

**THE
MACARONI
JOURNAL**

**Volume 55
No. 6**

October, 1973

Macaroni Journal

OCTOBER, 1973



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The Macaroni Journal

October
1973
Vol. 55
No. 6

Official publication of the National Macaroni Manufacturers Association,
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MACARONI JOURNAL

Subscription rates
Domestic \$ 8.00 per year
Foreign \$10.00 per year
Single Copies \$1.00 each
Back copies \$1.00 each

The Macaroni Journal is registered with
the U.S. Patent Office.
Published monthly by the National
Macaroni Manufacturers Association
as its official publication since May, 1919.
Second-class postage paid at Appleton,
Wisconsin, and Palatine, Illinois.

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National Macaroni Week

"Spaghetti is in danger", Italians were warned in a story published recently in *Panorama*, a widely-circulated newsweekly. That same warning has been sounded in newspapers and the broadcast media in the United States "vaulting pasta to a prominence that could only be described as an advertising manager's dream—providing that the problems that engendered all of the publicity can be solved", as *Milling & Baking News* puts it.

Macaroni publicity was born in crisis. Twenty-five years ago the Marshall Plan at the end of June abruptly cut off an export business that amounted to 224,000,000 pounds for the first six months of the year and that production had to find a home. It was then the National Macaroni Institute was incorporated and the firm of Theodore R. Sills hired to handle publicity and product promotion.

Since that time there have been two shortages of durum wheat. The first in the early 1950's when crop failures for three successive years resulted in a crash research program to develop strains of wheat immune to Rust 15B. Nature develops new strains of rust as scientists develop new strains of

wheat so the research and plant breeding is a never-ending process.

Again in 1961 we had a durum shortage caused by bad weather and a lack of carry-over. In the past ten years the growers have organized into a Wheat Commission which has developed overseas markets. Exports now take more than domestic requirements.

In June, 1973 when the price freeze put the domestic durum millers out of business the exporters stepped in and committed some 82,000,000 bushels of the expected 85,000,000 harvest. With a smaller carry-over this year, durum millers and macaroni manufacturers are going to be hard pressed for supplies.

The government should have imposed export controls but they did not. So macaroni manufacturers will have to find the best material available and tell consumers how to use it. This is the point of National Macaroni Week—additional emphasis on a year-round program of telling consumers how to use macaroni, spaghetti and egg noodles.

The fact that it has been around twenty-five years attests to the soundness of the program. The present crisis gives cause of why such a program is necessary.

MACARONI WEEK - a national publicity effort for macaroni products

Publicity Covers
National Macaroni Week
In Every Media

National Macaroni Week, October 11-20, 1973, has the theme: "One-Pot Pasta for Convenience, Nutrition and Economy."

Major Market Daily Newspapers are receiving black & white photographs as well as color with recipes and story material stressing the advantages of One-Pot Pasta. These are supplied on an exclusive basis to food editors in 219 standard metropolitan areas, with 26,000,000 circulation per mailing.

Photos are for: Tuna and Macaroni Casserole; Frankfurter Noodle Cheese Skillet; Noodle Vegetable Soup; Spaghetti & Corned Beef Skillet.

Negro Press, some 175 newspapers, will receive photo of One-Pot Macaroni & Cheese Circulation 3,000,000.

Labor Press, 600 newspapers, gets photo and recipe for Macaroni Seafood Casserole. Circulation 11,000,000. Same photograph and background material goes to Small Town Daily and Weekly Newspapers with a circulation of 12,000,000.

For Television, a program kit is planned for use during National Macaroni Week, with the title, "Convenience Cooking—One Pot Special." The kit will include script, three 35 mm color slides, three glass containers with cork tops for holding macaroni, spaghetti and egg noodles. The kit is offered on an exclusive basis and response is expected to bring 100 or more uses.

A special radio script, with suitable recipes and background on National Macaroni Week and its theme will be sent to 581 stations across the country.

Press Reception: The Seventh Annual Macaroni Family Reunion will be held at Tiro A Segno in New York on September 19. Approximately 100 representatives of newspapers, syndicated columns, magazine, radio and television will be in attendance.



One Pot Chicken Tetrazzini

One-Pot Pastas from the Freezer

HERE is the script from a television program kit sent out by the National Macaroni Institute:

Everyone is seeking help in stretching the food dollar. Homemakers are looking for convenience meals, with nutrition a foremost factor in menu planning.

Pasta—macaroni, spaghetti and egg noodles come to the rescue on all three counts. And macaroni products are on the U.S. Department of Agriculture's Plentiful Foods List for June.

They fall into the economy class, and are a nutritious food. American macaroni products are enriched. They are valuable providers of protein, containing a good distribution of amino acids necessary for optimum health and growth. Macaroni is usually served with meat, fish, poultry, seafood, cheese or eggs which complement the protein content.

Four ounces of cooked macaroni provides 15% of the U.S. recommended (Continued on page 6)

Take Aim on National Macaroni Week

Take aim on National Macaroni Week, Oct. 11-20. You will be right on the profits target if you feature macaroni products during the annual celebration of National Macaroni Week, October 11-20. The homemaker is calling more and more on elbow macaroni, spaghetti and egg noodles to extend her budget and at the same time supply appetizing and nutritious meals to her family. Remember, one package of macaroni products used in a number of recipes sells at least seven to eight times its price in related items from meat, dairy, produce and canned goods sections of your store. Kathy Kenny, 19, is our macaroni and archery enthusiast.



THE MACARONI JOURNAL

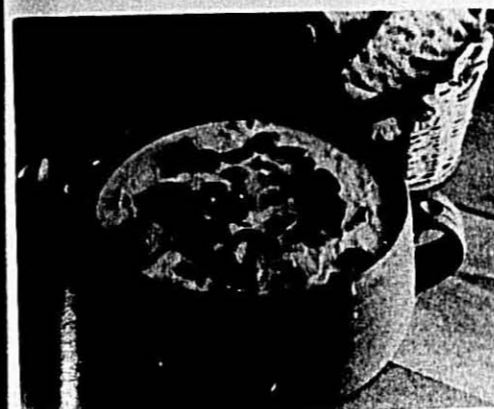
One-Pot Pasta for Convenience, Nutrition and Economy



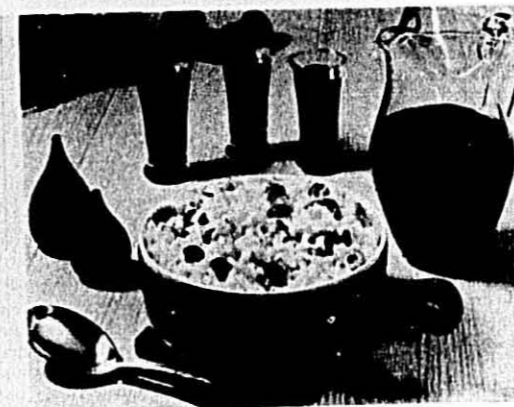
One Pot Macaroni Beef Soup



Meat Balls Stroganoff with Spaghetti



One Pot Tuna-Noodle Soup



One Pot Creamy Macaroni and Meat

Ingredient Prices Soar!



Dwayne Shulman

OCTOBER, 1973

Macaroni, a housewife's traditional refuge from the high cost of beef, will shortly climb in price with other foods unless the Federal Government immediately embargoes exports of durum and other varieties of wheat, says the National Macaroni Manufacturers Association. Durum wheat is a basic raw material in macaroni.

The nationwide industry association urged people to wire Washington demanding an end to "this absurd policy of stripping the cupboard of vital commodities at home to sell them abroad."

"The price of durum wheat has more than tripled since the first of June and is more than 4½ times the cost of a year ago," says R. M. Green, NMMA Secretary.

Meanwhile, egg yolks used in noodles have also tripled in price in a year's time.



One Pot Swiss Cheese Noodles

One Pot Pastas from Freezer (Continued from page 2)

daily allowance for adults of thiamine and 10% each of the protein, riboflavin, niacin and iron.

The carbohydrates in macaroni provides energy. Pasta is considered a low sodium and low fat food.

The National Macaroni Institute is offering a collection of recipes which makes it possible for you to create convenience meals in your own kitchen. All of the ingredients cook together in one pot—go into the freezer—and are all ready to simply heat and serve.

Colorful lustrous-freezing containers are available in pint and quart sizes in the housewares departments of many variety, discount and hardware stores. They are just right for freezing macaroni dishes. Once they are labeled they can be stored for a three month period.

Here are some suggestions: One-Pot Spaghetti with Meat is an ideal luncheon or supper dish. The pasta is mixed with sauteed onion and celery, diced luncheon meat and a process cheese spread.

A noodle specialty with meat balls offers more menu variety. The meat balls are a tasty surprise—each is filled with a cube of Swiss cheese. The noodles and meat along with onions are simmered in tomato juice.

To complete this trio is a hearty, nourishing clam chowder. Full of flavor, team large bowls of this with a simple green salad and chunks of crusty bread or an assortment of crisp crackers.

Curried Spaghetti with Eggs is another recipe offered in these easy-to-do freezer specialties. This is a dish handsome enough for entertaining, yet practical enough for a surprise family meal. The hard-cooked eggs are arranged over the spaghetti at serving time. If you wish, have peanuts and coconut in the "curry" manner. This is excellent with baked or broiled fish. It is equally good with roast chicken or turkey.

Still another way to go is sweet and sour noodles with tuna. Wouldn't this be perfection on a buffet table? And remember, like our other recipes, all you need do is take it from the freezer and heat. Grated cabbage and carrot salad would be a nice accompaniment, and perhaps some hot rolls.

And now to one of the very favorite ways to serve macaroni—Macaroni and Cheese. However, this is done in the easiest way. Imagine! Preparing macaroni and cheese in one pot—no baking—and no extra step in cooking the macaroni separately. Chopped celery

and seasonings add an interesting change of pace in flavor. Dusting of paprika and chopped parsley lend a bright note when the dish is presented.

The National Macaroni Institute also recommends a One Pot Spaghetti and Fish—an economical combo with frozen fish filets, spaghetti, vegetables, cheese and tomato soup.

Another suggestion which falls into the One-Pot—freeze-now, serve-later group is a Savory Macaroni and Tuna Chowder.

We hope today's program has supplied some guidelines in helping you plan money-saving, time-saving, nutritious meals.

More One-Pot Pasta Dinners

One-Pot Chicken Tetrazzini (Makes 6 servings)

- 1 medium onion, chopped
- 2 tablespoons butter or margarine
- 2 cans chicken broth, undiluted (10 ounces each)
- 1½ cups water
- ¼ teaspoon pepper
- 12 ounces uncooked spaghetti broken into pieces
- 1 can sliced mushrooms, drained (3 ounces)
- 2 tablespoons Parmesan cheese
- ¾ cup heavy cream
- 3 cups cooked, diced chicken

Saute onion in butter until tender. Add chicken broth, water and pepper. Bring to boil. Gradually add spaghetti so that liquid continues to boil. Gently boil, uncovered, until spaghetti is tender, about 20 minutes. If necessary, add more water to pot to prevent sticking. Stir occasionally. Add remaining ingredients; cover and heat for about 3 minutes. Turn into serving dish. If desired, sprinkle with additional Parmesan cheese. Serve immediately.

One-Pot Macaroni Beef Supper (Makes 4 to 6 servings)

- 1 pound ground beef
- 2 cans condensed tomato soup (10½ ounces each)
- 2 soup cans water
- 1½ teaspoons oregano
- ¼ teaspoon salt
- ½ cup sliced pimiento-stuffed olives
- 2 cups uncooked elbow macaroni (8 ounces)

In large skillet or Dutch oven, brown ground beef, stirring frequently. Add soup, water, oregano, salt and olives. Heat until boiling. Stir in macaroni and cook covered over low heat 12 minutes

or until macaroni is tender. Stir occasionally. Serve immediately.

One-Pot Swiss Cheese Noodles (Makes 6 servings)

- 3 cups water
- 1½ teaspoons salt
- ¼ teaspoon pepper
- ½ teaspoon basil leaves
- 8 ounces uncooked wide egg noodles (about 4 cups)
- 1 package frozen cut green beans (9 ounces)
- 1 cup light cream
- ½ cup chopped pitted black olives
- 8 ounces Swiss cheese, grated

Bring water and seasonings to a boil in 4 quart saucepan; gradually add noodles so that water continues to boil. Add beans; stir until separated. Cover and simmer 10 minutes or until noodles and vegetables are tender. Stir occasionally. If necessary add more water to pot to prevent sticking.

Stir in cream, olives and Swiss cheese; cook over low heat, stirring gently, just until cheese is melted. Serve immediately.

Meat Balls Stroganoff with Spaghetti (Makes 4 to 6 servings)

- 1 egg
- Salt
- Pepper
- ½ cup fine dry bread crumbs
- 1½ pounds ground beef chuck
- 2 tablespoons butter or margarine
- 1 quart water
- 8 ounces uncooked spaghetti, broken into pieces
- 2 tablespoons chopped parsley
- 1½ cups dairy sour cream

To prepare meat balls, beat egg, 1 teaspoon salt and ¼ teaspoon pepper in bowl. Add bread crumbs and chuck; toss until combined. Shape into about 20 meat balls. Heat butter in large pot. Brown half of the meat balls at a time in pot; remove with slotted spoon and set aside. Reserve drippings.

Add water, 1 teaspoon salt and ¼ teaspoon pepper to drippings in pot; bring to a boil. Gradually add spaghetti so that water continues to boil. Cover and simmer 20 minutes or until spaghetti is tender and most of liquid is absorbed. Add meat balls, parsley and sour cream. Stir gently over low heat for about 2 minutes or just until mixture is heated through. Serve immediately.

One-Pot Tuna-Noodle Soup (Makes about 2 quarts)

- 1 cup sliced carrots
 - 1 medium onion, sliced
 - 2 tablespoons butter or margarine
- (Continued on page 8)



Macaroni Makes Sense / Cents

Macaroni makes sense for the consumer to balance her food budget. Macaroni makes cents for the grocer in building related item sales. The Institute makes sense for macaroni manufacturers by building a bigger market for macaroni. Send your pennies in each month.

NATIONAL MACARONI INSTITUTE

P. O. Box 336, Palatine, Illinois 60067

One Pot Tuna-Noodle Soup

(Continued from page 6)

- 4 cups water
- 1/4 teaspoon salt
- 1/4 teaspoon pepper
- 8 ounces uncooked fine egg noodles (about 4 cups)
- 2 cans tuna, drained and flaked (7 ounces each)
- 1/2 cup sliced pimiento-stuffed olives
- 2 cups milk

In large pot saute carrots and onion in melted butter until onion is tender. Add water, salt and pepper; bring to a boil. Cover; reduce heat and simmer for 10 minutes or until carrots are tender. Add noodles; cover and simmer until noodles are tender, about 5 minutes. Stir occasionally. Add remaining ingredients and heat; do not boil. Serve immediately. **NOTE:** To make a thinner soup, add more milk and season to taste.

