THE MACARONI JOURNAL

Volume 61
No. 6

October, 1979

Macaroni Journal

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OCTOBER 1979

NMMA

1904-1979

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The Macaroni Journal

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In This Issue:

Morale

Ways managers can develop morale

Important.

MACARONI WEEK—a national publicity effort for macaroni produc

Publicity Covers National Macaroni Week in Every Media

National Macaroni Week, October 4-13, 1979 has the theme "Pasta Meets the Challenge" and will incorporate commemoration of the 75th anniversary of the National Macaroni Manufacturers Association.

The theme is adaptable to many subjects and can be used to address the many segments of the consumer market on a variety of topics:

- Inflation, with pasta the answer to families on a tight food budget
- Nutritious meals for the one- or two-person households, which make up more than 50% of our family profile today
- The need for on-the-go meals prepared in a hurry
- Meatless meals
- Low-calorie, low-cholesterol meals
- Menus for entertaining-at-home
- Gourmet meals, and pasta cooking tips for the new appliances
- Ethnic menus
- Health-oriented menus, combining pasta with natural foods, with high-fiber foods, with low-fat foods
- Pasta with recycled foods
- Pasta as an extender with poultry, low-cost meats, fish.

We shall continue to build a "new foundation" of uses for pasta products adapted to today's segmented society. We must add new cooking techniques to reach the growing segment which we call the "new consumer." At the same time we must also satisfy the needs of the non-working woman . . . the traditional homemaker, who still makes up over 45% of our target audience.

We believe that pasta's intrinsic qualities can win any challenge. It is our charge to creatively merchandise pasta's natural qualities to a mobile consumer audience in an excitingly alive marketplace.

We will be distributing "Unimac Cookery . . . Pasta Quickies for Singles/Doubles", a new leaflet to supermarket consumer specialists in 200 chains nationwide.

National magazines will carry macaroni materials as features. Placements will include:

- **Mademoiselle**—"All About Pasta" feature.
- **True Story**—"The Value of Pasta", using a NMI color photo.
- **Seventeen**—"Pastitsio" color photo story.
- **Lady's Circle**—Economy feature using NMI color photo.
- **Woman's Day**—"Simply Delicious Meals In Minutes" using NMI color photos of Macaroni Chowder and Macaroni Carbonara.

The Sunday Supplement, Family Weekly, plans an "Ethnic Foods feature.

Newspaper Syndicates: Cecily Brownstown of Associated Press; Aileen Clare, of Newspaper Enterprises Association; Joan O'Sullivan and Philomena Corradeno of King Features; Frank Kohler, of General Features; Ethel Moore of Amalgamated Publishers; Opal Crandell of Copley News Service; Barbara Gibbons—from Gourmet of United Features; Bonnie Currie of Midwest Rotogravure Magazine; Elle Elvin of New York Daily News; Doris Bagley of Los Angeles Times Syndicate; Barbara Mora of Westchester Rockland Newspapers.

In the black press releases have gone to Marie Cooke of Afro-American Newspapers, C. A. Scott of Atlanta Daily World, J. H. Williamson of Birmingham Mirror, George McElroy of Houston Daily Informer, Undine Davis Young of the Journal and Guide, and Carl E. Morris of the New Pittsburgh Courier.

For television, a kit with a "Spaghetti Set" composed of a one-handled colander, server and pasta measure which facilitates measuring two and four ounce uncooked portions to emphasize the Unimac Cookery concept, will be used by approximately 100 stations. There will be four slides, script and recipe leaflet.

Radio script will be sent to 700 commentators of women's interest programs nationally.

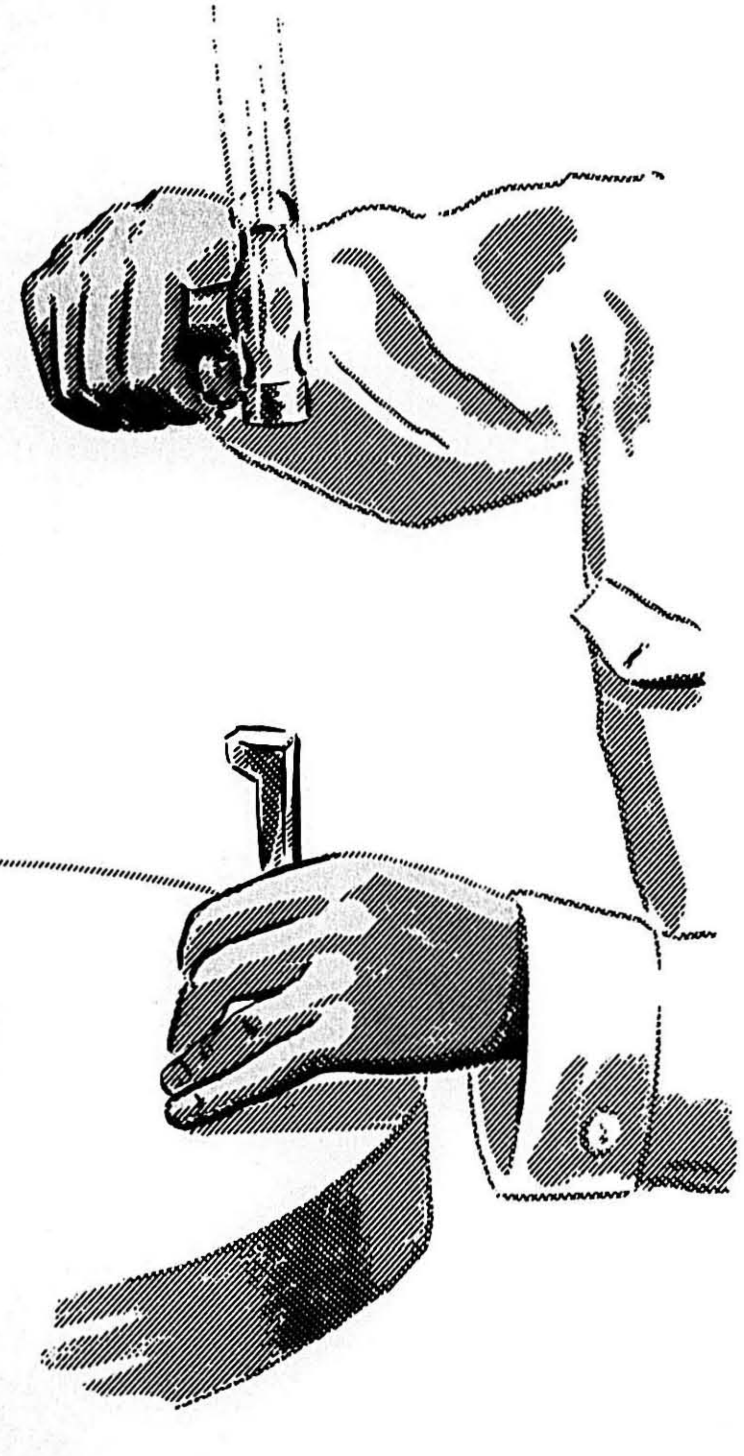
Trade releases to grocery publications will be pointing up the 75th anniversary news and emphasize the industry promotion of Unimac Cookery. Cover photo is the trade press photo. Related item sales will be illustrated with dishes as Noodles and Vegetable with Cheese Sauce, Greek Style Chicken with Spaghetti, and Macaro Vegetable Salad.

