

**THE  
MACARONI  
JOURNAL**

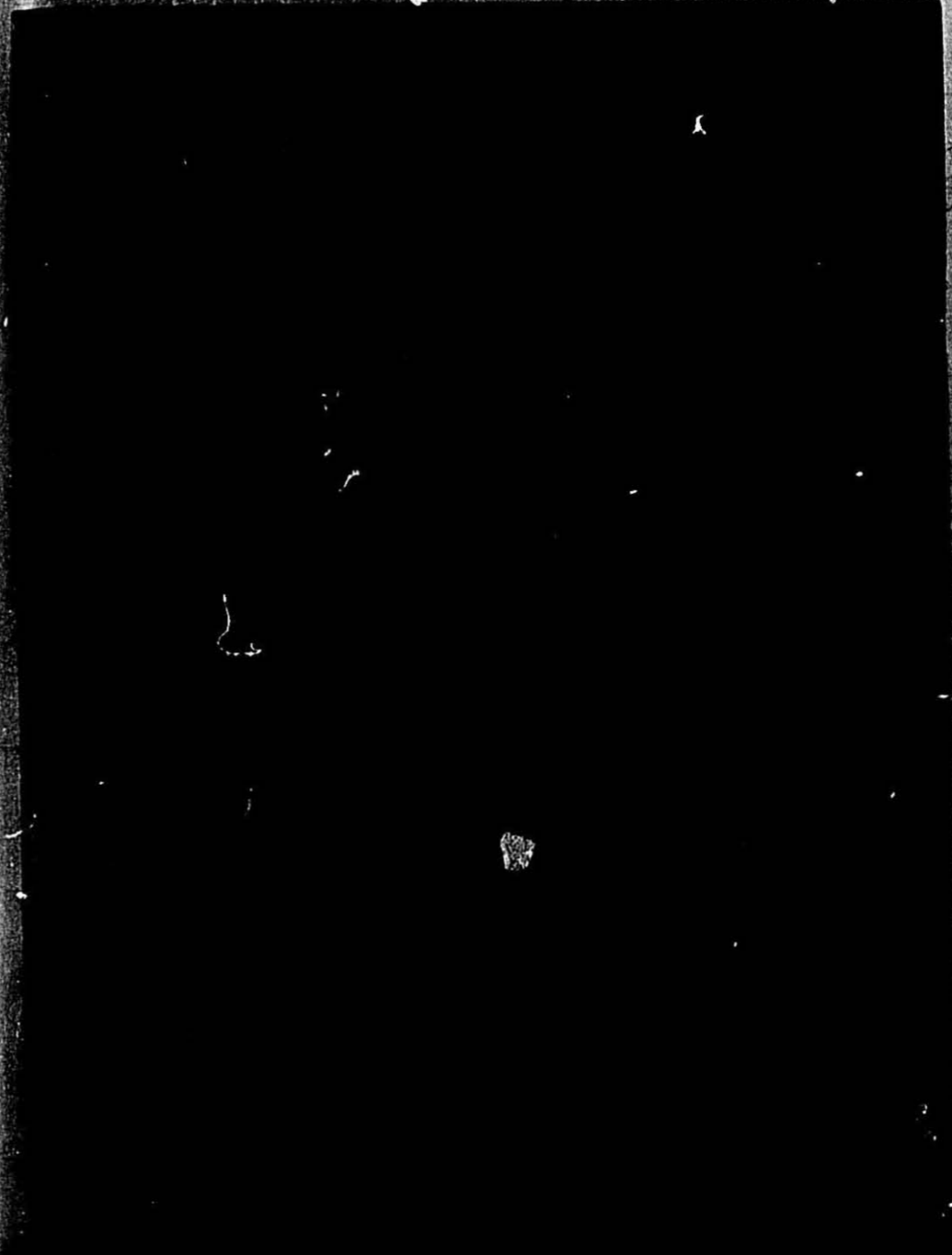
**Volume 56  
No. 3**

**July, 1974**

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JULY, 1974

*Macaroni Journal*



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## The Macaroni Journal

July  
1974  
Vol. 56  
No. 3

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### Editor's Notebook:

Pictured on the cover is a consumer demonstration in the test kitchens of B. Birkel Sohne, largest pasta manufacturer in Western Germany. The top panel is a reflection in a mirror of a home economist preparing a pasta dish. The Birkel group is celebrating its one-hundredth anniversary—picture story starts on page 32.

Pasta Foods Ltd. in Great Britain has had remarkable growth in the past two years. Story on page 36.

There is much concern about the late planting of durum this year, the low stocks and the heavy demand around the world. Latest information begins on page 24.

Much has been written lately on the growing dilemma of rising populations, rising expectations, and the shortages of raw materials in the face of world-wide inflation. Continental Bank in Chicago recently reported a consumer survey on the impact of the

inflationary bite. Then they held a seminar on hunger as a challenge to business. This starts on page 16.

A briefing session on nutritional labeling education was held in Washington at the end of May. It is reported on page 30.

Macaroni products have been getting a great deal of publicity due to increasing public interest and the cumulative efforts of the National Macaroni Institute, Durum Wheat Institute, North Dakota Wheat Commission, as well as individual brand advertisers.

Some consumer magazines are devoting large sections of their publications to pasta information, cooking instructions and recipes.

Many important consumer magazines, major market newspapers, radio and television stations have given time and space to the promotion of pasta recipes. The industry efforts of the past twenty-five years are really paying off.

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### Budget Recipes

Budget Recipes and money-saving shopping guide was put together by Charlotte Adams for Jade Communications, Inc.

Jack Denton Scott has a feature in the Summer, 1973 issue entitled "Double Your Dollar with Pasta." He says, in part:

There are a number of popular misconceptions about pasta, one of the world's most perfect foods. It was not discovered in China by Marco Polo. Something resembling ravioli was being eaten in Rome in 1284, almost twenty years before Polo's famous travels. Pasta was not brought to this country all tangled up in meatballs by Italian immigrants. Thomas Jefferson introduced it here in 1788, bringing back one spaghetti die from Italy; he used it to make small amounts of pasta, serving it only to family and friends. The classic pasta dish is not spaghetti and meatballs, any more than chop suey is typically Chinese. In fact, pasta and meatballs can rarely be found in Italy.

#### Not a Weight Builder

Let's straighten out another bent fact: Pasta is not a weight builder. Naturally, if you overeat any food you'll pile on the pounds. Pasta itself is a very low-fat food, its fat content averaging 1.4%. Two ounces of uncooked macaroni contain only 200 calories. In addition, pasta is superior to the potato as an energy-giving carbohydrate because it contains more protein. In this pasta-protein are six of the eight essential amino acids. The other two required acids are usually in the sauce; so a dish of pasta with meat, cheese, seafood, tomato or eggs, means that you are serving up a perfectly balanced diet.

In addition to all this, not only does pasta magically mate with about any food, but it is a budget item without peer. Try to name another food that will supply a quick supper or an elegant dinner for four, or even six, that you can put on the table for about two dollars, often even half that.

#### Cup O' Noodles

Cup O' Noodles, a Japanese product, is being sold in selected West Coast areas by Nissin Foods U.S.A. Co. of Gardena, California. The product, described as an instant meal in a cup, has a base of Oriental noodles and comes with freeze-dried meats, egg and vegetables in a choice of shrimp or beef flavors. Retail price is about 49¢ for the beef and 59¢ for the shrimp—both in 2.7 oz. containers.



Pictured around the clock is a noodle omelet with orange juice for breakfast; a no die casserole with milk for lunch; noodles as a side dish with ham for dinner; and French fried noodles as a snack or beverage accompaniment.

#### Creamettes and Spam

Creamettes, "the macaroni that never sticks together," and Spam, "a lot of meat but not a lot of money," are the principal ingredients of a light but nutritious summer salad being featured in a full-color "checkerboard" ad in June Family Circle.

The joint sponsors think the recipe in the ad will appeal to grocers as well as homemakers, because it calls for a number of ingredients besides the 7-oz. package of Creamettes macaroni and the 12-oz. can of Spam—including salad dressing, cheese, lettuce and even grapes.

The ad describes the salad as "a winning hot-weather combination

that's cool and light, yet rich with good meat protein."

#### Stouffer Spaghetti

Stouffer Corporation has added Italian spaghetti with meat sauce to its frozen entrees. The product is in a 14-oz. twin-pouch single-serving format.

A four-week series of television spots will be alternated with existing product advertising in 27 local markets to introduce the product. A newspaper coupon ad will appear in 81 daily newspapers, as well as store coupons redeemable for 50¢ with proof of purchase. Direct mail couponing will also be used in selected local markets.



## Sell her with quality.

The demand for macaroni products is up. Pasta dishes are popping out of ovens all over America as housewives try to keep their food costs down. Recipes are being exchanged over coffee cups, and good cooks are looking for

quality pasta products. You'll be giving them quality if you start with durum from the North Dakota Mill. Keep your sales up with Durakota No. 1 Semolina, Perfecto Durum Granular or Excello Fancy Durum Patent Flour.

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## At the Super Market Institute Convention

THIS year's Super Market Institute Annual Convention was a combination of 22 workshops on a variety of subjects, plus three general sessions. This made it difficult for any one topic to dominate.

Possibly most significant was SMI's decision, as outlined in rather general terms by its president, Ed Schnuck, chairman, Schnuck Markets, Bridgeton, Missouri, to go all-out to educate the consumer and improve relations with the press and opinion makers. The association is formulating what seems to be the most ambitious and expensive public information program in the industry's history to improve its image.

The three aspects of the campaign are:

(1) **Public information assistance programs.** These will include contingency white papers on problems which may confront the industry; training conferences for personnel of member companies and seminars and briefings for members.

(2) **Industry data.** The public information division of SMI will pull together and make available information on sales, costs, profits and other operating data. It also will monitor the supply situation and producer expectations, and give this information to members in written form. There will be a fact book for advice in dealing with the media.

(3) **Research.** At SMI's midyear meeting, findings were released from a pilot study of consumer attitudes and trends that had been commissioned by SMI. This study will be broadened with a major test of the hypotheses of the initial findings. During the second half of 1974 there will be an updated study of customer attitudes. In addition, other available data will be collected. Subscribers will get written material and will be able to participate in briefing sessions.

### Cards on Table

The logic of this campaign seems to be: The food industry can afford to put all its cards on the table with the media. If it does so, it will get fair and intelligent coverage. This, in turn, will have a beneficial effect on consumer opinion, and the combination will offset unwarranted sneak attacks by critics. While the details of the operations have not really been spelled out, the approach would appear to have promise.

The program will be open to all retailers, including wholesalers with corporate stores, and while it's an SMI

effort, it is doubtful that it was undertaken unilaterally. There was evidence of a number of cooperative efforts among associations, talks of the necessity for the industry to speak with a united voice and some movement toward eventual merger or amalgamation of associations. In his speech, Mr. Schnuck emphasized that the program "is not designed to create a spokesman for the industry." Its promise, he said, is that given the facts, the public and newspapers and television stations "will be more considerate and fair than when working in the dark or armed only with information supplied by our professional critics."

### Coupon Handling

Another workshop on coupon handling was an important part of the SMI convention. A study is now being conducted by Arthur Andersen and Company, which will cost an estimated \$250,000, and was commissioned by the Grocery Manufacturers of America and distributor associations.

Mr. George Koch of GMA gave a strong speech attacking the moral fiber of retailers for condoning coupon misredemption, and threatening that their activities could result in suppliers' abandoning use of this merchandising device. To cut down misredemption, he suggested that manufacturers:

(1) Maintain a record of retailer redemption; require proof of performance if they feel redemption rates are out of line.

(2) If there are problems in a particular area, shop the stores and correct problems with retail management.

(3) Establish auditing procedures to insure that clearing houses adhere to GMA criteria.

(4) Coordinate redemption controls with auditing and security departments.

(5) Do not use couponing to try to force distribution.

(6) State the coupon-offer terms clearly to both retailers and consumers.

He suggested that retailers: Establish a policy of redeeming only for specified products and stick to the offer terms; communicate the policy to employees; train checkers thoroughly in proper coupon handling; educate customers on proper redemption; and hold store managers responsible for honest coupon practices.

Manufacturers' alternatives to couponing, according to Koch, probably include more advertising, less promotion and possibly a return to sampling, which, he said, takes away from store

volume. He also held out "the specter" of Government intervention to control misredemption.

### Five-Point Program

Steve Rubow of Jewel, the distributor speaker, stated that couponing isn't so great anyway; there are many couponing practices by manufacturers which should be improved, and that retailers are losing money with only a 3¢ handling fee. Rubow proposed this five-point program on couponing:

(1) Encourage early completion of the Andersen study.

(2) Manufacturers and clearinghouses should educate merchandisers and buyers to customer coupon response "objectively rather than promotionally."

(3) Education of manufacturers' representatives on the importance of "clean" coupon handling will help remove temptation.

(4) Manufacturers should offer alternatives to in-ad coupons to broaden retailer flexibility and inventiveness.

(5) Mechanics of coupon production should be reviewed constantly to make promotional offers clear to consumers.

### Electronic Checkout

Other workshops of importance dealt with the electronic checkout "revolution." The booth at the convention where the electronic cash registers and related scanning equipment were shown were the busiest on the convention floor. Speakers in workshops on electronic checkouts and the Universal Product Code played to standing-room-only crowds.

Dave Carlson, vice-president information systems, Chatham Super Markets, Warren, Michigan, emphasized the careful planning that must go into purchase and installation of electronic checkouts. Benefits must be weighed against costs and full scanning systems will not be economically feasible for every company or every store. He pointed out the incremental operating and investment costs of the equipment, which outweigh operating benefits unless the store is one where those benefits are very high.

### Not Applicable to All

Fritz Biermeier, vice-president information systems, Supermarkets General Corporation, Woodbridge, New Jersey, stated, "The concept of electronic cash registers through a graduated approach is not applicable to all chains." He pointed out that "less than 30 per cent" of the work in electronic checkout installation is physically putting the units

into the store. While upgrading an electronic cash register to scanning is not difficult from the equipment standpoint, "the upgrade is not a simple one from the retailer's point of view. Scanning is not necessary for all companies or all stores within a company." He further stated optimistically that scanning is already feasible for some stores today, and equipment prices are lower than the industry UPC study committee projected. He described the biggest problem as the lack of people in retail and wholesale firms who understand the implications of scanning and urged that someone in a firm be appointed to develop that capability. "If you don't run your store well now scanning isn't going to help."

Paul Cohen, Manager, systems software, Grand Union Company, Elmwood Park, New Jersey, feels savings from the system will come from intangible benefits. He pointed out that the equipment manufacturers are offering two different approaches on software, with information available at the store or headquarters level. "We're concerned, too, about what we will do with the small stores," the ones for which this equipment is not feasible, Mr. Cohen stated.

