95 in related food items: meat, fish, poultry, dairy, vegetables, herbs, spices, etc., etc.

**Push Macaroni!
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THE MACARONI JOURNAL

MICROWAVE

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Microwave drying, the first really new development in a long time, has been quietly proven by some of the largest pasta producers.

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Consumer Products Help General Mills Grow

When General Mills entered the Sixties it was largely commodity-based with emphasis on feed and bakery flour for commercial markets. Charles H. Bell, a member of the founding Bell family and then chairman, brought in General Edwin W. Rawlings, his commanding officer during War II Air Force service, to reorient the company. Phase I was divestment. In the early Sixties the company abandoned animal feed, oilseeds, refrigerated dough products and cut back sharply on commercial flour. It also dropped its one non-food operation: electronics which was an offshoot of War II defense production.

As low-margin operations were shed, the effect on earnings was dramatic. Starting with the year ended May 1963, share earnings surged at a 25% compound annual rate for the next four years. Meanwhile sales in fiscal 1965/6 totaled \$525,000,000, down \$50,000,000 from the peak registered in 1960/1.

Phase II

Phase II was to expand in branded products aimed at the homemaker. Chairman James P. McFarland describes the situation seven years ago. "We had our cereal business, Gold Medal family flour and Betty Crocker dessert and baking mixes. We were nominally in snack foods. That's one area where we've now expanded broadly" with the introduction of Bugles and other snacks, various Slim Jim products as well as acquisition of Tom's Foods which sells through over 350,000 outlets including 100,000 vending machines.

Jim McFarland adds: "We were also nominally in the international field" which is now 15% of sales. The specialty chemicals operation has been encouraged as well though it is still a relatively small contributor with under 4% of sales.

The emphasis since 1965 has been on acquisitions and internal development. Over the last seven years General Mills has bought 19 domestic companies and several foreign ones. In the period it spent \$420,000,000 cash for acquisitions and capital improvements and also forked out approximately \$210,000,000 worth of stock. The company has acquired its way into toys and games, apparel and accessories, direct marketing, restaurants and frozen foods.

The frozen foods entry, Gorton Corp. of Gloucester, Mass., has been formally challenged by the FTC. The \$90,000,000-sales seafood producer which does a large institutional business is General Mills' only frozen foods operation. Final

decision on Gorton, which accounts for under 5% of operating profits, is expected to be some years away.

Proteins from Soybeans

During the expansion period General Mills has also invested "substantial dollars," some say over \$10,000,000, to develop Bontrae protein foods. Bontrae foods are "spun" from soybean concentrate but other high-protein crops could also be utilized. On the consumer side, General Mills is adding Sauso*Os and Peppo*Os to its Bac*Os chips for salads and soups. In Denver it is testing Betty Crocker frozen sausage patties and links made up of textured soy protein and pork. But the big near-term demand is expected to come from supplying meat analogs (that is, vegetable-based equivalents in taste and protein content) as ingredients to other food makers and to the institutional market.

Huge Potential

Bontrae foods have been under development for the past decade. Jim McFarland notes the risks of a pioneer. "There is always the fear you're too early. But the past year has been very exciting . . . there seems to be acceptance of this new group of foods." The chief executive points to a study by the Stanford Research Institute which puts demand for meat analogs at \$1.5-to-\$2 billion by 1980 vs \$10,000,000 in 1969. Others in the field include Archer-Daniels-Midland, Swift, Miles Labs.

A year ago General Mills opened a major new plant complex in Cedar Rapids, Iowa for full-scale production of vegetable protein foods including Bontrae items. Another part of the facility is to develop canned and frozen entrees for the away-from-home eating market.

General Mills acquired a clawhold in the restaurant business with the purchase of three Red Lobster Inns in 1970. It now operates 22 of the moderate-priced, quick turnover seafood outlets in the Southeast and is opening more at a rate of nearly two a month. The units are strictly company-owned. In test are family-style Betty Crocker Tree House Restaurants and Betty Crocker Pie Shop & Ice Cream Parlors.

Importance of Food

Food accounts for about three-fourths of General Mills sales and over 80% of operating earnings. Consumer non-food items bring in roughly 21% of sales, 15% of profits and chemicals chip in the small remainder. The company expects the food business to grow at 8-to-10% a year and other consumer items at a somewhat faster rate.

During the Phase II expansion period, earnings progress has been disappoint-



"1 Pan" Stir-N-Serv. Convenience and economy for the consumer take a step forward with the introduction of Golden Grain's three new "1 pan" enriched STIR-N-SERV dinners—Spaghetti, Beefy Rice and Lasagna. Contents of each 7-oz. package, including a special sauce mix, need only the addition of one pound of hamburger to serve up a wholesome, tasty main course dish.

ing. Over the last five years sales were mounting at a 16% a year pace but share profits grew at a 5% annual rate. Factors include more shares for acquisitions plus higher costs which have been expanding at an average \$3,500,000 over the last four years. For the next couple of years at least, General Mills plans to finance its capital needs internally.

Hamburger Helper

Hamburger Helper cheeseburger macaroni dinner mix is being added to the Betty Crocker Hamburger Helper line of General Mills.

The product, to be available nationally later this month, will retail for approximately 59¢ in a 8 oz. package.

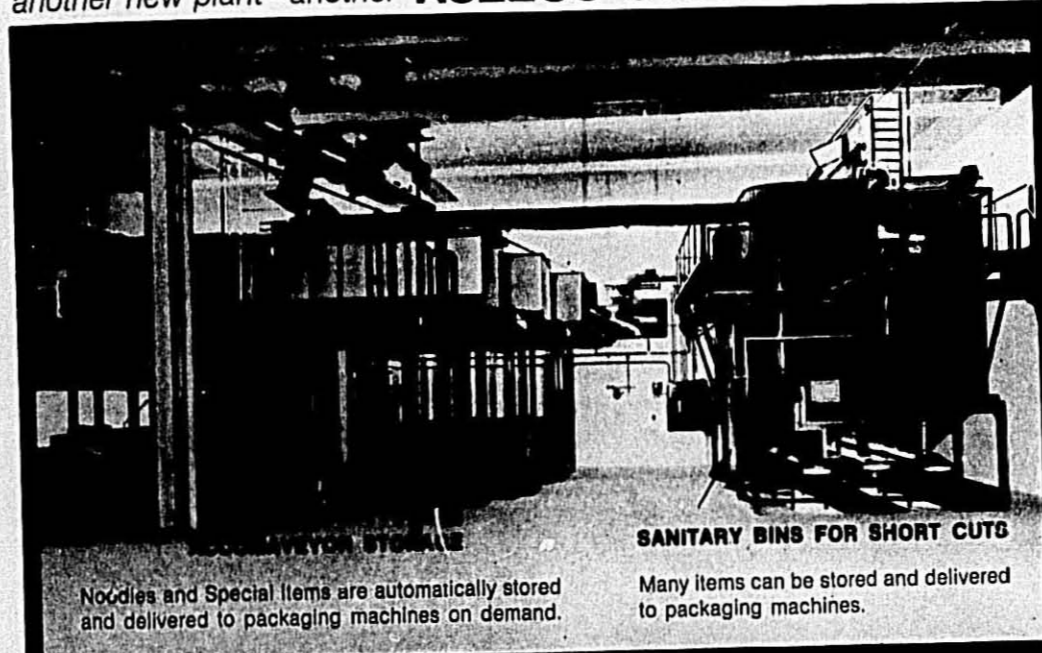
Introductory commercials on daytime and night-time network TV began Aug 28. Full page, four color ads ran in the September and October issues on women's magazines, the company said, including a 7¢ off pop-up coupon.

Heavy Advertising

A heavy magazine advertising schedule for Hamburger Helpers during August and September will include full-page color ads in Family Circle, Better Homes & Gardens, the "new season" issue of TV Guide, and full-page ads in Woman's Day and Good Housekeeping. This print extravaganza will be supported by about 100 television rating points each week in popular daytime and evening network shows.

Hamburger Helper is planning to sustain year-round heavy levels of advertising.

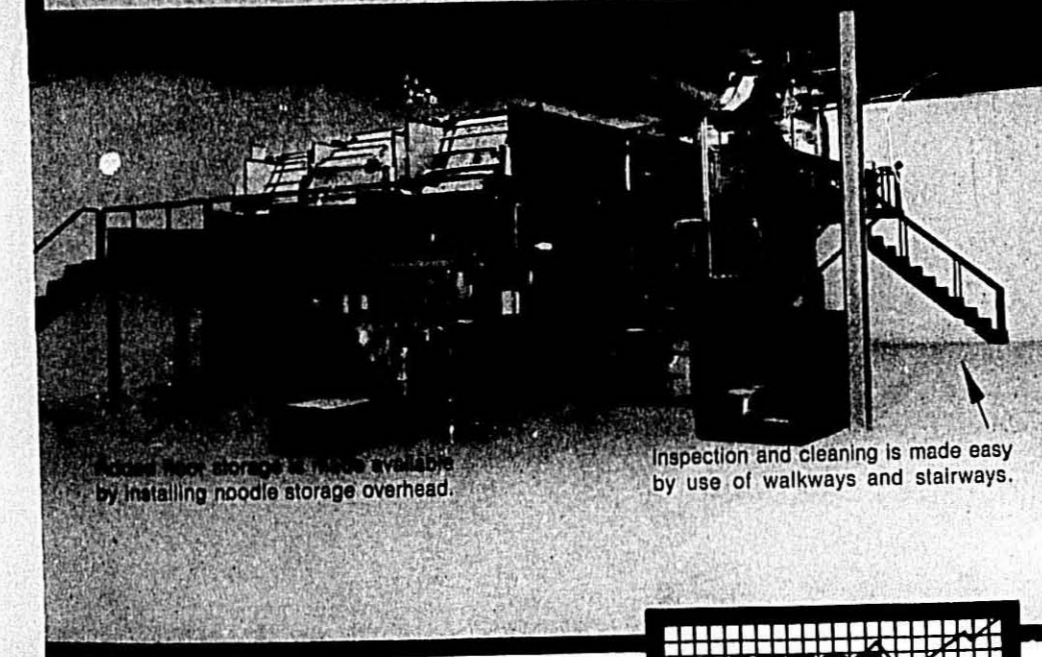
another new plant • another ASEECO STORAGE SYSTEM



Noodles and Special Items are automatically stored and delivered to packaging machines on demand.

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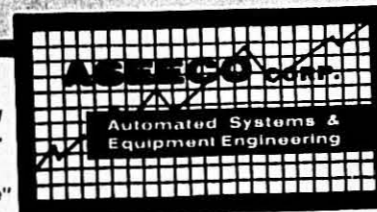


Additional storage is made available by installing noodle storage overhead.