One-Pot Creamy Macaroni and Meat

(Makes 6 servings)

- 1/2 cup chopped onion (about 1 medium onion)
- 2 tablespoons butter or margarine
- 1/4 teaspoon pepper
- 1/4 teaspoon dry mustard
- 3 1/2 cups water
- 2 cups uncooked elbow macaroni (8 ounces)
- 1/2 cup sliced pimiento-stuffed olives
- 1 can luncheon meat, dice (12 ounces)
- 1 1/2 cups dairy sour cream
- 1 cup grated Swiss cheese (about 4 ounces)

In 3 quart saucepan, saute onion in butter until golden. Add seasonings and water; bring to a boil. Gradually add macaroni so that water continues to boil. Cover and simmer for 12 to 15 minutes or until macaroni is tender; stir occasionally (most of cooking liquid should be absorbed by now.)

Stir in olives, luncheon meat and sour cream until combined. Cook uncovered over very low heat for about 5 minutes or just until mixture is heated through; stir occasionally. Stir in cheese until melted. Turn into warm serving dish. If desired, garnish with additional pimiento-stuffed olive slices. Serve immediately.

Photos Available

A set of black and white pictures for these recipes are available at \$2 per set or 50¢ each. Write: The National Macaroni Institute, P.O. Box 336, Palatine, Illinois 60067.

Macaroni Is Number One

A recipe folder with nine recipes and basic directions for cooking macaroni products is available at 2 cents each, NMI.

Congress Passes Farm Bill

The House on Friday, Aug. 3, following earlier Senate approval on Tuesday, July 31, passed and sent to the White House a four-year farm bill, S. 1888, that is expected to be signed by President Nixon. The measure, named the Agriculture and Consumer Protection Act of 1973, includes among its features:

- Repeal of the "bread tax" retroactive to July 1, 1973.

- Increase in the national average loan on wheat to a minimum of \$1.37 per bu and on corn to \$1.10, effective with the 1974 crop.

- Establishment of a target price concept that will be at a fixed level in 1974 and 1975 and can be increased for the last two years of the program depending on a complicated formula.

- Four-year extension of P.L. 480 and food stamps.

- Continuation of the set-aside concept of acreage controls and return to national acreage allotments for both wheat and feed grains.

- Several "sleeper" provisions, including research funding.

Wide Margins of Approval

Senate approval of the bill early in the week came on a vote of 85 to 7 and House passage was by a margin of 252 to 151. Both margins of approval were substantially greater than for the Agricultural Act of 1970 which established the set-aside concept of acreage controls. No one predicted at the start of 1973 that the first session of the 93rd Congress, dominated by urban members to a greater extent than any of its predecessors, would have approved a new farm bill by such overwhelming margins or would have gained accord this early in the session.

In fact, this is the first farm bill to be passed in a number of years that was enacted prior to the start of winter wheat seeding. With the new bill into law, the Department of Agriculture will be able to inform winter wheat farmers of the provisions for the 1974 crop program as they undertake land preparation ahead of seeding this fall. Actually, few surprises are expected in the 1974 crop program, as Secretary of Agriculture Earl L. Butz already has declared that there will be no set-aside requirements for next year's crop of wheat and other grains.

No More Levy on Wheat

One of the genuine miracles in the 1973 farm bill is the provision terminating the wheat processor certificate, or

"bread tax," as of July 1, 1974. Under the conference committee bill, the levy of 75¢ on each bu of wheat ground for food "shall not be applicable to wheat processed or exported during the period July 1, 1973, through June 30, 1978." The latter date is when the four-year program in the 1973 act expires.

That the final bill repeals the "bread tax" a year earlier than the scheduled expiration of the 1970 act on June 30, 1974, is a tribute primarily to the efforts of a group of bakers spearheaded by the Independent Bakers Association.

Minimum Wheat Loan \$1.37

So far as the wheat support program itself is concerned, S. 1888 provides for a minimum national average loan rate beginning with the 1974 crop of \$1.37 per bu. That compares with the national average loan of \$1.25 in effect for wheat since the 1965 crop season. The original House bill would have raised the loan to \$1.49.

Established Price at \$2.05

Under the "target" or "established" price concept, which replaces the marketing certificate program and other income payments features, wheat farmers will be guaranteed beginning with the 1974 crop an established national average price of \$2.05 per bu. That price will be provided through income payments that will be made equal to the gap between that price, if any, and the national average price received by farmers in the first five months of the marketing year, July-November, or the national average loan, whichever is higher.

Current average prices to farmers are well above the \$2.05 target with the national average price to farmers on July 15, 1973, at \$2.47 per bu. In the first five months of the 1972-73 crop year, the average was \$1.60.

The \$2.05 target for wheat the same as adopted by the House. The Senate originally had sought a target of \$2.28.

Another compromise is in the ending of the so-called escalator feature, which does not take effect until the 1976 and 1977 crops. In 1976, adjustments occurring as the result of changes in the index of farm costs and yields in the previous year would be reflected in the 1976 target price.

No More Set-Aside Maximum

In order to be eligible for price support loans and payments, farmers will be required to set-aside whatever percentage of the national allotment is determined by the Secretary of Agriculture. Eliminated from the bill is the 1970 act's maximum of 15 million acres on the wheat set-aside. Yet, for

the 1974 crop at least, Secretary Butz already has said that no set-aside will be established.

In order to arrive at a set-aside, the Secretary will establish a national acreage allotment for wheat not later than April 15 of the year preceding the year in which the crop is harvested. The allotment is the number of acres determined, based on national average yield, as will produce a crop equal to expected domestic and export use in the following year. The allotment can be adjusted to reflect any needed decreases or increases in carryover stocks, although "a desirable carryover" level is not defined.

All the substitution provisions in the 1970 act are carried forward. For example, the Secretary may permit producers of wheat to have acreage devoted to soybeans, feed grains, guar, castor beans, cotton, triticale, oats, rye or other crops considered as planted to wheat to maintain acreage history.

Payments Limit Cut to \$20,000

The final bill provides a payments limitation of \$20,000 for the 1974 through 1977 crops, compared with the \$55,000 limit currently in effect.

Four Years More on P.L. 480

Public law 480 program is extended for four years through Dec. 31, 1977. One change requires the President to take steps to assure that commercial supplies are available to meet any demands developed through market development programs of P.L. 480.

Research Projects

Several special research projects are authorized by the new bill. One directs the Secretary of Agriculture to carry out a cost of production study on wheat, feed grains, cotton and dairy commodities. Another directs a research program aimed at developing wheat and feed grain varieties "more susceptible to complete fertilizer utilization to improve the resistance of wheat and feed grain plants to disease and enhance their conservation and environmental qualities."

Section 811 directs the Department of Agriculture to provide technical support to exporter and importers of U.S. agricultural products when so requested.

The bill authorizes a separate reserve for disaster purposes, not to exceed 75 million bus of wheat, feed grains and soybeans "for the purpose of alleviating distress caused by a natural disaster."

One section that attracted considerable public attention gives the Secretary of Agriculture authority to certify to the President (who is required to

act) the need for adjustments in ceiling prices for agricultural products when the Secretary determines "that the supply of the product will be reduced to unacceptably low levels as a result of any price control or freeze order or regulation and that alternative means for increasing the supply are not available."

Section 32 Funds for Buying

Besides a number of amendments to the food stamp program, the legislation authorizes the Secretary of Agriculture to use Section 32 funds to finance purchases of foods to maintain levels of distribution to schools, domestic relief distribution and other domestic food assistance programs. That would allow continuation of the domestic flour donation buying program, which had been threatened by the previous authority that limited such buying to commodities in surplus.

Use of Section 32 funds is authorized only through July 1, 1974. "At that time," according to the conference committee, "it is the expectation of the conferees that the food stamp program will have been implemented nationwide and that those areas of the country which previously relied upon the Federal food distribution program will be receiving food stamp assistance."

The Farmer's Point of View

This letter to the editor of the Chicago Daily News is a farm resident who prefers to remain anonymous.

I am not a city housewife, but I have a story to tell. I am the wife and mother of men who raise this pork everyone is complaining about. May I share our story with you?

We not only do not have a savings account, we are thousands of dollars in debt. We borrowed money to buy a farm. We pay taxes on the entire value, although we actually own a small portion and are paying interest for this privilege. We previously paid personal tax on our farm machinery, trucks, livestock and cribs of corn stored for feed.

We are in debt for buildings that house our machinery and livestock. We seldom have a year when we can pay all our bills—feed bills, fertilizer, seed and gasoline—but our banker will lend us the money to square up, using our livestock as collateral. We certainly know our banker well—just before most machinery is paid for, it wears out.

A combine or a picker costs about \$10,000, plus interest. You can hire this service to be done for you. Your neighbor will do this for you as soon as he

gets his own done, but of course rain, hail and wind may get to your crop before he does—but you may have some left.

An attorney's wife recently interviewed in this newspaper said she wasn't going to pay these high meat prices; it was the principle, not the money. Her husband probably drives an air-conditioned car to an air-conditioned office and works 9 to 5.

It's the principle with us, too—the principle of feeding before 7 a.m. and after 8 p.m. because it is too hot and humid and they won't eat. All day we haul water and tend sows and pigs. They can easily get too hot and die.

For entertainment we jump into the pickup and run to see if the creek has gone down off our corn, which we were planning to use for feed. It is almost ruined as it has been under water three times so far. We owe for fertilizer, seed corn, nitrogen and weed spray, plus hired labor and farm gas used to prepare ground and plant.

We can't get to the highway because of tourists with campers, trailers, boats and water skis. (People have money for these things.) We have no paid vacations, long weekends or pension plans. No company pays our hospitalization, unemployment benefits or half of our Social Security.

We don't blame anyone; we chose to farm. But why do city people, who are paying only 16 per cent of their income for food, against 23 per cent 20 years ago, complain so much?

If we could only understand each other it might help. I do know that we farm people have been giving our youngsters a college education and they don't have to rely on farming for a livelihood. They are not going to raise livestock unless they receive a reasonable profit. There is not that much fun to it.

Red Cross Macaroni Co. Closed

A federal judge has closed the Red Cross Macaroni Co. in Chicago, for using a dangerous insecticide where the macaroni products are processed.

U.S. District Court Judge Richard F. McLaren issued a 10-day temporary restraining order August 10 after the U.S. attorney's office filed suit against the firm.

The government charges that residues of an insecticide, strobane, were found in the interior of drying racks, contaminating the macaroni products.

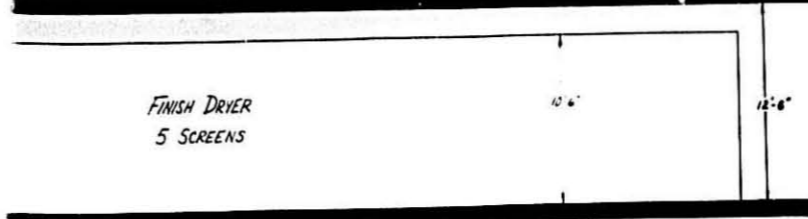
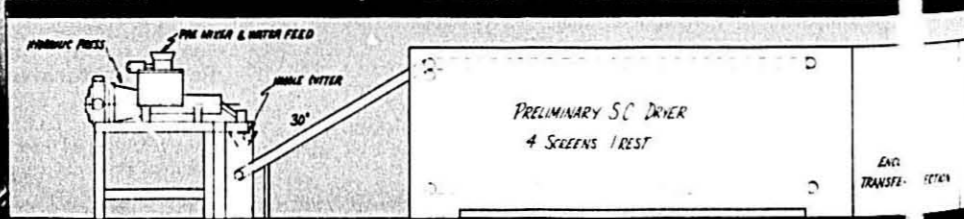
Donald J. Parker, an attorney for Red Cross, said the amounts of strobane found in the products were too small to be considered harmful.

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Why the Food Industry Will Still Be the Patsy

Editorial by Kent Partch in Chain Store Age

It is continually baffling to me that agricultural-economic policy is so totally ignored by the food industry (with the possible exception of the milling and baking industries). The Agricultural Act is being written and revised as of right now (July), and it is a safe bet that few representatives of the food industry are doing anything to influence how this legislation should be written or revised. By the end of July it will most likely have become law for another four years, without any meaningful reform.

The food industry has been singled out by the Administration time and again as the culprit, as a leading cause in the rising cost of food, and yet has never effectively said: "Look, we are just middlemen, we do just pass along increases in costs to us for food products whether fresh or processed."

For some other baffling reason, the food industry has tacitly if not implicitly condoned an agricultural policy that has no more relation to the realities of the agricultural-economic scene than does the Administration's efforts to control prices in what is supposed to be a free market. Both fail to deal with the root of the problem. In the first case, the agricultural policy was designed to control an overcapacity agriculture. In the second, the attempt is to control an excessive demand in a situation of under supply. Naturally, both policies are failures.

This could have been the year the U.S. got out from under agricultural legislation designed for a 1930's situation, one that still has most farmers and their legislative representatives hypnotized. They still see over-abundance and falling prices around the corner. Yet, we are told day after day by economists, the Administration, and the Department of Agriculture that surpluses are a thing of the past, that we are in a world scarce-food market, with countries like Japan, Russia and China willing to buy whatever we can produce.

Russian Wheat Deal

According to the recent General Accounting Office report, the sale of wheat to Russia last year was not only mismanaged in terms of providing windfall subsidies to large grain companies, but the sale actually contributed to the subsequent rises in prices of food products for which the nation's supermarkets were so roundly criticized. The report states:

"Consumer costs attributed to the sales (of wheat) included higher prices for bread and flour-based products, increased prices for beef, pork, poultry, eggs and dairy products resulting from higher costs for feed grains, and a severe disruption of transportation facilities with attendant higher costs and shortages or delays in delivery of certain supplies."

Of course there were certain benefits which accrued from the sale of wheat to Russia, and eventually, if belatedly, subsidies on these sales were removed. But the Soviet Union and China have also ordered an additional 10.5 million metric tons of grain and soybeans this year. What will happen to the price of beef and other food products in U.S. supermarkets if late plantings due to heavy rains this spring do not produce the expected record harvests?

The commodities market has long enjoyed a lack of scrutiny on the part of most of the people who are often directly or indirectly affected by it. It seems too mysterious and too complicated to be understood. But perhaps it is time that we in this industry took the time to understand what is happening in international agriculture, and took an interest in the kind of food market in which we will be operating in the future.

Questions Should Be Asked

A number of serious questions can—and should—be asked about U.S. policy in regard to agriculture at home and exports to the world market. Should Americans learn to eat less protein—or expensive protein—in order to provide adequate supplies for export? Should Americans learn little tricks like "slice meat thin and fan out on a platter—it looks like more," as suggested by one chain's helpful home economist? Is America entering a period of austerity like Great Britain's after World War II? There is an energy crisis, a fuel crisis, a pollution crisis, a food shortage crisis, and a dollar crisis.

In short, is the long-ignored check coming due, the check for a guns and butter economy, the check that has been treated as no more than a political slogan?

New Phase IV

Now we have Phase IV, but it is obvious that there will still be some price increases—merely delayed by

Phase III. How soon will the shortages in beef, pork and poultry, and some fruits and vegetables correct themselves? Will the harvests of September and October tend to ease prices in food in last quarter of 1973? If they don't, that still-sleeping political giant, the consumer, might just wake up to discover that not only did she pay for the cut-price wheat deal to Russia, but that now she'll have to compete with the citizens of the world for her super-market products—while still supporting an out-moded, unjust farm-agriculture policy.

It's time for the food industry to get the monkey off its back. Agriculture will not reform itself. Pressure must come from the outside. Farm communities—including their legislative representatives—the Department of Agriculture, and the vast supportive industrial complexes of agriculture will not reform farm policy. Why doesn't the food industry lend support to the forces that will reform it? Or has the food industry given up on the idea of low cost, abundant food in America? If it has, watch what the Ralph Naders do to the food industry in the years just ahead.