Of note, for the first time at the SMI convention, were representatives of the Army commissary system, who were enthusiastic about the potential of scanning systems for commissary use.

## Merchandising Trends

from SMI Convention Workshop

Dr. Alton F. Doody, President of Management Horizons, Inc., internationally recognized consulting firm specializing in retailing, stated that the changes now taking place in food distribution marked a significant and substantial departure from the evolutionary changes which have shaped the industry over the last 30 to 40 years.

Tracing the history of the industry over this period of time, Dr. Doody pointed out that the super market, in its heyday, was a generic and strategic breakthrough in the field of food distribution. "It totally transformed shopping habits and made it possible for super market pioneers to operate with a volume-cost-profit-investment profile radically different than the existing chains and independents."

Doody went on to say that most of the changes that have been made in the industry since the 1930's involved incremental refinements of a single basic concept. "What we are now seeing," he observed, "is the beginning of a new revolution in the food industry."

This revolution, like those in retailing which have preceded it, will produce dislocative shifts in the fabric of competition.

### Warehouse Retailing

Doody indicated that the "superstore" was only the beginning of a whole new wave of retail formats that will transform the food industry over the next decade. Citing the rapid development of "warehouse retailing" in home furnishings, TV and appliances, floor covers, catalog showrooms and building materials, he pointed out that the application of warehousing technology at the retail level of distribution was a pervasive phenomena. He indicated that the hypermarket in Europe, and more recently in North America, was merely one more manifestation of a worldwide trend. The hypermarket, combining food items and general merchandise items under one roof with one bank of checkouts, has the potential to operate on a profit model considerably different than the free-standing super market.

Doody traced the development of the hypermarket concept in Europe and analyzed several of the most successful operations, including Wertkauf in Germany, Currefour in France and Miro in Holland. In addition, he analyzed the quasi-wholesale-retail operations such as Makro, Metro and Beehive. He related these to incipient developments in North America, including Schweggmans in New Orleans, Giant Open Air in Norfolk, Meijer's Thrifty Acres in Michigan, Jewel Grand Bazaar in Chicago, the Food City Warehouse in Jackson, Mississippi, and Hypermarche in Montreal.

### Geographical Differences

He acknowledged the obvious differences between the North American and European markets, including the intensity of competition, the size of each geographical market, the sophistication of North American physical distribution systems and the existence of tough anti-trust legislation. Notwithstanding the above, Doody pointed out that there is a compelling logic in the larger, more tonnage oriented outlet designed to serve "stock-up" needs. The new units, when properly developed, have that magic ingredient of all true retailing innovations—the ability to sell "more for less." Doody pointed out that almost all food operators sell groceries at close margins, the trick is to sell specialty food products and non-foods this way also. This means designing truly new types of units—units that can handle 10 times the volume of conventional super markets.

### Economic Impact

Like the situation in the 1930's, when the country was deeply involved in the Depression, Doody suggested that current economic trends would encourage the development of larger, more efficient retailing facilities. Increased food prices and increased energy prices have reduced discretionary spending 16% to 17% in the last year alone. The consumer today is value conscious and is likely to remain so in the future, even if inflation does not continue at the two digit level.

Asked about the role of smaller businesses as related to the retailing revolution, Doody pointed out that the history of the super market proved that some smaller sized organizations could capitalize on emerging trends. Beyond this, he pointed out that there would always be room for the "artist"—the individual who runs a truly distinctive business in a unique manner. It is the business in the middle that must be careful—the business that lacks the clarity of offer and the classification dominance that are more and more a part of the new realities of the marketplace.

## The Supermarket Industry Speaks

Supermarket sales declined about one per cent last year, when inflation is taken into account, reports Bill Bishop, Super Market Institute director of research.

Based on the Consumer Price index inflation factor, the decline in actual sales was five per cent below 1972. The figures, based on results of 340 member companies operating 10,111 stores, showed an increase in 1973 of 11% and 10% in 1972.

Mr. Bishop said his department had looked for ways to measure inflation. The following questions were considered: What was the average price per unit at the beginning of 1973? What was it at the end of 1973? "We were actually pricing a different mix of goods at the end of the year," he said. "Perhaps it is not an ideal approach, but we felt it was a better indicator than the Consumer Price Index."

Net profits before taxes last year were 1.3% of sales the same as 1972. They were 1.6 in 1971, 1.7 in 1970, 1.5 in 1969, and 1.7 in 1968.

Mr. Bishop pointed out the pre-tax net profit was 1.7% in the fourth quarter of 1973, 1.1 in the third, 1.2 in the second, and 0.9 in the first quarter.

Statistics collected by SMI showed people consumed fewer pounds of food

(Continued on page 12)

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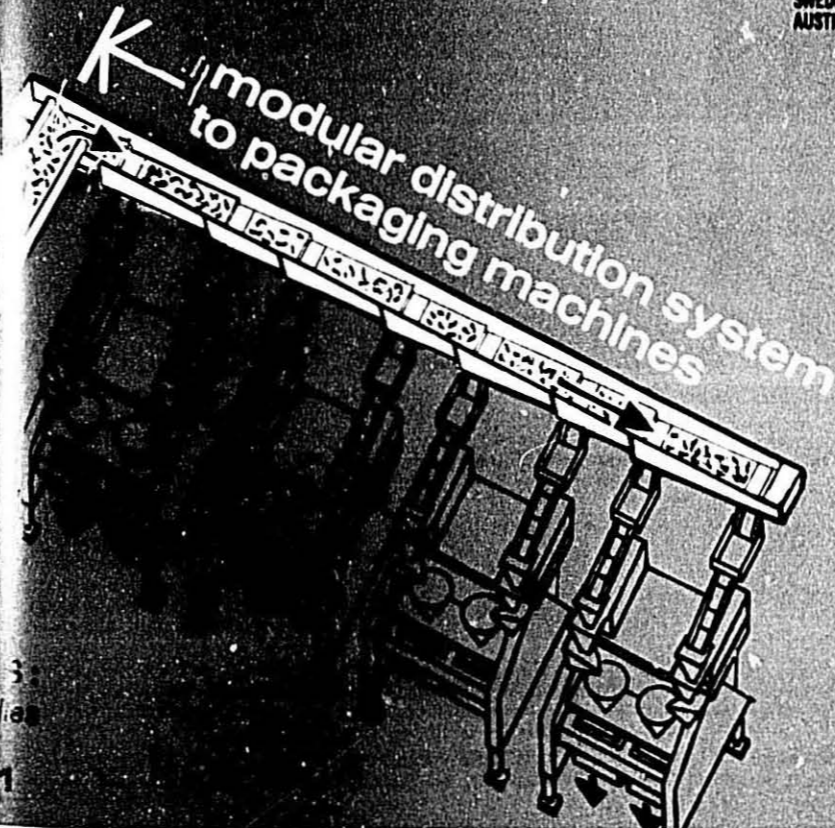
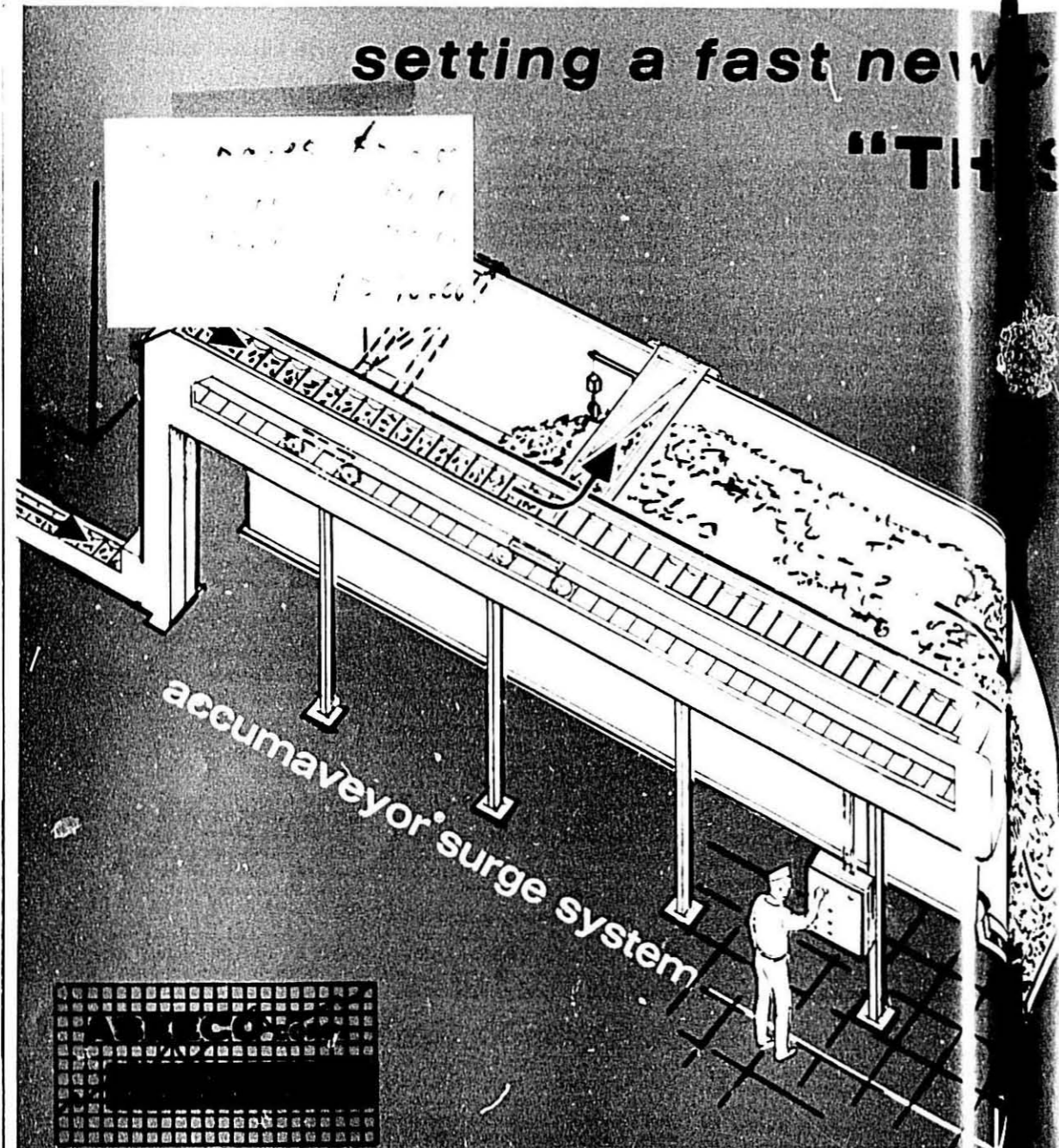
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**Supermarket Industry Speaks**  
(Continued from page 9)

in 1973 (104) than in 1972 (106). But the decrease in per-capita consumption did not happen across the board. Crop products were up while animal products were down.

Average volume per supermarket last year was \$58,000, up from \$47,200 in 1972.

	1973	1972
Sales per man hour	\$42.63	\$40.24
Sales per transaction	7.47	6.58
Sales per square foot	4.71	4.34
Average gross margin	21.1%	21.3%

**Italian Accent**

A wide-ranging Italian food promotion, involving almost every merchandising area, was run by the New York branch of Food Fair stores.

Store sections, from grocery to general merchandise, were stocked with Italian products, according to Al Feraldi, branch manager.

A drawing was held with a complete trip for two to Italy as first prize. Seven consolation prizes included a tropical cruise, a trip to Las Vegas and a console color television. The drawing was promoted in full-page ads followed by a food ad highlighting the Italian items.

Featured were Italian cheeses, salami, prosciutto, escarole, peppers, eggplant, rabe and frozen pizzas.

Some items in the general merchandise section promoted were pizza cutters and pans, cruetes, pasta dishes, garlic presses, cheese graters and salad bowls.

In the grocery area, tomato sauces and pastas, oil, vinegar, spices, soups and black olives were highlighted.

Some 38 stores in Brooklyn, Queens and Long Island were decorated in Italian style and played Italian music. Employees wore appropriate costumes.

You see more men in the supermarkets these days. That's what they get for complaining.

**Services Remembered!**

- I used to get puzzles,
- I used to get stamps,
- I used to get pictures
- Of Presidents and Champs.
- I used to get gadgets
- Of plaster or glass,
- I used to get coupons,
- I used to get gas!

**How to Solve the Energy Crisis**

by Dr. William A. Johnson  
Assistant Administrator for  
Policy Analysis and Evaluation,  
Federal Energy Office  
at the  
Super Market Institute Convention

**How to Solve the Energy Crisis**

**T**HE most effective way to encourage conservation is to allow prices to rise so that all consumers, industrial as well as household, have an incentive to conserve. Prices have risen, and to levels that are encouraging more efficient use of energy, as well as new production. Yet we now hear demands to roll prices back to unrealistic, out-of-date levels, a reactionary step that will only deepen the crisis and destroy incentives for needed investment in the industry. There must be a greater willingness to pay more than we have in the past for our various energy sources. For too long we were paying too little for energy in this country. Low domestic prices were a major reason why, in recent years, multinational oil firms have been investing heavily abroad. They were a major reason why we have not developed some of our marginal sources of energy, such as oil shale and deep drilling. They were also a major reason why we have become a nation of energy spendthrifts, consuming far more energy than we need to maintain our present standards of living.

There are other policies that we must also change if we are to solve our longer-term energy shortage.

- We need to review our air quality standards to determine whether some of these standards can be relaxed without serious consequences to health and safety. This is particularly important if we are to substitute coal for unavailable oil.

- We must modify EPA's lead standards which, if unchanged, will reduce considerably our effective refinery capacity and our efficient use of gasoline. They will also increase shortages of other refinery products, notably petrochemical feedstocks.

- We must avoid the overzealous adoption of new environmental measures that will intensify the energy crisis and make us even more susceptible to energy shortages. Perhaps most serious is strip mining legislation now before Congress which would seriously impede increased production of coal.

- We need to accelerate off-shore drilling and remove the various administrative and legal obstacles that have restricted our ability to exploit off-shore oil and gas reserves.

- We must stop preventing the construction of refineries in many areas in the mistaken belief that, even under modern technology, refineries must seriously pollute the environment. We must also rid ourselves of the dangerous notion, now prevalent in parts of

our country, that the allocation program will take care of local demands and eliminate the need for new refinery construction.

- Similarly, we must speed up the construction of nuclear power plants in order to ease the burden on oil in the generation of electricity.