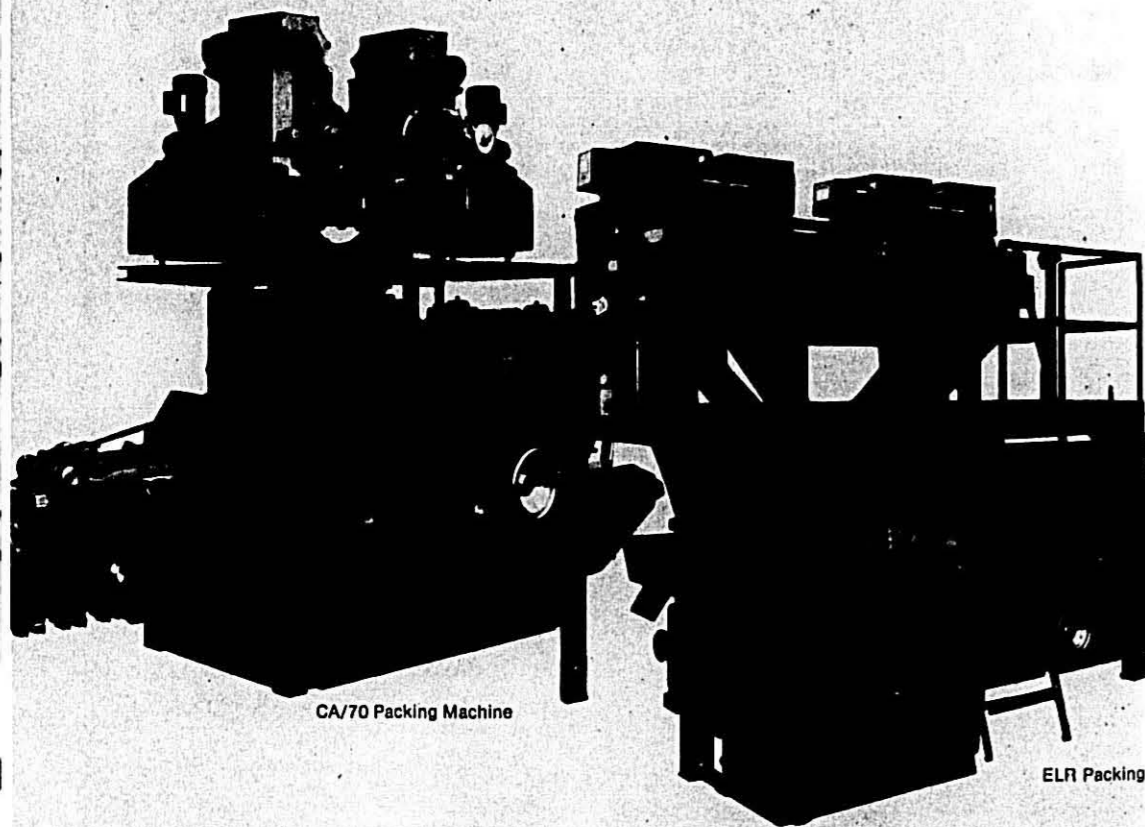
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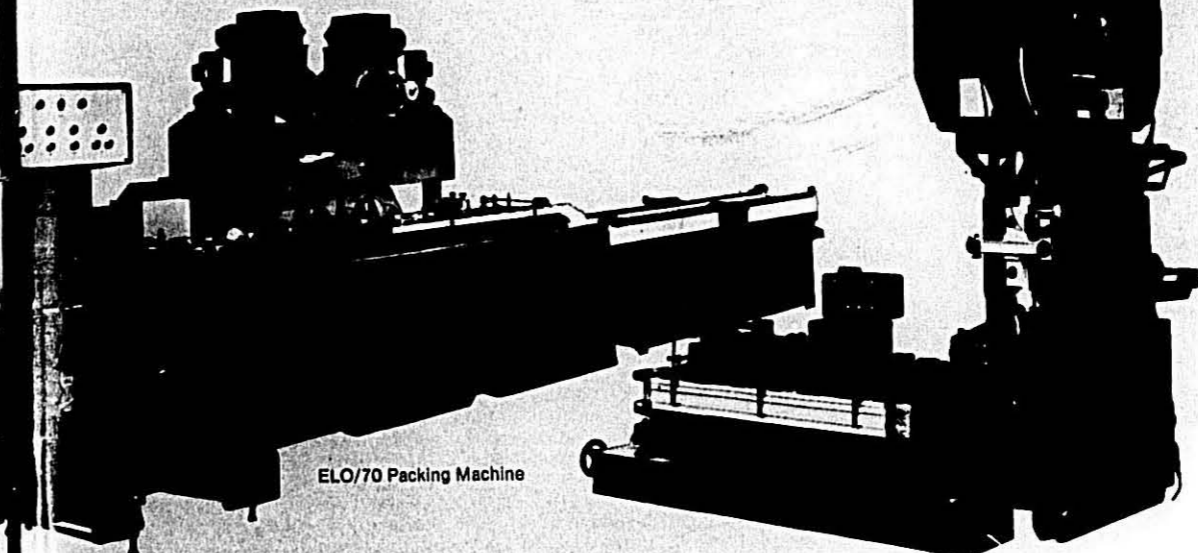
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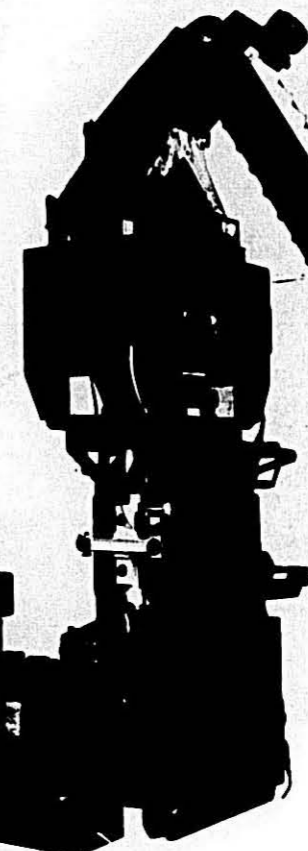
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Wheat Situation

The wheat outlook for the 1972-73 marketing year features abundant supplies of all major wheat classes, lower domestic disappearance, and much larger exports. Highlighting this outlook is a recent three-year agreement with the USSR for the purchase of 750,000,000 of U.S. grains. Under this blanket agreement, at least \$200,000,000 will be purchased during 1972-73; inclusion of sizable wheat purchases is indicated.

Indicated 1972 wheat production of 1,551,000,000 bushels is the third largest on record. The July 1 carryover of 865,000,000 bushels brings the supply to 2,417,000,000 bushels, two percent larger than last season. Domestic disappearance is expected to be lower. Wheat feeding, the only component of domestic use that fluctuates substantially, is likely to drop from the high 1971-72 level of 287,000,000 bushels because of larger supplies and lower relative prices for feed grains.

Wheat exports, another widely fluctuating demand component, could rise around a fourth from the 632,000,000 bushels in 1971-72 in light of Soviet purchases, continued strong demand in Far Eastern markets, and lower exportable supplies in Argentina and Australia. Disappearance will likely exceed production, resulting in a moderate reduction in carryover at the end of the crop year.

Durum Carryover Swells

Durum supplies will be up slightly from last year's 142,000,000 bushels. A large carryover more than offset a smaller crop resulting in a slight build-up in supplies.

Domestic use in 1972-73 will likely total around 35,000,000 bushels. This would leave over 100,000,000 bushels available for export and carryover. Exports in 1971-72 were buoyed by a surge in late season takings. Shipments would have to continue at this high level to deter a sharp buildup in stocks by next summer.

Prices of No. 1 hard amber durum at Minneapolis averaged slightly above the \$1.67 nominal loan rate during much of crop year 1971-72.

Quarterly Durum Report

Durum wheat production was forecast at 77,300,000 bushels by the Crop Reporting Board on the basis of conditions on July 1. This is 12% below the near record 1971 crop but 53% above the small 1970 crop. Acreages were smaller than last year in all states, and yields were down in North and South Dakota and Minnesota. An average yield of 30.8 bushels per acre was indicated July 1, which compared with 31.9 bushels last year. No. 1 hard amber durum averaged \$1.70 per bushel at Minneapolis last season—a drop of 8¢ from the previous year. Prices in July, 1972 averaged above a year ago.

Carryover stocks on July 1 totaled 69,200,000 bushels compared with 53,700,000 bushels a year earlier and 77,600,000 on July 1, 1970. Supplies of durum wheat for 1972-73 totaled 146,500,000 bushels, on the basis of the July 1 estimated production and carryover stocks. This is an increase of 5,000,000 over supplies for 1971-72. Disappearance of durum wheat for milling, seed and export totaled around 80,000,000 bushels during 1971-72. This exceeds the calculated disappearance by around 8,000,000 bushels. This difference results from independent estimates of production and stocks. The heavy exports of U.S. durum through Canada may also be a factor.

Exports

Durum wheat exports totaled 33,800,000 bushels last season—an increase of 5,000,000 over 1970-71 and nearly 10,000,000 above the 1969-70 total. Over 10,000,000 bushels were exported to Algeria and 5,300,000 to the Syrian Arab Republic in 1971-72. The Netherlands imported 5,100,000, United Kingdom 4,000,000 and Ireland 3,600,000 bushels last season.

In Canada

Canadian farmers planted around 28% more durum wheat this year than last. According to preliminary estimates, farmers planted 3,160,000 acres this year against 2,480,000 acres last year. Exports from Canada totaled over 62,000,000 bushels in the July 1971-June 1972 season. Over 17,000,000 bushels were exported to U.S.S.R. and 10,000,000 to the Peoples Republic of China. Italy and Algeria each imported about 8,700,000 bushels last season.

Canadian Quotas

Canadian Quotas

Opening producer delivery quotas for wheat, barley and oats in the 1972-73 crop year were announced by the Canadian Wheat Board, effective Aug. 1. "Opening quotas are larger than usual this year because our sales commitments are higher than in other years," noted R. M. Esdale, Wheat Board commissioner.

The initial quotas are at a rate of two bus per acre for wheat and five bus on barley for all producers. An additional two-bu quota on wheat will be in effect in certain shipping blocks in Alberta and Saskatchewan that supply grain for Pacific coast clearance.

Also, a five-bu quota for durum, other than Hercules, has been established for delivery of No. 3 and lower grades only in all blocks. The same quota applies to Hercules.

Durum Wheat Quality Report

Quality evaluation of durum wheat varieties from the 1971 crop is reported by the U.S. Department of Agriculture, Plant Science Research Division and North Dakota Agricultural Experiment Station at Fargo, in a recent publication.

The report covers both U.S. and Canadian varieties and crosses by evaluating some 676 samples received from 21 stations in seven states: California, Idaho, Minnesota, Montana, North Dakota, South Dakota, and Washington.

Deteriorated in July

The crop situation deteriorated during early July in North Dakota as top soil moisture shortages developed. Showers were received in the third week along with cooler temperatures. But durum was down as of conditions on August 1 to an expected yield of 20 bushels per acre compared with 32.5 bushels a year ago.

| Durum Production | 1,000 Acres | | Yield | | 1,000 Bushels | |
|------------------|-------------|-------|-------|------|---------------|--------|
| | 1972 | 1971 | 1972 | 1971 | 1972 | 1971 |
| North Dakota | 2,256 | 2,400 | 31.0 | 32.5 | 69,936 | 78,000 |
| South Dakota | 97 | 140 | 27.0 | 30.0 | 2,619 | 4,200 |
| Montana | 120 | 180 | 30.0 | 33.0 | 3,600 | 5,940 |
| Minnesota | 29 | 40 | 34.0 | 38.5 | 966 | 1,540 |
| California | 4 | 10 | 40.0 | 40.0 | 160 | 400 |
| United States | 2,506 | 2,750 | 30.8 | 31.9 | 77,301 | 87,820 |

| Durum Supply | July 1 Stocks | 1,000 Bu. Production | Canadian Acreage | | 1971 | 1972 | Increase |
|--------------|---------------|----------------------|------------------|-------------------|-----------|-----------|----------|
| | | | Manitoba | Alberta | | | |
| 1970-71 | 77,631 | 50,522 | 128,392 | 141,000 | 180,000 | 113 | |
| 1971-72 | 53,700 | 87,820 | 141,014 | 1,889,000 | 2,700,000 | 143 | |
| 1972-73 | 69,237 | 77,301 | 146,538 | 242,000 | 300,000 | 124 | |
| | | | | Prairie Provinces | 2,272,000 | 3,160,000 | 139 |

| Durum Distribution | Mill Grind | Feed and Other Use | Seed | | Exports | Total Disappearance |
|--------------------|------------|--------------------|-------|--------|---------|---------------------|
| | | | 1971 | 1972 | | |
| 1970-71 | 31,672 | 835 | 2,886 | 34,244 | 69,637 | |
| 1971-72 | 31,697 | 30 | 3,900 | 38,886 | 74,453 | |
| 1972-73 | 33,127 | -3,211 | 3,563 | 43,804 | 72,283 | |

Crop Conditions

The crop conditions of the upper mid-west and Canadian Prairie Provinces between August 6-13 was reported on by Vance Goodfellow of the Crop Quality Council.

Above average yields for durum were predicted despite moisture shortages in some sections earlier. Since mid-July general rains have been received in virtually all sections, significantly improving prospects. Current moisture supplies should be adequate to bring even the latest fields to maturity. Crop development is ten days or more later than normal, and harvest is being delayed by frequent rains. Warm, dry, frost-free weather will be needed through mid-September to insure grain maturity and harvest progress.

North Dakota

North Dakota durum prospects range from good to excellent in the major producing Triangle area from Lakota, Devils Lake and Leeds, north to Rock Lake and Langdon. Mid-July rains substantially boosted yield potentials, particularly of later fields and aided filling of heads in early stands thinned by drought.

Although variable, many durum fields are expected to yield 28-30 bushels. In this area swathing and combining of early fields has begun; however, about two-thirds of the crop is still in the dough stage and is not likely to be harvested until the first week in September. At least a quarter of the crop here and in northwestern counties is very late and more vulnerable to frost. Stem rust was not observed in commercial durum fields and other diseases are light.

Montana

Spring wheat stands in northeastern Montana are the best in years, although the crop is about three weeks late. In the Culbertson-Wolfpoint-Scobey-Plentywood area, yields of 30 bushels or more should be common. Durum stands are excellent and many acres should yield 35 bushels.

Canadian small grain prospects are above average; however, moisture shortages in June and early July thinned early stands in many sections, creating wide variations between fields. Crop development is two to three weeks late.

Durum Show

The 34th Annual Durum Show will be sponsored by the U.S. Durum Growers Association at Langdon, North Dakota, October 16-17. The NMMA will make a sweepstakes award to the best entry in the show.

Paulson Joins AACC

Roger F. Paulson has joined the staff of the American Association of Cereal Chemists (AACC) and the American Phytopathological Society (APS) as director of publications. He replaces Merrill J. Busch, who recently resigned, and reports directly to Raymond J. Tarleton, executive vice president for the societies.