Commodity Inflation: and What to Do About it

Washington columnist Joseph Kraft writes:

The inflation now raging in his country and the rest of the world derives chiefly from soaring commodity prices. So the administration strategy of turning on the production spigot makes sense.

It should check prices after a one-per-cent only increase sometime this year. The big difficulty is that the administration has not developed a fallback position against the possibility that the present strategy might fail.

The commodity-based character of the present inflation is absolutely clear. The more traditional sources of inflation—wage-push and demand-pull—have been relatively quiet. Wages, in particular, have held in bound. The big settlements for rubber workers and Teamsters this year brought increases of only about 4 per cent.

Demand as a whole is strong but not overwhelming. Some parts of the economy are still not running at capacity, and unemployment, at 4.7 per cent, is not all that low.

(Continued on page 14)



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Commodity Inflation

(Continued from page 12)

By comparison the commodity figures have been going through the roof. The Dow Jones commodity index, which covers fibers and rubbers as well as foodstuffs, has jumped by 60 per cent since January.

Corn, wheat and soybeans have had something like three-fold price rises in the last year. Livestock costs, which move in ratio to feed prices, have risen so much that there is now no incentive for farmers to market meat.

Diverse reasons explain the rise in commodity prices. Bad harvests last year, and perhaps again this year, have made Russia into a major importer. A change in Pacific temperature cut down the catch of anchovies—a major source of meal.

For the first time since the war, there has been a simultaneous economic boon engaging all the major non-Communist nations—the United States, Japan, West Germany, France, Britain and Canada. Personal incomes have risen, and the disposition to buy more meat.

Additionally there has been undoubted speculation. Governments uncertain about future supplies—notably Russia, China and Japan—have been bidding up prices at a furious pace.

Obvious Remedy

The obvious remedy for this trouble is to increase production, and the Nixon administration is now going all-out. The farm bill signed by the President last week removed the few legislative restrictions on output, and emphasis incentives to grow more food and fiber.

Presumably American farmers will respond with effort and investment. Record crops this year could well be supplemented by more next year. And that prospect should arrest the speculative fever.

To be sure, the present increase in farm prices would not be rolled back. But the rise would stop in late fall after a once-only surge. The commodity inflation would not spill over into wage demands, and the administration would thus have a chance to put together a general Phase 5 policy for holding the line on further inflation.

But the architect of this policy, Agriculture Sec. Earl Butz, is more a master of nickel wisdom than a prophet. He and other economists in the administration have repeatedly been wrong in the past. They could easily be wrong again.

It could well be that American farmers are confused by the gyrating prices. In that mood they could continue to hold stuff off the market, thus goading further speculative frenzy. So it would make sense to have a fallback position.

Fallback Position

The best fallback position is to restrict American exports of foodstuffs. That would assure some stocks for this country at a lower price, while rationing the rest of foreign customers. The foreigners, with at least a certainty of some access to American stocks, would not go off the deep end in speculation. In this country we would be saved the tremendous food cost, which by eating so much of disposable income could topple the boom into a recession.

There is no requirement for such a policy right now. But it would be a good idea to begin preparations by setting up a system of export licensing.

The difficulty is that Butz has taken up a stance that seems to exclude the preliminary steps that have to be taken now just in case the present policy fails. So while it doesn't have to be, it may be that once again the administration will be caught short when the inflationary crunch comes.

Mounting Worry Over Supplies

Modest expansion occurred in sales of semolina, granulars and durum flour in early August, comprised entirely of single cars and other small lots for quick shipment. Growing number of macaroni and noodle manufacturers reached exhaustion of contracts and reverted to price-date-of-shipment. At least for the time being, concern among mills and macaroni manufacturers was more over availability of supplies than price and demand prevailed for whatever mills could offer even as p.d.s. quotations soared. Anxious search for semolina and other durum products was accomplished by acceleration in testing of hard winter and spring wheat farina, particularly for short goods. Sensationally wide differential between semolina and farina prices encouraged a turn to substitution but many macaroni manufacturers still held to hopes that markets and supplies would permit continued manufacture of 100% durum products. Several large users have contracts for needs of another 30 days, sometimes to mid-September, but majority was at or near p.d.s.

Expansion in Mill Grind

Mill grind expanded briskly, average operations near six days, few plants at less than five. Shipping directions against low-priced contracts were brisk and most new business was accompanied by specifications. Outlook is for continued heavy grind, depending of course on extent of substitution.

Based on current durum costs, carlot values per cwt, f.o.b. mill, Minneapolis, were: Semolina \$18.55@18.60;

granulars, \$18.40@18.45; flour, \$18.25@18.30; second clear nominal.

Cash Durum Bids Up 15@3

Acute tightness persisted in cash durum and bids climbed 30¢ on top of all grade ranges and 15¢ on low ends. Mills and exporters competed aggressively for limited offers, most receipts applying on previous contracts. In a fortnight, cash durum bids soared \$2.55 a bu. Country selling was slow, only slight pickup after dramatic improvement in status of 1973 crop. Rains fell in prime durum triangle at most opportune time and outlook improved so much that, instead of gloom many observers expect U.S.D.A. estimate based on July 1 conditions to be attained, that estimate being 87,035,000 bus. Even with the improvement in production outlook, market strength reflected widespread opinion that crop was still close to oversold.

Export Sales 9.7 Million in Week

Undelivered export durum sales as of July 13 for shipment by next June 30 were 66.2 million bus, according to the weekly report of such sales made by the Department of Commerce. This represents an increase of 9.7 million bus from previous week. The preliminary review of the wheat situation issued last week by U.S.D.A. says 82 million bus are available for export and carryover and the Commerce Department data indicate that that figure is already down to less than 16 million. If sales pace since the July 13 cut-off date for most recent Commerce Department report has been maintained, that availability has already disappeared. Morocco will receive 1.5 million bus on 1,300,000 bus No. 2 hard amber for October-November. In Europe, cargo trades in No. 3 hard amber durum were at \$6.60 per bu, f.o.b. Duluth, October.

Strong indications were that large durum export sales were made, yet shown in Commerce Department data. Algeria apparently bought a round 250,000 tons and China buying probably exceeds 100,000 tons by a sizeable margin. Italian needs are great because of crop setback, and Peru, Chile and Venezuela have indicated need for durum. Canadian reluctance to sell durum is reflected in demand from that country's traditional buyers.

Domestic Usage Revised

Preliminary review of wheat situation estimates 1973-74 domestic use of durum at 42 million bus and also revised the 1972-73 utilization upward to 40 million bus, against earlier estimates of 38 million. These revisions recognize increased per capita consumption of

pasta that has been evident in recent Bureau of Census data on durum milling.

History Making Advances

History-making moves in wheat futures in August included daily establishment of new historical peaks in prices and maximum allowable 50¢-a-bu advance for a week in September and December contracts in all three markets—Kansas City, Chicago and Minneapolis.

Mills in 'Impossible Situation'

Stunning developments in export wheat posed an entirely new set of supply and demand statistics, one in which it appears that Washington officialdom has decreed that domestic processors must compete with foreign buyers for 1973-74 needs. That the milling industry is on notice to assure its wheat supplies for the season was accentuated by adamant attitude of the Nixon administration in avoiding imposition of export licensing or other controls. Milling could possibly meet that challenge but for two virtually insurmountable hurdles—destruction of viability of futures market because insatiable foreign demand and no controls kept contracts locked in a maximum daily advances. This made it impossible to hedge against forward flour bookings within the morass of regulations that comprise Stage A of Phase IV for the food industry. Without the ability to contract flour ahead and hedge in futures, mills were unable to finance the acquisition of wheat stocks to assure supplies for 1973-74. Unless a way is found soon to "break the circle that binds the breadstuffs industry export transactions will be dipping sharply into domestic needs. Indeed, that situation probably already exists in some wheat classes, specifically durum and soft red.

Durum Industry Advisory Committee Meets

Divergent views on methods of assuring adequate supplies of durum wheat in 1973-74 for the domestic requirements of macaroni and noodle manufacturers were aired in August at a special meeting of the Durum Industry Advisory Committee in Minneapolis. After "agreeing to disagree" on the question of whether export licensing or other controls would be the best approach to check a drain on supplies that would cut into domestic utilization, the committee turned its attention to finding a common approach to the problem.

The meeting at the Normandy hotel was called by Alvin Kenner, committee chairman and representative of U.S. Durum Growers Association. It was attended by 23 individuals, including growers, millers, macaroni manufacturers, exporters, legal counsel, and representatives of the North Dakota Wheat Commission.

Contrary in Export Resolutions

As a starting point, Robert M. Green, executive secretary of National Macaroni Manufacturers Association, related the conflicting actions that had already been taken by various segments that comprise the industry committee's membership. The U.S. Durum Growers Association at a July 2 meeting passed a resolution opposing the imposition of export controls and similar action was taken by the North Dakota Wheat Commission at its annual meeting July 9. Also on July 9, the National Macaroni Manufacturers Association, at its convention in Hot Springs, Va., passed a resolution urgently calling for the inauguration of a system of export controls.

Against Controls on Licensing

Ole Sampson, representing the North Dakota commission, said that the growers and commissioners were not authorized to endorse the concept of controls or licensing at this time. He suggested that the meeting concentrate on looking for something the committee could do as representing all segments of the durum industry.

Growers to Urge Selling

Three resolutions were passed at the committee meeting but millers and macaroni manufacturers drew more encouragement from growers' assurances that efforts would be made through the association newsletter and other communications to assure a flow of durum to the domestic market.

Three Resolutions are Passed

One resolution called on the Burlington Northern and Soo Line railroads to recognize the special problems of the durum industry during the balance of the crop year in assuring an adequate supply of cars. Another resolution was directed to the Cost of Living Council, calling for clarification of Phase IV as it applies to the durum industry with the purpose of expediting regulations that would allow domestic buyers to compete on comparable basis with foreign buyers. The third resolution commended the U.S. Department of Agriculture for its efforts to disseminate information promptly and urged it to make available accurate estimates of production, carryover and exports.

U.S.D.A. Disbelieves Export Data

The committee heard a report from another committee of macaroni manufacturers and millers that had met the preceding Monday with officials of U.S.D.A. Robert M. Howard, International Multifoods Corp., Minneapolis, and Lloyd E. Skinner, Skinner Macaroni Co., Omaha, reviewed those discussions. Mr. Howard pointed out that basic problem is that U.S.D.A. officials "did not believe the export government figures, estimating sales thus far at only around 35 to 37 million bus." Mr. Howard said the group gained the impression that the administration has no intention of isolating the American food consumer from the rest of the world.

Cautions Against Lower Quality

A. L. Katskee, D'Amico Macaroni Co., Steger, Ill., sounded a warning about tampering with quality of pasta products because of soaring durum costs. Pointing to the increased per capita consumption of pasta in the U.S., evidenced by reports of the Bureau of Census and estimates of domestic utilization. Mr. Katskee predicted that, even at higher prices, per capita consumption in 1973 could rise another three to four lbs due to promotion efforts and the unprecedented rise in cost of meat and other foods.

Macaroni at twice the price is still a bargain," he said. Mr. Katskee predicted that per capita consumption could rise to 15 to 17 lbs in the next five years.

Grower Urges Mills to Contract

Richard Saunders, one of North Dakota's leading durum growers, acknowledged holding sizable durum inventories and pointed to difficulties encountered by farmers in marketing because of the rail car shortage. Mr. Saunders suggested that it may be necessary for the industry to contract the crop year needs, saying that such contracting "would be a healthy situation." In order to facilitate this practice, it would be necessary for macaroni manufacturers to make commitments for more than a month or two at a time, Mr. Saunders said. Mill representatives explained the difficulties encountered under Phase IV in making such commitments in semolina, also as to the lack of a futures market in which to hedge, posing insurmountable financing problems.

Says Farmers Will Not Hold Back

Mr. Kenner, committee chairman and grower, predicted that farmers will not withhold durum at prices above \$5 a bu. He suggested that acreage will increase.

(Continued on page 16)

Industry Committee Meets

(Continued from page 15)

crease in 1974 because of huge demand and high prices and that the industry has four good varieties that assure quality and quantity.

Larger Carryover is Urged

Richard Crockett, president of North Dakota Association and a durum grower, said "We have not been realistic on durum carryover. Unless we carry over twice domestic grind, we're going to get into jams like this. In the old days, a carryover of 10 to 15 million bus was sufficient, but those days are gone because the demand is worldwide." Mr. Crockett also pointed out that, in spite of the current problem, the efforts of the committee over the past 10 or 12 years "have worked out beyond our dreams." He said production has been increased, markets had been found and misunderstandings reduced among industry segments.

Credibility has been established with the Department of Agriculture, he said, adding that the credibility must be maintained. Along these lines, Mr. Crockett pointed out that the need for credibility makes it difficult for growers to take a stand against exports. "We hung our hat on the argument with U.S.D.A. that durum deserves consideration because it is sold for dollars and now to say we don't want to sell for dollars would only hurt our credibility," Mr. Crockett commented.

Optimistic Estimate of Production

Harold Hofstrand, president of U.S. Durum Growers Association, presented an optimistic forecast of 1973 production after the generous rains of past fortnight that produced sensational turnaround in outlook. Growers at the meeting generally estimated that the U.S.D.A. estimate of 87 million bus will be attained. Mr. Hofstrand said the durum triangle has been moving north and west and that outlook in the new area for best crop ever raised.

The committee voted to establish regular meeting schedules for twice a year—once at the Annual Durum Show in Langdon, N.D., in October and once at the January convention of National Macaroni Manufacturers Association. The committee was formed about 12 years ago at the suggestion of U.S.D.A. officials to provide a source of advice and counsel for the Department.

Canada Raises Wheat Prices

Prices paid by Canadian millers for wheat for domestic milling rose about 70¢ a bu on spring wheat and \$2.25 a

bu on durum at a result of a major modification in the two-price system in Canada approved by the Trudeau Cabinet.

Instead of the \$1.95½ a bu price for No. 1 Canadian Western red spring wheat, 14% protein, in store Lakehead, that has been charged Canadian millers for nearly four years, the Wheat Board price to millers will reflect its daily world price quotations, which were \$3.62½ for that class of wheat on Friday, July 20, less a special subsidy of \$1 per bu to be paid by the government. No. 1 durum, which had been offered to mills for domestic grind at \$1.95½, went to \$5.21½ on Friday.

Durum Prospects Average Or Better

A report in mid-August based on personal observations made by the Crop Quality Council staff predicts near average spring wheat yields indicated in the upper midwest and better than average in the Canadian provinces.

Cooler weather and slightly better moisture the later part of July saved the North Dakota small grain crop from its closest brush with crop failure in many years. Near average yields are now indicated although severe drought damage to crops has occurred in many south central and some southeastern sections.

The North Dakota durum crop potential continues excellent with overall yields of 28-30 bushels indicated. Present moisture should be adequate to bring even the latest fields to maturity. Harvest was underway south of Lakota, Devils Lake and Leeds in early August. Harvest in the heavy producing northern area was to be general by the week of August 20.