- We must deregulate natural gas at the wellhead, not only to assure the higher price necessary to produce more gas, but to enable the industry to operate free of uncertainties about changes in future Federal Power Commission policies and retroactive reductions in FPC-approved prices.

- We must stop pointing to scapegoats, particularly the major oil companies, and cease deluding ourselves that the energy crisis is a result of anything other than our own mistakes, our misguided policies toward, coal, oil, natural gas, and nuclear power.

- Finally, we must abandon price and allocation controls over oil and rely more on the operation of a free market. These controls, if allowed to persist, will destroy incentives for expansion of the oil industry. They are digging us deeper into the pit into which we have dug ourselves.

The food industry has been given the highest priority in the allocation program. This is as it should be. But allocation is not the answer to the food industry's or, indeed, the nation's problems. Allocation merely spreads the shortages and, in so doing, is creating as many problems as it is solving. Were we to rely on allocation alone, all of us, the supermarket included, would receive ever-smaller pieces of an ever-smaller pie.

The solution to the energy problem lies in the various policy changes which are necessary to increase production and reduce waste. It is essential that the Congress, the Administration, and state and local governments get on with the job of instituting these changes and forego baseless charges and empty promises which unfortunately, have dominated so much of the public dialogue about the energy crisis. And here, perhaps, the supermarkets could perform their greatest service. Demand from our political leaders solutions, and not words. Support the various measures necessary to balance energy supply and demand. And, above all, don't become addicted to allocation and the government solution to every problem. For, despite appearances, there's more oil in Texas and Louisiana than in Washington.

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## The Supermarket Scene

by Bryan Allumbaugh, President, Ralphs Grocery Company  
at the Millers' National Federation Annual Meeting

I thought I might tell you about some events that occurred during a one-week period recently. It was not particularly an unusual week, and the reason that I refer to it is that I made some notes during that week of those matters of concern to us that were outside the regular pursuits of doing business.

That week started out with a meeting on the Sanitation requirements set forth by the Food & Drug Administration in our stores and plants—a program we heartily supported even before we learned that company presidents would be sent to jail for repeated violations of sanitary conditions.

Then we learned that our fuel allocation would only provide deliveries to our stores three weeks of the month and that we had better find a different way to serve our stores (we did find a solution, but it required untold hours of effort and innumerable letters and phone calls to determine how it could be done and whom to contact).

Next we attended a meeting on the energy crisis and reviewed our progress toward reducing our stores' energy consumption 20%—a goal set for us by the Department of Water & Power. A new and probably permanent department has been established in our company to monitor our energy savings program.

The next day we received a letter from the Environmental Protection Agency requesting a detailed report of our affirmative action plan to show what we plan to do to contribute toward cleaner air.

It was that day that our management staff was given a briefing on the recent interpretations of the Equal Employment Act—particularly as it relates to minorities and women's rights. Again it was mentioned that company officers could be prosecuted for failure of total compliance!

We were cited that week for failing to comply with proper labeling requirements in our bakery departments by the Department of Consumer Affairs. We also learned (after 50 years of doing so) that we could no longer display fresh pumpkin and lemon pies out of refrigeration unless a certain label was applied to the package.

A report was made to us by our Committee to Implement the awesome regulations of OSHA in our company . . . an enormous task as most of you know!

Then we met with our attorneys to review some interpretations from the F.T.C. concerning advertising allowances and learned of some potential new problems.

An important session was held to make sure of our compliance with the Price Stabilization Program and Phase IV requirements. Needless to say, we eagerly awaited Phase V—which finally became no controls at all!

Periodically throughout the week we were able to give some thought to sales planning, profit improvement and expansion programs—but we couldn't dwell on these mundane business considerations too long before having to ponder what had to be done to meet the next crisis.

I could go on describing the time and effort being put forth to comply with the myriad of government agencies at all levels that we must now satisfy. The unfortunate point is that even though we retailers are primarily merchants, we are being strangled by government agencies and special interest groups to the point that creative merchandising planning and implementation is being severely threatened—simply because our people are being diverted by too many outside elements.

### Grain Products Gain

Grocery products containing grain like ready-to-eat cereals have increased in sales substantially in spite of some of the adverse nutritional comments made about them. Pasta products (macaroni and spaghetti) have also increased in sales even though the retail prices have increased substantially. Baking flour and prepared cake mixes have not shown any decline in the number of units we sell, even though a 5 pound bag of flour is now over \$1 a bag and a package of cake mix is over 50 cents a package.

Natural foods, or health foods, seem to be leveling out. Ralphs was one of the first supermarket companies in the country to feature large Health Food Departments since we are located in the Los Angeles area where a lot of new trends and fads begin. It appears that there is a strong core of health food users, but their rate of developing new converts must certainly have slowed down.

Beef sales are down substantially as a percentage of the total business. If we were to look at a graph of beef sales for the past year, we would see



Bryan Allumbaugh

that the sales fell drastically beginning with the boycotts a year ago and have never recovered to previous levels. Even though beef prices have come down, beef sales have not increased proportionately.

Our Home Economist, Martha Randall, believes that food editors around the country have done a good job in promoting grain products. She thinks that part of the reason our beef sales are down is because consumers have been taught how to use grain products with good nutritional value that make meat dishes go further. She also thinks that the Weight Watchers Clubs have helped the grain industry since an important part of their members' diet is whole-grain breads and cereals.

### Consumer Relations

Now a little bit about the consumer and our relationship to her. Like many food retailers, we have installed unit pricing on the most frequently purchased grocery items, even though we are not convinced that there is enough consumer interest to warrant it.

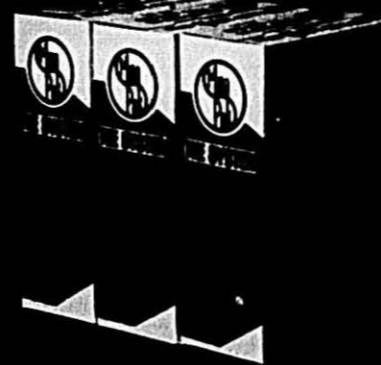
Our open dating program on all of our perishable products is of far more interest to our customers. All of our meat, dairy, delicatessen and bakery products carry an open date after which they cannot be sold.

For some time we have been adding nutritional information on the ingredient label of all our private label products and will continue to do so (although we don't believe that the average consumer understands food nutrition any better than she understands

(Continued on page 18)

THE MACARONI JOURNAL

# A NEW OPTION FROM MIRA-PAK



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MIRA-PAK, Inc.

## Supermarket Scene

(Continued from page 14)

nuclear physics—even though both are important to her). We think in the long run that nutritional labeling information will be important to the consumer, but we have to teach this information to the consumer. We will have to teach this information to children in school in order that they will think in terms of nutrition as they become adults.

### Tendency to Generalize

One danger we do see in this era of consumerism is the tendency to generalize. We have no "average" consumer. Our customers come in all ages, sizes, colors, religions; either walking or riding.

We have no "average" store since we try hard to cater to the needs of every community and neighborhood we serve.

We don't like pickets, handbillers, boycotters or other protest groups around our stores, although we recognize they have a right to do so.

There are some recent changes in consumer attitudes which are notable. The most important is the new attitude of consumers toward food retailers. Up until a few months ago, most housewives pointed to the food retailers as most responsible for higher food prices. A recent survey indicates that today only 6 per cent hold us most responsible. This spectacular and remarkable change in attitude can be traced to only one factor—consumers today are far better educated and have a greater understanding of food pricing than ever before.

### Major Concern

A major concern for all supermarket operators this year is the eminent possibility that we may again be faced with consumer boycotts as a result of continually escalating food prices.

If the projections made by the Department of Agriculture and other food economists are true, 1974 will again result in large-scale food price increases.

Put these projections together with the general state of the economy and the uneasiness of the consumer and you quickly recognize that we are bound to be facing a volatile situation in the months ahead. Unfortunately it appears to make little difference if housewives criticize, consumer groups protest and politicians make promises—but because of the world situation, food prices will continue to rise.

Daniel Yankelovich in his latest consumer study said that the public has apparently divorced the supermarket from the "middleman" connotation.

52% of those polled blamed higher prices on the President and others in Government. 28% on the "middleman," processor or wholesaler, and 11% on Unions.

The image of the supermarket still has far to go. Yankelovich revealed that the poll showed 47% of those questioned feels their favorite supermarket contributes nothing to the community. Food shopping is considered a chore by 82% of women compared with 78% of the women who consider clothes and furniture shopping as recreational.

### Opportunity

If one translates this clearly, perhaps the retailer now has a great opportunity for vindication and to again become a friend and ally of the consumer. In our opinion, food retailers should:

#### 1—Help restore confidence in business.

The importance of confidence in our private life is well understood. Confidence is too often underrated and overlooked in the business world. Confidence of the consumer in business should be the most important single factor in our relationship. Our failure to recognize and appreciate the full significance of this priceless ingredient can be the most serious deterrent to our economic growth.

#### 2—Continue to tell our story to the consumer.

The American supermarket, and the food distribution system supporting it, is the most efficient and economical the world has ever known. Thanks to its efficiency, the supermarket is geared to sell food at the lowest possible price to the greatest numbers of people.

#### 3—Hold the line on costs and increase productivity to produce reasonable profit margins that are so essential to the capital investment needed for the growth and improvement of food distribution.

#### 4—Alert our customers to impending price increases and price trends to encourage consumer savings.

#### 5—Stress nutritional values and offer meal planning services along with "best-buy" suggestions.

#### 6—Educate our store personnel in terms of price trends, "best buys" and products, and plan recommendations for better, more meaningful communications with customers.

Finally, let me confirm our responsibility to our customers to provide them with their basic rights to be informed, to be heard and to choose, and to integrity in the marketplace.

I don't believe we have anything to hide as an industry. Our biggest responsibility—or problem or opportunity—however, you define it, is to be alert

to the changing circumstances of our times. We, as businessmen, can benefit by providing as much knowledge as we can to help satisfy our consumers' new interests and attitudes.

One big lesson that we have learned is not to underrate our customers' intelligence. They are perceptive and usually see through any attempt to mislead them. They keep us in business—God bless them all!

### Full Measure

According to some studies, suspicions have arisen of widespread short-weighting in packaged products. As a result government investigators, according to *Changing Times*, a family magazine, launched a massive nation-wide survey and checked 11,000 packages of dry food—crackers, cookies, macaroni, cereals, prepared mixes, etc. The average package, they discovered, contained 4% more than the listed weight.

### Inflation Gnaws at Consumer Confidence

Inflation is devouring—not just nibbling—large chunks of the paychecks of Chicagoans and they're reacting by showing high levels of consumer pessimism.

One half of the Chicagoans' questioned in Continental Bank's Family Financial Survey said their personal finances were worse than a year ago. This is the highest such response in the 3½-year history of the bank survey and up considerably from the 32% response recorded in February.

Continental's survey is a quarterly sampling of 500 Chicago-area families' attitudes about their personal finances, family income, business conditions, and how they manage their money. The survey also asked Chicagoans how they are fighting inflation by reviewing their basic expenditures.

Only 13% of the respondents said their personal finances were better (compared to 27% a year ago) and 30% said they were the same (compared to 41% a year ago). Almost half—41%—said their family incomes were about the same as last year.

Only 8% said present business conditions are better than one year ago, while 46% said they were worse. Perhaps seeing a silver lining in their personal economic clouds, 24% said conditions will be worse, compared to 35% a year ago.

Two-thirds of the Chicagoans surveyed said the recently-lifted wage-price controls were ineffective in fighting inflation.

(Continued on page 18)

THE MACARONI JOURNAL

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Chicagoans also noted that inflation was biting deeply into their psyches, causing them to change some of their buying habits of basic goods.

**Clothing:** More than half—56%—said they were spending more because of inflation, and more than half of these—56%—said the increase ranged from 10%-25%. About one-fourth said they changed the type of stores in which they shop and more than one third—36%—said they chose a less expensive line of clothing, both as means to curb clothing costs because of inflation.

**Food:** Eighty-five per cent said they spent more on food than one year ago and more than one half of these—53%—said the increase was in the 10%-25% range. More than one-fourth—28%—said the increase was between 25% and 50%. Sixty-one per cent said they bought less expensive foods to cut costs and 45% said they bought less food than they did previously. More than three-fourths of the respondents—81%—said they expected inflation to continue to affect food prices throughout the year.

**Housing:** More than three-fourths—76%—of those who own a house or apartment said inflation increased the cost of regular maintenance over the past year, while 12% said it didn't. Two-thirds (66%) of the renters said inflation increased the amount of rent they are paying compared to two years ago. Some 83% of all respondents said inflation will increase their housing costs in the next year.

**Autos:** More than three-fourths of the Chicagoans surveyed said they owned a car and almost all of these—92%—said inflation increased the amount of money it cost to operate it. More than one-third—37%—said the increase ranged from 10% to 25% and another third said 25%-50%. Some 35% said they changed suppliers of auto items as a means to cut costs, and 77% said they used their car less to cut expenses. Only 17% said they purchased a new auto in the last six months and one-fourth of these said it was smaller than that previously owned or the other family car.

**Major Appliances:** About half—49%—said the cost of such items as washers, dryers, televisions, stereos, and dishwashers has increased over a year ago. Almost three-fourths—71%—said they did not purchase any of these items during the past year and 13% of these said their negative decisions was because of increased costs. Sixty-nine per cent said the cost of major appliances will continue to rise because of inflation.

## Feeding the World's Hungry: The Challenge to Business

CHICAGO's Continental Bank recently held a world seminar to discuss the global food shortage problem. Participants included U.S. government leaders, business executives, internationally prominent agriculturalists, scientists, and academicians.

John H. Perkins, president of Continental Bank, opened the seminar with the statement: "If the feared world food shortages go uncountered, the effect will be to reduce the bearableness of life for about a billion people, the quality of life for about two billion, and the quantity of lives on earth in a magnitude that could be disastrous."

It is obvious that we have entered an era of high food and energy prices on a global scale, with extremely complex results, said Perkins. "Americans who by and large have taken low-priced food for granted, last year became acutely conscious of rising food prices which increased at a 22 per cent rate in 1973.

"What they have been slower to realize is that the U.S. economy has become very closely linked with the rest of the world and that much of the acceleration of inflation, including food prices, has come from world-wide increases in the prices of basic materials that we import or export," Perkins noted.

Increasing demand, Perkins said, impelled our economy to expand faster than natural resources would permit. The result: sharply rising prices or absolute shortages of products derived from energy, agriculture, forestry, minerals, and metals. Further consequences showed up in international money and securities markets, commodities markets, and interest and foreign exchange rates, he said.

### Situation Worsening

The Chicago banker said the world food supply problem did not create these developments, but contributed strongly to them, and they in turn worsened the food situation. While the U.S. always has had a plentiful supply of food, along with surpluses during much of the past four decades, the world has always been short of food, he said.