Paulson, as director of publications for these two international-scientific societies headquartered in St. Paul, will be responsible for the editorial and production functions for all society media. He will serve as managing editor of *Cereal Chemistry*, *Cereal Science Today*, *Phytopathology*, *Phytopathology News*, and will serve as editor of *Cereal Industry Newsletter*. He will also act as advertising director for all society publications.

Most recently, Paulson has been manager of publications services for Memorex Corporation, New Hope, Minnesota; he has also held technical writing positions with St. Paul-based MDS-Atron and Univac.

He received his B.A. in journalism and mass media communications from the University of Minnesota and attended the College of St. Thomas. Paulson also served with the U.S. Army Security Agency as a telecommunications center supervisor, assigned to the National Security Agency from 1963 to 1966. He is currently a member of the Society for Technical Communication and Sigma Delta Chi (Professional Journalism Society).

Leading Society

The AACC, the leading society in its field, is composed of chemists, biologists and some engineers engaged in the overall process of converting cereal grains (wheat, rice, corn, etc.) into edible and non-edible products. The society has some 2,000 members in 34 countries, and its two professional publications are read by more than 4,000 scientists in over 60 countries.

The APS, also the leader in its sphere of activity, is dedicated to the elucidation and control of plant diseases; it has 2,800 members in 67 foreign countries and all fifty states. The society's major publication, *Phytopathology*, is read by more than 5,000 scientists in 84 countries.

For Agriculture

Earl Butts, Agriculture Secretary, addressing the National Association of Farm Broadcasters, in Orlando, Fla.

A market-dominated agriculture lets production shift and adjust as consumer preferences change and as export demand grows. It is forward-looking.

It lets farmers make production decisions based on crop profitability, and it tends to let farm production shift and adjust to farmers who can produce each crop best.

A government-dominated agriculture is, almost by definition, backward-looking. Production becomes based on historical patterns and crop histories—yesterday's rotations and yesterday's yields.

A D M Split

A two-for-one split of the common stock of Archer Daniels Midland Co. through a 100% stock distribution was approved at a meeting of the board of directors.

The company explained that the stock dividend is aimed "at achieving a broader market and distribution of stock."

The split is subject to shareholder approval at the regular annual meeting set for Nov. 2. At that time, shareholders will be asked to approve an increase in the number of authorized common shares from the present 6,000,000 to 12,000,000. The company has 3,442,664 shares outstanding.

If approved, the additional shares will be issued Dec. 1 to shareholders of record on Nov. 17.

The ADM board of directors did not provide for any change in the annual dividend from the present rate of \$1 per share, which, after the split, will be equivalent to 50¢ per share. The board did vote the regular quarterly dividend of 25¢ a share on the common stock, payable Sept. 1 to shareholders of record Aug. 21. It will be the 184th cash dividend and 184th consecutive quarterly payment which represent a record of 40 years of uninterrupted dividends.

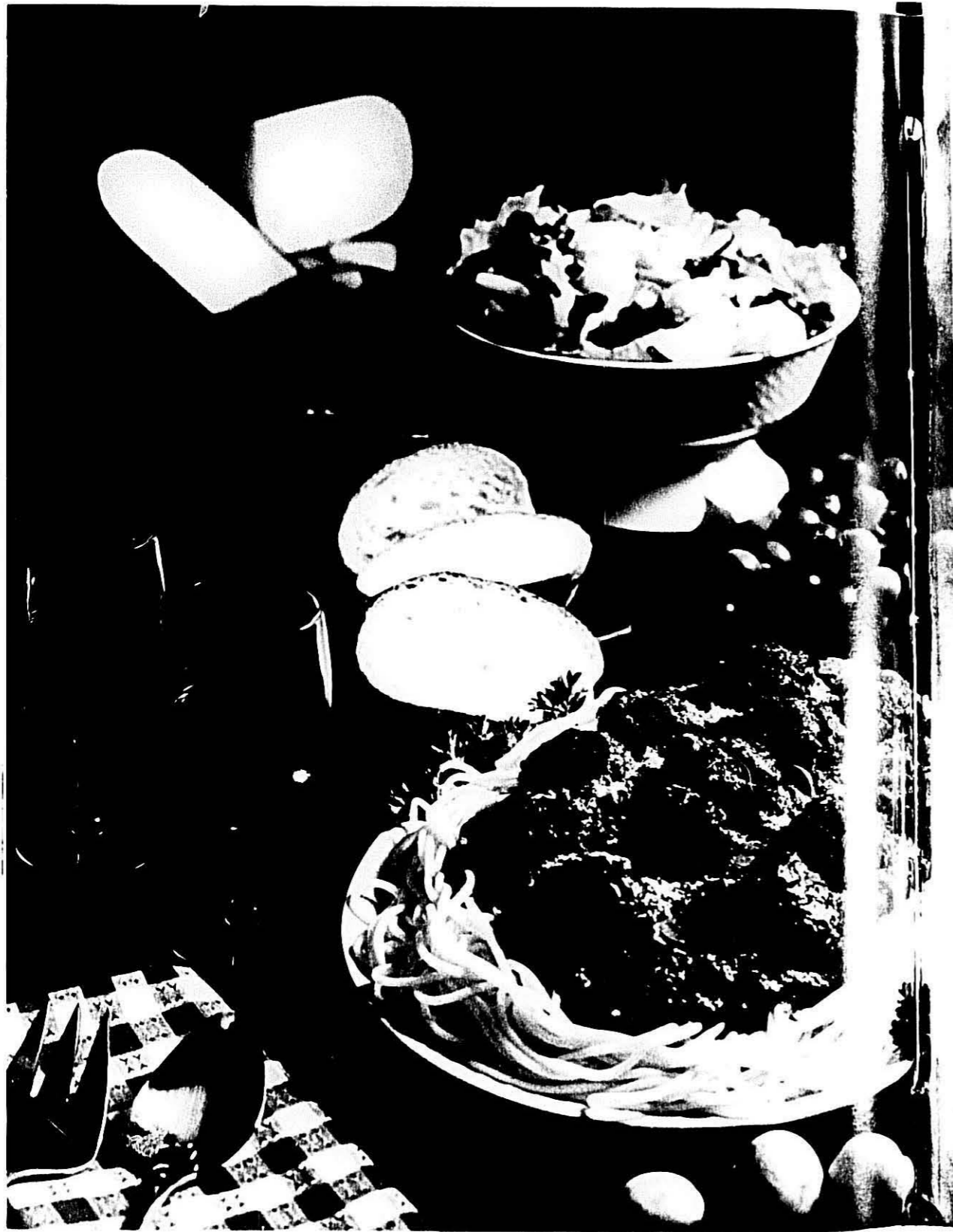
Buhler Diagram

The publication Diagram published by Buhler Brothers in Uzwil, Switzerland, Issue Number 53, June, 1972, carried two items of special interest for macaroni manufacturers.

The first concerns laboratory grinding tests for durum semolina. Written by Heinrich Solberger, head miller at Uzwil, it is observed that insufficient attention has been paid to the wheat mixture. Today stricter specifications are demanding better products from the durum miller resulting in better testing facilities in the laboratory.

To answer two basic questions, namely: (1) Can the wheat quality be determined by grinding in the laboratory mill in regard to macaroni quality? and (2) is it absolutely necessary to purify the semolina or can the product be sufficiently evaluated without purification?

(Continued on page 27)



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Quality with a running start on all the others

King Midas Semolina and Durum Flour
Quality with a running start on all the others



PEAVEY COMPANY
Flour Mills

At PMMI Pack Expo 72

"Training of Packaging Machinery Mechanics" is the subject of a special seminar to be presented by the Packaging Machinery Manufacturers Institute during the PMMI Pack Expo in Chicago, PMMI Education Chairman Frederick F. Koehn has announced.

According to Koehn, the seminar will be aimed at plant managers, engineering supervisors and training personnel.

The program will be held in McCormick Place at 2 P.M., Monday, Oct. 30, the first day of the four-day show.

"The seminar," he said, "will be based on several proven approaches to training packaging machinery mechanics."

The needs for more mechanics and the problems involved in recruiting and training them will be discussed by C. Glenn Davis, PMMI training director.

"Effective In-plant Training Techniques" will be reviewed by Frank Cimino, supervisor of training at McCormick and Co., Baltimore, Md.

"Training in Technical High Schools" is the subject to be covered by Robert Carney, packaging machinery mechanics course instructor at the Thomas A. Edison Technical and Vocational High School.

Self-Taught Course

Davis will also discuss PMMI's involvement in mechanics training and will describe PMMI's self-instructional Packaging/Converting Machinery Components Training Course, of which he is the author.

"This course was designed," Davis said, "to function as a unit that works independently with one or two trainees, but can also be used as the basis for instructor-led classroom learning sessions."

The content of the course corresponds to the PMMI Components Manual published in 1969. The actual course is divided into three categories—"Basic Mechanical Components," "Basic Electrical Components" and "Basic Hydraulic and Pneumatic Components."

Depending upon the experience, background and education of the individual trainee, the course is rated at 100-150 hours of study time—the equivalent of two semesters in evening school.

Davis noted that "every effort" has been made to write the manuals in the terminology and language that mechanics normally use and can understand.

"It is not meant to be a manual for engineers, although many engineers will want to be familiar with it," he said.

The complete training course and the components manual on which it is based will be available for inspection by visitors at the show.

Questions and answers from the audience will be encouraged.

Container Closure Study

Nine advantages of sealing containers with water-activated gummed tape can be more directly realized by packagers if their closure method is part of a total system, according to a major marketing and research study and report prepared for The Gummed Industries Association, Inc., by the consulting firm of Daniel Yankelovich Incorporated.

The nine benefits listed are:

- 1) Corrugated carton reuse.
- 2) Reduced waste because of ability correct improperly sealed cartons.
- 3) Use of reinforced tape to upgrade lower-priced weaker cartons.
- 4) Ease of setup of taped cartons and reduced labor costs in packaging.
- 5) Reduced pilferage.
- 6) Product protection.
- 7) Ease of opening at store level or receiving location.
- 8) Speeds now attainable with taping machines which are competitive with other closure systems.
- 9) Reduced floor space for automatic taping machines as compared with gluing machines.

In defining the concept of a systems approach in carton closure, the report specifies:

"The principal characteristics of the systems approach are: (1) like cartons are always closed by like amounts of closure materials and labor; and (2) closure costs are known and controllable.

"It makes use of either small equipment (which of itself controls the amount of closure materials applied), or large automated machinery that not only controls materials but performs conveying, sealing and other operations . . ."

Although the report covers an overview of the total market, highlighting usage practices and user opinions, as well as the influence of available machinery, it also reports on how and why various methods of closure are now being used in specific industries, the percentage use of various methods by packagers, and the advantages and disadvantages reported.

A condensed version of the Yankelovich report—with material relevant to the closure problem as a whole and the need for a systems approach—has been prepared and is available without charge to packagers by writing to: The Gummed Industries Association, 551 Fifth Ave., New York, N.Y. 10017.

24 Corrugated Converters Close

Nine corrugated converting plants have closed their doors so far in 1972, reports James N. Andrews, president of the Fibre Box Association.

"A total of 24 plants making corrugated boxes from paperboard have now shut down in the past 20 months," he said, "and virtually all have announced that the action was taken for economic reasons." Only four shifted production to newer facilities.

The 15 closings in 1971 resulted in the first net decline ever seen in the number of converting plants.

While nine plants have closed in 1972, five others have opened, for a further net decline of four for the year to date.

"A majority of the 1971 closings were in the Northeast, but there is less of a regional pattern to the 1972 shut-downs," according to Andrews.

Industry shipments during this period have continued to climb to new records, with 1971 up 3.1 percent over 1970, and 1972 up 9.3 percent over 1971 for the year to date.

Merck to Acquire Kelco

Merck & Co., Inc. and the Kelco Company of San Diego, California, have reached agreement in principle on the acquisition of Kelco by Merck. This agreement is subject to the approval of a formal plan of acquisition by the boards of directors of both firms.

Kelco has long been a leading producer of algin, a natural colloid that alters water absorption characteristics of materials used in food processing and the manufacture of industrial and consumer products. Extracted from several types of seaweed, mainly the giant kelp of the Pacific Coast, algin is produced by Kelco as uniform free-flowing granular or fibrous powders. More recently developed Kelco products, containing xanthan gum, a natural biopolysaccharide made through fermentation of carbohydrates, are finding growing applications in the food and petroleum industries, according to the announcement.

American Home V P

Marvin E. Schmalzried, Vice-President and Secretary of American Home Products Corporation, has been elected Senior Vice-President. It was announced by William F. Laporte, the firm's Chairman and President.