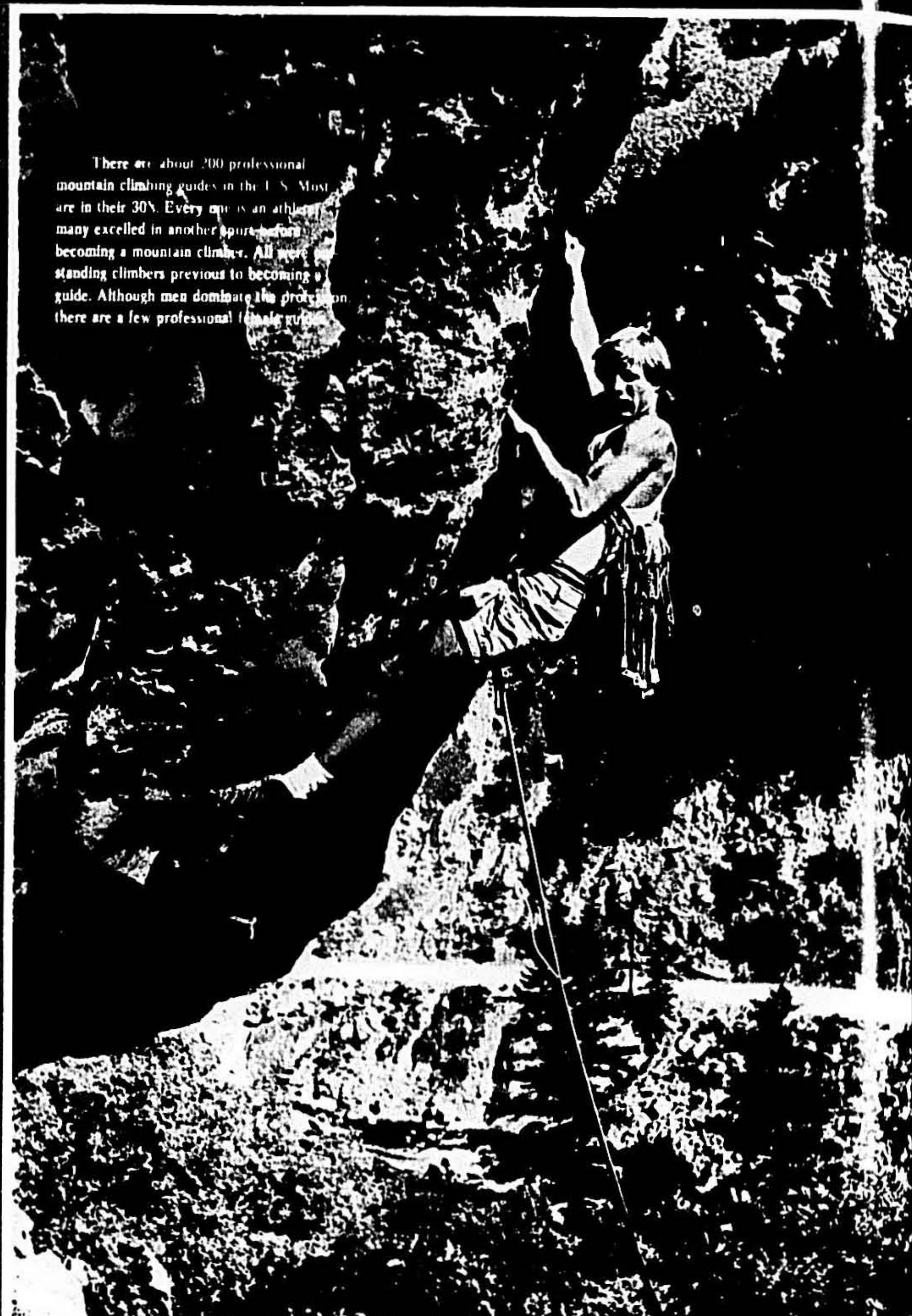
Noodles and Vegetables with Cheese Sauce
(Makes 4 servings)

8 ounces medium egg noodles (about 4 cups)
Salt
3 quarts boiling water
3 tablespoons butter or margarine
½ cup sliced celery
3 tablespoons flour
2 cups milk
½ cup each:
grated Muenster cheese
grated Cheddar cheese
Pepper
¼ teaspoon dry mustard
½ teaspoon Worcestershire sauce
1½ cups hot cooked brocc i
½ cup each:
hot cooked corn
hot cooked carrots

Gradually add noodles and 1 tablespoon salt to rapidly boiling water so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander.

Melt butter in saucepan; saute celery until crisp tender. Blend in flour, stir in milk. Cook over medium heat stirring constantly, until sauce boils. Add cheeses, ½ teaspoon salt, dash





He's a Breadwinner

You can't talk a good climb. Either you make it or you don't. Nature is your opponent, gravity her weapon. And you can't psych her out because Mother Nature is not impressed with conversation. From the moment you leave the "ground," climbing a mountain is a totally honest effort.

And it's a zero defect sport. The professional guide understands this, which is why every guide must sincerely enjoy working with clients on a true teaching level. The patience to teach every detail until it is completely learned is paramount. It's not the possibility of falling that's final, most every climber who climbs long enough falls! What's final is a mistake in attention to the proper preparation and us[illegible] equipment that could make a fall serious. A good [illegible]ide will tell you that there is a world of differe[illegible] between climbing and climbing safely — which [illegible] what a professional guide is all about.

[illegible]tain climbing as a sport has been around for 150 ye[illegible] but it wasn't until the mid-1950's that it beca[illegible] popular enough to draw attention. Today it draw[illegible]thusiasts from all walks of life. Part of its attr[illegible]on comes from the sport's instant and profou[illegible] feeling of accomplishment. There are no vicarious thrills from climbing a mountain. You do it. And you receive its exhilaration!

As with most sports, there are degrees of proficiency. Mountain climbing can range from high trail hiking to the true state-of-the-art mountaineering. A climbing route is graded from one to five, with the fifth degree further divided from 5.1 to 5.12. And the higher the degree becomes, the more the guide must stress all safety contingencies, because as the grade increases, the greater the psychological hurdles that must be conquered — hurdles that can override the climber's ability to hang on and pull th[illegible]ugh.

Mountain climbing of any degree is an energy-demanding sport. One that requires an ever replenished supply of physical and mental strength. Strength that must come from food carried by the climber: sandwiches, snacks, instant preparation foods. The energy foods that are produced by ADM customers — from ADM Milling products.

Just as the professional mountain climbing guide is totally concerned about his quality of instruction, so is ADM totally concerned about our quality of products — a concern that has been responsible for superior products since 1902.

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Baker's shortening, corn sweeteners, soy protein for the baking industry.

pepper, mustard and Worcestershire sauce. Cook and stir until cheese melts. Combine noodles and vegetables. Service with cheese sauce.