"Now we are emerging from a period when food available per-capita on a world basis has remained remarkably stable. With that stability lost, the fundamental question that confronts us today is whether population is increas-

ing faster than our capacity to produce food," Perkins warned.

Unfortunately, the burden of insufficient production will fall most heavily where it is least supportable, according to Perkins. "Already events of the past year—notably including the energy shortage—have greatly increased the problems of the poor throughout the world, especially in the developing countries. Their prospects, unless there is some kind of major successful intervention, are likely to continue to deteriorate. Already, the high prices of food and energy—which have doubled to quadrupled—have sentenced millions to premature deaths from malnutrition and often from sheer starvation."

### Hopeful Sign

Perkins cited as one hopeful sign the lifting of practically all restrictions on the outflow of U.S. capital to foreign countries, which had been in force for the previous 10 years.

"These capital controls did not apply to the developing nations, but they nevertheless limited the amount of investment by American business abroad, with the effect that American corporations seeking to expand overseas often were forced to shop for funds in foreign money markets.

"The removal of the restraints means that U.S. investment now can move abroad more readily than at any time in the past decade. One result could be a positive effect on investment in the developing countries where capital is so desperately needed," Perkins said, "although even this must be tempered by the now obvious capital shortage here at home as well as abroad."

### Vital Task

"No more difficult or important task faces the peoples and governments of the world than choosing and then implementing wise measures for assuring future food supplies," said Ambassador Edwin M. Martin, special assistant and senior advisor to Secretary of State Henry Kissinger.

Martin said the issue is fundamental: People must eat to live and should eat well enough to be able to live decently. "It is intolerable to acquiesce to a situation in which, with all of our other material achievements, hundreds of millions of human beings do not get enough to eat to live decent and productive lives and that in many parts

(Continued on page 22)

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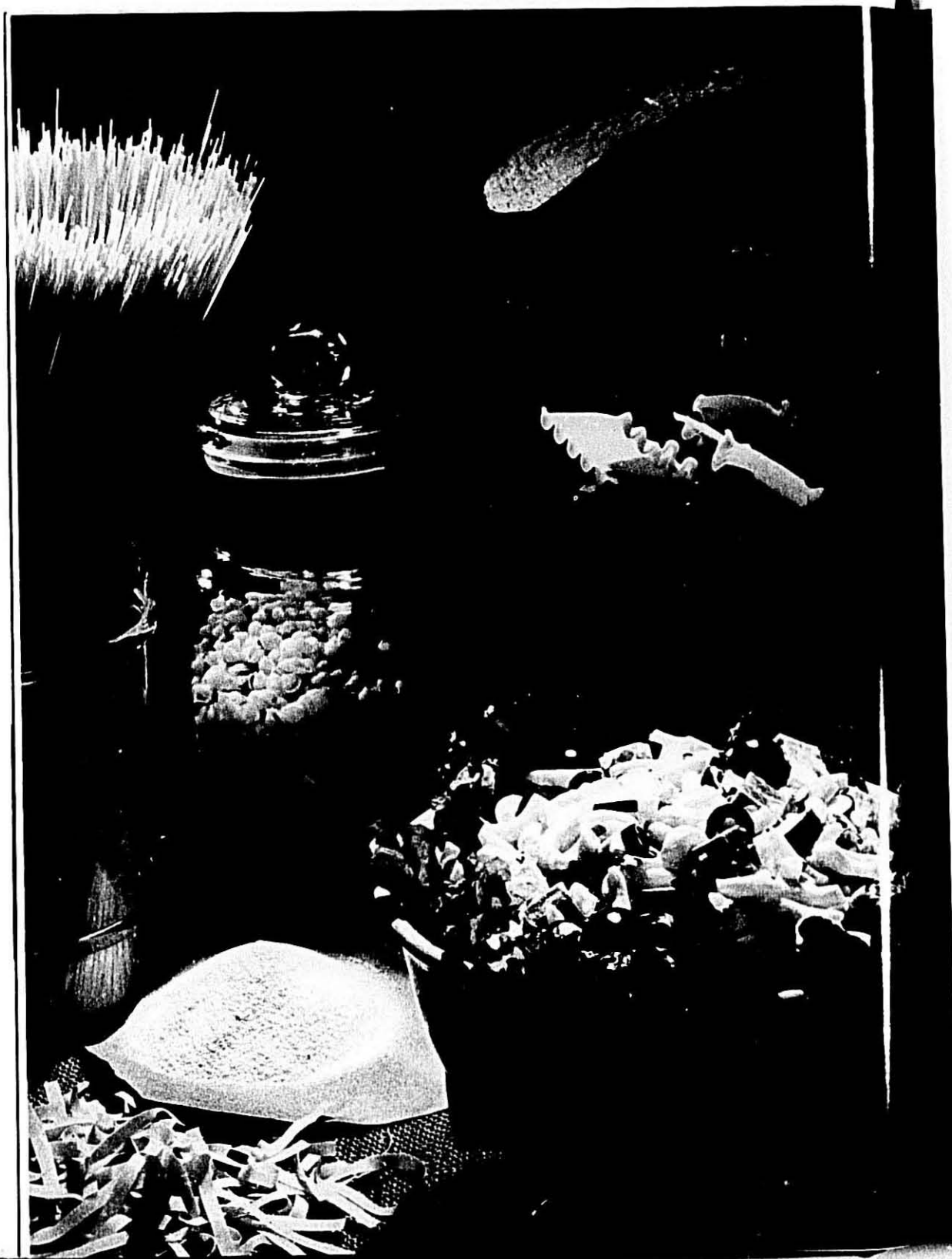
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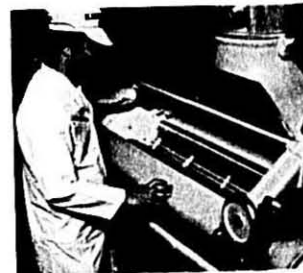
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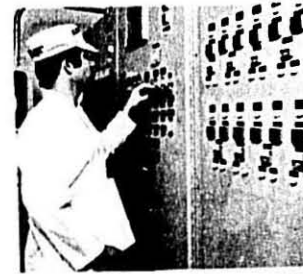
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## Ambassador Martin

(Continued from page 18)

of the world 30-50% of children between 1 and 5 die, nearly half of them from failure to get enough to eat."

Mr. Martin, who is the U.S. coordinator to the 1974 World Food Conference in Rome in November, said the international food scene over the next year or so is worrisome since "we can't count on harvests over several years, averaging out to an adequate annual supply. With only minimum stocks to fall back on we must live with what may happen this year and next year."

Over the long-term, Martin said his forecast is "pretty cautious," and suggested three courses of action: Research into new products and technology, develop large projects to make more land and/or water available to increase productivity, and reduce global population growth. He said the central problems facing the international community are financing the transfer of grain from the surplus producers to the food deficit, lower-developed countries whose foreign exchange positions will not cover all their import needs, and how to meet sharp increases in commercial demand due to crop failures.

## New Role for Farmers

Exit, the American farmer, tiller of the soil and owner of the family acreage. Enter, the modern food manufacturer and member of a finely-tuned agribusiness firm.

Forest L. Goetsch, president of Doane Agricultural Service, Inc., said by 1984 the current industrialization of agriculture will be mostly completed and the bulk of the country's food and fiber production will be coming from well-run farm business firms.

Lindley Finch, vice president and agricultural consultant of Continental Bank, said future commercial agriculture will be dominated by the privately-held corporation, the private investor corporation, and the family-controlled corporation.

Put together, the three corporate forms will dominate the 500,000 to 600,000 producing units which will be commercial agriculture in the United States, he noted.

Finch said the capital base of agriculture is being restructured—more by non-farmers and what happens off the farm than by those who till the soil and mind the herds—a transformation destined to shatter the very foundations of its traditional patterns in an even more profound sense than did the earlier "technological revolution."



Ambassador Edwin M. Martin

As an agribusinessman, Goetsch said the 1984 farmer will be thoroughly familiar with computerized accounting, cash flow projections from the computer, and the various uses of linear programming in farm planning. "He'll be handling relatively large volumes of money in order to show the desired return on his labor and investment," Goetsch said.

Finch said that, as agriculture loses its uniqueness and becomes more closely identified with the business world, it will continue to lose its historic political influence. It will be regarded more generally as an industry that should operate for the benefit of all consumers—not just for the benefit of farmers, Finch said.

Goetsch added that the 1984 farmer will have no more political influence than any other industrial group. "He will be operating in a market which is subject to considerable fluctuation as world conditions change. His markets will not have the stability that once was true when he was producing under price supports," he said.

## Other Characteristics

Other characteristics of the 1984 farmer, according to Goetsch, are:

- He will be more flexible and less traditional. He will be producing those items in which he has comparative economic advantage in the world market.

- He will be managing land whose prices might be doubled. For example, a 640-acre Midwest farm in 1984 would represent an investment of over \$1.5 million.

- He will witness shifts in the regional production of livestock. Swine production will be intensified in the Corn Belt, with some additional new units in the Great Plains. By 1984 hogs will be primarily produced in confinement units. Land will be too expensive to be using it for pasture.

- He will benefit from change in land use. Legislation in the next few years will safeguard most of America's prime agricultural land from other uses.

- He will have sufficient petrochemicals, because of a change in priorities, to provide the necessary pesticides and the nitrogen fertilizer to meet food needs.

## Diplomats Must Resolve Problems

Keeping the world's dinner table adequately supplied will depend, in large part, on what happens at the world's diplomatic bargaining table.

Because the food shortage problem is a political one as well as economic and agricultural, the success of coping with it depends on major foreign policy decisions to be made by the U.S. and lower-developed, under-supplied countries.

Offering this international political perspective to the world food shortage problem was Dr. D. Gale Johnson, chairman of the department of economics, University of Chicago.

## Agricultural Research

One problem that needs to be resolved is agricultural research, Johnson said. "If we and other industrial nations are sincere about increasing the food supply in the developing countries, we will support a major expansion in agricultural research in the developing countries," he said.

What is required is a long-term commitment by the United States and other industrial countries to provide support for agricultural research throughout Africa, Asia, and Latin America, especially through regional centers, said Johnson. "At the present time, the United States does not seem to have the capacity to provide foreign aid on an annual basis let alone make a commitment for a decade. We want quick results and as a consequence we are always disappointed," he said.

## Trade Liberalization

Another political problem that needs solving is international trade liberalization, Johnson said.

"The industrial countries have been willing to go considerable distance in removing barriers to trade in industrial products produced by other industrial countries, but have been most reluctant to lower the barriers to their imports of agricultural products and labor-intensive manufactured products from the developing countries," according to Johnson.

More liberal trade agreements won't simply handedly solve the problem, but it is an essentially costless measure that would help, he said.

## Peace

A stable and durable peace in the Middle East also would help, noted the Chicago educator, because it would enable the large amounts of fertilizer, especially nitrogen, in that area to be produced at low cost. The very large capital investments required to produce fertilizer has not been available because of the political turmoil, he said.

Johnson suggested that all available means be used quietly and in a non-coercive manner to induce the developing countries to face up to their population problems. "Significant improvements in per-capita food supply can only be achieved as birth rates decline and the population growth is reduced."

## Food Reserve Policy

Johnson noted that there is considerable opposition in the U.S. to adopting a food reserve policy either alone or in cooperation with other nations. He said: "Much of the opposition comes from farmers who are wise enough to know that once stocks are accumulated they eventually will be released and will have a depressing effect upon price."

"I believe that after our use of export controls on soybean and related products that one of the prices that we will have to pay for trade liberalization is the willingness to have stocks larger than would be held by the private market," he said.

Johnson concluded by saying that while he is moderately optimistic that the world's food supplies will be reasonably adequate for the next few years, "neither I nor anyone else can forecast if there will be a famine affecting large numbers of people. The situation is a precarious one."

## TI: Food Crisis at Home

Herrell DeGraff, Past President, American Meat Institute

Certainly for the past 18 months the experience of American consumers at the supermarket has been frustrating in exaggerated degrees. At varying times and places they have encountered unfamiliar shortages of desired foods. And everywhere, and continuingly, the price tags have moved up to unfamiliar, ever-higher numbers. Since the fourth quarter of 1972, when domestic food prices started up the steep new ladder, the "food-at-home" component of the consumer price index has climbed almost one-third (31.6% from the 4th

quarter of 1972 through the first quarter of 1974). In the past 12 months the overall consumer price index has risen 10.2%—while the food-at-home component was up 19.7%. Thus food prices have risen at almost twice the rate of the general inflation with which all consumers have been trying to cope.

Nor have the food-price increases been confined to any small group of items, from which the food shopper could step aside and select something else. The price increases have been generally dispersed across the total of the shopping list, and just about everything in the food store. Given the havoc that food prices have caused to family budgets, there is nothing surprising that now there is a widely held view that we have a "food crisis at home." But our domestic food crisis is strictly a matter of the unfamiliar and frustrating increase in food prices.

For most food items we continue to have available to us here in the United States very nearly our usual abundance. Livestock product foods are down moderately from pre-1973 levels. Crop-product foods are up slightly, per capita, as a partial offset. Total per-capita food consumption in this country in 1973 vs. 1972 was down 2% in the price-weighted index of consumption calculated by USDA. Even this modest drop in per-capita food supplies would be expected to have some price boosting influence—but of course nothing like the degree of price increase that actually has occurred.

A little over a year ago, when food prices were climbing sharply, the Administration tried to help consumers by clamping a freeze on meat prices. It didn't work. Producers, caught with rapidly rising costs, cut back on total animal production. Though the price-freeze was removed last September, our consuming public is still living with the disruptions of animal production that were caused by the freeze.

But, regardless, domestic food supplies are not in major trouble. There is surely no domestic "supply crisis."

## World Market

The situation that is new is that our domestic food situation—and the whole food-price question—can no longer be appraised within a strictly domestic context. What is new—and what has so greatly impacted on food prices in this country—is an amazingly diverse and interrelated series of world events with which in sharply new degree, we are now living. Some of these events actually have been emerging for several years. But they have come sharply into focus only since date in 1972.

The kick-off for this new ball game is commonly thought of as the Great Russian Wheat Deal (mid-1972). This was not such a big deal, either in bushels or as a percentage of our wheat exports, as it is typically implied to have been. In this widely publicized transaction, Russia contracted for 400 million bushels of American wheat—and of this quantity actually took delivery of 345 million bushels during the fiscal year that began July 1, 1972. This was 29% of the 1,184 million bushels exported by the United States during that fiscal year. Other exports in the same fiscal period were 839 million bushels, compared with total exports of 632 million bushels in the previous year.