Moisture and temperature have been generally favorable this season in the principle northern durum producing area that now extends west to the Montana border from the traditional durum triangle in the east. In much of the area west of Devils Lake and Langdon to Williston and Crosby, many fields should produce 30-35 bushels. Durum stands are extremely heavy in the north central Bottineau-Mohall-Bowbells section where some heavy fields may yield 40-45 bushels or more.

Stress from Heat

Stress from heat and drought has been more frequent and reduced durum

potentials mostly in the northern Lakota-McVie area as well as the central region. However, good yields of 25 bushels are being harvested with test weights of early samples ranging 60-62 pounds.

Durum stands in eastern Montana are excellent and yields of 28-30 bushels are in prospect.

Canadian prospects across the prairies are generally above average although drought in southern Alberta and southwestern Saskatchewan has caused severe damage. Potentials are good in central Alberta and western Saskatchewan.

Canadian farmers planted 10% less durum wheat this year. According to preliminary estimates, farmers planted 2,550,000 acres. Last year 3,160,000 acres were planted. Exports of durum wheat from Canada totaled 60,100,000 bushels in the July 1972-June 1973 season, slightly under the 62,000,000 shipped in the previous season. The largest importers were the U.S.S.R. and Peoples Republic of China, each taking about 13,000,000 bushels.

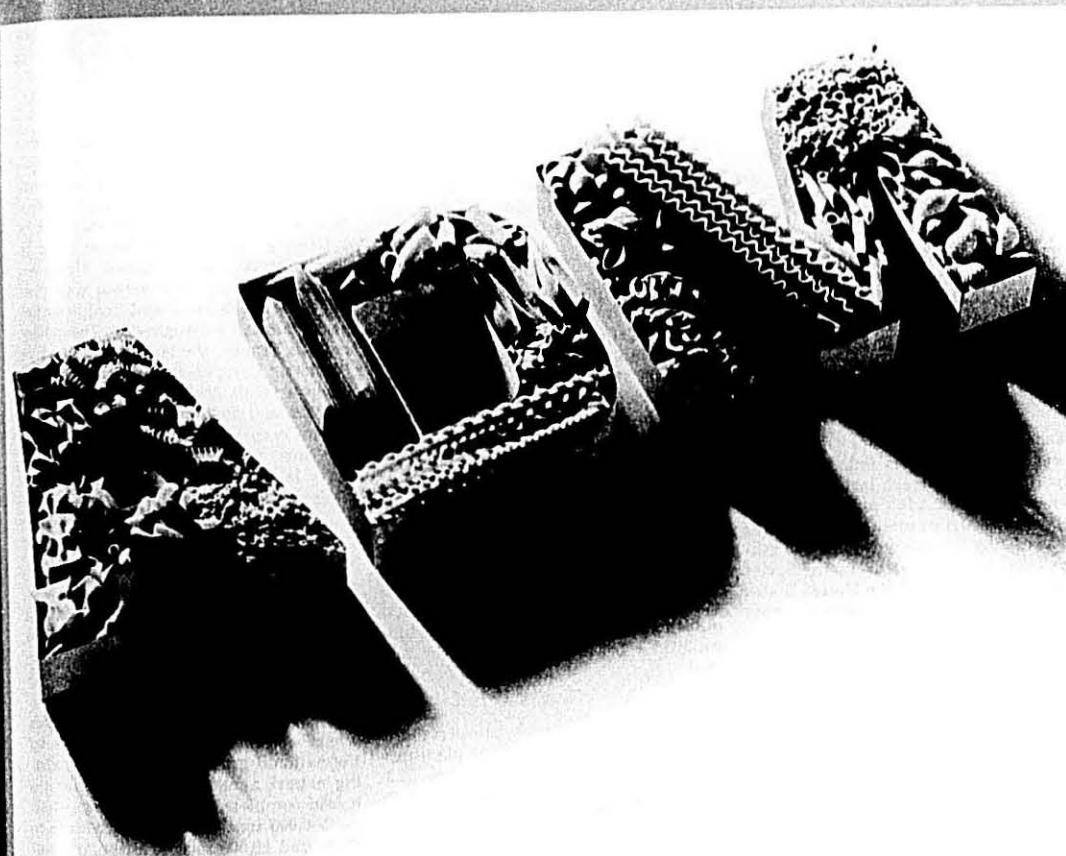
Quarterly Durum Report

Durum wheat production was forecast at 82,000,000 bushels by the Crop Reporting Board on the basis of August 1 conditions. This is up 13% from 1972 but down 10% from the record high 1971 crop. Acreages are larger than last year in all states except California. Acreage for harvest is estimated at 3,000,000 acres, 15% more than in 1972 and 2% above 1971. An average yield of 27.7 bushels per acre was indicated August 1, which compares with 28.6 bushels last year and 32.1 bushels in 1971.

Carryover stocks in all positions on July 1 totaled 36,700,000 bushels, down sharply from the 69,200,000 one year ago. Farm holdings of 18,700,000 were 61% below last year, and off-farm stocks of 18,000,000 were down 5%. Disappearance during the crop year ending June 30, 1973 is indicated at 105,500,000 bushels, compared with 110,000,000 a year earlier.

Strong world demand increased durum wheat exports to 65,000,000 bushels. This was an increase of 21,000,000 over one year ago and 28,000,000 over the preceding year. Almost 21,000,000 bushels were exported to the U.S.S.R. and 13,000,000 to Algeria.

Durum Production	1,000 Acres		Yield per Acre		1,000 Bushels		1972
	1972	1973	1972	1973	1972	1973	
North Dakota	2,580	2,298	30.0	28.5	73,360	67,493	
South Dakota	111	87	23.0	25.0	2,664	2,175	
Montana	180	134	28.0	31.5	4,140	4,221	
Minnesota	58	32	34.0	31.0	2,030	992	
California	2	4	35.0	39.0	70	156	
United States	2,971	2,555	27.7	28.6	82,264	73,037	



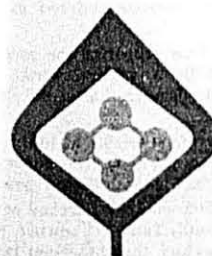
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The Wheat Situation

Despite prospects for a record 1973 harvest, low beginning stocks and strong demand will result in a further drawdown in wheat stocks at the end of the 1973/74 marketing year. Strong foreign demand and uncertainties about exportable supplies throughout the world have set the stage for heavy early-season commitments and exceptionally strong harvest prices.

The 1973 wheat crop was indicated on July 1 at a record 1,749 million bushels, 13% above last year. But carryover into the new crop year was the lowest since 1967 and the total supply for the current season is estimated to be down 10%.

Phenomenal Exports

Domestic disappearance may edge lower if less wheat is fed. But wheat exports could approach last year's phenomenal level of 1,185 million bushels. Reported export commitments for 1973/74, as of July 6, already totaled 916 million bushels of wheat as grain. Soviet wheat purchases from the United States are expected to be down sharply from the estimated 400 million bushels of 1972/73, but sales to the People's Republic of China and India will be sharply larger. Total domestic use and exports for the season will likely exceed production, resulting in another reduction in carryover at the end of the 1973/74 season to around 300 million bushels.

Record High Prices

Mid-July farm prices of wheat averaged \$2.47 per bushel, the highest monthly farm price since January 1948. With continued heavy export demand, farm prices are likely to remain very strong. The pattern of prices through the season will largely depend upon the final outturn of the U.S. wheat and feed grain crops, the size of world grain crops, and prospects for the 1974 U.S. crop. If a bumper 1973 world grain crop is harvested and prospects point to another large crop in 1974, prices next summer could be down from current high levels.

Smaller Durum Stocks

Smaller durum stocks will more than offset a substantially larger 1973 crop and supplies will be down from a year ago. With another relatively strong export demand in prospect, stocks are headed for another sharp reduction. Prices are already reflecting this situation, reaching \$6 per bushel in late July and \$9 in August.

Durum Show

Oct. 15-17:
35th Annual U.S. Durum Show,
Langdon, North Dakota.

World Wheat Outlook

Forecasts based on July conditions indicate that the 1973 world wheat harvest could reach a record 335 million metric tons, 10% above last year. Prospects indicate crop recoveries in the USSR and Australia from the drought levels in 1972. Acreage expansion will lift production substantially in Canada and the United States.

Russia

Weather and crop conditions indicate that the 1973 Soviet wheat crop may be up a fifth from the poor 1972 harvest; winter wheat will account for most of the increase. Although the 1973 Soviet winter wheat crop got off to a poor start last fall because of dry conditions and underplantings, a mild winter and relatively good growing conditions this spring should push yields to record levels, lifting production sharply above last year. Favorable weather permitted early completion of seeding of an expanded spring wheat area. Mid-July conditions pointed to a good spring wheat crop, but the final outcome will still depend on moisture conditions in late July and early August.

Canada

Canadian 1973 wheat prospects are good to excellent. Estimated plantings are up over 3 million acres from 21.3 million acres in 1972. A record yield of around 28 bushels per acre appears possible this year as a result of increased fertilizer usage, adequate moisture conditions and increased seeding of Neepawa, a new high-yielding variety. This would produce a crop of 650-700 million bushels, around a fifth larger than last year. Weather during early August will be a key to the final outcome.

Australia

Australia's 1973 wheat production is expected to rise over two-thirds from last year's drought-reduced level of 6.4 million metric tons. The Australian Wheat Board 1973 quotas allow virtually unrestricted production. This along with high market prices have led to an increase of nearly a third in plantings to over 23 million acres. Growing conditions have improved markedly as a result of the drought-breaking rains last winter, and the 1973 wheat crop just seeded has gotten off to a good start.

Argentina

Next winter's wheat harvest in Argentina is expected to be down substantially from last year's bumper harvest. Heavy rains hampered seeding and export taxes which are reflected back to grower prices have taken away

some of the glitter of high world prices. Both yields and area are expected to be lower.

Western Europe

The 1973 wheat area in Western Europe is estimated to be down 4% from 1972. But higher yields will moderate the impact of this decline and production is expected to decline only 2%. A relatively dry, mild winter resulted in less winterkill than normal. However, soil moisture in early spring was generally below normal and cool weather also inhibited early growth. The wheat crop in France, the largest producer in Western Europe, is expected to be down a tenth. Italy's total wheat crop is estimated down around 5%, with the durum crop running about a tenth below last year. West Germany, however, is expected to have a substantially larger harvest.

Argentina Bans Exports of Any More Meat, Flour

Buenos Aires—Argentina banned any new exports of wheat and flour in an effort to meet domestic demand, alleging the previous military regime "exported too much."

A government decree also authorizes wheat and flour purchases abroad by the national grain board to meet existing export agreements. Argentina still has to complete wheat shippings totaling 500,000 tons to Brazil, 70,000 tons to Chile and 20,000 tons to Uruguay, government officials said.

They added that, according to official estimates, about 600,000 tons will have to be purchased abroad to meet these agreements. There weren't any immediate indications as to where these purchases would be made.

Workers Attack Home of Boss

San Francisco, Argentina (UPI)—Police and rioting spaghetti factory workers fought after the workers protested layoffs by attacking the home of the factory owner.

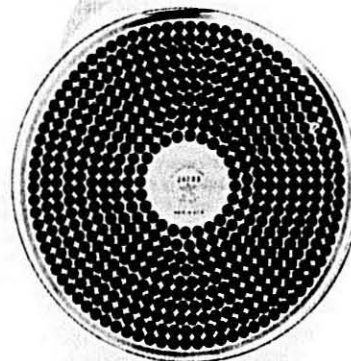
Police said one person was killed. Three other persons suffered gunshot wounds.

Other unions supported the spaghetti workers with a general strike and schools and offices shut after the rioting broke out.

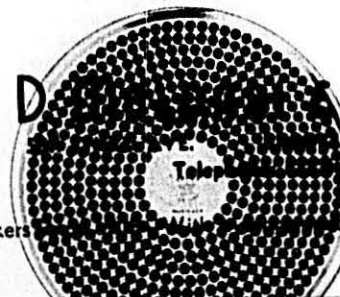
Reinforcements were sent to this city of 60,000 from Corboda after police said they could not guarantee the peace.

About 1,500 workers marched on the home of Raul Tamplari, owner of a spaghetti factory that has been laying off workers and cutting production.

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OCTOBER, 1973

GMA Sponsors Food Price Seminar

SEVENTY national media representatives attended a seminar on "Food Prices, Shortages and Economic Controls" sponsored by GMA, in cooperation with the Cooperative Food Distributors of America, National-American Wholesale Grocers' Association, of Convenience Stores, National Association of Retail Grocers of the United States, National Association of Food Chains and Super Market Institute.

The seminar, designed as a background briefing on food price issues and related problems, was held August 9th, in Washington, D.C. Highlights from the presentations follow:

William O. Beers

William O. Beers, chairman, Kraftco Corporation, declared: "The food industry is caught in a bind, a double bind. The first one, of course, is the traditional condition of the inflation that has resulted in increasing prices in recent years for food processors. . . . The second bind (is the) . . . critical shortages of many raw materials."

"We need in this country a financially healthy food industry because it is indispensable to the public welfare of all of the people. But if the industry continues to be hampered and restricted, profits will decline, and it will continue to lose its attractiveness as an investment. If it loses the attractiveness of an investment, this will naturally result in higher interest rates and result in a greater difficulty of obtaining funds on a favorable basis to finance further growth. This in turn will contribute to further declines."

" . . . One of the primary factors in food processing is that of being efficient and you can only be efficient by being productive. I think in this the food industry has . . . a remarkable record and to give you an example, during the past fifteen years, the productivity of American agriculture increased at an annual rate of 5.8%, the best sustained record of any sector. During the same period, productivity in the food processing industry increased at 3.6% per year. Productivity in food retailing increased at a rate of 2.8%. Productivity in the total economy went up at about 3%."

" . . . The food processing industry accepts the need for Government regulation in areas necessary for the protection of public health, safety and welfare. But price controls as a form of regulation are not the answers to problems that are caused by inflation."

Important segments of the food industry are operating on profit margins of less than one percent. Any outside tampering with a system as finely tuned as this is, is virtually certain to cause serious difficulties."

C. W. Cook

C. W. Cook, chairman, General Foods Corporation, stated: "Today's circumstances are not normal. The mechanism by which food and other products are marketed in this country is under severe and distorting pressure from the unprecedented economic and political forces now bearing upon it."

"In order to capitalize on our productive strength, without impairing the interest of our own people, I am convinced that we must, without delay, begin to formulate a new National Food Policy, and develop the machinery to apply it. Such a policy would be aimed at enabling us to "manage" our enormous agricultural capability more effectively—in the interest of our consumers, our farmers, our nation's political needs, and to help alleviate the hunger here and abroad."

" . . . The National Food Policy that I propose would be directed toward four objectives: First, to provide for our own domestic needs at prices that would yield a fair return for the grower but would be accomplished by projecting each year the domestic requirements for each food commodity, and then reserving for domestic use a supply adequate to meet these requirements under orderly market conditions."

At the same time, the policy would aggressively encourage all possible exports in excess of the quantities reserved for domestic needs. For this purpose some mechanism would be needed to coordinate and channel exports in accordance with national policy objectives. One collateral objective, by the way, would be to strengthen the dollar to an extent that would enable us to buy the imported foodstuffs our people want at more reasonable prices."

It follows from this that the policy should also provide incentives, if and as necessary, to ensure that we produce as much food as possible—or as much as the world market could absorb. Growers would share proportionately on total sales at the U.S. price and total sales to other countries at "world prices."