Mr. Schmalzried joined the Corporation in 1961 as Assistant to the President and served as Comptroller from 1964 through 1967 when he was elected Vice-President. In 1970, he was elected to the additional office of Secretary, which he will continue to hold.



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Egg Market

The late summer turnaround in egg prices just hasn't come about as yet, reports Henningsen Foods. Fowl slaughter has not been up to expectations but chicken prices have advanced so egg prices cannot be far behind.

Egg Farmers Still Losing Money

According to the Wall Street Journal the egg business is no place for chickens.

That is, not for egg farmers who give up easily in the face of a prolonged price depression. On the other hand, low egg prices have been good news for consumers, many of whom have been eating more protein-rich eggs to balance their food budgets against climbing meat prices.

Last spring, some types of high quality eggs dropped to their lowest prices in four years. Since then, quotations have risen five cents a dozen; large white eggs, a bellwether, wholesaled in Chicago for 29 cents to 32 cents a dozen, five cents to seven cents below a year ago in early August.

Even so, most egg farmers are still losing money. "In order for us in this part of the country to get our market to a level where we could cover costs, the price for large eggs in Chicago would have to increase by nine cents a dozen," says Gary Bowen, general manager of Southwestern Egg Producers, a trade group based in Riverside, Calif. "But it will probably be around Thanksgiving before the market goes up to a profitable point and stays there."

Time to Advance

Traders say the market probably would start to rise later in August as part of an advance that usually begins near Labor Day. Egg prices move up and down in response to fairly dependable fluctuations in demand. Market analysts say this demand increases in September, drops again in October and then increases again as the year-end holidays approach.

Thus, the more optimistic observers say they expect the Chicago wholesale price for large white eggs to rise to 45 cents or so a dozen, probably in November.

Cyclical Trends

Egg prices always have moved in cycles, reflecting broad changes in production. The current extended span of low prices, however, has been about the longest on record and has spelled near-disaster for the egg industry.

"I would estimate that probably 70% of the people in our industry have a

negative net worth," says Gene Masters, an official of United Egg Producers, the big Atlanta-based cooperative. "In other words, if they paid off their obligations to everyone they owe, they'd be bankrupt." He adds that members of his group have been "losing money steadily on eggs for more than two years. I don't believe there is one individual who could have broken even on egg production."

Mr. Bowen of Southwestern Egg says the traditional price cycles are changing: "The boom is getting shorter and not as high, and the bust is getting broader." His observation may not be entirely accurate, but one reason for the current depression is unprecedented. Usually the egg market goes into a slump because the industry is enticed into over-producing because of an advance in egg prices. This time, a scientific breakthrough is the culprit.

Until 1970, large number of young chickens died of Marek's disease, a malignancy. Since the introduction of a vaccine for the disease a couple of years ago, however, the survival rate has increased markedly and the survivors have been healthier and more productive.

Production Skyrocketed

Egg production has skyrocketed beyond all expectations—and beyond farmers' immediate ability to cope with it—with volume frequently exceeding demand for long periods. U.S. production last year surged to a record 71.6 billion eggs, up from 70 billion in 1970. That's only a 2% increase, but it is significant for a commodity with inelastic demand.

Farmers have cut back their flocks in response, and this was responsible for trimming egg production in May by 2% below the year-earlier month for the first year-to-year decline since June 1970. Production continued to decline in June, also by 2%.

The cutback in the nation's laying flock indeed has been extensive. By July 1 there were 303.7 million laying hens, the fewest since September 1966.

Some trade sources believe the flock reduction—achieved both by hatching fewer new chickens and by slaughtering older ones—has laid the foundation for higher egg prices. Beginning last September, the number of chicks hatched for laying flock replacement has run sharply below year-earlier levels. Reductions made late last year now are reflected in egg production. In the first half of this year, the laying flock hatch was 13% below the 1971 period.

But other observers say this isn't enough. They say flock reductions must

be accelerated if wholesale prices in the last two months of the year are to go much higher than 40 cents a dozen. These observers contend that farmers should slaughter even more laying hens. So far this year, nearly 92 million of these older birds have been sent to chicken soup and pot pie factories, up from 89.5 million in the same period a year ago.

Productivity Rising

One reason their argument is convincing is that laying flock productivity is rising, again because of the introduction of the Marek's disease vaccine. The rate of production on July 1 was 63 eggs for each 100 layers, down from 63.6 a month earlier but up from 62.2 a year earlier.

Not everyone in the egg industry is sanguine that flock cutbacks will be deep enough or last long enough to sustain increased prices at levels profitable for most farmers. "The minute we begin to receive better prices, we step up production," sighs Mr. Masters. He worries that farmers will feel compelled to use the additional layer houses they have constructed recently, regardless of the need to diminish the national flock.

Break-Even Year?

He figures that farmers now are losing seven cents a dozen on their eggs; earlier this year, the loss was as much as 15 cents a dozen. "Any rise in prices this year won't come close to offsetting all these losses that have occurred," he says. Next year, he adds, "could be a break-even year, but I'll be highly surprised if it is much more than that."

The Egg and You

S. F. Riddlen and Hugh S. Johnson wrote the following article for the University of Illinois Cooperative Extension bulletin to have it later reprinted in the University of Minnesota Agricultural Extension bulletin.

The egg is a marvel of nature. A nearly perfect food, it is packaged and essentially ready for market when laid. It is high in protein, vitamins and minerals. The quality of its protein is tops. In fact, it comes so near to perfection that scientists use it to measure the value of protein in other foods.

Following a peak in World War II period—403 eggs per person in 1945—egg consumption has dropped sharply. Fortunately, the drop has slowed during the last few years. Here is what has happened:

| | | |
|----------|----------|----------|
| 1956—369 | 1961—328 | 1966—313 |
| 1957—362 | 1962—326 | 1967—323 |
| 1958—354 | 1963—317 | 1968—320 |
| 1959—352 | 1964—318 | 1969—316 |
| 1960—334 | 1965—314 | 1970—319 |

(Continued on page 26)

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The Egg and You

(Continued from page 24)

Many things contributed to the drop in consumption. Most can be classified under two major categories: (1) changing life style and (2) adverse publicity. Both have exerted a serious impact on the consumer's image of eggs.

Late night television viewing—including snacking, the coffee break, and working wives with limited time for meal preparation have resulted in many people eating hurried, light breakfasts or none at all. The growing availability and use of convenience foods have further reduced egg usage. And the high level of affluence enables people to use more red meats, poultry and fish, cutting the use of eggs further.

Unfavorable Publicity

Over the past few years, eggs have been hit with unfavorable publicity. Some of it resulted from limited but real problems. Much of it was unearned and unjustified. And too much of it was based on highly controversial data and questionable correlations regarding the cholesterol problem.

The argument over cholesterol rages on. Does it cause heart trouble? Conclusive proof of connection between dietary cholesterol and heart disease has not been established. However, eggs are banned from many diets. On the other hand, some scientists and physicians hold that eating eggs has no effect on blood cholesterol level and may even lower it.

Contamination

Incidents of egg contamination are hurting the egg industry badly. Contamination with the PCB's (polychlorinated biphenyls) has been rather limited, but the scare has been great. Salmonella has been traced to eggs in some outbreaks. But eggs have been wrongly blamed in far too many cases.

Some contamination is bound to occur. But egg producers, processors and handlers need to try to eliminate it. Governmental surveillance for contaminants is increasing and will intensify.

The time has come. Egg people can no longer look the other way and hope for a solution. They must accentuate the positive, eliminate the negative, by telling consumers about the excellent nutritional qualities of eggs.

Effective Promotion

Effective promotion of eggs will require adequate resources. Meaningful effort goes beyond the individual producer to group action. Even one state or a region cannot be as effective as the nation's egg industry working together.

Money will be needed. Not all will agree on the best way to raise and

spend it. Presently, enabling legislation is in the lime-light. Some states have it already. Others are considering it. And it is being explored on a national basis. Enabling legislation involves a check off, usually on each case of eggs, for promotion of and research on eggs.

Egg consumption is down. The egg's image is falling, and more adverse publicity may come. Profit margins are narrowing. The egg industry can no longer bury its head in the sand. It needs to take action. It must effectively promote the use of eggs or face diminishing opportunities.

Japanese Noodle Operation Progresses

Maira Toner recently reported the following story in the Los Angeles Times.

Manufacturers in Japan, among the world's most successful export experts, had their problems with an unlikely product that amounts to a Japanese version of spaghetti. It gets stale on the month-long boat ride to the United States, they found, and the cost of bringing it here kept prices high and sales low.

The solution? Instead of selling made-in-Japan noodles in the United States, they've opened a factory here. Now they sell made-in-Gardena Japanese noodles. They hope the cheaper and fresher product made here will attract more customers.

The aim behind Tokyo-based Nissin Food Products' decision to open a \$1.8 million plant in Gardena last March was to capture some of the American market outside the Japanese-American community. The imported product—called Top Ramen—was primarily marketed in Japanese population centers in the United States until the plant opened here.

Market Broadens

Now, the company reports about 50% of its product is being sold to people outside the Japanese-American community.

Top Ramen is a combination of dehydrated noodles and soup mix which has been cooked up as an instant convenience food as a foundation for more complex dishes by the Japanese for years. The dish itself is a traditional

Japanese treat, once sold by street vendors to weary travelers.

"Production in the Gardena plant somewhat slower than in our Japanese plants (because of training problems) says Teruo Takahara, 42, vice president of Nissin Foods, USA. "But the quality of the product is actually better than the made-in-Japan variety because we use American wheat to make the noodles."

Even with slower production, however, Takahara estimates that sales during fiscal 1972 ran between \$2 million and \$3 million. He says they hope to produce three or more new product items at their Gardena plant this fall.

But for now, the American subsidiary produces only instant noodles. The noodles themselves emerge from a single 300-foot-long machine—the first of its kind to be set up outside Japan. A packet of Top Ramen, including soup mix, sells for 20 cents and feeds two people.

The Japanese parent firm created the instant noodle used in the product 15 years ago, and it became an immediate success in Japan, Takahara says.

So far, the company hasn't done much consumer advertising outside the Japanese-American community, but it feels other Americans are becoming acquainted with it. The product has been distributed to supermarkets nationwide.

"In the short time we've been in production here, sales in the northwestern United States are up 80%," says Takashi Masuko, sales manager. "The general American public in such metropolitan centers as Los Angeles and San Francisco felt in the past that our product was only for oriental homes. But in the Northwest, with fewer oriental Americans, the people have no such preconceived notions."

Japanese-Americans

The Wall Street Journal reports there are about 225,000 Japanese-Americans in Hawaii where they constitute 40 percent of the population.

There are about 215,000 Japanese-Americans in California, 20,000 each in New York and Washington; 17,000 in Illinois; 6,800 in Oregon; and 6,500 in Texas.

Buhler Diagram

(Continued from page 19)

tion? Studies of Canadian, French and U.S. durum led these scientists to the conclusion that the quality of wheat can be determined in the user's laboratory and while a laboratory purifier is helpful it is not a necessity.

Another article in the same issue of the publication is about pasta goods under the microscope: the cooking behavior of pasta made of durum wheat. This was written by Dr. A. Frey and Dr. A. Holliger. It is an analysis of a microscopic method to observe structure changes in the framework of grain protein. The conclusions on gluten, quality and quantity are most interesting.

Buhler Industrial Filters

A new, industrial-equipment product being manufactured by The Buhler Corporation, Minneapolis, Minnesota, is a high performance air filter designed to clear dust-laden air at high air-to-cloth ratios. Called the Airshock Filter, it purifies exhausted air in plants, mills, breweries, silos, loading terminals, etc., using a unique airshock method for purging dust from replaceable cloth filter bags.

Receives Exhausted Air

The Airshock Filter is designed to receive exhausted air through an inlet (A) where the air is subjected to a cyclonic action which pre-separates coarse dust particles, guiding them downwards into a filter cone where a discharging airlock traps the particles. Remaining air-dust particles flow towards the interior filter bags (B). Air flows inward and upwards through filter bags, depositing the dust on the outside of the filter bags. The filtered air enters a plenum chamber (C) at the top and leaves via a clean air outlet (D).

At programmed intervals, a mechanically-operated air valve system (E & F) is designed to release a sudden, downward "airshock" from an air supply tank (G), purging one filter bag at a time. This jet cleaning of individual filter bags allows the Airshock Filter to operate at air-to-cloth ratios of more than double the present-day standards, yet with only 6 psi air pressure.

Five Models

Five type-ASF Airshock Filters are available with various model options to meet specific needs. Standard and binvent models are available, utilizing from 6 to 64 filter bags 4 to 10 feet in length. For more information, contact The Buhler Corporation, 8925 Wayzata Blvd., Minneapolis, Minnesota 55426

Buhler Designs New Macaroni Presses for Automatic Systems

New macaroni presses have been developed by Buhler Brothers Ltd. in Switzerland as part of that company's fully automatic system for production of macaroni. An article appearing in Buhler's *Diagram*, the official publication of the company, points out that today "the modern production of macaroni products places greater emphasis on sanitation, product quality and low maintenance processing equipment."