Greek Style Chicken with Spaghetti
(Makes 6 servings)

2 tablespoons olive or salad oil
1 chicken (about 3 pounds), cut up,
2 medium onions, chopped
2 cloves garlic, chopped
1 can (6 ounces) tomato paste
1 can (16 ounces) tomatoes
¾ cup water
1-inch piece cinnamon stick
2 whole cloves
Salt
⅛ teaspoon pepper
4 to 5 quarts boiling water
12 ounces spaghetti
Grated Romano or Parmesan cheese
Lemon wedge, optional

In Dutch oven or large heavy saucepan, heat oil; brown chicken on all sides. Remove chicken; drain off all but 2 tablespoons drippings. Saute onions and garlic in drippings until golden. Stir in tomato paste, tomatoes, ¾ cup water, cinnamon, cloves, ¾ teaspoon salt and pepper. Cover and cook 5 minutes.

Add chicken and simmer 15 minutes or until tender.

Meanwhile, gradually add spaghetti and 1½ tablespoons salt to rapidly boiling water so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander. Remove chicken to serving dish. Serve with spaghetti and sauce. Sprinkle cheese on top. Garnish with lemon wedge, if desired.

Macaroni Vegetable Salad
(Makes 6 servings)

2 cups elbow macaroni (8 ounces)
1 tablespoon salt
3 quarts boiling water
3 cups diced cabbage
½ cup shredded carrots
½ cup diced green pepper
2 tablespoons fresh or frozen chopped chives
1 cup plain yogurt
1 tablespoon salad oil
¼ teaspoon celery salt
Salt and pepper

Gradually add macaroni and 1 tablespoon salt to rapidly boiling water so that water continues to boil. Cook uncovered, stirring occassionally, until tender. Drain in colander. Rinse with cold water; drain again.

Turn into large bowl; add cabbage, carrots, green pepper, chives, yogurt, oil and celery salt. Toss gently until mixed. Salt and pepper to taste.

Pasta References

Pasta Primer leaflet containing the following: What is Pasta? How is Pasta made? Why is Pasta Nutritious? Can Calorie Counters Enjoy Pasta? How to Shop for Pasta; How to store Pasta; How to Cook Pasta; plus four recipes. These leaflets sell for 5¢ each shipped f.o.b. Palatine, Illinois.

Pasta Portfolio is a 28-page booklet containing: Manufacture of Macaroni Products; High Quality Hard Wheat for Macaroni Products; Semolina and/or Hard Wheat Flour for Macaroni; The Many Shapes of Macaroni; Guide to Buying and Use of Macaroni Products; Basic Directions for Cooking Macaroni Products; Food Value of Macaroni Products; How to Use Leftover Macaroni; Etiquette of Spaghetti Eating; Macaroni Legends. This booklet sells for 40¢ each shipped f.o.b. Palatine, Illinois. Both the Pasta Primer and the Pasta Portfolio may be ordered from the National Macaroni Institute office.

Recipe Booklet

"America Entertains At Home . . . with Pasta" is an invitation to enjoy meals at home which are fun, fast and easy. "Quarter-of-an-Hour" menus featuring pasta entrees are geared to the use of time-saving appliances . . . microwave ovens, food processors, blenders . . . for the time-conscious cook who prefers eating at home as a happy alternative to eating out. Conventional directions are included for those with more time to spare in the kitchen.

Copies of the booklet are available by sending 55 cents each to cover postage and handling. 30 cents each in quantities of 100 to 500 plus freight; 22 cents each in quantities over 500 plus freight.

Press Party

An Annual special event, the Macaroni Family Reunion at Tiro A. Segno, famous Italian cuisine in the village of New York City, saw more than 100 members of the New York media from magazines, newspapers, syndicates, local newspapers, syndicated Sunday supplements, television and radio mingle with macaroni manufacturers from the National Macaroni Institute who updated them on current trends within the industry. President Paul A. Vermylen reviewed some of the major highlights of the Association past 75 years.

Major market daily newspapers will receive black and white photographs as well as color with recipes and stories stressing macaroni's benefits and advantages. These are supplied on an exclusive basis to food editors of 219 standard metropolitan areas with 24 million circulation per mailing.

Typical Release

When you serve pasta, you serve fine nutrition. Active adults, growing children and teenagers all need carbohydrate in a balanced diet. Pasta is an excellent carbohydrate source,

Spaghetti Casserole

Individual Macaroni and Cheese Casseroles

Egg Noodle Chicken Soup

and also supplies protein, iron, niacin, thiamine, riboflavin and iron. It is a low fat, low sodium, easily digested food.

Spaghetti Casserole
(Makes 4 servings)

1 pound ground beef
½ cup chopped onion
1 clove garlic, minced
1 can (16 ounces) tomatoes, undrained
1 can (6 ounces) tomato paste
½ teaspoon sugar
¼ teaspoon oregano
⅛ teaspoon pepper
½ cup water
½ medium green pepper, diced
Salt
8 ounces spaghetti
3 quarts boiling water
⅓-cup grated Parmesan cheese

In large skillet, brown meat, stirring frequently. Addonion and garlic and cook 3 minutes. Stir in tomatoes, tomato paste, sugar, oregano, pepper, ½ cup water, green pepper and 1 teasoon salt. Cover and cook slowly 20 minutes.

While meat sauce is cooking, gradually add spaghetti and 1 tablespoon salt or rapidly boiling water so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander.

Combine spaghetti and meat sauce. Spoon into ungreased 2-quart casserole. Sprinkle Parmesan cheese on top. Bake, covered, in 375°F. oven 20 minutes or until center is bubbly.
Preparation time: about 30 minutes.
Baking time: 20 minutes.

Another one dish specialty to try during National Macaroni Week is Macaroni-Tomato-Cheese Casserole Put the ingredients together in about 20 minutes, and relax while the casserole bakes for half an hour.

Individual Macaroni and Cheese Casseroles
(Makes 8 servings)

4 cups elbow macaroni (16 ounces)
Salt
4 to 6 quarts boiling water
¼ cup margarine or butter
¼ cup flour
1 quart milk
4 cups shredded Cheddar cheese (1 pound)
½ teaspoon pepper
½ teaspoon Worcestershire sauce (optional)
¼ cup chopped parsley
Parsley, for garnish

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

While macaroni is cooking, in large saucepan, melt margarine. Stir in flour until smooth. Gradually add milk and cook, stirring constantly, until sauce thickens and boils 1 minute. Remove from heat and add cheese, pepper, Worcestershire sauce and 1 teaspoon salt. Stir until cheese melts. Stir parsley and macaroni into sauce. Spoon into 8 lightly greased individual 12-ounce baking dishes. Bake uncovered in 350°F. oven 20 minutes.

Homemade soups belong to back-to-basics cookery. Chicken noodle soup, rich in flavor and nutrition, is one of our sugestions for meals as we celebrate National Macaroni Week October 4-13. Make ahead and freeze if you wish.