The background of the Russian wheat purchase was adverse weather in the 1972 growing season—bad weather that, in fact, affected much more than just Russia. The Russians apparently saw their reduced harvests developing more quickly than did other countries, and moved promptly to assure themselves some imports before the world shortfall of 1972 became obvious, and before world-wide market prices had responded.

There is one lesson we should all relearn from the 1972 crop season. That is how very little is the difference between too much and too little, as moderate shifts in supply impact on prices.

## Other Factors

Two other major factors behind the domestic "food-price crisis" have been: (1) sharply rising levels of affluence in other industrialized countries, and (2) the devaluation of the American dollar relative to other major world currencies.

Throughout the years since World War II the economies of Japan and much of Western Europe have been rapidly expanding. Industrial employment has sharply increased. Wage rates have risen much more rapidly than here in the United States. And it is universally true that as incomes rise, people want to improve their diets. They upgrade from plant-product foods to animal-product foods—if they can. Thus the rising affluence that has been the consequence of expanding industrialization has enormously expanded the world market for agricultural products generally and for animal products especially. The demand for more meat has enormously enhanced the demand for feed grains, in order to achieve more livestock production. And, assuming that industrialization continues to expand in the world, and as more people become more affluent via better

(Continued on page 24)

### Food Crisis at Home

(Continued from page 23)

jobs, the worldwide demand on agricultural production will continue.

Then look at the impact of dollar devaluation. For years this country has been sending dollars abroad—in foreign travel, foreign purchases, and aid payments—in excess of its aggregate exports. Enormous dollar credits were accumulated abroad. And the time came when it was widely recognized that the dollar was overvalued relative to other major world currencies. This led to two devaluations, both occurring early in the 18-month period mentioned earlier, when our food-price crisis emerged. As the dollar went down in value relative to the yen, the mark and other currencies, purchases of American food cost the importing countries proportionately less—and thus again expanded demands on American food supplies.

#### New Dimensions

All the above must be regarded as new dimensions during the past year and a half of this country's food supply—food price balance. There are persons who review this overall situation and question why we should permit exports to impinge as much as they have on food prices here at home. One often hears the questions: Why shouldn't we license exports, and limit the outflow to only those quantities of products which will not impact seriously on our domestic food prices? The question is obviously pertinent—but is inadequate in relation to our own domestic economy.

We are not a self-sufficing nation. We are in food. But we are not in energy, nor in metals, and still other things. We have more comparative advantage in exporting farm products than we do in anything else. Thus we realistically should expect that the U.S. food economy will continue indefinitely in a world setting, instead of merely a domestic setting.

And thus the look ahead must encompass all the complexities of world economic developments and trends.

### EEC Farm Prices Set

Farm product prices will go up by an average of 9% in the European Community on 1974-75, the Council of Ministers decided on March 25.

In the cereal sector, the target price for durum wheat was raised 15%, common wheat 8%, corn 6.5% and rice 6%. Beef and veal went up 6% and 4%, respectively. The price of milk was increased 8%. Sugar prices were raised by an average of 6.2%, and tobacco went up 5%. Olive oil prices stay the same.

### The Wheat Situation

by Economic Research Service, USDA

Record wheat prices, favorable weather, and the lifting of all planting restrictions are making a prospective record winter wheat crop of 1.6 billion bushels and likelihood that the total crop will reach a record 2.2 billion. Planted acreage, estimated at 70.7 million acres, for all wheat, is the most in 20 years. Yield prospects at 33.4 bushels per harvested acre are the second largest on record.

#### Low Stocks

However, 1974/75 wheat supplies will total only 9% above this year's, as carryover stocks of around 170 million bushels on July 1 will be the smallest since 1947. Demand for wheat may ease some during 1974/75, permitting rebuilding of stocks.

Domestic use could pick up as high feed grain prices relative to wheat early in the season could boost wheat feeding to around 200 million bushels. Exports are expected to fall after 2 consecutive record years. At 1.0 billion bushels, U.S. exports to most major regions would be off some. However, world food grain stocks are very low and any unfavorable world crop developments could bring on another spurt in export demand.

With the current estimate of the 1974 crop well above anticipated utilization, wheat stocks at the end of the 1974/75 crop year could be triple this summer's 170 million bushels. In this case, prices during the season would likely run well below the extreme highs of 1973/74.

#### Dramatic Year

The 1973/74 crop year winds down as one of the most dramatic in history. A record 1973 wheat crop was produced. But demand was so strong that market prices were pushed to over \$8 per bushel. Trading has tailed off in recent weeks; when wheat supplies appeared adequate for the remainder of the year, prices dropped almost as fast as they had risen earlier, in mid-May running around \$3.75.

Uncertainty hangs over the world wheat situation. There was a record 1973/74 crop, but tight world wheat supplies and a growing demand kept imports surprisingly large. Consequently, wheat stocks in the major exporting countries were drawn down even further. Initial projections place the 1974/75 crop at 375 million tons, up 2%. However, continued strong demand in the growth markets of Asia, Africa, and Latin America will offset smaller Soviet purchases, and the recent high levels of world trade should continue.

### Demand for Durum Swells

April 1 durum stocks totaled 54 million bushels indicating usage for the July-March period of 68 million. Mill grind has been exceptionally heavy this year as consumers in their search for less expensive foods have turned to pasta products. Exports at around 32 million bushels for July-March did not come up to expectations. Consequently, the annual estimate has been revised downward to 55 million bushels. Stock changes during July-March indicated 8 million bushels of disappearance which cannot be accounted for, raising some question about the level of supplies available. This discrepancy could result from inaccuracies in either the supply or disappearance estimates for the period.

With total demand reduced some from earlier expectations, durum stocks on July 1 may dip to around 25 million bushels, down 14 million from their beginning level.

#### Volatile Prices

Durum prices have led all classes in fluctuations. An unprecedented increase in the July-August period to cover \$9 per bushel was followed by some easing in prices in the fall. Winter saw another rise but prices fell short of their August peaks. Durum prices have since slumped along with prices of other wheats. The magnitude of the decline is difficult to assess since the wide range in durum quality has prompted a market spread of as much as \$1.25 per bushel between the top and bottom grades.

In March durum growers indicated intentions to plant 39% more area than 1973's 3 million acres. This was 6% below their intentions in January. Since early March durum prices have dropped, which could result in some additional shrinkage in seeding plans. Spring work is lagging in North Dakota, the leading durum producer.

If acreage holds near the indicated level, the 1974 durum crop should total over 100 million bushels. This would result in a total supply above 1973/74's 122 million bushels. Domestic durum needs in 1974/75 should continue around this year's level. But foreign demand is likely to slip. With supplies up and the demand off, durum stocks will increase by the summer of 1975.

### Durum Planting Behind Schedule

Persistent wet and cool weather continues to hamper spring and durum wheat planting in the upper Great Plains area. Over large portions of this

(Continued on page 26)

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## Durum Planting Late

(Continued from page 24)

area, particularly in North Dakota where the substantial portion of spring and durum wheat is produced, the actual acreage seeded to spring planted wheat is from 50 to 75 per cent behind the amount planted at this time last year. The North Dakota Wheat Commission reported that as of May 24 only 23 per cent of the durum wheat and 47 per cent of the spring wheat was in the ground compared with 95 and 90 per cent respectively at this time last year.

### Four Weeks Behind

The U.S. Durum Growers Association recently commented that the "excessive moisture and poor drying weather have delayed the usual planting dates in the Durum belt by more than four weeks." With an improvement in weather conditions, however, the planting delays could be overcome by accelerated field work. Farmer frustration and concern over the weather induced delays are leading to increased speculation that there might be substantial production shifts from spring and durum wheats into barley and flax. The optimum period for durum wheat seeding is past. Portions of this acreage could in fact be seeded to spring wheat, resulting in increased spring wheat acreage. In any event, the delay in getting the crop into the ground will not only work to decrease the overall acreage but will probably also result in decreased yields per acre as well.

## Concern in Canada

The weather conditions delaying the spring and durum wheat planting in the upper Great Plains area are ignoring the imaginary line between North Dakota and the Canadian provinces of Manitoba and Saskatchewan. According to various Canadian spokesmen and press accounts, the wet, cool weather in Canada is generating "genuine concern" among Canadian wheat producers. The Reuters News Agency reports that David Suderman, a spokesman for the Canadian Wheat Board, commented that Canada could experience up to a 20 per cent reduction in this year's wheat crop because of the excessive wet and cold weather that has prevented farmers from working the fields. Suderman went on to state that the three main wheat producing provinces of Saskatchewan, Alberta and Manitoba (they produce 99 per cent of Canadian spring wheat and spring wheat amounts to about 99 per cent of the total Canadian wheat production) "... will be lucky to get 20 million

acres of wheat planted instead of the 26 million [that] farmers had intended to seed." According to these projections, these three provinces might now only harvest about 500 million bushels of wheat, down substantially from the 650 million projected last May and down from the 610 million bushels harvested in 1973. In the province of Saskatchewan, accounting normally for over half of Canada's wheat production, less than 15 per cent of spring wheat crop has been seeded and little or no planting in Manitoba has been done.

### Serious Trouble

The Reuters News Agency also reports that Mr. Doug McArthur, the Saskatchewan Deputy Minister for Agriculture, commented that "another bad week and farmers will be in serious trouble." These spokesmen indicate that by June 1, the spring wheats are usually safely in the ground; planting after that date results in increased chances of the wheat being affected by early September frost. As in North Dakota, it is now being speculated that there might be increased production shifts from spring wheats to barley, rapeseed and flax.

## Dr. Kenneth Lebsock Honored

On May 16 the U.S. Department of Agriculture took note of the work done by plant-breeder Dr. Kenneth L. Lebsock for his efforts in developing rust-resistant durum wheat varieties and awarded him a Distinguished Service Award, agriculture's highest honor.

Six other persons also received Distinguished Service Awards from Secretary of Agriculture Earl L. Butz in ceremonies on the Washington Monument grounds. Among them were Floyd F. Hedlund of Washington, D.C., director of the fruit & vegetable division in the Department; Bernice K. Watt, a research leader at the nutrient data research center in Hyattsville; and Robert F. Thayer, administrator of the marketing division of the Wisconsin Department of Agriculture.

Secretary Butz noted during the ceremony that 68,000 of the 80,000 full-time employees of the Department work outside of Washington.

### Service in Agriculture

Dr. Lebsock likes it that way. He was born in Brush, Colorado 52 years ago. "We lived on a farm and I always wanted to be in agriculture," he says. "I loved Fargo. I could stand the winters and the summers were beautiful."

It was in Fargo, at the North Dakota State University Extension Station, that Dr. Lebsock did his work in the

late 1950's and early 1960's. His efforts were recognized by the durum industry at the 1972 Durum Show when he was honored with "Ken Lebsock Day."

He presently is assistant area director for the agricultural research service in Minneapolis. When he gets a chance, he and his wife, Maxine, and their two children, Suzanne, 24, and Randall, 26, try to get away to an old cabin on a lake in the woods. "I like to fish," says Dr. Lebsock.

## Durum Futures Trading

The Hard Amber Durum Wheat futures contract, traded exclusively on the Minneapolis Grain Exchange, celebrated its six-month anniversary this May by topping two million in open interest. On its seven-month anniversary, the durum option continued at a strong pace by surpassing the three million mark in open interest. The USDA encouraged the prospects for this new option with a previous announcement estimating the 1974-1975 durum acreage to be more than 39 per cent greater than last year's.

The Hard Amber Durum Wheat futures contract, approved by the members of the Minneapolis Grain Exchange on October 30, 1973, was welcomed by all segments of the grain industry. The contract grade for this option is U.S. No. 3 Hard Amber Durum for delivery in September, December, March, May, and July. Delivery for the new futures contract must be made "In Store" to waterfront elevators in two cities at the hub of the Great Lakes shipping district: Duluth, Minnesota, and Superior, Wisconsin (which together constitute the Duluth-Superior terminal market). The durum futures, which first traded on October 31, 1973, trade in the same pit alongside the MGE's existing spring wheat contract and in the same "round" lots of 5,000 bushel multiples.

"After seven months of trading and a figure of three million in open interest, Grain Exchange officials feel encouraged about the durum wheat futures contract," Executive Vice President Al Donahoo observed. "With four of the five future months presently trading, we believe that it has been shown to be a viable contract for the market we serve. However, there is room for increased speculative activity to create greater liquidity in the durum option. Speculators provide the extra needed volume of trading that makes a commodity market liquid and successful, and we encourage their participation."

## Egg Production

In April, 5,579 million eggs were produced, 1 per cent less than a year ago according to the Crop Reporting Board. Layers on farms May 1 totaled 287 million, down 2 per cent from both a year earlier and a month earlier. The rate of lay May 1 averaged 64.6 eggs per 100 layers, up from 64.2 a year earlier and 64.1 on April 1, 1974. The egg-type hatch in April totaled 537 million. Eggs in incubators May 1 were 46.4 million, 6 per cent below a year ago.

## Processed Eggs

A total of 50.1 million dozen shell eggs were broken March 31 through April 27, 1974 under the USDA's Egg Products Inspection Act—up 25 per cent from the corresponding four weeks of last year. Per cent increases from last year by regions were: Western, 64; North Central, 25; North Atlantic, 20; South Central, 17; and South Atlantic, 11.

During the four weeks 78 million pounds of liquid egg products were used in processing—up 28 per cent from the same period last year. Ingredients added in processing totaled 2.7 million pounds, 10 per cent more than a year ago.

Liquid egg production (including ingredients added) for immediate consumption and processing totaled 26.9 million pounds during the 4-week period—up 38 per cent from the same period last year. Products for immediate consumption totaled 11.4 million pounds, compared with 8.9 million a year earlier. Those for processing totaled 15.5 million pounds compared with 10.6 million last year.

### Frozen and Dried, Up

Frozen egg products amounted to 31 million pounds, 16 per cent more than last year. Dried egg production was 5.8 million pounds, 41 per cent above the 4-week period a year ago.

Cumulative totals July 1, 1973 through April 27, 1974 and percentage increases from the corresponding 1972-73 period are as follows: Shell eggs broken—475 million dozen, 7 per cent; liquid eggs used in processing—710 million pounds, 8 per cent; liquid products for immediate consumption and processing—237 million pounds, 14 per cent; frozen products—287 million pounds, 7 per cent; and dried products at 57 million pounds, 8 per cent.

## Cheese Prices Drop

Just three-and-one-half months after reaching records in February, wholesale cheese prices fell 20% to below government price support levels in June.

## Plight of the Egg Producer

The current bargain prices of eggs are causing California egg producers to go out of business, and they are pleading for a leveling off of retail price gyrations for their own benefit and the benefit of consumers.