Construction of machinery and systems for the manufacture of macaroni for Buhler dates back to 1903. The largest macaroni manufacturing line in the world for short goods, built by Buhler and in operation since 1970, has a minimum output of 15,400 lbs. per hour.

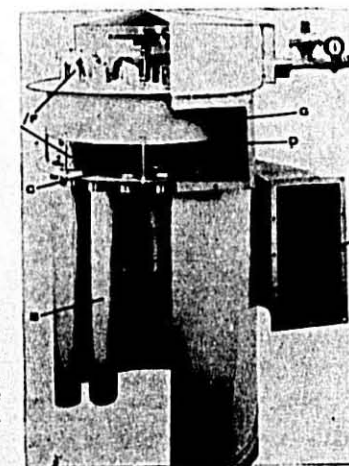
Includes Type TPAE and TPAD

The new Buhler macaroni presses include Type TPAE and TPAD. Type TPAE has a capacity of 600 to 1,320 lbs. per hour depending on raw material, type of product and associated equipment. This model involves a single screw press and is specially suited for the production of all kinds of short goods, including specialty items as well as the production of long goods with a stick length of up to 4'11".

Macaroni press type TPAD with a distributing tube for manufacturing of long goods has a capacity of 1,320 lbs. to 2,640 lbs. per hour, also depending on specifications. The model with a twin screw press is mainly for production of long goods with a stick length of 6'6 3/4".

Easily Accessible for Cleaning

Buhler points out that the newly-designed models have clean, simple



uncluttered lines according to requirements of the users. They are easily accessible for cleaning and servicing with special emphasis on sanitary as well as functional design.

Design features include a large double shaft mixer, mixing shafts and paddles of stainless steel. The product is efficiently de-aerated in a vacuum chamber located between the mixer and extrusion elements.

The main extrusion cylinder is equipped with a unique, efficient water cooling or heating system. The main cylinder, the transfer housing with large inlet opening, the oversized thrust bearing and housing and the planetary reduction main drive gear are assembled as one compact unit, which assembles simply to the supporting steel frame. Wear of the stainless steel main extrusion screw is minimized by means of bearings on the discharge as well as the infeed end. The extraction device for removal of the main screw can be operated manually or hydraulically.

Die Head Changes Within Seconds

For short goods production, press heads are available for dies up to 13 3/4" diameter. Dies can be changed within seconds by means of a new drawer-like hydraulic system that simultaneously inserts the new die and removes the old. The variable speed drive for the short goods cutter and the blower for product aeration at the die are directly flanged to the press head. The distributing head for long goods production is mounted directly to the extrusion cylinder.

All motor mounts are designed to easily accept motors of local type or manufacture. Optionally available for drive of the main and vacuum screws are: Single speed, two speed and variable speed motors. The electrical controls are arranged in a separate control panel. Location of the control panel is flexible according to the customer's needs.

Buhler stresses that some of the advantages of the new macaroni presses include a modern concept combining the very latest in sanitation, accessibility, serviceability, high product quality and versatility. It also contains a front bearing to keep wear of the main cylinder and extrusion screw to a minimum. Quick-change hydraulic die exchanger works easily and fast and a presses are designed with "rugged, high-quality, low maintenance design."

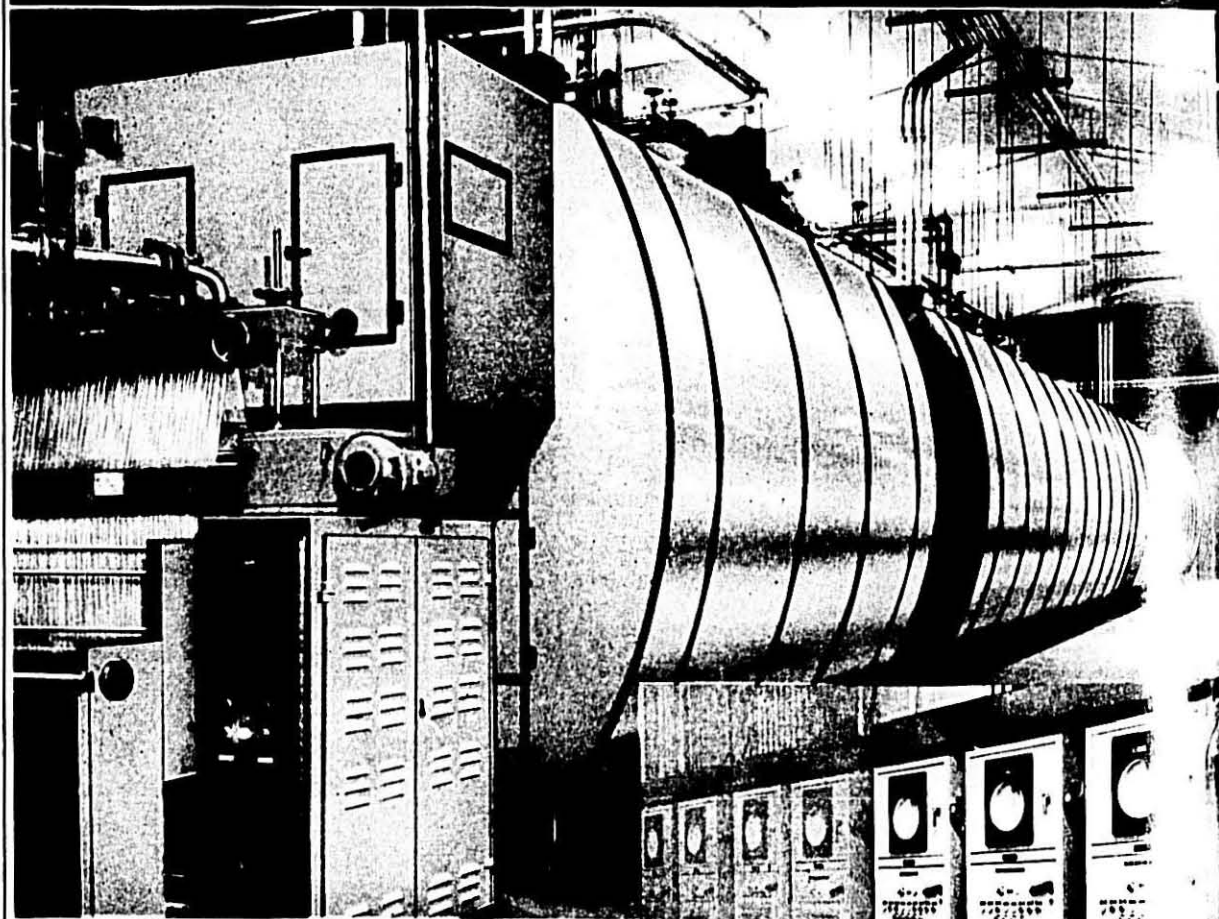
New Film on "Cleaning"

"Grain intake, cleaning and preparation" is a new film produced by Buhler Brothers. Arrangements can be made with Buhler representatives for showing.

U. S. Processed Eggs — July 1971-June 1972

| Liquid 1,000 pounds | Whole blends | | White | Yolk plain | Yolk blends | Total |
|---------------------------|--------------|--------------|---------|------------|-------------|---------|
| | Whole plain | Whole blends | | | | |
| For immediate consumption | 43,013 | 20,699 | 21,493 | 4,263 | 11,703 | 101,171 |
| For processing | 59,154 | 5,688 | 96,559 | 26,089 | 77,695 | 188,185 |
| Total liquid | 102,167 | 26,387 | 118,052 | 30,352 | 12,398 | 289,356 |
| Frozen | 165,606 | 56,187 | 57,338 | 16,548 | 86,024 | 381,683 |
| Dried | 12,212 | 50,769 | 20,422 | 10,087 | 8,270 | 101,761 |

RELIABLE.



NEW BUHLER LONG GOODS DRYERS
are built to give performance you can rely on!

Operation of entire dryer line
shown above is controlled
from one location

Completely re-designed with features that make them **THE MOST RELIABLE IN THE INDUSTRY!**

New Conveying system never stops.

Product moves slowly and continuously from spreader to accumulator. No starts and stops. Simplified design means greater reliability since there is less wear than conventional "stop and go" dryers.

Product is consistently excellent

because drying action is always steady. You can count on the product to come out with appealing color and texture. Uniform and straight every time. Ideal for handling with automatic weighing, transporting and packaging machines.

Climate zones are positively separated.

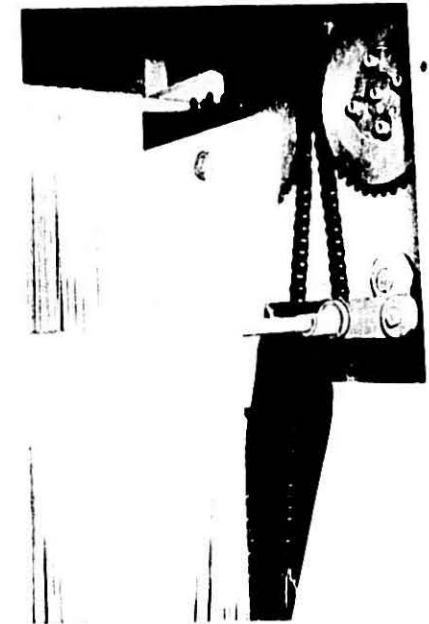
Extremely tight enclosure with Buhler patented "Delta T" control allows high temperature, high humidity drying environment.

Capacity range 500-4,000 lbs/hr.

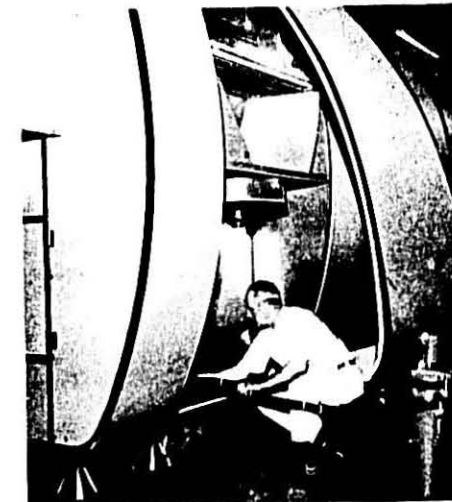
Standard stick lengths: 60 or 80 inches.

Ask for details

on the built-in reliability of Buhler dryers and other macaroni equipment. Call us or write: The Buhler Corp., 8925 Wayzata Blvd., Minneapolis, MN. 55426. (612) 545-1401/ Eastern Sales Office: 580 Sylvan Ave., Englewood Cliffs, NJ. 07632. (201) 871-0010/ Buhler Bros. (Canada) Ltd., Don Mills, Ontario, (416) 445-6910.



Each spaghetti strand travels exactly the same path so you can count on consistent drying results. Positive control stick elevator keeps sticks from rolling or sliding from chain at transfer point to the drying tiers.



Super sanitary design, easy maintenance. All-plastic panels swing out for easy access to all parts of the machine. Extra thick polyurethane insulation and off-the-floor construction prevent condensation.

Complete
Macaroni
Plants by

BUHLER®

Macaroni Products -- Broader Appeal Improved Pasta Sales

from Chain Store Age, Supermarket Selcs Manual

PREPARING inexpensive meals from scratch plus the convenience factor were the basic reasons drawing consumers to the pasta products section last year and the state of the economy is reinforcing this move.

Shoppers last year bought more frozen pasta items, pasta dinners and pizza mixes than ever before. At the same time, they purchased more dry pasta in larger package sizes than previously.

A Northeastern supermarket buyer explains, "Customers know they can't beat a value like spaghetti at 25¢ per lb. They also know that almost any pasta product is among the quickest and easiest to prepare."

Dinners

Macaroni and cheese entrees, offering both price and convenience, figured to continue dominating the dinner category—and they did—with a better than 40% share of all pasta dinner sales in 1971.

Other packaged dinners—with meat and sauce included—were declining in recent years, but have started rebounding with help from the new meat "helper" or "extender"-type items.

Pasta dinners accounted for nearly 20% of department sales and profits. A Philadelphia buyer explains their continuing vitality: "Many shoppers are attracted to total convenience in food preparation—especially for weekend meals."

Another Eastern buyer says dinners to which shoppers must add meat have already made strong inroads in his company's stores, against all pasta entrees except macaroni and cheese. He predicted the trend would continue in his area and nationally.

Dry Sales Expand

Meanwhile the dry pasta category continued to expand, with macaroni, spaghetti and noodles all showing good gains. Sales for the entire category were up about 4% after a 10% increase the previous year.

Buyers and suppliers agreed that the smaller gain in 1971 was no indication of a long-term slowdown for the category. "Not at all," says a marketing executive for one of the largest pasta producers. "This is normal growth for us, in line with population growth, whereas the 1970 figure reflects consumer reaction to unusual economic pressure," he explains.