Egg Noodle Chicken Soup
(Makes 3 quarts—8 1½ cup servings)

2½ quarts water
1 whole broiler-fryer chicken, about 3¼ pounds
Salt
3 sprigs of parsley
2 chicken bouillon cubes
2 cups sliced carrots
2 cups sliced celery
1 medium onion, coarsley chopped
⅛ teaspoon pepper
8 ounces wide egg noodles (about cups)
¼ cup chopped parsley

In a large saucepot or Dutch oven, combine water, chicken, 1½ teaspoons salt and parsley sprigs. Heat to boiling. Cover; reduce heat and simmer 1 hour or until chicken is tender. Remove chicken and strain broth. Return broth to pot; add bouillon cubes and heat to boiling. Add carrots, celery, onion and 1 teaspoon salt and pepper. Cover and cook 5 minutes. Gradually add noodles so that soup continues to boil. Cook uncovered, stirring occasionally, until noodles are tender. Meanwhile, cut chicken into bite-size pieces; discard skin and bones. Add chicken and chopped parsley to soup; heat about 5 minutes.
Preparation time: 20 minutes.
Cooking time: about 1 hour.

PRODUCT PROMOTION REPORT

by Elinor Ehrman, Burson-Marsteller

Elinor Ehrman

This will be a quickie update on our year's campaign for consumer promotion; a futures alert on various subjects of interest; and finally, a progress report on the Pasta Foodservice Manual.

First, the Consumer Program:

Dynamite Magazine Placements — 24 multi-page features among a total six-month placements' record of 60 magazines with 193,472,451 circulation.

The Highlights:

March, **Family Circle**—8 million + circulation "Pasta is Fasta"—our convenience theme with copy: "When your family is waiting, or you've had a busy day, fast-cooking pasta can be the answer to your prayers. Clock it! Put the pasta in boiling water, prepare the sauce, toss the cooked pasta, and presto! Hearty meal in 30 minutes or less (recipes).

May, **Bon Appetit**—Cover story, targeted to 1 million + gourmet circulation. "Spaghetti Primavera" cover photo, with copy geared to different pasta shapes and quick-and-easy sauces with 3 pesto variations with such pastas as farfalle, fettucini, vermicelli, as well as the stand-bys of spaghetti and lasagne.

April **Apartment Life**—Another cover story for the single and double 20-35 year old audience in the career-young married category. The copy reads: "Pasta has grown in our food consciousness from the banal spaghetti and meatballs of our childhood to the chic carbonara of our favorite restaurant." 12 recipes, with in-depth copy on U.S. pasta; nutrition; shape description; proper cooking instructions, etc. Circulation is 900,000.

May & June, **Ladies Home Journal**—Two consecutive issues with major cover features on pasta. I thought you'd be interested in the May issue which features Jan Hazard, who after several years as our test kitchen director, went to Ladies Home Journal as associate food editor. As you see, she's still loyal to pasta and chose spaghetti carbonara as the feature recipe for the story on Terrific Diners for Working Mothers. Circulation, 6,000,000.

A budget-oriented story on macaroni and cheese gives eight main courses with enough protein for the entire family (4 with meat; 4 without).

In syndicated Sunday supplements "Yankee Doodle Dandy titled Sylvia Schur's feature in **Parade Magazine** of March 11. A solid story on pasta and its triple appeal: It's quick, ready in 15-30 minutes; nutritious, a good source of protein, carbohydrates, and B vitamins; and economical." We had four pasta recipes in two issues of **Family Weekly**, including one entitled "The DeVito Lasagna" which Gloria Marshall extracted from our photographer. These two supplements appear in a total of 473 Sunday newspapers with a circulation of 32,308,434.

We have appeared in a total of 80 newspaper color pages since the first of the year.

We enjoy a continuing stream of newspaper syndicate placements. There were 75 this six-months with circulation potential of more than half a billion.

An interesting duo which ran this spring in the New York area is Craig Claiborne's Lasagne story for Entertaining in the **New York Times Sunday Magazine**. Then our good friend Nika Hazelton's full page feature in the March 7 **New York Daily News**. Nika's comments should put to rest our fears of homemade pasta's replacing commercial pasta. Quoting Nika: "The pasta machine as a status symbol just beats me. It's a fad, like painting flowers on porcelain. Italians are much more practical. Homemade pasta is a special treat in the Italian home, because Italian women, like their American sisters, are too busy with either work or play to be cranking out fettucine every day!"

Future Projects

Future projects include working with Bob Green and Garry Kushner to release the "oriental noodle" story to food editors nationwide to alert them to the fact that the NMMA has petitioned the FDA to enforce the standards of identity prescribed for noodle products. We took this action as an FYI measure and expect some usage in consumer protection columns. In fact, Helen Dollaghan of the **Denver Post** interviewed Bob Green and Paul Vermylen on this subject while at convention.

The Macaroni Family Reunion Luncheon will be held September 12. We plan to feature the 75th Anniversary of NMMA as a news handle, and we'd like to play up the beginnings of individual manufacturers as well as the industry itself. Please search your archives and send us some old photos which we can display at the restaurant.

National Macaroni Week is October 4-13. The celebration will give us another opportunity to talk about the 75th Anniversary. In this promotion, we can regionalize our pasta history and send the appropriate pictures to your major distribution areas.

Future Placements

More future projects include upcoming magazine placements this October in:

Mademoiselle—All About Pasta feature;

True Story—The Value of Pasta—industry color photo;

Seventeen—Pastitsio color story;

Lady's Circle—Economy feature using industry color photo;

Woman's Day—Simply Delicious Meals in Minutes.

Cookbook Supplement: Our color pictures of macaroni chowder; macaroni carbonara;

Family Weekly—Ethnic Specialties

Foodservice Manual

The Pasta Foodservice Manual is the behemoth that has taken a great deal of our time and effort during the past few months. We have been working closely with the Promotion Committee on this project, and we will continue to have the benefits of their expertise as we go into final editing. We have also worked closely with key people in the foodservice industry, including equipment manufacturers, foodservice, magazine staffs, chefs,

(Continued on page 14)

ATR: The hotter, faster, cleaner dryer.

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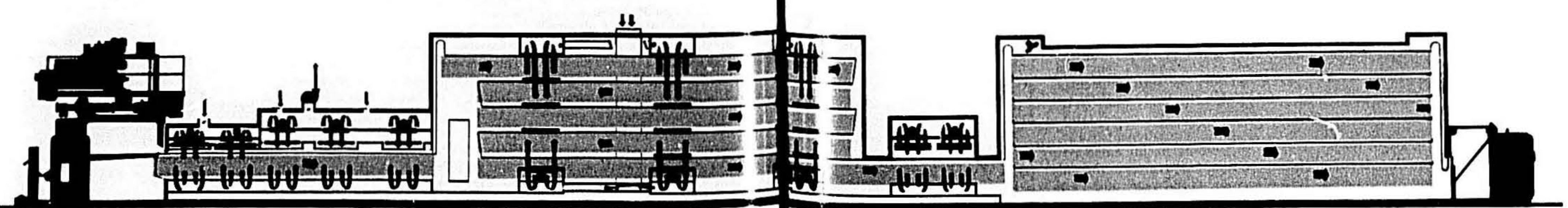

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Product Promotion Report

(Continued from page 11)

and operators. And, of course, we have had valuable input from our own industry experts such as Judi Adams in the area of durum and its contributions; Jim Winston in our nutritional information; some foodservice sales managers of various NMMA members.