And finally, the policy would place more emphasis on exporting our great agricultural know-how to those areas of the world where chronic food short-

ages cause real hardship. Included would be aid in solving problems of the use of tropical areas and arid area for food production as the world need for more arable land increases."

" . . . An effective National Food Policy would meet consumer needs, insure a fair return to growers, aid our balance of payments, cement better relations with other nations, and aid in alleviating hunger, both here and abroad."

Dr. Clifford Hardin

Dr. Clifford Hardin, vice chairman, Ralston Purina Company, and former secretary of agriculture, observed: "It is my firm conviction that over the next few years, food prices will be lower without price controls than with them."

"Farmers, by nature, like to produce all they can. The agricultural industry is highly competitive. Price ceilings, while holding food prices down, also serve as a restraint on the farmer's natural urge and ability to keep expanding his production. Inevitably, there will be shortages and, finally, higher prices."

" . . . Personal incomes of people in many countries are rising, and many countries have been able to generate increasing quantities of foreign exchange. With these increases comes an almost automatic demand for more and better foods."

" . . . If farmers know that orderly export licensing machinery will be available and will be used to protect domestic supplies if needed, they will certainly expand with greater courage and confidence. Furthermore, if we are to have all out effort, farmers need to be assured that they will not be plagued with price ceilings that might place them in a loss situation. I believe if assurances of that kind are given, farmers will respond in a manner that will permit this country to continue to expand food needs at reasonable prices."

" . . . In urging action of this kind now, I am making a plea for orderly exports, not a cessation of them. I still feel strongly that the best interests of the U.S. lie in expanding our farm exports. I believe there will be greater production and more available for export in the future if we are careful to protect U.S. producers and consumers today. The only way to have more to export and more to eat at home is to increase production. A program of rigid food price ceilings will not encourage this."

Dr. C. J. Grayson

"There is a danger of over controlling an effort to get prices down in the short run, and in the long run . . . perhaps leading to even higher prices because you restrict prices even further," declared Dr. C. Jackson Grayson, dean, Graduate School of Business, Southern Methodist University, and former chairman, Price Commission.

"There is a serious danger in trying to go from short-run effects, leading to long-run distortions. That is what the Price Commission learned in its lessons in considering all of the options. We rejected most of the extremely severe restrictions and I think they should continue to be rejected. I think it is going to be a problem that is not going to go away right off. The nation should be prepared for it. They must put that into perspective and understand the consequences of more severe actions which would be worse."

" . . . In this chart is merely a look at what controls have been able to do and not been able to do over Phases I, II and III. The left-hand column is pre-controls: you can see all items were 3.8, food was 4.8, and all items less food was 3.4. Now if you move across the sheet, you will see food items have gone up 6.5 within Phase II, 20.3 in Phase III, and then in all phases 8.8. This is certainly higher than 4.8 (the pre-control percentage). In other words, the control program, trying as much as they have to moderate food price increases, has not been able to push down the rate of these increases, because you simply cannot when the demand is greater than the supply."

John O. Whitney

"I think our failure to communicate is because we are an industry (supermarket) of contrasts," said John O. Whitney, president, Pathmark Division of Super Markets General Corporation, and former associate dean, Harvard Business School.

"On the one hand, we are a big industry with more than one hundred billion dollars in sales. Yet, our after-tax profitability is around six tenths of one percent—or six hundred million dollars. This translates roughly to six cents per week for each person we serve. That six cents must be used to keep our stores modern, to build new stores, to add new equipment and hopefully to pay some dividends."

" . . . Last week, the average hourly wage in our company's stores, including fringe benefits, was \$5.25, or almost 9 cents a minute. Keep that figure in mind as I trace what happens to a can of peas as it goes through the system."

Annual Rates Of Change In Prices Before And During The Economic Stabilization Program*

Consumer Prices	All Items	Food	All Items less food
12/70-8/71	3.8%	4.8%	3.4%
Phase I			
8/71-11/71	2.0%	1.7%	2.3%
Phase II			
11/71-1/73	3.6%	6.5%	2.8%
Phase III			
1/73-8/73	8.3%	20.3%	5.2%
Phases I, II, III			
8/71-8/73	4.5%	8.8%	3.2%

(*Based on seasonally adjusted data, except for services.)

" . . . First, it comes in a carton of twenty-four, by truck or rail to our warehouse. Hopefully, it is loaded on pallets so the man with a fork lift truck can take it to a predesignated slot in the warehouse. There it stays until a grocery manager in one of our stores notices that he is low on peas. He sends in his order on our TWX system."

" . . . The order is put on IBM cards which notify the computer that Store X has ordered a case of peas. The computer checks to see if the warehouse still has the item in stock, then it prints a label which goes to the man in the warehouse who does the selecting. He gets all the labels for Store X's daily order—walks through the warehouse with another pallet—loads that pallet by hand with all the items ordered by the store and takes it to a loading dock, where a truck is standing by."

" . . . The pallet is put on a truck which then goes to the store where men are standing by to unload. Sometimes, they unload the truck—one case at a time. Other times, they can use a small pallet jack to wheel the pallets from the truck into the store's back room. There the cases are sorted for each aisle, put on a cart and wheeled to that aisle where the cases are cut open. The cans are stamped with the price and then put on the shelf one at a time. There it sits until a customer wants it. She takes it to the check-out counter, places it on a belt where a cashier picks it up, looks at the price, rings it up and puts it down. The can of peas is picked up again and put in a sack which is placed in the cart for the customer to wheel out of the store."

" . . . The item has been handled by store and warehouse personnel a minimum of six times. Many items are handled a greater number of times at the cost of nine cents a minute. And, that is not all the cost."

Michael V. DiSalle

Michael V. DiSalle, former director, Office of Price Stabilization, stated: "The failure of the present program and all of its phases results directly

from an attitude of trying to do a hard job by sleight of hand and an unwillingness to cope with difficult problems."

"Voluntary controls have failed time and time again and they are failing today. There is no way of trying to favor the farmer at the expense of the manufacturer, the retailer, the distributor. It is never too late to stop the inflationary trend with a deep freeze that would hold at all levels of food production and sales until the nation is psychologically adjusted to an economy that has been stabilized. It is the most grievous kind of self-delusion to believe that wages can be held in the face of rising food costs. Agricultural products should have been frozen whenever a product reached parity."

" . . . We would have had tailored regulations for each industry or element of production, for retailers, for distributors. We would have been able to de-control a substantial part of the economy and possibly, it would have been well along the way to total de-control. It would be ridiculous to assume that farm costs and cattle and hog prices could be held if feed costs continue to rise."

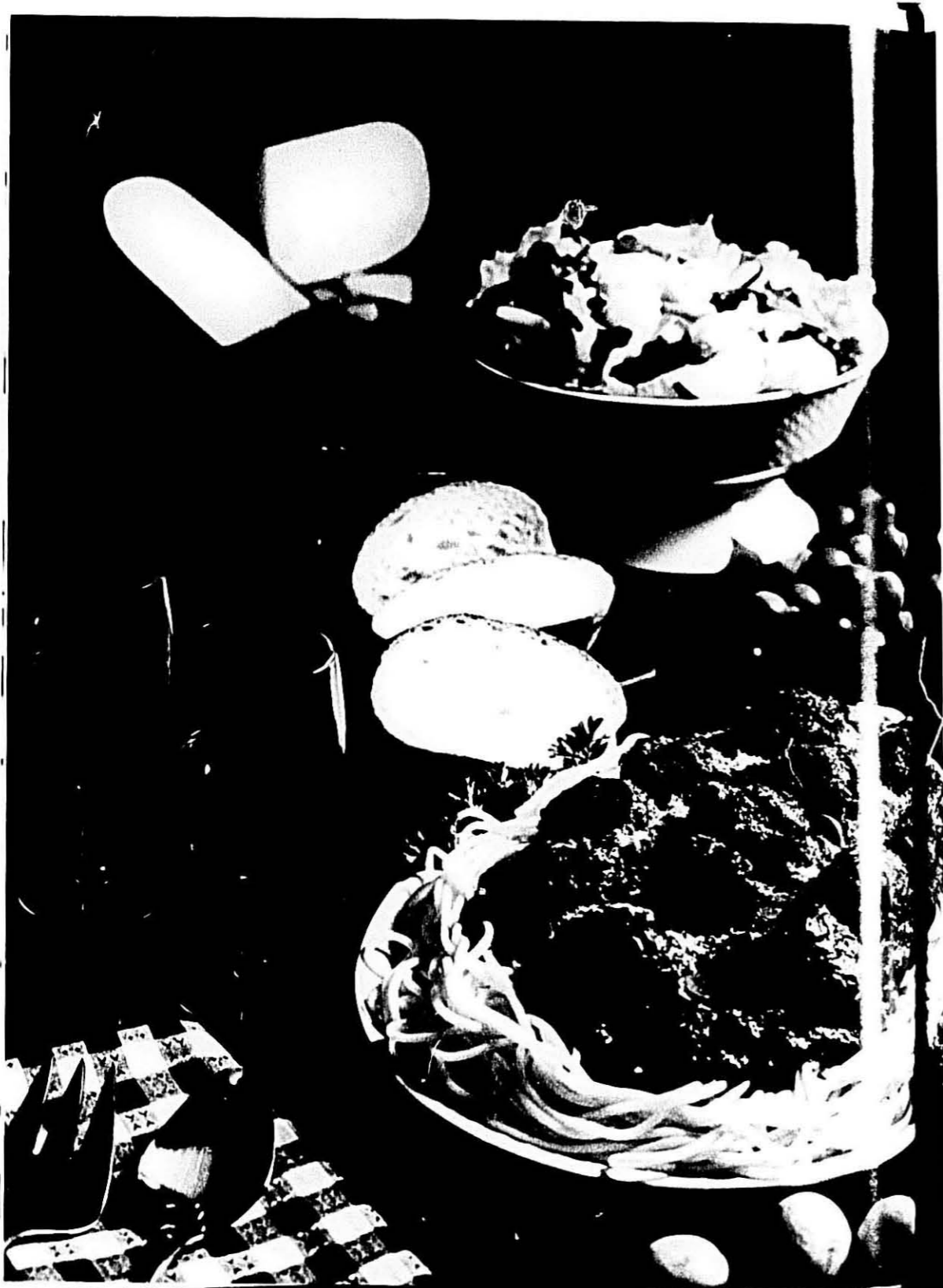
" . . . It is more important to try to prevent price increases than to try to catch up with increases that have already occurred. In my view, it would be better not to have a price and wage control program, than to have one where there is no uniformity, where there is no overall supervision, where price controls can be announced and then the administration given a chance to try to correct price increases that should not have been announced in the first place."

Cost Plus

Economist Henry C. Wallich, writing in his Newsweek column:

With prices controlled in Phase 4 and wages apparently much more loosely controlled, the future of the American economy is now largely in the hands of labor.

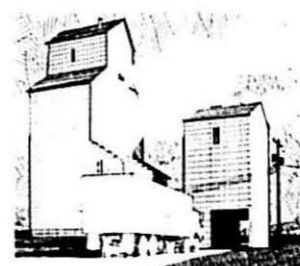
Business is reduced to collecting a fixed fee, falsely called profits, over (Continued on page 28)



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Peavey Company's King Midas Semolina and Durum Flour are the purest, finest quality flours available. They are made from the best wheat available, and are milled to the highest standards of purity and quality. The result is a flour that is golden in color and has a soft, silky texture. It is the perfect choice for all your pasta and bread-making needs.



PEAVEY COMPANY
Flour Mills

Nutritional Labeling

by James J. Winston

THE past few months have seen a great impetus on the part of the government, consumers and industry to seek a solution to improve both the nutritional and labeling aspects of food products. The Food and Drug Administration several months ago announced sweeping changes in food labeling practices to give consumers a better idea of the nutritional value of food which they are eating on a regular basis. These regulations were published and finalized in the Federal Registers of January 19 and March 14, 1973. These regulations which are identified as Section 1.17 in the Federal Register are designed to permit optimal use of up-to-date nutritional knowledge in the nutrition of foods with vitamins, minerals and inherent nutrients such as protein, fat, carbohydrates. A perusal of this labeling section shows that they consist of twelve different regulations contained in approximately fifty pages of text. These regulations presumably are aimed at expanding the amount of nutritional information provided in foods; eliminating consumer confusion, and curtailing health claims for vitamins, minerals and food supplements.

In A Serving

In essence, the new food regulations require that reference in this new nutritional labeling be made to what the consumer will receive in a serving of food with respect to the following: calories, protein, carbohydrates, fat, and also what percentage each serving will contribute to the U.S. Recommended Daily Allowance. This new concept—RDA in short, is derived from the recommendations made by the National Academy of Sciences, and is designed to meet the nutritional needs of 95% to 99% of the normal, healthy population. Under the new FDA regulations, it replaces an older and generally lower standard called the minimum daily requirement which was designed to provide enough nutrient to prevent disease. The FDA experts consider the MDR misleading because products would be promoted as containing many times the minimum requirement even though there wasn't any need for the excess levels. MDR type of labeling will no longer be allowed under the new requirements.

It may be of interest to review briefly the difference between MDR and RDA in respect to nutrient requirements. This information was outlined to you in my Bulletin #416 dated April 14, 1972.



James J. Winston

Committee Action

Our Nutrition and Standards Committee has taken an active part in conferring with the FDA officials on this matter. The nutritional format as outlined in my Bulletin #427 dated March 27, 1973, was accepted by the Food and Drug Administration in a letter signed by Dr. Ogden C. Johnson, Director of the Division of Nutrition.

A second letter from Dr. Johnson on May 4, 1973, stresses that at all times the Enriched Macaroni Product must meet the nutrient requirements of the Standards of Identity, particularly with respect to enrichment. This matter assumes importance in the formulation and production of a high protein macaroni. Ingredients such as Soya Flour or other protein additives with natural vitamins may result in a product with an amount of vitamins or iron which will exceed the tolerances provided in the Standards.

Finally I would like to refer to an editorial which appeared in Food Product Development in May, 1973:

**Nutrition Awareness—
Where Does the Responsibility Lie?**
by Charles F. Niven, Director of
Research, Del Monte Corp.

A basic problem clouded over in the current storm over nutrient labeling is the consciousness of nutritional awareness of the purchasing public. What is the value of nutrient labeling if we make no effort to maintain and improve dietary habits?

What is the food industry's responsibility in creating nutritional awareness? I would put the limits of that responsibility in three areas: information, education, research.

A Right to Know

Basically, the consumer has a right to know—a right to know what is the food he purchases, a right to know how it should be prepared, and a right to know how it should be handled to maintain wholesomeness. The consumer has a right to know the function of substances to formulated foods, why they are there, and what is known about their safety. Although the listing of such ingredients may frighten the naive consumer, so would the natural ingredients of an orange.

In hindsight, the food industry may be criticized for busily extolling the eating quality of its products while not expending sufficient effort describing the products' significance in the human diet. Television, radio, and newspapers represent extremely effective methods for communicating with our customers either through commercials or public service broadcasts.

The technologist engaged in product development should be given the privilege of reviewing and commenting on the accuracy of any commercial venture used to promote the product. He is in the best position to judge accuracy and validity for any proposed claims.

Education Essential

Currently, nutrient labeling is attracting increasing interest and attention. This is a step in the right direction—and only a step. It is a means to a desirable end—not an end in itself. Nutrient labeling alone will accomplish little, but it can, in the long run, become a valuable adjunct informing and educating the consumer about the rudimentary principles of human nutrition.