Macaroni/Pasta Products: National Supermarket Performance

| 1971 | SALES % of Dept. | Dollar Volume (Millions) | PROFIT % of Dept. Gross Profit | Millions | ASSORT-MENT Items/Brands Aisle at Warehouse | GROSS MARGIN Avg. Gross Margin % of Retail |
|-------------------------|------------------|--------------------------|--------------------------------|---------------|---|--|
| Macaroni | 30.3 | \$125.8 | 28.3 | \$22.0 | 34 | 18.3 |
| Elbow | 11.4 | 47.4 | 10.7 | 8.7 | 9 | 18.4 |
| Other | 18.9 | 78.4 | 17.6 | 14.2 | 25 | 18.3 |
| Spaghetti | 27.0 | 112.3 | 26.6 | 21.7 | 21 | 19.3 |
| Regular | 21.3 | 88.5 | 21.0 | 17.1 | 15 | 19.3 |
| Linguine | 5.7 | 23.8 | 5.6 | 4.6 | 6 | 19.2 |
| Noodles | 19.9 | 82.8 | 23.4 | 19.0 | 21 | 23.0 |
| Flat | 18.0 | 75.0 | 21.0 | 17.0 | 18 | 22.7 |
| Other | 1.9 | 7.8 | 2.4 | 2.0 | 3 | 25.2 |
| Macaroni Dinners | 8.9 | 37.1 | 7.1 | 5.8 | 5 | 15.7 |
| With Cheese | 8.3 | 34.4 | 6.4 | 5.3 | 4 | 15.3 |
| Other | 0.6 | 2.7 | 0.7 | 0.5 | 1 | 20.4 |
| Noodle Dinners | 7.3 | 30.3 | 7.8 | 6.4 | 9 | 21.1 |
| With Meat | 3.5 | 14.3 | 3.7 | 3.0 | 5 | 20.8 |
| Other | 3.8 | 16.0 | 4.1 | 3.4 | 4 | 21.3 |
| Spaghetti Dinners | 2.7 | 11.2 | 2.8 | 2.4 | 4 | 21.4 |
| With Meat | 1.8 | 7.3 | 1.7 | 1.4 | 2 | 19.3 |
| Other | 0.9 | 3.9 | 1.1 | 1.0 | 2 | 25.6 |
| All Other Pasta Dinners | 0.4 | 1.5 | 0.4 | 0.3 | 5 | 20.0 |
| Pizza Mix | 3.5 | 14.5 | 3.6 | 2.9 | 4 | 20.5 |
| TOTALS | 100.0 | \$415.5 | 100.0 | \$81.4 | 103 | 19.6 |

% of total store volume—0.71%

Concurring is Bob Green, executive director of the National Macaroni Manufacturers Association, who notes that the 1970 gain was the largest since the end of World War II, and seems to reflect consumer reaction to higher meat prices—a reaction that apparently subsided somewhat last year.

"But our 1972 first quarter report indicates we may be in for a repeat of 1970," Mr. Green adds. An eastern buyer echoes the prediction: "We feel we're selling a lot of dry macaroni due to the state of the economy. We're also selling a lot of prepared sauce, especially in the quart size."

Wings of Profit

Pasta suppliers like to point out the catalytic effect their products have on other store sales. One of these, Skinner Macaroni Co., even uses the related sales concept as the basis for its retail promotion theme "Wings of Profit."

Bill Henry, Skinner's executive vice president, comments: "Our research shows that a dollar's worth of macaroni can trigger about \$7 worth of related merchandise. Therefore, we are encouraging retailers to carry aisle wings of tomato paste and other high-velocity items next to their pasta products."

Many suppliers in this highly regionalized industry are offering larger package sizes and these appear to be catching on. A number of chains report success with new 1 lb. bags of noodles

UNIT MOVEMENT

Unit Movement data based on random sample, then projected. Case-24's

| Category | Share of Unit Mv. | Estimated Cases/Week |
|-------------------------|-------------------|----------------------|
| Macaroni | 32.5 | 12.5 |
| Elbow | 12.8 | 4.9 |
| Other | 19.7 | 7.6 |
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| Pizza Mix | 2.1 | 0.8 |
| Macaroni Dinners | 10.9 | 4.2 |
| With Cheese | 10.4 | 4.0 |
| Other | 0.5 | 0.2 |
| Noodle Dinners | 3.6 | 1.4 |
| With Meat | 1.3 | 0.5 |
| Other | 2.3 | 0.9 |
| Spaghetti Dinners | 2.3 | 0.9 |
| With Meat | 1.3 | 0.5 |
| Other | 1.0 | 0.4 |
| All Other Pasta Dinners | 0.3 | 0.1 |
| TOTAL | 100.0 | 38.5 |

which replaced or were added to 8 and 12 oz. sizes on the shelves.

There has been a steady move to flexible packaging, and one major pasta supplier reports that about 90% of his line is now appearing in this type of package. He explains, "Retailers like it (Continued on page 32)

THE MACARONI JOURNAL



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Milling Co.

Supermarket Sales Manual

(Continued from page 30)

because it can save as much as 14% of shelf space over cartons, and customers like it because they can see the product better."

The category is not without shifts in product preference from time to time. Some supermarket buyers report increasing popularity of wider noodles used in casserole dishes. In one area the trend became so marked that a supplier cut fine noodles from his line.

Both suppliers and merchants are optimistic about the category's prospects. Typical is the comment of a Midwest buyer: "Pasta margins have not been ravaged, and I don't think they will. It will never be a football item."

A Midwest supplier also points to broadened ethnic and age appeal of pasta: "We're now selling a lot of product in markets where we wouldn't have done very well only a few years back."

Continuing Concern

A matter of continuing concern to the industry has been the Food and Drug Administration's proposed identity standard which—if enacted as originally written—would encompass a product shaped like macaroni but made largely of high-protein non-wheat ingredients including soy beans. General Foods recently received a year's renewal of a marketing permit for such a product. But otherwise there is little to report on the matter, as it remains under study by the FDA.

Prepared Foods

From Chain Store Age

Are ready-to-serve and frozen entrees hot items only for shoppers with lots of extra cash to spend in the supermarket?

Allied Supermarkets, Detroit, is one of the chains who emphatically says no and is proving the broad-based appeal of prepared foods which it produces itself for the 103 Wrigley supermarkets and K mart food departments it serves in Michigan.

A number of these units have prepared foods service counters offering Allied's own take-out entrees, salads and desserts, in addition to party platters.

Many of these stores are also serving up as many as six recently introduced frozen "heat and serve" entrees in their frozen food departments. Produced by the kitchens of Delcrest Foods (Allied's manufacturing subsidiary in Livonia, Mich.), the items are packaged under the chain's Camelot label.

The six frozen items available are stuffed peppers, stuffed cabbage, Italian meatballs with sauce, Salisbury steak

with gravy, lasagna and meat loaf with gravy. Promotional support includes coupon programs that substantially reduce the normal retail price in the \$1.19-\$1.39 range. The programs, along with in-store sampling, make the items instantly competitive with frozen food entrees produced by basic food manufacturers.

Allied is also freezing barbecued chickens—available at prepared foods counters—under the Camelot label.

Dell department manager Betty Holupka, who works at a Wrigley unit in the Detroit vicinity at Westland, Mich., voiced a typical opinion about selling take-out prepared foods in Allied units:

"People don't have to be well off to be interested in take-home prepared foods. We find no trouble in moving a substantial amount of entrees with working people who come in here late in the day seeking the convenience of a dinner they don't have to prepare."

She also notes, "Dell is very much an ethnic matter, and you have to be sure your products are closely tailored to the background of your clientele."

Functional Color Package For Lasagna

Aluminum foil loaf pan with FDA approved orange exterior and white interior is used by Frangis Ravioli Mfg., Denver, Colo. for frozen, cooked lasagna. Several holes are punched in the

foil laminated board lid before heating to release steam.

Additional information on the package is available from Ekco Products, Inc., 777 Wheeling Rd., Wheeling, Ill. 60090.

Nutritional Awareness Posters

Family Circle has supported the Food Council of America's nutritional awareness campaign since September, 1970. They have donated over a half-million dollars in advertising space to help extend the food industry's message—"Eat the basic 4 foods every day."

Now, in cooperation with the Food Council, they are offering at cost three 22½" x 34½" full-color posters adapted from Food Council ads that have appeared in Family Circle. One is the colorful "Eat the basic 4 foods every day" symbol and the others feature "Soul" and Puerto Rican ethnic foods.

Popular Promotion

Point-of-purchase advertising continues to spurt ahead. According to survey of 1,740 companies by the Point-of-Purchase Advertising Institute and Advertising & Sales Promotion magazine, 12% of the answering companies expect to increase their p-o-p promotion by 25% or more a year over the next five years; 18% will expand it 11% to 25% a year; 27% anticipate a 1% to 10% increase. Twenty-nine percent said their spending will remain the same, and 3% expect a decrease.



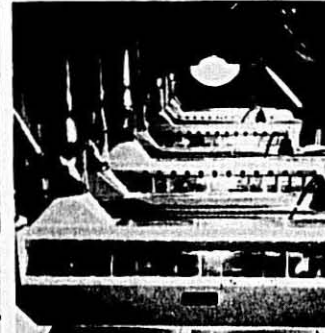
We buy the best durum wheat.



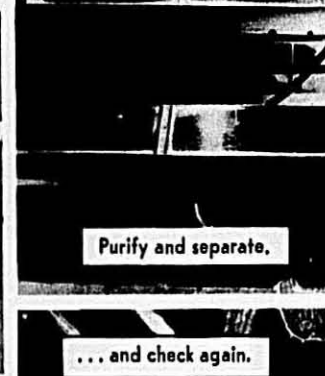
Clean, wash, temper and grind.



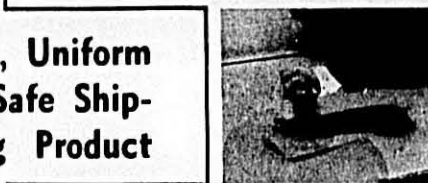
Check and double-check . . .



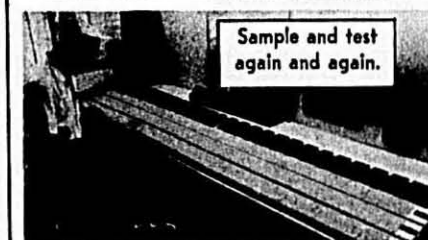
Purify and separate.



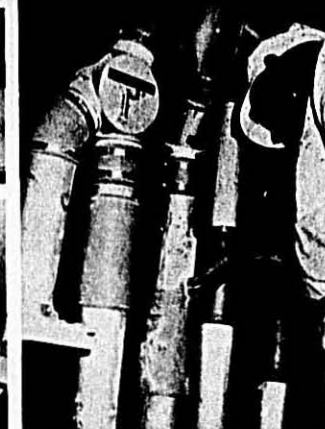
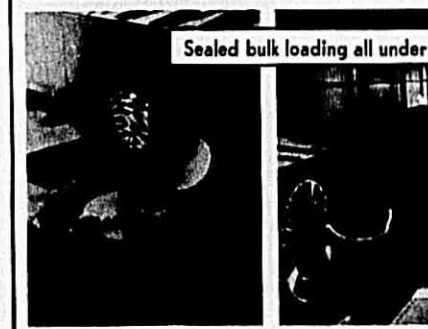
. . . and check again.



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Chain Sales Increase; Profits Drop

The general trend for supermarket chains in fiscal 1971 showed profits and sales moving in opposite directions.

Net profits of 53 supermarket companies fell to \$369.2 million during the year—a drop of 6.1 per cent from 1970. This resulted in the chains, as a group, netting only 9¢ on every \$100 sales, compared with \$1.04 the year before.

On the other hand, total sales rose a moderate 7 per cent to \$40.6 billion, according to the latest Supermarket News annual compilation of financial data of 53 publicly held chains.

Also affected by the depressed overall profits was another key ratio, net to stockholders' equity. A decline from 10.6 to 9.4 per cent took place here as total net worth grew 5.8 per cent to \$3.94 billion.

Pre-tax income for all 53 chains sank even more than the net, by 7.5 per cent to \$727.3 million.

The difference in profit and sales performances for the listed chains was illustrated dramatically by the score of rises and declines.

In sales, 49 of the 53 companies reported advances during fiscal 1971. In net income, however, one third of the firms had a worse position last year than in 1970.

Lower net profit figures were posted by 12 chains, while one suffered losses for both years, and five dipped into the red in 1971.

On the positive side, 34 firms chalked up gains and one company was back in the black.