We have called our guidebook A Pasta Foodservice Manual. The 3-ring binders will duplicate in size the salesmen's and distributors' manuals now in use. A pocket for recipe cards or other collateral will be included on the inside cover. The manual is a rich brown, and the art will be soft beige.

We will use block print with the chapter title at the top of each numbered page. Brown ink on wheat-colored paper stock will be used for content titles and line art. The print copy itself will be black.

We have expanded the Manual into 12 chapters from the original versions. Although the chapter titles are still "working titles", I can give you an idea of chapter content.

Chapter I—Pasta as a Sales Tool—We open with an introduction which begins: "Pasta means profits to any foodservice operation." The chapter proceeds to tell why—by listing the many advantages of serving pasta: cost efficiency; menu price flexibility; easy to store, cook, and handle; requires no special cooking equipment; nutrition appeal. pasta for calorie counters, and for the athlete; a million meal mates; menu versatility and excitement; built-in popularity; more than 150 shapes; satiety value; "a natural food"; an extender, new life to leftovers.

Chapter II—Durum, the Source of Quality Pasta—This chapter begins with "What is Pasta?" We describe the significance of durum, semolina, durum flour, farina and incorporate the durum story, the milling, and the manufacture.

Chapter III—Pasta Products; Some Definitions—Here we describe the pasta manufacturer categories of long goods, short goods, specialty items, and egg noodles. We list the 10 best known shapes. The end of the chapter includes a round-up of pasta shapes and their Italian derivations.

Chapter IV—Packaging, Storage, and Cooking Properties—The title tells most of the content, plus recommended portion sizes geared to foodservice standards of "cooked weight." We include a chart listing 10 popular shapes, giving their cooked weight per pound and recommended entree and side dish portions per pound. Also in this chapter, we include a chart on the same 10 shapes geared to reheating and give approximate times for re-heating via boiling water immersion and by microwave oven.

Chapter V—Foodservice Equipment and Pasta Preparation—This chapter discusses pasta preparation in foodservice equipment as well as the traditional boiling method in the stockpot on top of the store. Brief descriptions are included of the latest in sophisticated cooking hardware and how they can be used in specific operations to cook pasta: tilting skillet; fryer; spaghetti magic machine; steam jacketed kettle; steam cooker; pressureless steam cooker; convention oven; microwave oven.

Chapter VI—Cost/Yields of Pasta Products—Again taking our 10 popular shapes, we have given cost yields per serving, geared to the most recent price per pound, including both main dish portions and side dish portions. In this chapter we suggest how the operator can trade up with pasta simply by featuring a different shape with a different sauce. We also compare a pasta meal (both price-wise and calorie-wise) with a burger meal, a fish & chips meal. For relatively the same price, pasta provides a far better rounded meal.

Chapter VII—Merchandising and Promoting Pasta—This is an idea-packed chapter on such subjects as "Pasta Pairs with Chili Con Carne-hamburgers-chicken-tacos-beef stew-fish"; "Pasta in International Cuisine"; "Pasta" suggestions for the Salad Bar; Pasta combinations geared to the different seasons of the year; and Pasta Merchandising Suggestions for each segment of the food-service market.

Chapter VIII — Nutrition — This chapter starts with carbohydrates and their energy value and goes into calories, protein, B vitamins, and iron. There's a special section on "The Dieter and the Athlete."

Chapter IX—Pasta Combos: Sauces, Cheeses, Herbs—This chapter is keyed to the versatility of pasta and suggests mixing pasta shapes with different sauces, with different cheese, with different herbs. The most common pasta sauces are listed with easy how-to directions with a description of favorite cheeses and herbs to use with pasta.

Chapter X—Merchandising Pasta Lore—Here we include the legends of pasta with suggestions about how they can be merchandised in a restaurant operation. For example, printing the legend of the Chinese Maiden and Marco Polo on placemats, menus, or tent cards.

Chapter XI—Pasta Troubleshooter—This is a "devil's advocate" type of chapter which gives strong answers to some negatives. For example: "Pasta? Not for me, I don't run an Italian restaurant." The answer plays up the versatility of pasta and its adaptability to any type of cuisine.

Chapter XII—Pasta in Trade and Foodservice Media—This chapter describes the Macaroni Journal as the news source of the industry and includes a cover page and table of contents. In addition, we list national foodservice publications servicing the industry which carry pasta information in their editorial pages, including our newest recipes and merchandising suggestions.

The Bottom Line is a summary of the selling message in each chapter which gives the operator/distributor strong reasons to push pasta for profits.

Finally, the Appendix includes a list of pasta manufacturers as well as pasta-related foodservice brochures, fact sheets, and equipment manufacturer specification sheets. As an example, there are some spec sheets which describe current foodservice equipment and how to use that equipment for best results in cooking pasta.

A picture from a foodservice salesman's manual shows that behind the pasta divider there are three pages only: a table of contents page; a listing of pasta products available and their codes; a one-page sheet on storing and cooking with two recipes. We have a ready made audience out there looking for the sale tools we're about to give them.

Plants convert solar energy into carbohydrates. When we eat carbohydrates, the stored energy is released. Thus, carbohydrates is the main source of fuel for our bodies.

AS MEAT PRICES GO, SO GO PASTA SALES

Supers are increasing size of sections as shoppers look to pasta to ease the budget crunch. from Chain Store Age/Supermarkets, July 1979.

It's one of the oldest axioms of marketing: When meat prices go up, so do pasta sales. And the logic is irrefutable. Pasta is an excellent way to extend meat in casseroles and side dishes—and also make a good substitute main dish.

However, pasta's fate in the marketplace is not completely tied to meat prices. For the past three decades, with the exception of 1977, pasta sales have been on a steady upswing. As one manufacturing exec notes, "Meat prices are a temporary stimulant, a blip on the trend line." Why the upbeat on pasta?

For starters, it has a good cost/value relationship. Value is not only measured in dollars, but in nutritional benefits. An exec for a major supplier says that a 4-oz. serving of vitamin enriched pasta provides 25% of DRA (Recommended Daily Allowance) of protein. 70% of vitamin B-1, 30% of B2, 40% niacin and 20% iron.

Another reason for pasta's upsweep is the increased number of prepared sauces now on the market. Sauces have helped take the mystique out of prepared pasta dishes and tipped the sales beam to long products—principally spaghetti. Long has supplanted short goods (elbows and shells) as the sales pacesetter.

And then there's the fun-food side of pasta. It appeals to housewives because it's the nucleus of a quick meal—with sauce, wine, bread. By reducing preparation time, the hostess is able to spend more time with her guests.

Sunbelt innovations: The cumulative impact is that some chains, especially in the Southeast and Southwest, are enlarging departments in new and remodeled stores. Supers in the 20,000- to 35,000 sq. ft. range are going from 8 ft. to 12 ft. (five shelf sections) and from 12 ft. to 16 ft. Eight or ten years ago, Southwest chains were stocking 15 to 20 items in each brand; now it's up to 25.