Eggs are selling in supermarkets from 60 to 65 cents a dozen, which returns the producers about 32 to 35 cents a dozen. They have documented to the State Department of Food and Agriculture that this is at least 5 cents per dozen less than it costs them to produce the eggs.

"Last August eggs were in short supply and selling for nearly a dollar a dozen," said Dean Olson, a major California egg producer and member of the California Egg Advisory Board. He told the Council of California Growers the oversupply of eggs which has depressed prices occurred as producers increased output in a rush to fill the demand that prevailed last fall and winter.

### Production Program

The producers are proposing a program to place production more in line with demand consistently. At the outset it involves diverting 12½ per cent of current production by reducing the size of flocks and pooling excess eggs for sale in foreign markets.

"The only alternative," Olson said, "is to see more egg producers go broke." The hardship of this to producers is obvious, but he explained it also is a disadvantage to consumers. "If too many producers drop out, competition in the industry is minimized and the natural result is higher prices," he said.

Curtailing production the way the egg industry proposes to do it also causes higher prices, but the increase would be under careful control.

### Competition Helps Consumers

Frank Bennett, manager of the California Egg Program, said: "The consumer's best insurance of abundant supply at reasonable prices is in a large number of producers competing with each other. But consumers can't expect to buy eggs for less than it costs to produce them."

Recently the Egg Advisory Board became the first agricultural product board to name consumer advocates as members. Consumer spokesmen Ruth Yanatta and Barbara Erickson were appointed to the board as member and alternate respectively by Director of Food and Agriculture C. B. Christensen.

Bennett said producers are seeking to stabilize the supermarket price at 70-75 cents a dozen to, "cover produc-

tion costs and provide a return on investment for producers." Egg producers are paying substantially higher costs for feed and other services than a year ago, Bennett said.

## Wholesale Food Prices Drop

USDA Economist Don Paarlberg notes that as of May 15, the index of prices received by farmers was down 14% from its February peak, but he said retail food prices seem likely to hold at present levels. Although retail food prices fell 0.4% in April, from a month earlier, for the sharpest drop in seven years, they had been advancing vigorously the prior seven months.

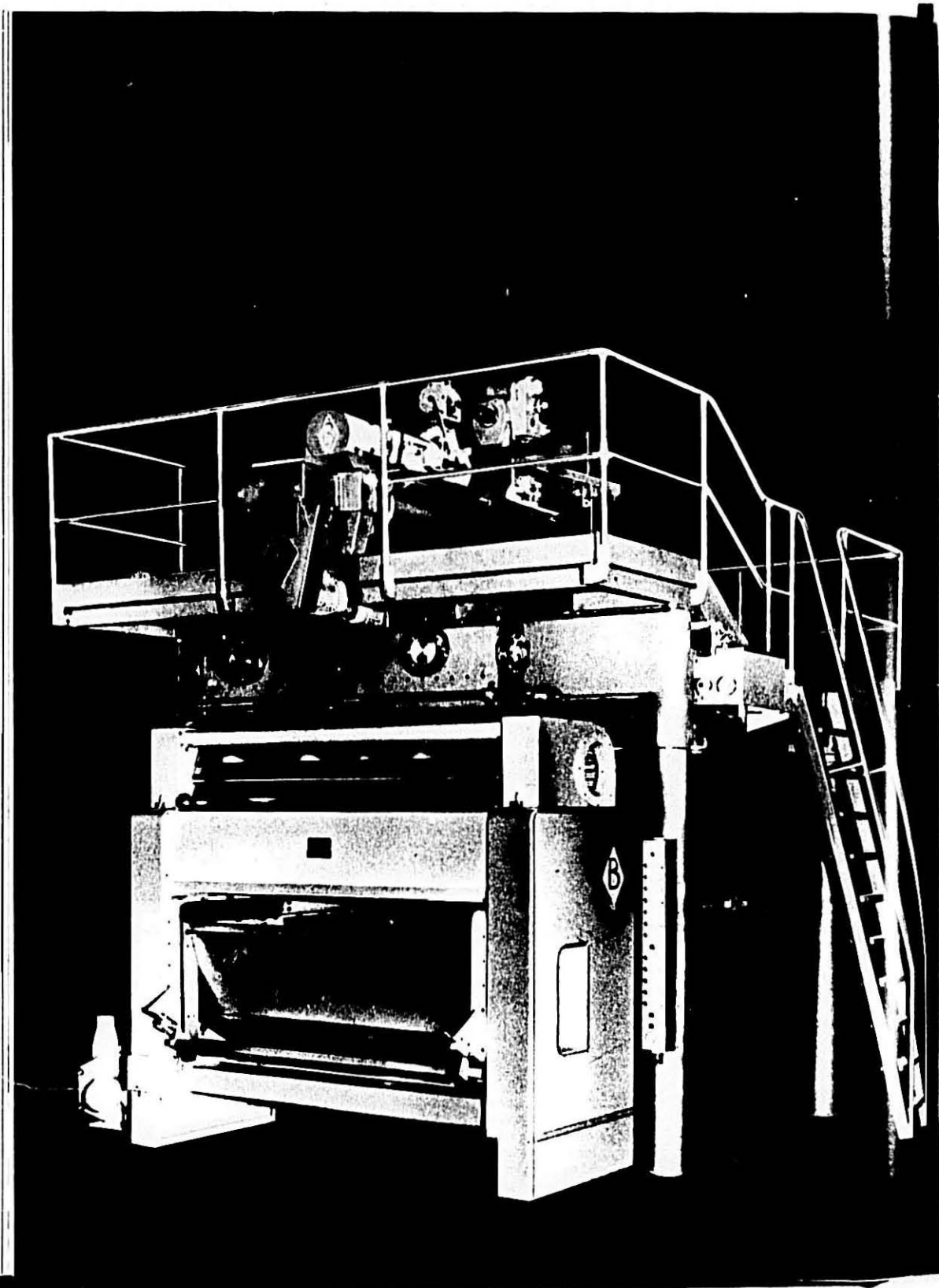
Hog and cattle producers seem to be getting squeezed the most by current market conditions. Farm prices for hogs are down 30% from a year earlier, while retail pork prices have declined only 3%. Steers are off 12%, compared with a drop in retail beef prices of less than 1%. The poultry and egg index dropped 13% during the latest month, chiefly because of an 8.4¢ slide in egg prices, to an average 42¢ a dozen. The Food Grain Index was down 90% from mid-April, though still 67% higher than mid-May, 1973, reflecting the 42¢ tumble in average wheat prices, to \$3.52 a bushel, \$2.00 below the record set in February.

## Farmers Face Cost-Price Squeeze

Even though farm commodity prices are considerably higher, farmers may still find themselves in a cost-price squeeze, William J. Kuhfuss, president of the American Farm Bureau Federation, warned. He pointed out that fertilizer prices have risen 25 to 40% in recent weeks, that farmers account for about 3% of the U.S. consumption of gasoline and diesel fuel, and need at least 4% in 1974. He also said that farmers use 3 to 5% of the total electricity produced and nearly 25% of liquefied petroleum gas. Mr. Kuhfuss said the needed supplies can best be obtained by letting the market place function.

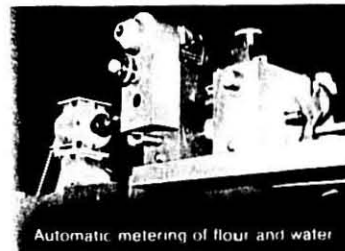
## Fellowship

A graduate research assistantship in Cereal Chemistry and Technology covering basic research of durum wheat and pasta products was awarded to graduate student Edward C. Lulal of Buchanan, North Dakota. The National Macaroni Manufacturers Association has given this scholarship for the past twenty years.



## The new breed

When the world's largest and most successful manufacturer of pasta equipment redesigns their presses, you *know* they're even better than before. This new generation of presses has high speed turbine mixers for improved hydration, redesigned double-shaft mixing troughs for more thorough



Automatic metering of flour and water

kneading, and dozens of other design changes for faster cleaning, easier maintenance. Automatic metering of the micro-dispersed water reduces the chance of moisture buildup on the trough so there's less danger of dough fermentation. And plate counts are still lower than before. Even the paddle shafts oscillate to sweep all corners

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### Nutritional Labeling Is Here

Nutritional labeling is here—now the need is for nutritional education so the consumer will know what she is reading. This was the message from the Food Industry Briefing sessions held by Grocery Manufacturers of America in cooperation with some thirty food trade associations and a long array of government officials and spokesmen from industry and academia, in Washington May 30-31.

Marian Burros, Food Editor of the Washington Star-News, sounded the clarion from the consumer advocates by stating: "The public doesn't trust government or business. Nutritional labeling shows good faith. Thirty years of neglect of nutritional education cannot be changed within a year, but the consumer has a right to nutritional labeling and the food purveyor has an obligation to give simplified information on the nutritional content of the products sold."

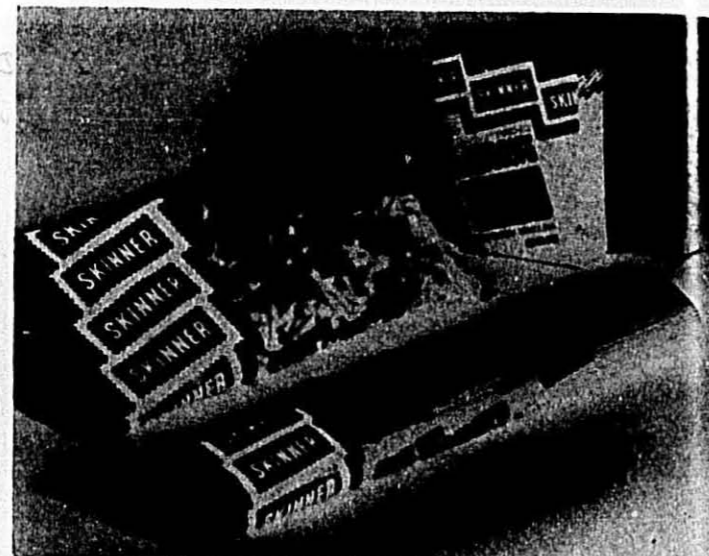
Dr. Virgil O. Wodicka, Director of the Bureau of Foods, FDA, maintains that the initiation fee for nutritional labeling is high for the costs incurred in getting the original analyses of the food to be sold, but that the annual dues are low.

Dr. Ann L. Burroughs, Associate Director, Bio-Chemistry and Nutrition, Del Monte Corporation, described the difficulties in making analyses of canned peas because of nutritional variations from varieties of peas from various sections of the country. There was almost 100 per cent variation in Vitamin C content of peas from one point to another. She declined to give the overall cost of these analyses, but said that in a two-year period, it had figured out to be 0.0116¢ per can.

She pointed out that "serving size" was not always what might be considered a "portion" and this is an arbitrary thing. Macaroni manufacturers might get the same comment from the public for selecting a 2-ounce "serving." There are many variations in the way pasta products are served from soup ingredients to a main dish entree. But the government's attitude apparently is to put the data on the package and let the packer answer the questions.

#### FDA Film

Food and Drug Administration has a 14-minute film ready and available for public service showings. Dick Van Dyke walks through a supermarket to demonstrate "Read the Label—Set a Better Table." Nutrients are described simplistically in animated form with Vitamin A and C singing a duo as to



**Redesign Skinner Line**—Skinner Macaroni Company is introducing a completely redesigned packaging format for its line of 64 products. The new design is red and blue and makes exceptional use of the Skinner logotype in a repeating pattern across the left side or top of the package. It affords high visibility on the shelf and easy brand and product recognition for the customer. Designed by the Dickens Design Group, all packages have the Universal Product Code Symbol and updated nutritional copy.

their benefits. The B Vitamins—Riboflavin, Thiamin and Niacin, team up like the Andrew Sisters. Iron is a figure in a suit of armor, while Calcium is a cow singing high soprano. Fats is a heavy set pianist and Calories is a stove puffing smoke and generating energy.

As Dick Van Dyke walks through the supermarket aisles, he picks up products to illustrate what these various nutrients are on the label. Spaghetti is mentioned when calories are discussed and it is pointed out that there are 110 calories in a cup of pasta products.

Pearl Bailey is used in a radio announcement urging the consumer to "Read the label—Set a better table."

The Advertising Council will generate public service ads in all media including print on "Food is More Than Just Something to Eat." A booklet prepared by USDA, HEW, in cooperation with the Grocery Manufacturers of America and the Advertising Council is a nutritional primer in 32 pages. You can get a sample copy by writing U.S. Department of Health, Education and Welfare, Public Health Service, Food and Drug Administration, 5600 Fishers Lane, Rockville, Maryland 20852.

#### "Voluntary" Program

While the Nutritional Labeling Program is "voluntary," triggered only

when nutritional claims are made (enrichment or fortification triggers the mandatory labeling) it is apparent that this national campaign will tend to force all food products to be nutritionally labeled. Fresh fruits and vegetables as well as meat products have some problems because of the variance of nutrients from batch to batch, but this is a part of the price the consumer will have to pay for the purveyor to make these analyses and give her the information.

In order to fully utilize the information some kind of an abacus or nutrimeter will be used to measure the contribution of the 8 essential nutrients towards the recommended daily allowance. But there are variations in the recommended daily allowance from infants to wide variations in the adult population. Also, there are 40 to 60 nutrients that are needed daily so the best course for a healthy human is to eat a varied diet.

Distribution Number Bank, the administrative agency for the grocery industry's Universal Product Code, has changed its name to Distribution Codes, Inc. (DCI).

The agency's office remains at 1725 K St., N.W., Washington. DCI is in charge of assigning code numbers and coordinating product-code development.

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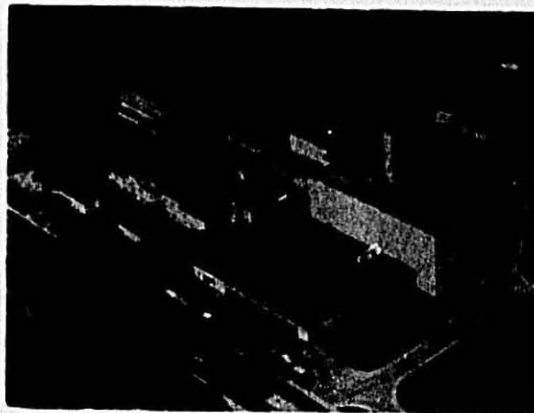
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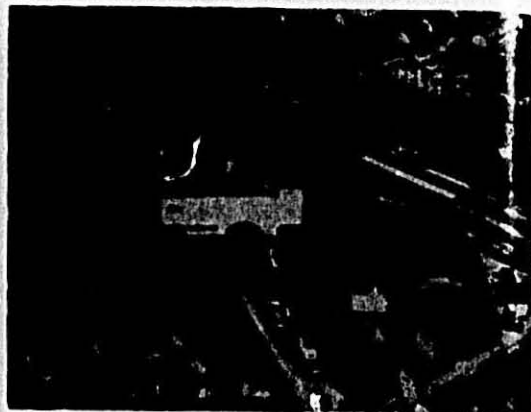
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The main plant in Endersbach.