Sales Leaders

| (Volume in Billions) | |
|----------------------|---------|
| A&P | \$5,509 |
| Safeway | 5,359 |
| Kroger | 3,708 |
| Food Fair | 1,978 |
| Acme | 1,882 |
| Jewel | 1,810 |
| Lucky | 1,794 |
| National Tea | 1,614 |
| Winn-Dixie | 1,609 |
| Grand Union | 1,304 |

Profit Leaders

| (Net as a Per Cent of Sales) | |
|------------------------------|------|
| Wells | 4.40 |
| Winn-Dixie | 2.09 |
| Penn Traffic | 2.05 |
| A. J. Bayless | |
| Fred Meyer | 1.94 |
| Big Bear | 1.89 |
| Lucky | 1.72 |
| Dillon | 1.71 |
| Red Food | 1.63 |
| Safeway | |
| Giant | 1.50 |

Food Is a Bargain

Consumers spend 15.6¢ of each expendable dollar for food in this country. The figure is 26¢ in England, 38¢ in Italy, 45¢ in Japan and 55¢ in Russia.

Food prices have gone up. But the average American's paycheck has gone up faster. In 1947 Americans spent 25% of their paycheck for food. By 1950 this had dropped to 22.2% and 1971 food expenses took less than 16%.

Any way you cut it, Americans enjoy the best food buys in the world. The time required to earn a pound of white bread in the U.S. is six minutes, eleven minutes in France, twelve minutes in U.S.S.R., forty-six minutes in Brazil.

The time required to earn a pound of sirloin steak in the U.S. is 24 minutes. In France it is 110 minutes, 137 minutes in U.S.S.R., 118 minutes in Brazil, and 289 minutes in Japan.

One big reason for the increase in the grocery bill is the change in merchandising techniques. Today's supermarkets offer a wider range of products from bread and butter to charcoal, and including many non-food items such as pet food, garden supplies, toothpaste, baby powder, nylons, light bulbs and a score of other items.

28% for Non-Foods

Today you spend 28% of your grocery bill for these non-food items.

Three-fourths of all pet foods are sold through supermarkets, two-thirds of all toothpaste and over half of the aspirin and baby powder.

Alcoholic beverages, health and beauty supplies, housewares, magazines and paper supplies all add to the average American's grocery bill, yet these are not food items.

"Convenience foods" greatly add to your food cost, too. You don't want to spend as much time in the kitchen, so you buy pre-cooked foods, freeze-dried products, packaged dinners, ready-made desserts, canned hams and potatoes and at least fifty prepared versions.

And today you can buy strawberries around the calendar, have ear corn for Thanksgiving, and enjoy what used to be out-of-season items all year long. U.S. Department of Agriculture Home Economists estimate that this built-in maid service has added 25% to the cost of food. And don't forget, the farmer does not share in the profit of this extra preparation.

While the food bill has continually gone up recently, so has the price of just about everything else. In many cases the increase is much greater than the boost in food prices, as these percentage increases from 1957 to 1971 indicate:

| | |
|-------------------|------|
| Disposable Income | —22% |
| Food | —17% |
| Services | —25% |
| Other Goods | —21% |

The Grocer's Role

The disconcerting rise in food prices has once again led to much talk about what happens to prices between farm and dinner table. President William Mitchell of supermarket leader Safeway Stores did some quick calculations.

"If we took all of the net profit of all of the retail food chains, cooperatives and voluntary groups for a year and distributed them back to the customers on a per-capita basis, an average family of four would get back 28¢ at the end of the week." Put another way, that's a penny a day a person.

Concluded Safeway's Mitchell: "I don't think that is really contributing to inflation."

Italians Like Spaghetti

A recent report that pasta consumption was declining in Italy caused us to write to the Braibanti Company in Milan. They replied: "It is true that, with the general improvement of living standards that brought an increase in the use of various other foods such as meat, the consumption of macaroni products has decreased about 2% since 1965, but the figures that are reported in many publications are just not reliable. While consumption of 100% hard wheat semolina products has slightly lowered, there has been an increase in the use of egg noodles and specialty products such as ravioli, tortellini, etc. It is certainly a fact that the quantity of pasta products consumed in Italy could hardly be higher than they are."

Pasta Machine

An Italian newspaper-seller says he has produced the world's first fully automated spaghetti-making machine.

It converts flour and water into forty plates of spaghetti in twenty minutes—and serves it up with a squirt of tomato sauce and a sprinkling of Parmesan cheese.

Inventor Gravino Agostinoni, from Monte Silvano, in central Italy, says he pours flour and water in one end of the machine. It mixes the paste, cooks it, shreds it and regurgitates it on to plates fed to it along a conveyor belt, with the condiments squirted on just before the waiter grabs the plate and rushes it to the customer's table.

Said Agostinoni: "I hope I can sell my machine to the Americans."

Naples for long goods; Genoa for short cuts; Bologna for stamped goods.

Microwave-Heating Service Center

With the opening of the first fully equipped and staffed microwave-heating service center for general industry, manufacturers now can test techniques on their products on a production scale; there is no need to set up their own production-size pilot plants. Feasibility studies are planned and conducted by experienced microwave engineers.

The range of applications is so flexible these can be adapted easily to many diverse products and purposes.

The new center is located at the Microdry (formerly Cryodry) plant in San Ramon, California. The engineers in charge have pioneered many developments in cooking, drying and blanching of foods, and in drying and heat bonding of wood and other materials.

Empirical results are gained from actual production equipment. This is said to be far more practical than obtaining questionable results from test equipment that is too small, with unpredictable field variations and no conveyors.

The center has both 915 and 2450 megahertz equipment in various sizes, and greater kilowatt availability than



most full-production microwave heating facilities.

Completion of feasibility studies generally is quoted on a 30 day basis, although work often is finished within 48 hours. Nominal charges are made to cover costs of equipment, power and personnel.

Microwave heating is unique in that it heats an object uniformly, inside and out, in accordance with the distribution of its moisture content. And it is done very quickly. Results often are dramatic: for example, pasta is dried in 1/10th the time and space formerly required.

For more information write Microdry Corporation, 3111 Fostoria Way, San Ramon, California 94583.

Chicago Catastrophe

A heavy rainstorm dumped up to seven inches onto the Chicago area Friday night, August 25. The weight of storm water caused collapse of a roof on the Golden Grain Macaroni Co. in Bridgeview, injuring ten persons, one critically. Some forty persons were working on the second shift.



In the next issue:

Washington Meeting Report

New York Press Party Proceedings

In December:
Durum Show Report
Macaroni Decorations

complete coverage in

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Consulting and Analytical Chemists, specializing in all matters involving the examination, production and labeling of Macaroni, Noodle and Egg Products.

- 1—Vitamins and Minerals Enrichment Assays.
- 2—Egg Solids and Color Score in Eggs and Noodles.
- 3—Semolina and Flour Analysis.
- 4—Micro-analysis for extraneous matter.
- 5—Sanitary Plant Surveys.
- 6—Pesticides Analysis.
- 7—Bacteriological Tests for Salmonella, etc.

James J. Winston, Director
156 Chambers Street
New York, N.Y. 10007



Edward A. Horrigan



John F. Ronald



Lloyd E. Skinner

MANAGEMENT PANEL

AT the NMMA Annual Meeting a panel of macaroni manufacturers had these observations on management:

L. D. Williams

Lawrence D. Williams of the Creamette Company said: "Let's get organized!" He observed that job definition and job responsibility must extend from top management through middle management to the bottom rung of the ladder with a commitment up and down the line.

A. M. Vagnino

This viewpoint was reinforced by Anthony M. Vagnino of the American Beauty Company in Denver. Mr. Vagnino declared that in any competitive industry the performance of the people responsible for the use of a company's assets determines the degree of its success.

"Basically," Mr. Vagnino said, "the competing companies within an industry have so many things in common that one might conclude that there is little or no difference between them. However, from our own personal and business experience we do recognize that there is a difference and that this difference is in the performance of the people involved. Consequently, the degree of success that a company may achieve is determined by the quality of their 'people performance.'"

J. F. Ronald

John F. Ronald, President, Catelli Ltd., declared the business of business is to increase revenue while reducing costs. The optimum balance is the key to profit for shareholders, employees and the community.

To increase revenues, said Mr. Ronald, the company must increase sales volume, either through share of market, market growth, or the development of new markets. The second way is through increased prices.

Increased efficiencies will result in reduced costs and contribute to profitability, Mr. Ronald observed. In this area the possibilities are for increased mechanization and automation, the increasing of productivity for higher yields, better purchasing practices, and tighter operations in general. All of these factors are at work in most industries, said Mr. Ronald, certainly in the macaroni field.

Growth

Keys in the macaroni situation are in market growth. In Canada, progress has been satisfactory and probably so in the United States. As for getting increasing share of market or developing new markets manufacturers find the competitive environment very tough. Prices are not normally attractive but this is probably essential to the nature of the business.

On the efficiency side Mr. Ronald observed that mechanization has gone a long way and he asked "how much farther can you go?" There is a potential of course, he observed.

There are also opportunities to be realized in the areas of yields, purchasing, and operations.

Problems

But on the problem side, Mr. Ronald noted, there are government pressures, the problems of satisfactory raw materials, the problems of working conditions and wage rates for labor, sanitation conditions, labeling, trade pressures including discounts and service levels. If increased operating efficiencies tend to be eaten up by these accelerated demands from government, customers and labor.

Funds for increasing automation are hard to find and the problem of the large corporation in the macaroni business are the requirements of standards, unionization, reporting, raising capital, quality control. These demands con-

sume profitability, so the obvious question is: "Are we selling our product too cheaply?"

Mr. Ronald observed that the macaroni industry's pride in low prices was a dubious virtue.

E. A. Horrigan

Edward A. Horrigan, Vice President, Continental Division, Thomas J. Lipton, Inc., agreed with consultant Harold Ward that a public stock company must make a profit in order to improve the value of their stock, and to improve their return on investment.

There are other points as to what profits mean to a company, according to Mr. Horrigan. For example, profits help finance new products to meet the changing consumer needs and wants. Corporate profits also help in programs designed to bring about continued improvement in established product lines. Profits also help in making the plant improvements that are necessary to continue to produce high quality products. Profits also help improve plant conditions for a company's employees. Profits also enable a company to continue to improve their pension plan and the many other fringe benefits required in a more sophisticated society.

After Bud Ward prodded macaroni manufacturers to be more aggressive, Mr. Horrigan agreed with him that someone operating in the pasta business should have come up with a product like skillet dinners or hamburger helpers. He asked the question, "Why does someone who is not essentially in the pasta business have to show the way?"

Code of Integrity

In referring to the comments made by Jeanne Voltz, Los Angeles Times Food Editor, wherein she mentioned consumer interest in packaging and labeling Mr. Horrigan commented that at Lipton they are dedicated to constantly

Management Panel

updating packaging and all forms of labeling. As a growing company with products in broadly diversified fields, Lipton took steps to insure continuity in advertising, packaging and merchandising by adopting in writing a "code of integrity." This code of integrity is a matter of record with all advertising agencies serving Lipton. This serves as an absolute guideline for product management and the corporate packaging department, and all other related departments.

Mr. Horrigan expressed the opinion that responsible officers of the companies in the industry must pay the same attention to every package going on the shelf bearing their name so as to reduce to a minimum consumer confusion and/or consumer displeasure. The protection of the consumer franchise is all important.

L. E. Skinner

Lloyd E. Skinner, chairman, Skinner Macaroni Company, described their planning for profit with a strategic business plan.

"When it comes to talking about profit in our business, we have recently started using a very important device known as Strategic Business Plan which covers one, two and five year objectives. We have found this to be most instrumental in setting the direction of the business and as an instrument for follow-up.

"Mr. W. A. Henry has had considerable experience with this as Vice President-Marketing of Durkee Foods before joining our company and was responsible for setting up our Strategic Business Plan. This does not mean that we have not had future planning before. . . . Mr. H. Geddes Stanway has always laid out one, two and five year plans for our production department. However, this is the first time we have really set up a plan that included our marketing and selling departments.

"In the July 8th issue of Business Week there is an article on how General Electric is using the Strategic Business Plan and the benefits that have accrued from its use.

Strategic Business Plan

"I think by giving you the titles of the different section of our Strategic Business Plan you can see what it covers. They are as follows:

1. Scope of the Business
2. Statement of Objectives (which includes fiscal 1970 through 1976)
3. Business Climate
4. National Marketing for Macaroni Products
5. History of the Company

6. Marketing Plan for the Current Year (which contains our base plans for each product and also our reach plans. Reach Plan is set up in case things go better than expected and we can change our objective.)
 7. Sales Plan (which tells how we are going to reach the objectives of the Marketing Plan.)
 8. Distribution
 9. Manufacturing Plan
 10. Executive Headquarters and Financial Analysis
 11. Key Events (so we can measure our accomplishments.) (Dates are set for completion of each event.)
- "I would like to discuss this further and in more detail, but for the short time allotted me, I think this will give you some idea how to bring about better profits for your business.