Promotional attitudes in the South have changed, too. Years ago it was difficult for suppliers to convince supermarketers to promote aggressively. However, with migration from the East (traditionally a strong pasta region), Sunbelt chains are not only listening but taking the iniative.

Industrywide, the National Macaroni Institute says that $1 in pasta sales will generate $10 in related sales.

Another plus for pasta is that prices have remained relatively stable. Best estimates are that in 1979 they will go up about 2c per pound.

Private label has been growing. Five years ago it was 5% of total sales, but today it is 17%, according to a mainline manufacturer.

Another growth area is in specialties, led by lasagna and manicotti. The big appeal is to the homeowner who wants to be creative but doesn't want to spend a lot of time in the kitchen.

Packaging: There is no clear-cut trend between flex and cartons. Because there are so many strongly entrenched regional packers, consumers have been accustomed to buying the manufacturer's package. Thus, cartons are strong on the East Coast, flex in the South and West. The Midwest is split 50-50.

The industry's fears that packaged dinners (the five minute instant meals) would out-convenience pasta and reduce sales have abated. Many pasta executives regard this relatively new competition as a sale spur. Says one, "We look on packaged dinners as a gigantic sampling program for pasta. They stimulate interest in pasta by alerting homemakers to the many ways to use it."

Macaroni/Cheese: Those who dismiss generics as a negligible factor in the marketplace can't be found in the macaroni/cheese hierarchy. Generics now account for 9% of total mac/cheese volume, and private label 27%. Heaviest inroads in generic mac/cheese are in the Middle West and East Central regions.

An exec with a national manufacturer says generics have cut a swath in the market because of price and because many retailers have cut margins to 10% (compared to 25% for national brands). "However, generics

Pasta Products: 1978 Performance

$1 MILLION SUPERMARKETS

	Sales % of Dept. Sales	Dollar Volume Millions	% of Dept. Gross Profit	Gross Profit Dollars Millions	Assortment Items/Sizes at Whse.	Gross Margin Avg. % of Retail
Macaroni Dinners	17.99	$120.12	14.75	$ 21.45	9	7.9
With Cheese	12.20	81.48	10.87	15.81	7	9.4
All Other	5.79	38.64	3.88	5.64	2	4.6
Noodle Dinners	8.22	54.86	9.07	13.19	17	4.0
With Meat	1.40	9.32	1.58	2.30	4	4.7
All Others	6.82	45.54	7.49	10.88	13	3.9
Spaghetti Dinners	3.23	21.58	3.15	4.58	7	1.2
With Meat	2.07	13.80	1.90	2.76	3	0.0
All Others	1.16	7.78	1.25	1.82	4	3.4
Noodle Mixes	0.62	4.14	0.66	0.96	1	3.1
Macaroni	21.70	144.90	22.50	32.71	32	2.6
Elbow	9.30	62.10	9.74	14.16	11	2.8
All Others	12.40	82.80	12.76	18.55	21	2.4
Noodles	14.67	97.98	15.53	22.57	24	3.0
Flat	11.36	75.90	11.96	17.38	17	2.9
All Other	3.31	22.08	3.57	5.19	7	23.5
Spaghetti	21.16	141.51	21.24	30.88	21	21.8
Regular	16.92	113.16	17.20	25.01	15	[illegible]
All Other	4.24	28.35	4.04	5.87	6	20.7
Meat Extenders	0.41	2.76	0.27	0.40	1	14.3
Pizza Mix	3.51	23.46	3.71	5.40	7	23.0
One Pot Dinners to which meat/fish is added	6.21	41.40	6.62	9.62	10	23.2
Noodles/Mac	2.69	17.94	2.79	4.05	4	22.6
With Rice	0.21	1.38	0.26	0.37	1	27.0
All Others	3.31	22.08	3.57	5.19	5	23.5
Noodles with Sauce Mix	1.45	9.66	1.67	2.43	2	25.1
All Other Dinners	0.83	5.52	0.83	1.21	1	21.9
Total	100.00	$667.89	100.00	$145.36	132	21.8

% of total store volume 0.48%.

Macaroni/Cheese

(Continued from page 16)

are not comparable in quality. Whereas private label uses actual cheese and flour in the macaroni, the generic mac/cheese is cheese-flavored and has more filler than flour."

With inflation influencing food selection on one end of the spectrum and nturition on the other, mac/cheese is a "natural".

Asked about the impact of instant meals on mac/cheese, a spokesman for a national brand says, "Yes, preparation time is faster with the instant lunch-type items, but they are not totally instant either. Compared to mac/cheese dinners, little time is actually saved. The homemaker has to boil our product for seven to ten minutes. It takes five minutes for theirs. If their product could cut the time in half, then they would have a big edge—provided they had matching quality. But we've got the edge in both price and quality—and that's why mac/cheese sales keep going up."

Instants Keep Soup Sales Bubbling

Consumer interest in dry mixes and instant lunches has offset slow section growth in general.

The soup market has continued to diversify over the past year, and the explosiveness of the category indicates that it will segment even further in 1979.

A marked change in consumer tastes has apparently triggered the change in the soup market. According to most of the major manufacturers, shoppers want quick soup preparation, but they are slowly losing patience with soups of lesser quality. Inflation has also made large inroads in the average family's budget, so that soup is becoming a major portion of the family dinner. Often, with extra vegetables and meat added, it is the family dniner.

Dry mixes: The dry soup market evolved from a war between the major manufacturers over the quick-lunch crowd. Leading the way were a spate of oriental noodle mixes that at first baffled merchandisers because they are neither soup nor pasta.

It is only lately these products have found a home in the soup aisle.

The instant lunch segment, which is still cubbyholed by the major tracking services into the "all other" category, is led by Nissin Foods, a California company that owns close to 80% of the market with its Cup O' Noodles. A distant second is Maruchan, which markets Instant Lunch. The third member of this foreign triumvirate is Sanwa, which has three entries: Ramen Pride, Suddenly Spaghetti and Spaghetti-to-Go. Sanwa's major facility in Los Angeles was gutted by fire last fall, but the company rebuilt and is slowly resuming normal distribution.

As often happens, the American firms have been Johnnies-come-lately when it comes to jumping on the quick-lunch bandwagon. General Mills came out with Mug-O-Lunch under the Betty Crocker label. Lipton is testing a light lunch item called Superbowl in Ohio and Oregon. Industry sources report that the company is using its "excess pasta capacity" to market this and other products. Nestle is also testing a quick lunch item.

Even Campbell, the dean of America's soup-making industry with 85% of condensed sales, has dipped into the dry convenience market. It has put out a 'super-condensed instant soup", a paste that makes four 6-oz. servings in aluminum cups, priced at 67¢. The product is being tested in Northeastern markets

These items represent only one end of the dry soup spectrum. In the past nine months, dry products that capitalize on a preference for home-prepared soups have been put on the shelves.

"It's sort of a return to old-fashioned soup," says a manager for a European soup import. "You've got the base and some vegetables and can add meat or more vegetables to it."

According to research done for one major manufacturer, 35% of all soup eaten in this country are homemade. Swift is the originator in this line, with Soup Starter, which went national last fall. Lipton, trying to bracket the market, is fielding a line called Soupmaker in Boston, although observers say that the product is not receiving much advertising support.