Correcting deficiencies in knowledge of nutrition and food safety can only be accomplished through education. Industry should encourage, support, and participate in education on a broad front including elementary, secondary, and college students and teachers. The fundamental principles of nutrition and food safety are within the range of comprehension of elementary students. To be effective, however, teachers must be taught properly to avoid promoting further misinformation.

In a growing trend, many major universities are offering a course in food science and nutrition to non-food science students—even those who do not intend to concentrate in technical areas. Some colleges report that such courses receive overwhelming student enrollment, demonstrating the eagerness of the young to learn more about what they eat. With such encouragement, I am certain the food industry would be willing to foster presentation of such courses.

(Continued on page 26)

MICROWAVE

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pasta production costs

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

■ It dries ten times faster. ■ It reduces dryer maintenance to about one hour a week (all stainless steel). ■ It improves product quality. ■ It can double or triple production. ■ Lower capital investment. ■ It generally can be installed without shutting down the line.

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Nutritional Labeling

(Continued from page 24)

The family physician is in a key position to advise patients on nutrition and food safety, and there appears to be growing interest in medical schools to institute nutrition education as part of medical training.

A multi-front education attack is certain to pay huge dividends by establishing a more confident, healthier consuming public. Ultimately we can expect nutritionally intelligent consumers to employ all foods in the diet, whether they are highly engineered items, beef steaks, or fun foods of low nutritional value.

Nutritional Labeling and Code Dating

Massachusetts has promulgated nutritional labeling and code-dating regulations for food, making it the first state to require such information. The action by the Public Health Council mandates listing of the nutritional content of food products—these regulations are the same as the Federal requirements—effective Dec. 31, 1974. Ingredients must be listed in order of quantity, beginning Nov. 24, 1973. In fabricated foods where an expensive ingredient affects the price, the percentage contents of these ingredients must be listed. Open dating for perishables (60-day shelf life) begins Jan. 1, 1974 and non-perishables (with some exemptions) a year later. The regulations immediately came under fire from food processors as costly and possibly disrupting supplies in Mass.

AACC Elects Francis Horan

Francis E. Horan, director of research, Archer Daniels Midland Co., Decatur, Illinois, has been named President-Elect of the American Association of Cereal Chemists in mail balloting by the 2,000 Association members.

Horan received a B.A. degree from St. Benedict College, before earning his M.A. and Ph.D. degrees from Columbia University in 1943-44. He taught at three schools—Francis Xavier University, University of Arizona, and St. Martin's College—before becoming engaged in the field of industrial research. Over the past 25 years, Horan has worked for the Midwest Research Institute, Horan Milling Co., Hercules, Inc., and Archer Daniels Midland Co. Presently, Horan serves as director of research in the areas of proteins, carbohydrates, lipids, and nutrition for ADM.

He has served the AACC in numerous capacities in his 18 years as a



Francis E. Horan

member, holding such positions as national program chairman, 1959 annual meeting, and national director (1966-68) for the Association. He also served as secretary-treasurer (1967-68), vice-chairman (1968-69), and chairman (1969-70) of the Association's Oilseeds Division.

He holds membership in American Chemical Society; American Institute of Chemists; American Oil Chemists Society; Agricultural Research Institute; American Association for the Advancement of Science; Institute of Food Technologists; Soybean Research Council; National Soybean Research Coordinating Committee; and Industry Liaison Panel, Food and Nutrition Board, National Academy of Sciences.

Other Officers

Re-elected to the office of National Secretary is Miss Edith A. Christensen, head of the Testing Section, Commodity Inspection Branch of the Grain Division of the Agricultural Marketing Service, USDA, Beltsville, Maryland.

Daniel G. McPherson, vice president-director of quality control, nutritional policy, and food safety, General Mills, Inc., Minneapolis, Minnesota, won a two-year term on the Association's Board of Directors.

The newly-elected officers will be installed at the Association's 58th Annual Meeting in St. Louis, November 4-8. Dr. John H. Nelson, Peavey Company, Minneapolis, current president-elect, will assume the Presidency at that time.

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.

ADM Stock Split

A 100% stock distribution for common shares of Archer Daniels Midland Co. was approved by the board of directors, subject to shareholder approval at the annual meeting to be held Nov. 1 in Decatur. At that meeting, shareholders will be asked to approve increase in the number of authorized common shares from 12 million presently authorized to 20 million.

ADM presently has 7,453,556 shares of common stock outstanding. If the increase is approved, the 100% stock distribution will be issued Nov. 30 to shareholders of record Nov. 16.

"The stock dividend is aimed at achieving a broader market and distribution of the company's stock," it was stated.

The directors did not approve any increase in the present annual dividend rate of 50¢ a share, and said the dividend on each of the shares after the split will be at a rate of 25¢ per year. Directors declared the regularly quarterly dividend of 12¼¢ a share on the common stock, payable Sept. 1 to shareholders of record Aug. 20. This is ADM's 188th cash dividend and 168th consecutive quarterly payment.

Export Reporting System Established

To help the government monitor exports and foreign demand for certain grains, oilseeds, oilseed products and cotton, each U.S. exporter is required to file a report of all anticipated exports valued at more than \$250. The first report was due June 20, 1973. On June 25, and on the first business day of each week thereafter, the exporter is required to file a report based in the previous week's business. Reports must show type of commodity, country of ultimate destination and month of scheduled or anticipated exports. Included among the commodities are the 5 major classes of wheat and unmilled rye. Further details of this program, are available in Export Control Bulletin, No. 84 (a), U.S. Department of Commerce. Weekly summaries of these data are issued by the Department of Agriculture.

Words of Wisdom

By our faulty use and misinterpretation of words, between men and nations, we create needless disorder in human affairs.

—Thomas M. Goodfellow

PMMI PACK EXPO 73

An estimated 1530 packaging and packaging-related converting machines and a wide diversity of packaging materials together worth over 15 million dollars will be displayed by over 300 exhibitors at the PMMI Pack Expo 73 in Atlantic City, October 1-4 this year.

The scope of the show includes virtually every type of machine or material used today for both consumer and industrial product packaging.

These figures, based on a 70 percent return of an exhibitor survey, were released by E. D. Wilcox, Jr., Show Committee chairman of the sponsoring organization, the Packaging Machinery Manufacturers Institute.

Live Demonstrations

"Our survey indicates that about 250-275 of the machines and a number of the materials at the show this year will be newly-introduced models or products," said Wilcox, who is the general manager of Union Camp's Engineered Systems Division.

"Perhaps more importantly, however, is that well over 1,300 of the machines will be operating during the show," he said.

"This feature of the PMMI show provides a very good opportunity for show visitors to study the machinery and materials combinations under realistic conditions."

Exhibitors have indicated their plans to bring over 2,300 company personnel to the show to demonstrate the equipment and answer visitor questions.

Total space sales as of July 1 were 198,400 net square feet, a figure which does not include the various association-sponsored "information lounges." This is over 1,100 feet larger than the last PMMI show in Atlantic City in 1971 with still three months to go before show opening in October.

Educational Seminars

PMMI Show Committee chairman said that the National Packaging Week concept was providing "substantial benefits to the participating organizations exhibiting companies and visitors."

"With the PI Forum practically next door at the Holiday Inn, a show visitor has the opportunity to participate in the important educational seminars each morning, then visit the show in the afternoon to see the concepts in practical application.

"We also feel that the PEF Awards Banquet has helped to focus top level management attention on the importance of the packaging functions in the total corporate picture," he said.



Among the Exhibitors:

Asseco Corp., 1830 W. Olympic Blvd., Los Angeles, CA 90008 (Peter V. Kenford) will have 3 machines in Booth #261:

Vibratory Conveyor Model VCS15X6: Sanitary design of vibratory feeder acts as reservoir and feeds product on demand to distribution system.

Lift Model ALS-O-15-CP: Sanitary design bucket elevator to transfer product from source feeder to modular distribution system automatically; features sanitary one piece plastic buckets.

Modular Distribution System MUS-16X15: Vibrating feed system capable of feeding any number of packaging machines simultaneously on demand from one product stream without recirculation.

Crompton & Knowles Corp., Packaging Machinery GP., 1000 Suffield St., Agawam, MA 01001 (A. V. Iannuzzi) will have 5 machines in Booth #255:

* Redington 71N Modular Multi-packer: Automatically forms, glues, packs, overwraps trays of mint, hard candy rolls, stick or tablet gum and similar shaped products; production speed to 30 trays per minute depending on product; special accumulator change modules, including intakes, permit conversion to other tray sizes and configurations.

Wrap-King Model CK/SW 21-1 Shrink Wrap Packer: Automatically feeds product and packaging film, forms "L" shape heat seals, trims excess film, completed packages are discharged to heat tunnel for heat shrinking; operates with wide variety of heat shrink films; products include

regular shaped, square, round or rectangular; single or multi-unit; speeds to 40 per minute depending on product.

* Vol-Pak VP-1-S Strip Packer: Automatically strip packages tablets, capsules, similar shaped products; product is fed automatically from vibratory bowl feeder, automatically deposited into heat seal or pressure sensitive packaging material; on-machine hot-leaf imprinter imprints each package with product identification and control number; includes horizontal perforator to perforate between connected packages; easy-open tear nick to permit quick removal of package contents; variable speed drive system; speeds to 100 packages per minute depending on product and film characteristics.

Triangle Package Machinery Company, 6855 W. Diversey Ave., Chicago, IL 60635 (William H. Zuse) will have 3 machines in Booth #1050:

* Single Tube Form, Fill, Seal Bag Machine with Floor Mounted Flexitron Scales: Single tube vertical form, fill, seal bag machine for operation using polyethylene and filling the contents of the bag by weighing on the Flexitron net weighing system; floor-mounted scale system with package contents transferred via bucket elevator system to the bag machine; equipped with Servogard controls and a Flexitron Static Checkweigher.

Twin Tube Form, Fill, Seal Bag Machine with Volumetric Filler: Vertical form, fill, seal machine for operation on polyethylene for the retail packaging of rice; unit will be demonstrated using 1½ mil polyethylene and filling one pound packages of rice.

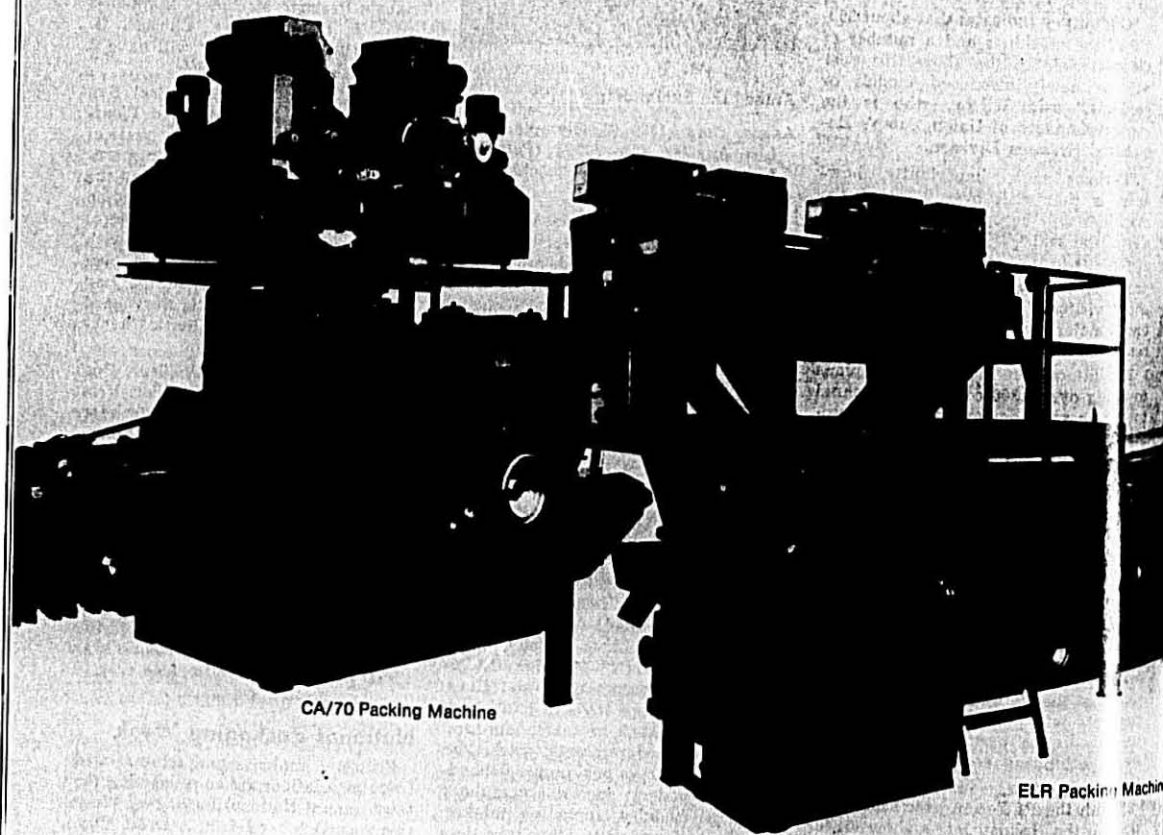
* Vibratory Trays and Distribution Systems: Will be demonstrated using a closed loop conveyor system; incorporates sections for screening and gates to demonstrate means of distribution; powered by hydraulic system, fully adjustable for feed rate.

National Packaging Week

Fifteen major packaging-related trade associations are co-sponsoring the third annual National Packaging Week this year October 1-4, in Atlantic City.

National Packaging Week combines the PMMI Pack Expo, the largest packaging show in the U.S., with the traditional Packaging Institute/USA Forum, and the Packaging Education Foundation's Awards Banquet honoring its "Packaging Man of the Year and Hall of Fame."

(Continued on page 30)



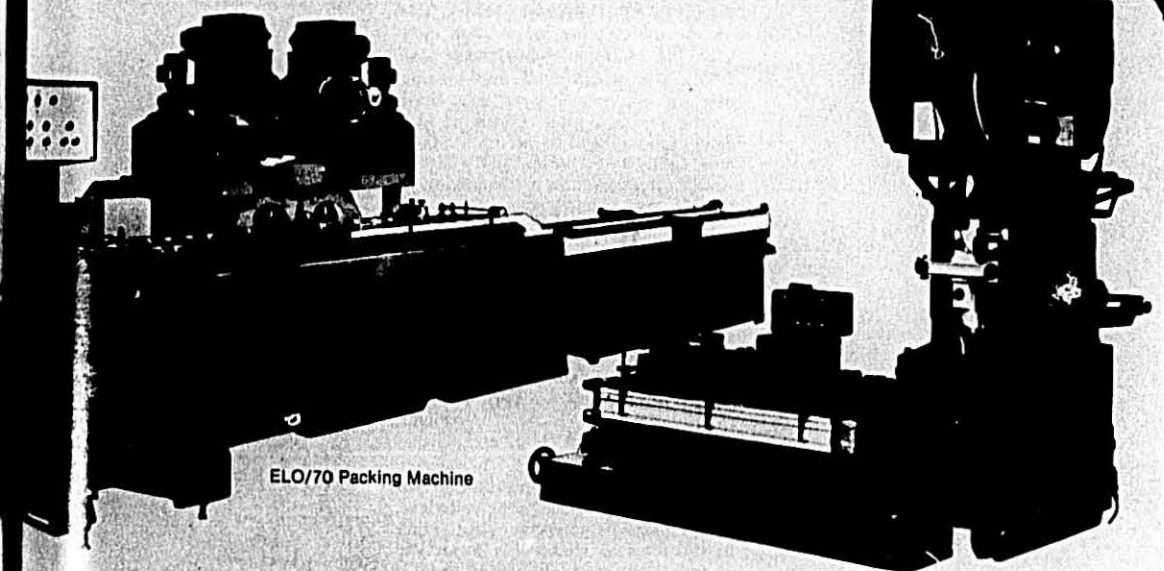
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No matter what kind of pasta you're making — long goods, short goods, swallow nests or whatever — one of our Zamboni packaging machines is designed to meet your in-plant requirements. Quickly. Properly. And uniformly. In bags or boxes. That's the long and short of it.