Plant in Buxtehude.

## Swabian Tradition: A Brief History of the Birkel Group

**NOTHING** is stronger than a good idea. The life story of Balthasar Stephan Birkel is proof of this.

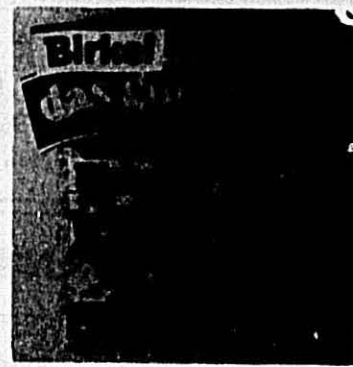
On February 17, 1874, he went into business in the Swabian town of Schorndorf as a dealer in flour and general merchandise, however soon began manufacturing homemade-style noodles. In the early years of its beginning, the company's daily production reached approximately 20 pounds.

In 1906, Balthasar Stephan Birkel took his sons Fritz, Carl and Oscar into the business. Since then, the company's official name has been Schwaben-Nudel-Werke B. Birkel Sohne (Swabian Noodle Works, B. Birkel and Sons). In 1909, noodle manufacturing operations were moved from Schorndorf to Endersbach in the Rems Valley, where the Birkel Group's main plant is still located today.

Stations along the path to becoming Germany's largest manufacturer of pasta were the opening of additional Birkel egg-noodle factories in Germany. In 1936, the Eierteigwarenfabrik Theodor & Oscar L. Birkel was founded in Buxtehude, near Hamburg. This plant supplied the North German market as well as northern European and overseas countries with Birkel pastas.

The Birkel plant in Schwelm was founded in 1946. In 1962, this plant was expanded into a modern production facility, which supplies the entire West German pasta market.

In 1954, the Birkel Group took over the trade mark rights for pasta from J. F. Schule in Pluderhausen, Germany. The Schule brand is manufactured and distributed through Birkel's main plant in Endersbach.



Color is a factor everywhere. "Das Gute Gelb" means "The Good Yellow."

### Centennial Year

In 1974, its Centennial, the Birkel Group includes the following legally independent companies:

- Schwaben-Nudel-Werke B. Birkel Sohne 7057 Endersbach near Stuttgart, Germany
- Eierteigwarenfabrik Theodor und Oscar L. Birkel 2150 Buxtehude near Hamburg, Germany
- Birkel K. G. 5830 Schwelm Westphalia, Germany
- Theodor Haller GmbH 6382 Friedrichsdorf Taunus, Germany
- Birkel S.r.l. Milan, Italy Distributor
- Pates Birkel S.A.R.L. Strasbourg, France Distributor

### Independent Operations

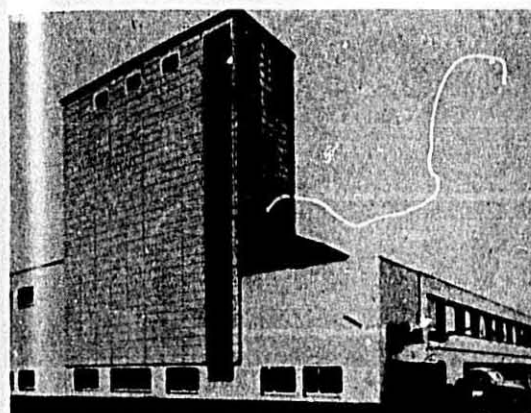
These companies are not only legally independent, they also manage their production and distribution operations themselves. Each company operates under its own management. In 1973, the total sales of the Birkel Group amounted to almost 200 million Deutsche marks. The annual production capacity of the entire group is approximately 100,000 metric tons of pasta, with the main sellers being brand-name noodle products for the household.

The individual, independent companies which comprise the Birkel Group employ a total of some 1,400 persons. Approximately 180 former employees or their survivors receive supplementary pensions from the Birkel companies' independent retirement funds.

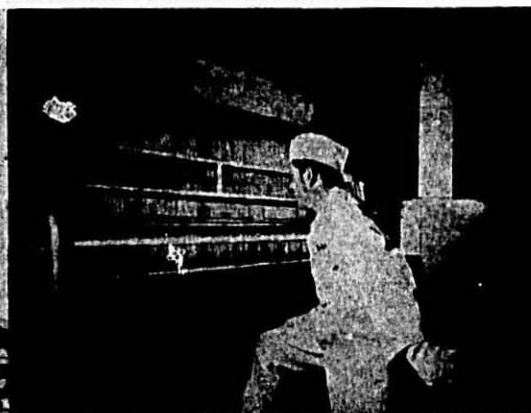
Of major significance is the Birkel Group's capital improvements spending program. Since 1968, capital spending amounting to 30 million Deutsche marks has been realized in all fields. This was followed by a medium-term program of similar magnitude which is currently being realized.

### West German Noodle Market

Birkel is the market leader in West Germany. Schwaben-Nudel-Werke, B. Birkel Sohne, now celebrating its Centennial, is the only company in the German pasta industry with both a national and international line. There are a total of 90 manufacturers in this extremely heterogeneous market. Six companies account for more than 70% of total pasta sales.



The plant in Schwelm.



Spaghetti Press.

### The Market

The size of the total market amounts to 217,000 metric tons, taking into consideration exports and imports.

In 1966, domestic production was 199,800 metric tons. This quantity remained relatively constant, increasing only to 200,600 metric tons by 1972. The German pasta market is thus a very restricted market. In addition, more than 10% of the German noodle production comes from abroad in the form of cheap imports. While amounting to only 7,300 metric tons in 1965, these imports, which are generally very low-priced, had already reached 21,100 metric tons by 1972.

### Per Capita Increases

The general per capita consumption of noodles in West Germany was 3.5 kg (7.7 lbs.) in 1972 and 3.8 kg (8.4 lbs.) in 1973.

Exports of German noodles, on the other hand, are relatively minor. In 1972, West Germany, including West Berlin, exported only 7,300 metric tons.

In February, 1973, the German pasta industry stopped fair trading its brand-name products. However this did not result in significant sales increases, with the result that the pasta market continues to be the scene of intensive competitive efforts. An entirely new price situation resulted as hard-wheat semolina became up to 90% more expensive on the world market in August 1973.

### Price Increases in 1973

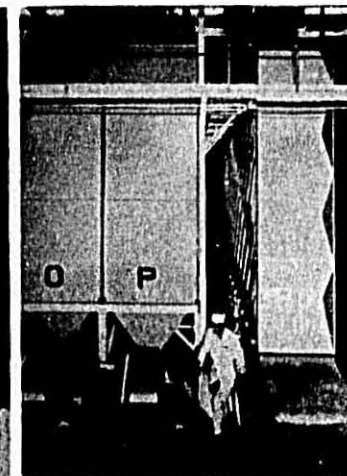
Since hard-wheat semolina is one of the major raw materials in the manufacture of pasta, price increases of up to 25% in the case of brand-name products were unavoidable. And consumers often had to accept even greater price increases in the case of packer's private labels.

Since 1973 there has been national co-operative advertising for pasta under the motto: "Noodles Make You Happy!" Insertions are made in print media and television spots. Most German macaroni manufacturers and semolina millers are cooperating in the program.

(More pictures on page 36.)



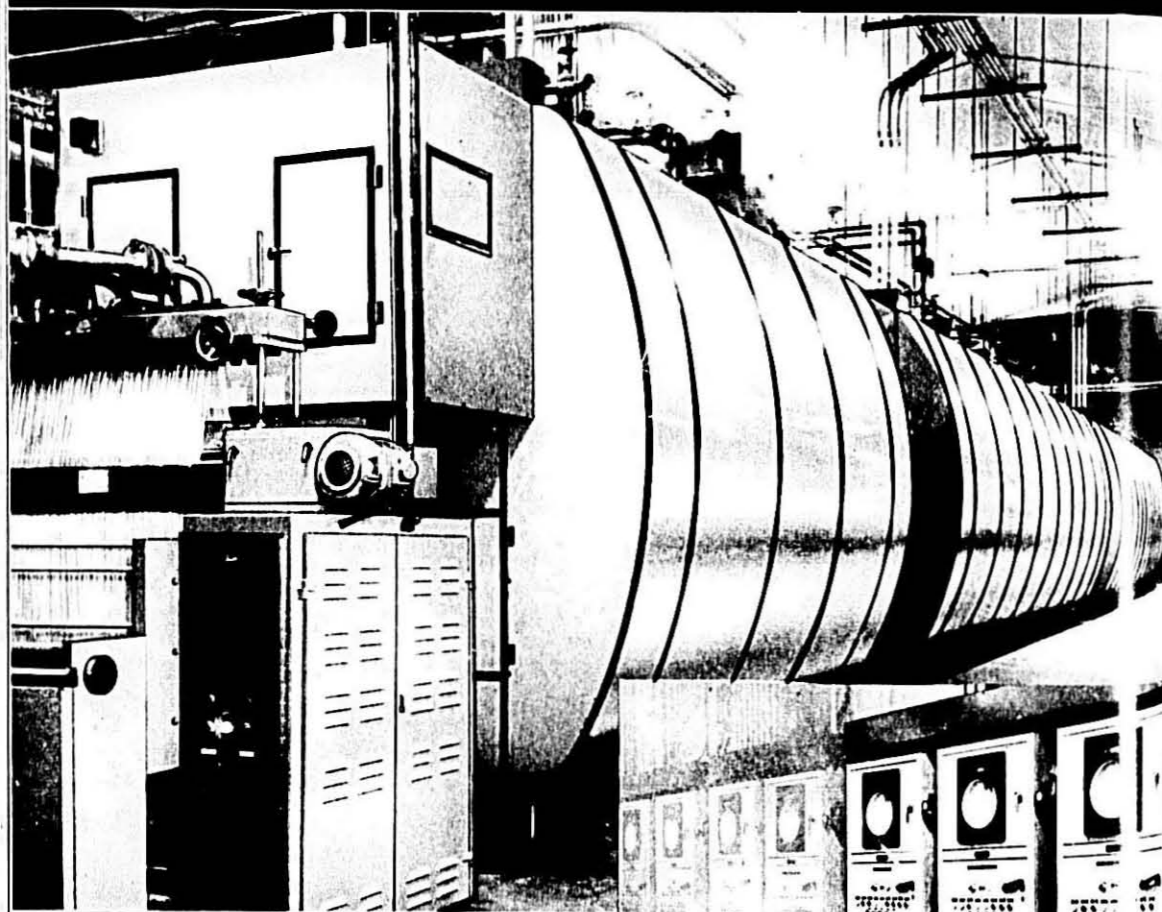
Dumping semolina from bulk truck to silo.



Eggs galore

Finished product storage before packaging.

# RELIABLE.



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

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

Completely re-designed

with features that make them

**THE MOST RELIABLE  
IN THE INDUSTRY!**

**New Conveying system never stops.**

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

**Product is consistently excellent**

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

**Climate zones are  
positively separated.**

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

**Capacity range 500-4,000 lbs/hr.**

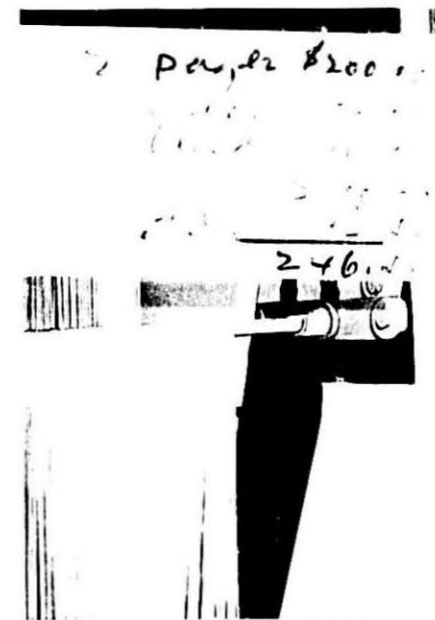
Standard stick lengths: 60 or 80 inches.

**Ask for details**

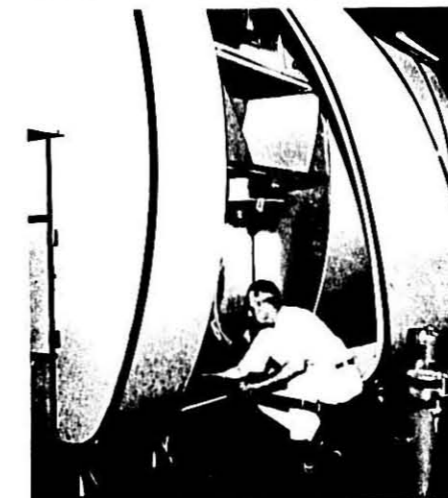
on the built-in reliability of Buhler dryers and other macaroni equipment. Call us or write: BUHLER-MIAG INC., 8925 Wayzata Blvd. Minneapolis, MN 55426. (612) 545-1401. Eastern Sales Office: 580 Sylvan Ave. Englewood Cliffs, NJ 07632. (201) 871-0000. BUHLER-MIAG (Canada) LTD., Don Mills, Ontario. (416) 445-6910.

Complete Macaroni Plants by

# BUHLER-MIAG

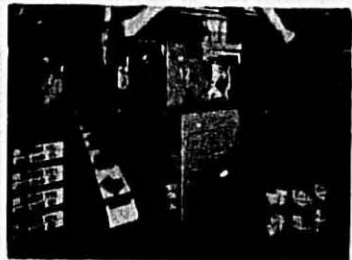


Each spaghetti strand travels exactly the same path so you can count on consistent drying results. Positive control stick elevator keeps sticks from rolling or sliding from chain at transfer point to the drying tiers.