Both companies tout their products as "soup bases" that are as good and rich as homemade. They take from an hour to 90 minutes to prepare and are priced anywhere from 79¢ a quart (Soupmaker) to 99¢ for two quarts (Soup Starter).

Case movement figures indicate this is the area to watch. According to SAMI, the regular dry mixes have pulled backed or increased only marginally over the past year, and neither Lipton nor Nestle are spending the advertising dollars they invested in their media war of a year ago.

Lipton, which owns 70%-75% of the dry soup market, has nevertheless seen its Cup-of-Soup slide drastically in market share over the year, falling from 29.35 a year ago to 21.62 at the end of 1978. Nestle's Souptime posted a 13.23 rating at the end of 1977, but a year later it had only an 8.97 share.

(Continued on page 20)

Canned/Dry Soup: 1978 Performance

$1 MILLION SUPERMARKETS

	Sales % of Dept. Sales	Dollar Volume Millions	Profit % of Dept. Gross Profit	Gross Profit Dollars Millions	Assortment Items/Sizes at Whse.	Gross Margin Avg. % of Retail
Dry Soup Mixes	12.90	$ 200.30	14.91	$ 44.11	26	[illegible]
Noodle	5.01	77.72	5.65	16.71	8	[illegible]
Onion	3.93	61.09	4.40	13.01	4	21.3
All Other	3.96		4.86	14.39	14	[illegible]
Boullon Cubes	1.60	24.84	2.31	6.84	9	27.5
Individual Dry Soup Mixes	6.49	100.74	7.77	22.97	21	22.8
Sngle-Strength Soups	11.19	173.88	12.05	35.65	25	20.5
Condensed Soups	67.82	1,053.04	62.96	186.22	66	17.7
Sauces						
Spaghetti Souce Mix	1.59	17.94	2.22	5.47	6	30.5
Spaghetti Sauce	23.96	270.48	21.60	53.14	43	19.6
Meatless	14.30	161.46	12.73	31.32	24	19.4
With Meat	7.70	86.94	6.82	16.78	14	19.3
With Clams	1.96	22.08	2.05	5.03	5	22.8

Soup Sales

(Continued from page 18)

Swift's Soup Starter seems to have gained quick and widespread acceptance. A year ago, when the item was tested in Chicago and Boston, it logged only a 2.47 share of the dry market. As of the first quarter of 1979, Soup Starter is up to 10.83, with the bulk of that volume achieved through the first quarter of this year.

Canned soups: As it has been for the past decade, the name of the game is canned soups is Campbell. Only this year the Camden, N.J. giant is trying to stir up a different kettle with its paste. The reasons are obvious. Canned soup sales have risen only as fast as inflation; and although Campbell still owns 85% of the market, the company is trying to break out of the doldrums.

The canned soup category increased 7.8% last year to $1.05 billion. However, its case growth is stagnant, going from 65.17 million to just under 66 million in 1978.

Salesman Award

Keith Hennessey, of Clarksville, Ind,. Louisville district sales manager for Delmonico Foods, a division of San Giorgio Macaroni, Inc., has been named the 1978 recipient of the Jerome V. Guerrisi Salesman of the Year Award. The presentation was made at the company's annual sales meeting by Joseph P. Viviano, the company's president, and John Schultz, national sales manager. The Delmonico factory is in Louisville.

The award, in memory of J. V. Guerrisi, who was a vice president and son of San Giorgio's founder, is given annually to the individual who has shown outstanding performance in the areas of product and market knowledge, ingenuity and creativity in merchandising, as well as attitude, cooperation, and overall contribution to the welfare of the company.

Hennessey joined Delmonico's sales force in September 1971, and was named to his current position in June 1979. He is the first Delmonico division salesman to be honored with the award.

San Giorgio, one of the country's leading pasta producers, has plants in Louisville, Lebanon, Pa. and Auburn, NY. It is a subsidiary of Hershey Foods Corporation.

Selected "Salesman of the Year," Keith Hennessey of Clarksville, Indiana, is flanked by Joseph P. Viviano (left), President of San Giorgio Macaroni Inc., and John Schultz (right), National Sales Manager, during the presentation at the annual sales meeting. Hennessey is the first Delmonico division salesman to be honored with the corporation's Jerome V. Guerrisi Salesman of the Year Award.

Grace Sells Barilla

W. R. Grace & Co. announced the divestment of Barilla G. e. R. F. lli S. p.A., a manufacturer of pasta products based in Parma, Italy. Barilla was sold to an Italian company with mixed Italian and other foreign interests for $65,0000,000. The transaction will result in a charge to Grace earnings of $13,000,000, or 3 cents per common share in the third quarter.

Grace said that packaged food businesses were no longer compatible with its objective retailing and restaurants. Grace began its withdrawal from the packaged foods business in 1974 and the sale of its investment in Barilla marks the completion of that program.

New Chairman at Foremost

William W. Morison has retired as chairman of Foremost-McKesson. He is succeeded by Neil Harlan, who had been vice-chairman. He is also chairman of the executive committee. Thomas E. Drohan, who succeeded Morison as president and chief executive officer at the beginning of 1978, will stay in these posts.

Lipton Acquires Lawry's

Thomas J. Lipton, Inc., Englewood Cliffs, N. J., has completed its acquisition of Lawry's Foods, Los Angeles, for about $66.25 million. Lawry's stockholders approved the deal at a special meeting.

Lipton, a wholly owned subsidiary of Unilever, is not expected to make any change in Lawry's operations or management.

Kraft and Spam in Recipe Promotion

"Make 'em ask for more" is the theme of a Fall promotion for two of America's favorites: Kraft Macaroni & Cheese Dinner and Hormel SPAM Luncheon Meat.

In September 18 Family Circle and in September Good Housekeeping, MacFadden Network Magazines and Southern Living, consumers will see a full-page, four-color ad featuring the recipe for Kraft Macaroni & Cheese and SPAM Casserole.

To generate in-store activity, the casserole recipe will also be printed on some 30 million boxes of macaroni & cheese dinner.

Point-of-sale aids include four-color pole toppers and recipe pads with two additional recipes using macaroni & Cheese and SPAM.

Kraft sales representatives have further details.

All noodles are "egg noodles." They must contain at least five and a half percent egg solids—that's the legal definition of a noodle.

Pillsbury Confident

In spite of "the negative character of current economic forecasts," top executives of The Pillsbury Co. express confidence in the company's annual report for fiscal 1979 that Pillsbury will meet "ambitious objectives" in fiscal 1980, including reaching $3 billion in sales.

"Fiscal 1979," the officers point out in the report, "was our eighth successive year of record sales and earnings reflecting the advantages of our balanced portfolio and continued strong momentum."

In comments to stockholders in the anual report, Wiliam H. Spoor, chairman and chief executive officer; Thomas H. Wyman, vice-chairman; Winston R. Wallin, president and chief operating officer, and Walter D. Scott, executive vice-president and chief administrative and financial officer, state:

"Fiscal 1979 was a momentous year for Pillsbury—an appropriate tribute to the 110th aniversary of our founding. It was a year of records, highlighted by the addition of the Green Giant Co. to our business and our entry into rice milling through the acquisition of Pioneer Food Industries."