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di Reno (Bologna) Italy.

National Packaging Week (Continued from page 27)

Many of the associations participate actively in National Packaging Week by furnishing an information lounge in the PMMI Show or by either co-sponsoring or providing speakers for various PI/USA Forum sessions.

Participating associations are the Adhesives Manufacturers Association of America, The Aluminum Association, American Iron and Steel Institute, American Paper Institute (Glassine & Grease-proof Division), Fibre Box Association.

Glass Container Manufacturers Institute, National Flexible Packaging Association, National Paper Box Association, Packaging Education Foundation, Package Designers Council, Packaging Institute USA.

Packaging Machinery Manufacturers Institute, Paperboard Packaging Council, Society of Packaging and Handling Engineers, and The Society of the Plastics Industry.

High Speed Weigher And Filler

A new, highly accurate electronic weighing and filling unit has been developed by Hoffiger & Karg. It will be distributed in the U.S. exclusively by Amaco, Inc.

The compact SWN 40 can be made fully or semi-automatic and fills about 45 units per minute depending on the product, specific gravity and filling weight.

It has many new features such as: completely enclosed electronic weighing pickup to meet OSHA requirements; optimum dust extraction; and accuracy of ± 0.5 to -1% .

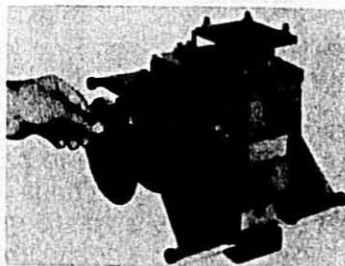
Trouble Free Operation

Designed for trouble-free operation, the machine works as follows: 1) Product to be filled is fed to the weighing pan from the filling hopper by means of vibratory feeding chutes. 2) The product is carried by feed chute until target weight has been reached. 3) Weighing concluded—weighing pan is emptied. After the intermediate pans are emptied, chutes continue to carry product, thereby shortening filling time since a portion of the product to be filled is already in the intermediate pans for the next weighing operation. 4) After the weighing pan closes, the intermediate pans swivel out again, releasing the quantities that have collected in them.

One or more SWN 40 weighing devices can be attached to any existing weighing line. The space required for the unit without base or filling hopper

is 30" L x 26" W x 30" H and weighs 800 lbs.

For more information contact G. Ziffer, Amaco, Inc., 2601 W. Peterson Avenue, Chicago, Illinois 60645.



Universal Product Code Hot Roll Leaf Imprinter

A new hot roll leaf imprinting machine featuring a 2" x 2" imprint size suitable for applying the new Universal Product Code and other variable data, WRAPAPRINTA® Model 2222, has been developed by Adolph Gottscho, Inc. of Union, New Jersey.

The new air-operated unit incorporates a continuously variable dwell control for regulation of printing head dwell time as well as accurate adjustable solid state thermostatic controls. An air filter-regulator system and hoses are also provided.

Its light weight, only 18 pounds, enables the compact new imprinter to be installed vertically, horizontally, or upside down inside or outside the frame of virtually any form-fill-seal, bag making, overwrap, or other packaging machine for "print as you package" economies in applying the UPC Symbol or other variables such as price, color, quantity, codes, ingredients, variety, nutritional data, etc.

Bone dry, instantly permanent, opaque, smudge-proof imprints are obtainable on cellophane, polyethylene, polypropylene, polyester, and other plastic films as well as on paper and on foil. Since ink is eliminated, there is no ink odor, spillage, or product contamination, absolutely no clean-up time or labor, no wash-up between color changes.

Further details and specifications of the Wrapaprinta Model 2222 can be obtained by writing to Adolph Gottscho, Inc., Department P, 835 Lehigh Avenue, Union, New Jersey 07083.

Packaging Decisions

"Who should make final packaging decisions?"

"Place the senior marketing executive at the very top, where the final

packaging decision will be made. His decision will be aided and directed by input from three directions:

1. A corporate staff group which spells out overall corporate aims, legal and financial aspects, long-range planning, and corporate communications objectives.
2. A packaging coordinator who assimilates necessary information from brand supervision, engineering, and production.
3. A packaging consultant who provides the specialized knowledge on overall packaging considerations which few individuals within any company have the time to assimilate.

"A flow chart of this type has one major flaw. It suggests that the senior marketing executive and outside consultant become involved only at the very end. In practice, this sometimes happens . . . and it is a serious and costly error. Both the top executive and consultant should be involved at every step, from planning to the finished packaged product.

"At the same time, a flow chart will be useful if it conveys some understanding of the complexities of the problem and the way to structure an information flow to solve it."

Packaging as a Budget Factor

"With \$25 billion annually being spent on packaging (about 8% of the total value of goods produced), there is good cause for a company's secretary-treasurer, comptroller, or vice-president of finance to take a hard look at the packaging function. There is equally good cause to look at packaging as something other than an item on the balance sheet.

"But how many of those whose major concern is fiscal are capable of perceiving and appreciating packaging's more subtle values? It is safe to say, relatively few. More significantly, how many would audit the packaging function with the same regularity that they audit the company's finances? Hardly any.

"Yet there are good reasons: (1) to evaluate regularly the effectiveness of a company's packaging; (2) to consider new packaging directions; (3) to seek savings through greater efficiency, which is especially important for multi-brand, multiproduct corporations. The operative word in this facet of the packaging problem is "regularity." Many companies are concerned and do review their packaging; few do so on a regular basis."

Walter P. Margulies
in "Packaging Power."

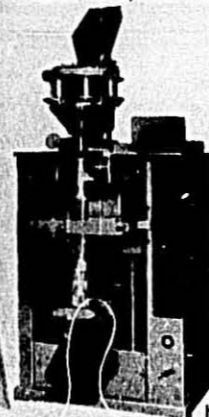
THE MACARONI JOURNAL

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TRIANGLE

Macaroni Products — Pasta Sales Took Off Last Year as Meat Boycott
Cut Across Ethnic Lines; Convenience Dinners Had "Volume Explosion"
from Chain Store Age, Super Markets Sales Manual Issue, July, 1973

PASTA volume expanded considerably in 1972, with help from growing consumer demand for convenience and economy in meal preparation that produced a tripling in meat-added noodle dinner dollar volume, and from supplier moves into previously untapped distribution areas.

As an example of the latter, "Lasagna is now well-known in Waxahachie, Texas," points out William A. Henry, executive vice president of Skinner Macaroni Co., Omaha, Neb.

The growth trend accelerated in 1973, especially with the advent of the meat boycott in major population areas where pasta was already strong. The search for substitute high protein meals—including tuna casseroles and the like—literally cleaned the pasta shelves of some supermarkets the week of the initial meat boycott activity this year.

The pasta industry is largely privately held, regionalized and heavily populated with suppliers. It is only in recent years that private label pasta has begun to make any impression on the market.

Consumption Growing

The National Macaroni Association says the product had a 7½ lb. per capita consumption average last year, and other sources believe it will have reached as much as 9 lb. by the end of 1973.

Its outstanding tie-in potential for supermarkets is indicated by estimates that every dollar of pasta purchased now influences well over \$7 worth of other purchases.

A \$125,000 per week independent offers this recent tie-in success story: the sale of 150 cases of noodles in a 10-day period during a casserole promotion that cross-displayed pasta, canned tuna and evaporated milk.

Pasta products that were "new" to some ethnic groups have been finding broader acceptance, to the extent that lasagna noodles have moved into the Top Ten in sales velocity.

While still a strongly ethnic product (Italian-Americans, according to some sources, average 3 or 4 oz. per meal), the average for all American families is estimated to have climbed to 2 oz. per capita per meal.

Its economy and convenience attract a broad age spectrum from college youth to the elderly, with growing retirement markets—such as Phoenix—

reportedly becoming strong pasta markets in recent years.

Supplier sources say the national average for pasta sections in supermarkets is currently 12 linear feet, with at least four or five shelves normally used. Most chains reportedly carry no more than three or four brands, but may carry as many as 20 different items under each label.

As shoppers in many areas are apparently looking for a particular item rather than a pasta brand, at least one supplier now recommends that the category be given commodity, rather than brand, treatment on the shelves. But others interviewed said they thought that breaking with traditional brand billboarding might harm the category.

Many suppliers are moving toward more visual packaging—with window cartons or totally flexible wrapping—having concluded that shoppers like to select by product shape and color.

Fast-growing Dinners

A fast-growing category segment is the meat-added (and other) convenience dinner. A major eastern chain reports these showed a 30%-40% volume increase in its stores last year, and a major space allocation has since been awarded the dinner segment.

During the weeks after the April 1973 meat boycott, many chains reported convenience dinners increased by at

least 30% and by as much as 100% for some of their stores.

In 1972, consumer acceptance of noodle dinners without meat caused a volume explosion in this segment, with dollar sales increasing to more than \$55 million from \$18 million in 1971, and share of pasta department sales moving up to 12% from 3.8%.

Average gross margin gained by more than a percentage point to 22.4%, one of the best margins in the category.

Moreover, gross profit dollars increased to \$12.4 million in 1972 from \$3.4 million in the previous year. It is no wonder, then, that the average warehouse assortment of noodle dinners without meat expanded from four items to 10 last year.

However, noodle dinners with meat already flattened out slightly. The same is true for spaghetti dinners with meat included, pizza mixes, and all other pasta dinners save those made with macaroni.

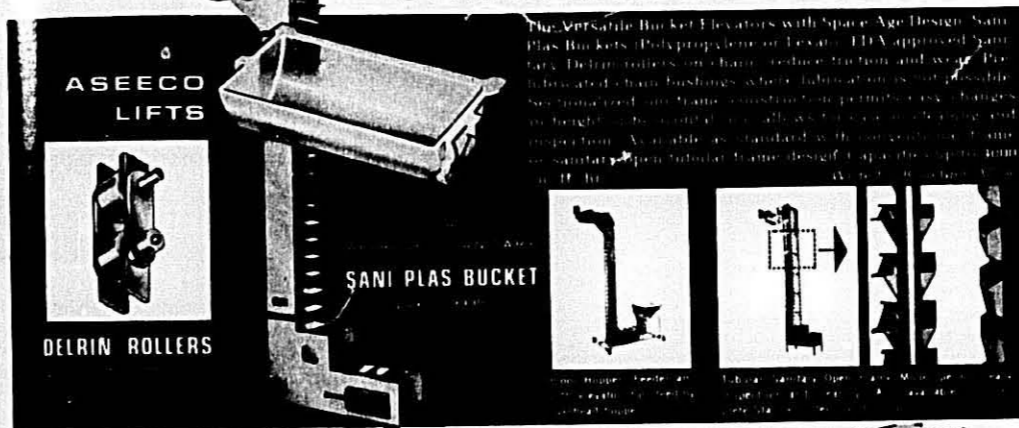
Macaroni Dinners with cheese, in particular, continued their upswing, with total supermarket dollar sales of these items gaining by more than 42%, and the margin average moving up as well.

All of the traditional packaged pasta products held steady or increased in supermarket dollar volume. The best gain was made in large-size macaroni products such as manicotti. This, used with cheese and other stuffings,

Macaroni/Pasta Products: 1972 Performance

Sales	% of Dept. Sales	Dollar Volume (Millions)	% of Dept. Gross Profit	Profit Dollars (Millions)	Assortment Items/Brands	Gross Margin %
Macaroni	28.1	\$129.7	26.9	\$23.6	34	18.1
Elbow	10.3	47.5	9.5	8.4	9	17.6
Other	17.8	82.2	17.4	15.2	25	18.0
Spaghetti	24.2	111.6	22.7	20.1	20	18.0
Regular	19.6	90.3	18.2	16.1	14	17.4
Flat (Linguine)	4.6	21.3	4.5	4.0	6	18.7
Noodles	17.1	79.1	19.3	17.0	21	21.1
Flat	15.8	72.9	17.7	15.6	18	21.1
Other	1.3	6.2	1.6	1.4	3	23.4
Macaroni Dinner	11.0	50.7	9.3	8.2	5	18.2
With Cheese	10.6	49.0	8.9	7.8	4	15.9
Other	0.4	1.7	0.4	0.4	1	21.9
Noodle Dinners	14.3	66.1	18.5	14.5	14	21.9
With Meat	2.3	10.8	2.4	2.1	4	19.8
Other	12.0	55.3	14.1	12.4	10	22.4
Spaghetti Dinners	2.5	11.7	2.4	2.2	4	18.8
With Meat	1.3	6.2	1.2	1.1	2	17.6
Other	1.2	5.5	1.2	1.1	2	19.3
All Other Pasta						
Dinners	0.3	1.3	0.3	0.3	4	23.1
Pizza Mix	2.5	11.7	2.6	2.3	3	19.8
Total	100.0	\$461.9	100.0	\$88.2	105	19.1
% of total store volume: 0.73%						

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BULK STORAGE AND MODULAR DISTRIBUTION SYSTEMS



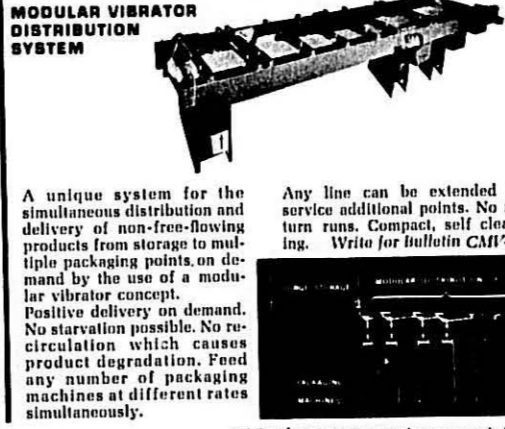
ELECTRIC PANELS AND CONTROLS

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VIBRATING CONVEYORS

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Pasta Sales Zoom

(Continued from page 32)

has increases in consumer acceptance apparently due to its recognition as an economical family dinner or home entertainment entree.

Good Nutrition

Pasta's nutritive qualities are also getting a lot of attention, especially now that they are being heavily promoted.

One supplier tells consumers in its ads, "You may be pleasantly surprised to see that you can eat egg noodles—or macaroni or spaghetti—and still have a low-calorie meal."

"Macaroni products are included in one of the food groups in the United States Department of Agriculture's Daily Food Guide. They furnish valuable protein and carbohydrates." The supplier adds that his products are enriched and "supply B vitamins and iron."

This source told CSA, "The macaroni isn't excessively high in calories—but you have to use the sauces in moderation if you are trying to lose weight."