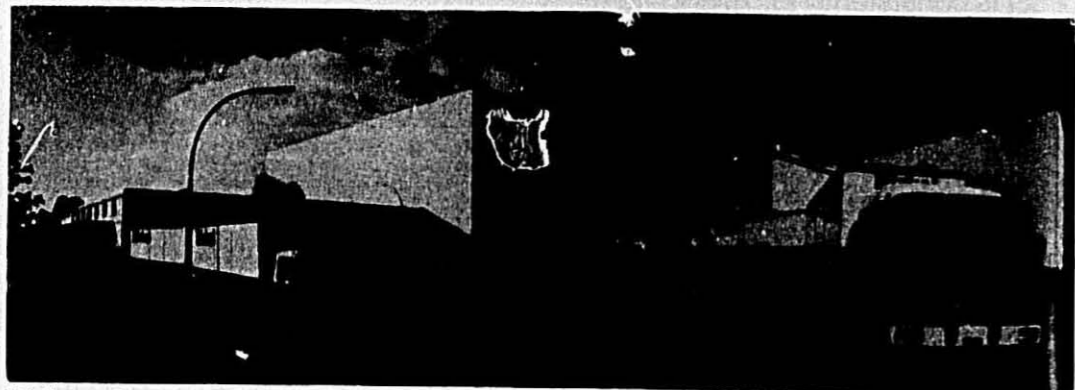


Super sanitary design, easy maintenance. All plastic panels swing out for easy access to all parts of the machine. Extra thick polyurethane insulation and all the floor construction prevent condensation.

**At Birkel's**



Above: Fully automated packaging facilities. Center and right hand illustrations of casing operations.



High bay warehouse and loading docks. (Capacity 4,500 pallets.) Loading docks: Some 200 tons of product leave the plant daily.

**Pasta Foods Ltd. Grows**

The Great Yarmouth factory of Pasta Foods Limited in St. Albans, England, has tripled its capacity in just two years since the plant was first commissioned in 1972.

New production and packaging facilities have been added as well as a warehouse with capacity for 850 pallets holding between 600 and 700 tons of product. A racking system has been installed to a mean height of 16 feet. Goods may be withdrawn from the racks by forklift truck and loaded directly on to vehicles standing in a covered loading bay. A dispatch office is located alongside the loading platform.

Just across the road from Pasta Foods, a second expansion program is underway at the semolina mills of R. H. Clarke.

In 1970 the capacity of the mill was

doubled when mechanical elevators were replaced by the more compact pneumatic conveyors.

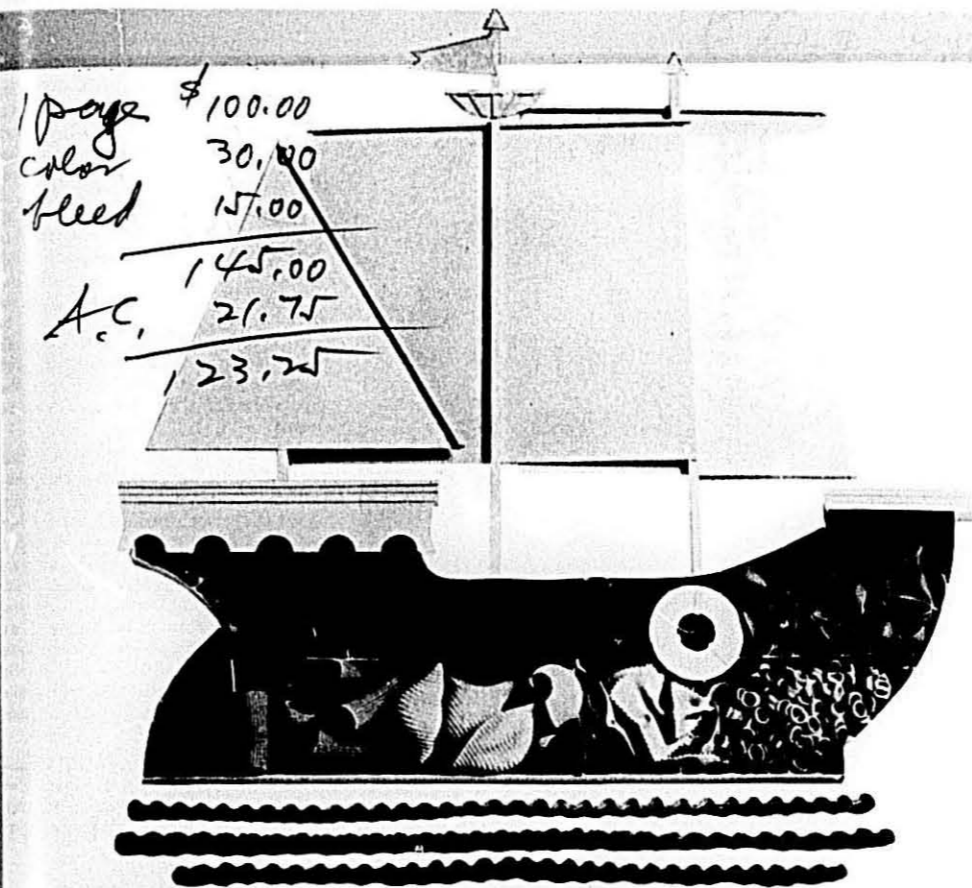
By the end of this year, it is anticipated that Clarke's mill will have a total output of 100 tons of durum semolina per day, operating on a three shift basis.

The new output will help meet the rising demand for pasta foods in England.

**Slow Start with Skillet Meals**

Pasta Post reports that Skillet Dinners introduced with generous advertising and point-of-sale promotion in England are falling below trade expectations. According to one source, current sales are around 50 percent below the level optimistically forecast for this new market sector by some of the more buoyant marketeers.

Two possible causes are offered for this initially disappointing performance. First, the American concept for the skillet was based on the fact that a very high proportion of homes in the United States are equipped with deep freezers in which economical purchases of 'ground beef' are stored. British ownership of deep freezers is much lower and, in any case, mince (minced beef) does not enjoy the same reputation as ground beef. Second, 'skillet' is an American term for a frying pan and many British housewives are ignorant of this fact. They appear to imagine that it is some entirely different utensil, possibly connected with a barbecue. "Perhaps we have been running a three-legged race with American marketing for so long that we are in danger of forgetting that there are still differences of language between us," says the Post.



# Ship-shape

For super pasta products you need pasta-perfect flour. That's what you get from ADM. Pasta-perfect Durum flour and Semolina. Clear golden. Clean. Consistent.



**ADM MILLING CO.**

4550 West 109th Street, Shawnee Mission, Kansas 66211  
Phone (913) 381-7400

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### Evolution of A Job Title

1944—Expediter.  
1954—Trouble Shooter.  
1964—Problem Engineer.  
1974—Crisis Manager.

### Grant Law Joins Hygrade

Appointment of Grant W. Law as director of marketing for Hygrade Food Products Corporation (AMEX), was announced by Clyde Riley, executive vice-president.

Law, 43, brings to Hygrade fifteen years experience in consumer package goods with Thomas J. Lipton, Inc., Inter-Public Group of Companies, and, most recently, Miles Laboratories, where he was director of new product development.

At Hygrade, Law will initially concentrate upon the Company's Mrs. Grass Division, Chicago, and in August will transfer to Detroit to assume full marketing responsibilities for the Corporation. He received his B.B.A. degree from the University of Massachusetts, and his M.B.A. from Columbia University.

A native of Milton, Massachusetts, Law is married to the former Ruth Thompson and they have three children; Grant W., 14, Allison W., 12, and Sarah T., 5.

Hygrade is one of the country's lead-

ing processors of meat and related food items, marketing such brands as Ball Park Franks, West Virginia Bacon and Ham, La Perla Dry Sausage and Mrs. Grass Soups and Noodles.



Wayne E. Swegle

### President-elect Selected by Millers' National Federation

Wayne E. Swegle, director of public affairs in the office of Secretary of Agriculture Earl L. Butz, was named to become president-elect of the Millers' National Federation. Mr. Swegle will officially begin his Federation duties effective August 1, and succeeds C. L. Cap Mast, Jr. when Mr. Mast retires on September 1.

Coincident with the naming of the new Federation president-elect, it was announced that all Federation offices, except for the Wheat Flour Institute, will be relocated in Washington, D.C. It is hoped that this transfer can be accomplished by early fall with a site to be selected in downtown Washington. It was decided that the Wheat Flour Institute should remain in Chicago. Several industries which serve the Institute and other related businesses are in the Chicago area, as well as their excellent kitchen facilities.

### Traffic Committee Report Chocolate Manufacturers Association

Our last report called 1972 a year of transportation frustration. There are no words to ably express 1973 and how price controls, truck work stoppages, regulatory body activities and general rate increases have affected the transportation world. The teamster contract wage costs and their change in transportation costs are dwarfed by the added surcharges for fuel, general oper-

ating costs, and other carriers' demands.

The problems on cocoa bean handling have increased almost as fast as the price of cocoa beans. Longshoremen loading charges have jumped as reliable service out of the Philadelphia area has declined beyond belief. Lack of finances, carriers' interests and attitudes and the increasing demands in other areas have disintegrated rail service to unbelievable depths. Manufacturers, the sugar industry, and the cocoa bean interests are striving to help correct this condition through pressures on railroad executives and Congressmen with the hope that the importance of these services may be known.

The "Regional Rail Reorganization Act of 1973" is underway but early improvement is not expected. We can only hope that future operators can salvage enough of the remains to put together a workable system. No doubt this act is a step in governmental control which will be reflected in additional costs and higher taxes. Few people believe we can expect improvement in conditions in the near future. We are continually watching these trends and will make an effort to relay the serious developments to those involved.

H. P. Gabriel, Chairman  
Traffic Committee  
General Traffic Manager  
Hershey Foods Corporation

### Freight Rates Up 10%

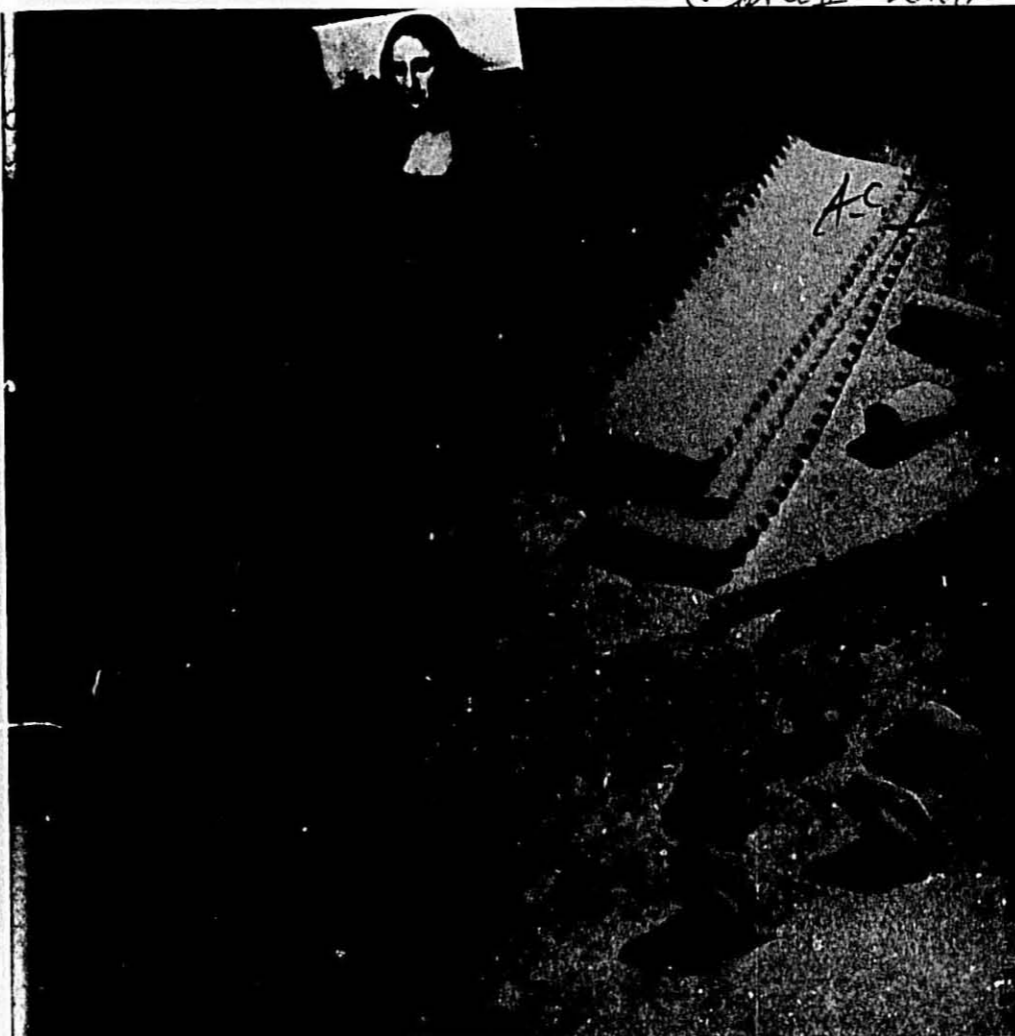
Rail freight rates were to be boosted 10% by June 20, the Interstate Commerce Commission said, if the revenue produced by the increase is used to buy new equipment or for deferred maintenance on existing track or equipment.

### Southern Supermarketing

Southern Supermarketing magazine for May-June, 1974, pictures in all color on the front cover a wide variety of pasta products and states: "Southern tables discover pasta—indicative of a growing sophistication, southern cuisine now takes on an international flavor with pasta dishes in wide variety. Exotic Italian dishes now serve as entrées in many Southern Homes."

### Pasta, Pasta

The May issue of Redbook carries a nine-page article headed: "Pasta, Pasta". Some twenty recipes range from entrées to desserts. Cover notes: "20 Great New Pasta Recipes—Quick, Different, Cheap."



## LITTLE MASTERPIECES

Macaroni, spaghetti, vermicelli, lasagne, ziti, shells, linguine, mafalde, tripolini, orzo—and many, many more.

They're all pasta—they're all different—and they're all masterpieces made by artists with a true love for and dedication to their profession.

Diamond employs its own brand of artistry in developing a frame for these

pasta works of art—creative folding cartons, labels, streamers, shelf-talkers and point-of-purchase displays.

Let us show you how your artistry can be enhanced by our kind of creativity. Just call (212) 697-1700

**DIAMOND INTERNATIONAL CORPORATION**

PACKAGING PRODUCTS DIVISION  
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Okay.

Who put egg in the noodles?

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175.00  
26.25 A.C.  

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148.75



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

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

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

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- Duregg eliminates time-consuming, in-plant blending of flour and egg solids with expensive machinery.
- Duregg is ready when you need it. No thawing,

less chance of contamination, and less time and mess.

- Duregg eliminates the need to re-freeze unused egg.
  - Duregg assures a consistent blend.
  - Duregg eliminates the necessity to inventory two ingredients. Storage and record keeping is reduced.
  - Duregg simplifies delivery. Now it's one source — Multifoods.
  - Duregg lowers your manpower requirements.
- Enough said. Order your Duregg with a phone call.

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DURUM PRODUCTS DIVISION

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