Creamettes Advertise Casserole

A Creamette recipe ad in September Family Circle featured "Creamettes Macaroni Mediterranean—or how to turn leftover chicken or turkey into an elegant dish."

The casserole was shown in full color. The accompanying recipe calls for a number of related grocery items including green peas, cream of mushroom soup, milk, salami, ripe olives and Cheddar cheese—plus two cups of cooked chicken or turkey.

"If the ingredients sound a bit exotic, they are," says the Creamette Company. "And the finished dish is easily fancy enough to serve for company."

Retailers interested in tie-in materials, including four-color stack cards and shelf talkers, can contact the Creamette Company.

Chef Boy-ar-dee Italian Food Festival

A total of 96 million store-redeemable coupons will be distributed during the 1972 Chef Boy-ar-dee Italian Food Festival, to be launched in October by American Home Foods on behalf of eight different Chef Boy-ar-dee products.

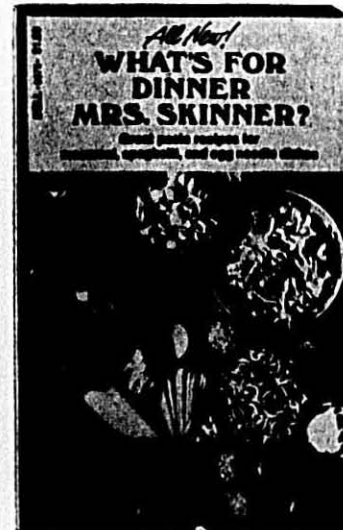
The promotion will be backed by nationwide coupon advertising in Sunday newspaper supplements with a combined circulation of 42 million. A full-color eight-page booklet containing recipes for a wide variety of Italian dishes will be inserted in Parade and Family Weekly supplements on Sunday, October 8, while page-and-a-half ads will appear in independent Sunday newspaper magazine sections.

The eight Chef Boy-ar-dee products to be pushed in the Italian Food Festival are: Spaghetti & Meatballs, Ravioli, Beefaroni, Beefogetti, Spaghetti Dinners, Pizza Mix, Spaghetti Sauces, and Frozen Pizza.

Other Chef Boy-ar-dee products are currently being advertised on a regular basis in Family Circle and other magazines.

Red Cross Macaroni

On July 1 The John B. Canepa Company of Chicago became officially known as Red Cross Macaroni Company.



Skinner Cook Book

Readers of Midwestern and Southern regional editions of September Family Circle can use the coupon in a full-color Skinner Macaroni ad to obtain "What's For Dinner, Mrs. Skinner?"—a new cookbook with 300 recipes—in return for three Skinner labels.

Macaroni Consumption

Statistics from data published by the U.S. Department of Commerce, in thousands of pounds.

| Year | Mill Grind Durum | Macaroni Exports | Macaroni Imports | Consumption | Population | Per Capita |
|------|------------------|------------------|------------------|-------------|------------|------------|
| 1971 | 1,525,100 | 1,486 | 29,207 | 1,542,841 | 209.4 | 7.36 |
| 1970 | 1,481,300 | 1,381 | 27,601 | 1,507,520 | 207.0 | 7.28 |
| 1969 | 1,347,900 | 1,524 | 22,876 | 1,379,252 | 204.8 | 6.73 |
| 1968 | 1,274,900 | 1,278 | 18,839 | 1,292,461 | 202.6 | 6.38 |
| 1967 | 1,253,400 | 1,540 | 17,722 | 1,269,582 | 200.7 | 6.34 |
| 1966 | 1,244,100 | 1,706 | 13,671 | 1,256,065 | 198.7 | 6.82 |

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CLASSIFIED ADVERTISING RATES

Want Ads \$1.00 per line
Minimum \$3.00

Display Advertising Rates on Application

FOR SALE—83 page book on Macaroni, Noodles, Pasta Products by James J. Winston, \$5.00 postpaid if check is sent with order. P.O. Box 336, Palatine, Ill. 60067.

WANTED—Subscribers to the Macaroni Journal. Twelve monthly issues \$8; add \$2 for foreign postage. Macaroni Journal, Box 336, Palatine, Ill. 60067.

Tom Purcell

Tom Purcell, plant engineer for Golden Grain Macaroni Company in San Leandro, California, was killed in a plane accident August 12. He was an aviation enthusiast and was in a home-made plane. He leaves his widow Eva and three children.

Dr. Johnston Retires

Dr. William R. Johnston, vice-president for research, International Multifoods for eleven years has retired.

After forty-one years in the food industry, most of it in the baking and milling industries, his last official act was to edit the two-and-one-half year findings of the Ad Hoc Committee on Iron Enrichment.

Dr. Johnston has credit for a dozen patents and scores of articles and treatises for professional technical journals.

He and his wife Felicie plan to live in the Big Sur area, near Mount Carmel south of San Francisco.

Keep the Competition Healthy

Editorial by M. C. Goldman,
Rodale Press

How does a small shop compete in today's \$125-billion-a-year food trade?

Right now supermarkets and big chain stores are snapping at each other's throats in attempts to get the biggest bite. They're running harder, giving more stamps or prizes, advertising louder. Each one prints up a longer list of suddenly cut prices than its competitors had the week before. Many are staying open around the clock, weekends, Sundays, far into the night. What's more, the food industry seems to be reversing its field on nutrition. For years, processors and retailers insisted that people wouldn't buy anything just because it's good for them. Nutrition doesn't sell, they argued. "Can you imagine Crunchy Granola ever outselling Kellogg's Corn Flakes?" writes business columnist Milton Moskowitz. "Or organically-produced apple juice besting Coca Cola?" Perhaps not, but the food industry, he concludes, "is responding to the rising tide of the back-to-nature movement."

For these reasons, says this columnist, you have only to check the rising sales of health foods or visit your local bookstore. Among today's most popular sellers: "The Chemical Feast" by James Turner, a Ralph Nader lieutenant, followed by Beatrice Trum Hunter's "Consumer Beware!—Your Food and What's Been Done to It," and now Gene Murine and Judith van Allen's co-authored "Food Pollution—The Violation of Our Inner Ecology."

Consumer Awareness

More consumers are waking up—and that's the key to competing successfully. Supermarketing Magazine recently engaged a research firm to survey 30 major U.S. markets. Some 250,000 shoppers were questioned about food-selling practices. Current concern about nutrition is reflected in their attitudes toward nutrition information. Sixty-three percent of the shoppers interviewed believed that food stores should be responsible for providing shoppers with nutritional information and keeping them informed. This attitude was strongest among people whose income was between \$5,000 and \$15,000 a year. Other points hit in the survey: Open code dating to assure freshness (favored by 89%); unit pricing (nearly all say they want it, few actually use it); meat grading (65% said they rely on their own experience in choosing meats rather than on the government grading system); and pollution (84% responded that markets should not sell products that are harmful to our environment).

The concern about nutrition represents one potent means for the small shop to compete effectively. So does the public's increasing concern about additives, residues, hormones, environmental abuse. And certainly the big turn to foods that taste better, to old-fashioned cooking, and to wholesome do-it-yourself preparation ideas instead of highly-processed ultra-convenience products—these all add up to a stronger position for the little guy than ever existed before.

Keep Informed

How does the small shopkeeper make the best use of these plus factors? First of all, he stays informed. He keeps himself and those who serve the customer up to date on nutritional research, developments and the sort of every-day information people want to know about. He makes sure his shop doesn't lose that personal touch invariably lacking in the yawning aisles of the huge markets. Second, he leads the way in better labeling, fresher produce, baked goods, etc. Third, he respects that 84% of the buying public who don't want stuff sold where they shop that will mess up the environment even more than it's already fouled. He simply keeps such products out of his store. Finally, he plays square with both the consumer who wants organically-grown food and the farmer who is making the effort to supply it. He stocks fresh vegetables and fruits, grains, breads, dairy products, meats, frozen and packaged foods from certified organic growers. And he lets his customers know he's doing exactly that.

By showing he cares, by keeping people and families involved in real farming, by making sure he gives his customers the freshest, tastiest, most wholesome natural foods available—as well as by combining the advantages of the personal touch, sound nutritional information and lively merchandising—the organic food shopkeeper can indeed compete. Let's keep the competition healthy!

Editor's note: Taking care of customers, being aware of their concerns, being informed in general, all adds up at a level of food production and distribution. That's why there are associations.

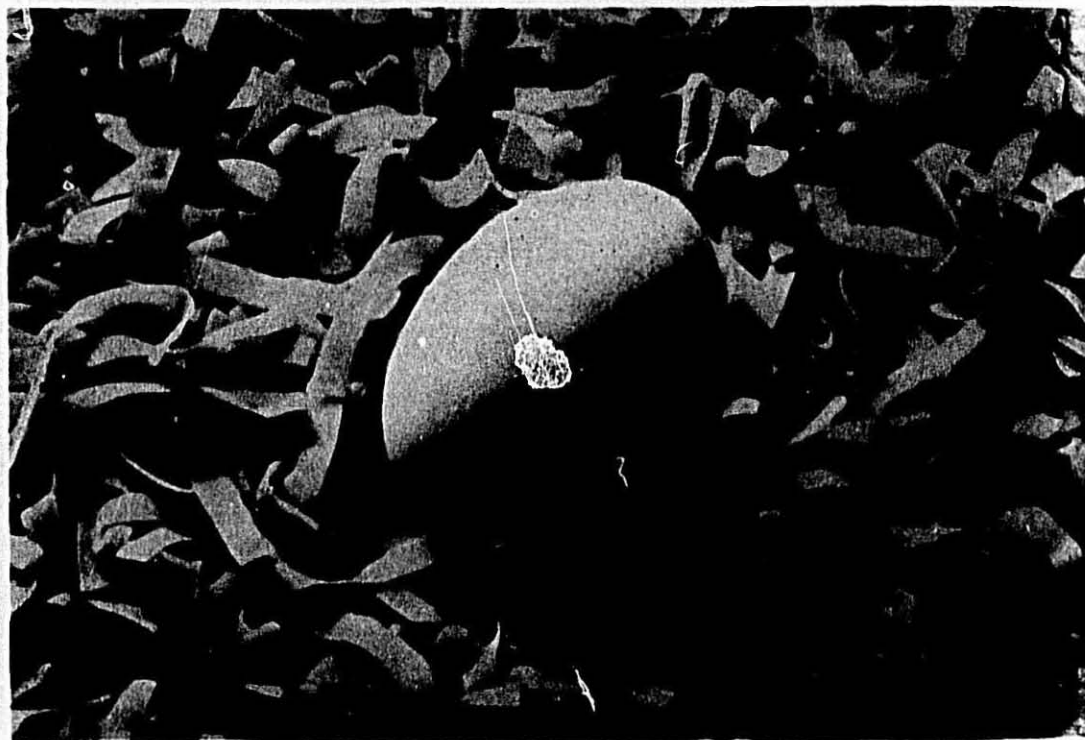
Food Trade Convention Calendar

- Oct. 1-5: Food & Dairy Expo '72, Atlantic City Convention Hall.
- Oct. 22-25: Nat'l. Assn. of Food Chains, Miami, Florida.
- Oct. 30-Nov. 2: PMMI Packaging/Converting Machinery Show, McCormick Place, Chicago.
- Nov. 11-15: Nat'l. Frozen Foods Convention, San Francisco, Cal.

HOW TO GENERATE A COMPLETE MERCHANDISING PROGRAM WITH JUST ONE PHONE CALL.

The illustration shows a shopkeeper in a white cap and apron standing behind a counter, holding a large sign with a stylized leaf logo. A customer is standing in front of the counter, looking at a display of various food products, including boxes of cereal and jars of jam. The background is filled with more signs and products, creating a busy, well-stocked grocery store atmosphere. The overall style is a detailed black and white line drawing.

**Okay.
Who put egg in the noodles?**



Sal Maritato did.

So now when you buy Multifoods' new noodle mix called "Duregg" — all you add is water.

We've gone ahead and added the egg solids to Multifoods' top-quality durum flour.

A number of our customers have already ordered "Duregg" in hefty lots.

Here are a few reasons why you should:

- Duregg eliminates time-consuming, in-plant blending of flour and egg solids with expensive machinery.
- Duregg is ready when you need it. No thawing, less chance of contamination, and less time and mess.
- Duregg eliminates the need to re-freeze unused egg.
- Duregg assures a consistent blend.
- Duregg eliminates the necessity to inventory two ingredients. Storage and record keeping is reduced.
- Duregg simplifies delivery. Now it's one source — Multifoods.
- Duregg lowers your manpower requirements.

Enough said. Order your Duregg with a phone call.

The number is 612/339-8444.



**INTERNATIONAL
MULTIFOODS**

DURUM PRODUCTS DIVISION
GENERAL OFFICES, MINNEAPOLIS, MINN. 55402