Unit Movement — Unit Movement Data Based on Random Sample, then Projected

Category	Share of Unit Mv.	Estimated Cases/Week
Macaroni	30.4%	12.4
Elbow	11.8	4.8
Other	18.6	7.6
Spaghetti	27.2	11.2
Regular	21.3	8.8
Linguine	5.9	2.4
Noodles	16.6	6.7
Flat	15.5	6.3
Other	1.1	0.4
Pizza Mix	1.3	0.5
Macaroni Dinners	15.0%	6.1
With Cheese	14.4	5.9
Other	0.6	0.2
Noodle Dinners	7.0	2.9
With Meat	0.9	0.4
Other	6.1	2.5
Spaghetti Dinners	2.3	0.9
With Meat	1.0	0.4
Other	1.3	0.5
All Other Pasta Dinners	0.2	0.1

Spaghetti Sauce slipped last year after tremendous sales increases the previous year ranging from 15 to 20%. Interestingly enough, while meatless spaghetti sauces were dropping, spaghetti sauces with meat were picking up slightly. Retailers felt that the larger meatless sauce market dropped off because pasta sales were only average last year, despite a tough economy.

Conversely, those people who were buying pasta because it offers an eco-

nomical, high protein meal, were also buying more sauce because they need not have included meatballs or sausages with the meal.

The increase in spaghetti sauce with meat also fits into the growth pattern of dry mixes and canned meat sauces. Retailers saw dry mixes in a variety of meat flavorings pick up more than 12%

Sauces: 1972 Performance \$1 Million Supermarkets

	Sales		Profit		Assortment Margin	
	% of Dept. Sales	Dollar Volume (Millions)	% of Gross Profit	Gross Profit Dollars	Items/ Sizes At Warehouse	Avg. Gross Margin
Spaghetti Sauce	22.9	\$90.0	21.6	\$16.3	25	18.1
Meatless	13.4	52.7	17.4	9.3	15	17.6
With Meat	9.5	37.3		7.0	10	18.7
Dry Mix Seasoning	2.0	7.8		2.4	4	31.0

Canned Meat and Specialty Food

	Sales	Profit	Assortment Margin
Italian Dishes	22.1	\$150.5	20.9
Spaghetti w/meat	6.5	44.4	6.4
Spaghetti other	5.3	36.3	4.3
Macaroni w/meat	2.2	15.0	2.1
Macaroni other	1.1	7.5	1.1
Noodles all types	0.6	3.8	0.6
Ravioli, Lasagna & other Italian dishes	6.4	43.5	6.4

Canned Meat & Specialty Food—William Kratzke of Chef Boy Ardee said that "business was very good last year," which he attributes, in part, to consum-

ers turning off the high cost of fresh meats. La Choy also had a good year, and feels the interest in Chinese foods is sharply increasing.

ers turning off the high cost of fresh meats. La Choy also had a good year, and feels the interest in Chinese foods is sharply increasing.

Golden Grain Wins Creative Award

Golden Grain Macaroni, San Leandro, California, was honored for its 1972 specialty advertising program at the Specialty Advertising Association International's semi-annual trade show at the Astrodome in Houston, Texas. The SAA's Golden Pyramids annually recognize outstanding use of specialty advertising in business promotion. The \$1 billion advertising medium encompasses imprinted ad specialties, calendars, and business gifts, and ranks sixth in volume among all advertising media.

The supplier of macaroni and spaghetti, and its specialty advertising counselor, Walter W. Cribbins Company, San Francisco, California, were presented an Award of Merit by the SAA.

In a fall mailing, prior to the 1972 Presidential election, Golden Grain Macaroni distributed to retail and institutional customers a letter written in poetry reminding them of the election and of Columbus Day. Specialty advertising items mailed were a bookmark listing all presidents and urging recipients to vote for the man of their choice and to "vote for Golden Grain Products every time." Also enclosed was an Italian leather key-chain coin purse for the recipient's "lady of your heart." So successful was the campaign that recipients requested additional purses and bookmarks, and the program was renewed.

New Items

Gooch Foods, Lincoln, Neb. is introducing Red Skillet Hamburger Stretcher dinners, designed to make a complete main dish with 1 lb of hamburger. The dinners come in five flavors, egg noodle mushroom, beef noodle, tomato chill, cheeseburger macaroni and egg noodle stroganoff.

General Mills, Minneapolis, has added two dinner mixes to its line of Betty Crocker Hamburger Helper dinner mixes. They are hamburger stew and lasagne and were nationally available August 1. The pair joins the existing line of six dinner mixes.

Instant Meals from Packets Hits England

The idea of adding fresh meat to minced beef—to a prepared meal has hit England. Pasta Post from St. Albans reports a massive campaign to introduce Colman's Make-A-Meal in Italian Style and in Chinese Style has met with overwhelming response. Pasta is one of the tasty ingredients in both varieties.

Red Owl's Egg Farm Sold to Egg Firm

Red Owl Stores has sold its egg farm operation to Jack Frost, Inc., St. Cloud, Minn., egg producer. Price was not disclosed.

DIATOMIC IODINE SANITIZER HELIOGEN

CONVENIENT
INDIVIDUAL PACKETS
OF MEASURED DOSES
ELIMINATE WASTE

RECOMMENDED IN THE MACARONI INDUSTRY

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HELIOGEN Diatomic Iodine Sanitizer may be used as a general sanitizer for the equipment and utensils for the food industry, (hospitals, dairy plants, food processing, restaurants).

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Recommended solutions are completely non-corrosive to utensils and equipment. Crystal-clear solution leaves no odor, taste or film on equipment.
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- 3—Semolina and Flour Analysis.
- 4—Micro-analysis for extraneous matter.
- 5—Sanitary Plant Surveys.
- 6—Pesticides Analysis.
- 7—Bacteriological Tests for Salmonella, etc.
- 8—Nutritional Analysis

James J. Winston, Director
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MACARONI
WEEK....

CELEBRATE!

with a
FRIEND

OCTOBER 11-20

Strategy for Business Survival

Harold M. Williams, president, Poultry and Egg Institute of America, called for a well-conceived and well-articulated policy for the total U.S. agricultural and food industry at their annual marketing meeting held in Chicago August 15 and 16.

We've Gone Global, Like It or Not

The world is shrinking. International trade is expanding at more than twice the rate of gross world product. (International trade in 1972 was up 18%.) Mr. Williams said.

World population is expanding and there is a mad scramble for natural resources, while consumer demand explodes. Supranational forces and events interrelate.

Commercial trade, foreign policy, money matters, and physical national security (both military and environmental) affect each other and are all interrelated.

Our growing interdependence and world involvement make us more vulnerable unless we take positive steps to develop a sound global trading policy—and then develop the programs and political structures to carry it out.

Improved access for a few raw materials is not the answer, declared Mr. Williams.

The urgency of the situation is emphasized in an article in the July 15 issue of Forbes magazine:

"There are 100-billion U.S. dollars sloshing around overseas, the hangover of 15 years of deficits in the U.S. balance of payments, from the Vietnam war and from the overseas expansion of U.S. corporations."

These 100-billion U.S. dollars have been depreciated sufficiently to give the Germans, the Japanese, and others 20% to 40% advantage over U.S. industry in competition for our raw agricultural products.

To put the situation in perspective, look at corn—our biggest grain crop by far. Normally we produce 5- to 6-billion bushels a year. At an average price of \$2.00 a bushel, 5-billion bushels would be worth \$10-billion.

With the \$100-billion they have, other countries could buy our entire corn crop 10 times over.

We must recognize that they have sufficient strength to suck out our economic innards, said Mr. Williams.

Soviets Had Advantage

Last year when the Soviets were encouraged to buy our grains they had a



Harold W. Williams

distinct advantage:

Their buyers had pooled information on their needs. We did not.

They had access to information on our market situation and on the supply of our various crops. They were able to deal with our grain companies one at a time, individually and secretly.

Their advantage is obvious: They knew as much as we did about our situation. And we knew very little about theirs.

We suggest that our government should not enter into bilateral agreements for the sale of large quantities of raw materials without all U.S. interests concerned having first been informed about the negotiations and the proposals.

Only then should the deal be completed.

We cannot afford the siphoning off of inordinately large amounts of raw ingredients with a consequent shortening of domestic supplies.

We need a total policy—not a policy that will benefit a few commodities at the expense and to the detriment of our national interest.

Deal Subsidized

Millions of dollars were expended in the form of U.S. subsidies to encourage the Soviet grain deal. The U.S. consumers and taxpayers are paying for a lack of policy. They're paying for it through increased prices and shortages of food items.

Processors find it more difficult to operate at a reasonable profit and many are finding it difficult to even stay in business.

Let's negotiate to get equal opportunity for U.S. businessmen to go into Russia to market our finished products and to have access to Russian consumers.

Then we can carry on a real marketing program in Russia and the other Communist countries.

Consumer Protestors

Representative Jerry Litton of Missouri was confronted by the same group of consumer demonstrators who had picketed the Chamber of Commerce briefing on Phase IV August 3. After he allowed them to have their say, he told them that farmers have a right to eat too; that uncertainties and controls have put the damper on production and fueled rising prices. Congressman Litton is trying to coordinate a dialogue between farmer and consumer through various food trade associations. He held a meeting in June and had another planned for September.

Dr. Kenneth Fedor, executive director, Cost-of-Living Council's Committee on Food, observed that supply and demand are responsible for inflation. The rationale of Phase IV is to manage the bulge, squeezing it through the pipeline by encouraging supply on one hand and controlling prices on the other.

Export Curbs Advocated

John Schnittker, former Under-Secretary of Agriculture in the Kennedy administration, said the present Administration had missed the boat in not instituting export controls on in June. He declared the present situation was not the Malthusian crunch but due to the fact that Russia, China and Africa had poor wheat crops. But grain production adjusts only once a year so he urged we get back on the track fast.

Herbert Hugo, senior editor, Platt's Oilgram Price Service, McGraw-Hill, warned that the energy crisis would not be solved until new crude and refining capacity entered the picture, some three to ten years off. He urged business firms to assign some one individual responsible for energy procurement.

William Korsvik of the First National Bank of Chicago reported business loans up 39% in 1973. The prime rate of 8½% may go even higher and credit will be tight even though the boom is peaking out.

THE MACARONI JOURNAL



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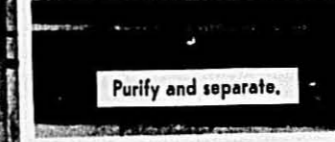
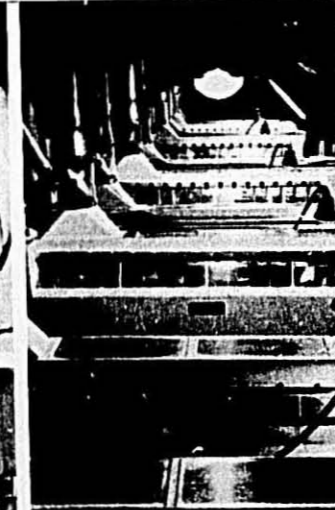
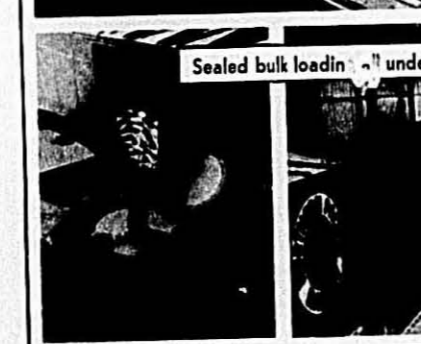
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Cost Plus

(Continued from page 21)

and above the wage bill. We are on a cost-plus basis, with some uncertainty what that plus is going to be.

If labor . . . recognizes that there is a temporary food shortage—of a very mild sort—wage increases will be moderate. Even so, they can hardly fail to reflect higher living costs in some degree.

If labor tries to shift the burden fully, prices will spiral.



William E. Deerfield

Golden Grain Appointment

Appointment of William E. Deerfield as Golden Grain Sales Manager for Southern California was announced by Tom DeDomenico, Vice-President and Director of Sales for the San Leandro based company.

Deerfield, formerly with United Vintners as Sales Manager of their Chain Division, will take over his new capacity immediately. He will be in full charge of Golden Grain's Southern California Division and responsible for the company's expanding sales activities in this important territory, including Southern Nevada and Arizona.



John D. Herrick

Herrick Named General Mills VP

John D. Herrick, Chairman of the Board of General Mills, Canada Ltd., and General Manager of the Canadian Operations of the International Division has been appointed a Vice-President of General Mills Incorporated, Minneapolis.

Herrick, who started with the company as a field auditor in 1954, served in several capacities of the company's Chemical and Grocery Products Division before moving to England to become Controller and Director of Administration at the Smiths Food Group, a subsidiary of General Mills Incorporated.

Mr. Herrick is also President of the Grocery Products Division of General Mills, Canada Ltd., Managing Director, General Mills, Finance N.V., Curacao, Netherlands, Antilles; a Past President, Junior Achievement of Canada; a Director of the Grocery Product Manufacturers of Canada; a member of the executive of the Board of Trade Club, Toronto; and a Director and Vice-President of the First State Bank in North St. Paul, Minnesota.

General Mills Plans Expansion

General Mills plans capital expenditures of about \$200,000,000 over the next two years, mostly for internal growth. The company also plans to "develop new business areas."

Army, Farm Agency Lose Food-Service Leadership

The Army and the Agriculture Department aren't any longer the nation's No. 1 and No. 2 food-service operators.

For the first time, they've been displaced by private enterprise, according to a survey by Institutions Volume Feeding magazine.

McDonald's Corp., the fast-service hamburger chain, with 1972 sales of \$1.17 billion, and Kentucky Fried Chicken Corp., with sales of \$1.15 billion, are the new champs, the magazine said. Kentucky Fried Chicken is a unit of Heublein Inc.

The Army, the traditional leader in food-service volume, slipped to fourth place with \$909.2 million, behind the Agriculture Department's \$953.1 million.

IPACK-IMA

IPACK-IMA '73, international exhibition of packing and packaging, mechanical handling and food processing equipment, takes place in the Milan, Italy fairgrounds October 8-14. More than 600 exhibitors from fourteen countries will display.

The Exhibition will be open uninterruptedly from 9 a.m. to 6 p.m. Admission is free for foreign visitors on presentation of passport. The Exhibition catalogue of over 500 pages was available to the public from Sept. 1.

Hail Damage

Hail on Friday, August 17th, wiped out a good portion of the crop in a strip that ranged from 3 to 8 miles wide and ran from just northwest of Langdon to the southeast border of Cavalier county. Damage ranges from slight on the edges of the area to 100 percent on the most of it. Hailstones range from marble size to golf ball size in Langdon but reportedly reached tennis ball size in some areas by the time it exited the county. It hailed for about 20-30 minutes in Langdon and winds gusts as high as 50 mph. Windows were broken on the north side of many buildings and damage was also done to siding and roofs. Leaves were stripped from trees and gardens were shredded. The area hit with hail also received from 1.7 to 3.00 inches of rainfall. Harvest continued as normal in the balance of the county with good yield reports coming in. The Langdon Experiment Station was included in the 100 percent hail area.

Easy Spaghetti

Crumble a leftover cooked hamburger patty, or cube leftover pot roast or roast beef or pork, and add to canned meatless spaghetti sauce. Heat through and serve over cooked spaghetti or elbow macaroni.

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