The four officers point out that it took Pillsbury 105 years to reach $1 billion in sales and only five years to reach the second billion in fiscal 1979. "The achievement of our fiscal 1980 plan," they say, "will add another billion dollars in sales and make Pillsbury a full competitive $3 billion company just one year from now."

In describing the merger with Green Giant as the "major highlight" of the year, the Pillsbury officers state, "This strategic step solidifies our position in the supermarket and provides us with a broadened base upon which to continue building our consumer business.

"In the few months that we have operated as one company, we have seen dramatic evidence of the vitality and strength of the combined organization which will represent about $1.5 billion in sales to supermarkets in fiscal 1980."

Fiscal 1979 Operations

Comments on fiscal 1979 operations by the Pillsbury officers include the following:

"The Consumer Group had a fine year, featured by heightened new product activity and strong performances from several recent acquisitions that have established Pillsbury in such new areas as frozen pizza, natural fruit juices and pasta products.

"Our new Totino's 'crisp crust' technology reinforced our number one position in the frozen pizza section of the supermarket.

"Burger King had an exceptional year as it continued its aggressive expansion. It is gratifying to recognize that these results were realized in spite of substantial cost pressures and an uncertain energy situation. Steak and ale also had excellent sales gains and record earnings. However, earnings increases trailed sales gains because of margin pressures, which moderaated toward yearend.

"While earnings in our Agri-Products group were down as a result of industry-wide depressed flour margins and weather-related transportation problems, our experienced management team reacted well and was able to minimize the effect of these adversaries.

"Another highlight was the successful acquisition of Pioneer Food Industries. Pioneer is a premier miller of rice and provides the company with some unusual growth opportunities for this largest of world grain crops."

Capital spending in fiscal 1979, the officers say, was at a record $230 million, compared with $134 million in fiscal 1978. "Next year," they add, "we anticipate capital expenditures of $250 million, evidencing the confidence we have in the future of our businesses.

"The $77 million in cash required for the Green Giant merger was provided out of working capital and did not require new long-term borrowings."

Outlook for Company

Mr. Spoor, Mr. Wyman, Mr. Wallin and Mr. Scott comment as follows on the outlook for Pillsbury:

"In spite of the negative character of current economic forecasts, we are optimistic that Pillsbury will meet our ambitious objectives in fiscal 1980.

"We enter the year with a generally favorable commodity market environment, satisfactory margins, continued attractive reinvestment options and the prospect of a full year of Green Giant results.

"Our balanced portfolio of business is well positioned to generate consistent growth—notwithstanding recession, energy shortages, inflation, fluctuating commodity prices and wage and price controls—just as it did in 1973 and 1974. Looking ahead, the entire Pillsbury team is committed to achieving our goal of becoming one of the nation's premier corporations."

Highlights by Business Segment

The annual report's review of operations include the following highlights, by busines segment:

- **Consumer Foods:** Sales were $993 million, up 30%. Operating profit was $76 million, up 24% Advertising expenditures were $51 million, up 36%
- **Restaurants:** Sales were $846 million, up 31%. Operating profits were $78 million, up 21%. A total of 369 restaurants were opened.
- **Agri-Products:** Sales were $397 million, up 9%. Operating profit was $46 million, down 5%.

Pasta Market Growth Anticipated

American Beauty Macaroni Co., acquired by Pillsbury in fiscal 1978, "experienced stable unit volume, but profits were down as a result of heavy industry-wide retail promotion," the report says.

"In fiscal 1980," it adds, "growth in the pasta market is anticipated as consumers have historically tended to look for main meal replacements when high meat prices prevail."

First in Pizza, Fourth in Pasta

The following table shows estimated retail sales by U.S. grocery stores of selected consumer foods, Pillsbury's rank in each category, and share of market:

Product	U.S. Sales (Millions)	Pillsbury Rank	Unit Share
Frozen pizza	$600	1	2%
Refrig. dough	400	1	7
Pasta	515	4	7
Family flour	360	2	8
Large cake mix	305	2	12
Pancake mix	105	2	20

The Pillsbury Co. ranks first in retail sales of frozen pizza and refrigerated fresh dough products and second in sales of family flour, large cake mixes and pancake mixes, according to the company's annual report for fiscal 1979.

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Introducing Hoskins Company

Charles M. Hoskins

Glenn G. Hoskins Company was launched in 1941 as a business and technical consulting service to the Macaroni Industry. Over half the industry in North America subscribed to the Hoskins service. During the consulting years substantial contributions were made to the technology and operation of the industry.

Temperature and humidity controls of maraconi dryers were first introduced by Hoskins and then disseminated throughout the world.

Plant operations Forums were held for 13 years. Members of the industry and suppliers discussed technology and theory of macaroni manufacture. The most valuable contribution of these meetings was a free exchange of information which substantially increased the technological competence of the industry.

One of the proudest contributions to the industry was Bob Green, the Secretary of the NMMA, who originally entered the industry through our organization.

We acted as consultants in designing a number of new factories and expanding old factories. This included the Creamette Company, American Beauty, A. Zerega's Sons and Ronco.

In the 1960's the name was changed to Hoskins Company and the nature of the business was changed to a Manufacturers Sales Representative for:

DEMACO, the principal domestic manufacturer of complete pasta production lines.

ASEECO, a manufacturer of storage systems and mechanical conveyors for noodles and short cut macaroni products.

SEMCO, a manufacturer of systems for pneumatically conveying and storing semolina and flour.

RICCIARELLI, an Italian manufacturer of pasta packaging machines, systems for conveying long spaghetti from saw to packaging machine and specialty machines for making bowties and twisted vermicelli.

CLERMONT, a manufacturer of noodle cutters, noodle sheeters, Chinese noodle production lines, crepe manufacturing lines and related equipment.

Pillsbury Report

(Continued from page 24)

In addition, Pillsbury ranks fourth in retail pasta sales, although its pasta products were marketed in only 35% of the U.S. last year.

The report, in presenting the consumer foods data, points out that Pillsbury brands are generally marketed nationally. Exceptions include pizza and pasta, which were marketed during the last year in approximately 70% and 35% of the U. S., respectively.

Ground Broken at Cando

The following story was written by John Zaleski, Jr., managir, editor of the Devils Lake Daily Journal and appeared August 17:

Left to right: Gov. Arthur Link, Agriculture Commissioner Myron Just, Atty. General Allan Olson, project developer Leonard Gasparre, and District 10 Rep. Gene Nicholas.

Photo by Catherine Zaiser, Devils Lake Daily Journal

The developer of an $8-million pasta plant project at Cando said he hopes to be producing durum products for the Midwest retail market by May or June of 1980.

Leonard Gasparre, Minneapolis, who is sinking $2 million of his own funds into the project made the remarks during groundbreaking ceremonies at the plant site on the south edge of a city of approximately 1,600 people. The 50-year-old industrialist said the Cando plant will be the first "intra-grated facility in North America. It will turn raw North Dakota durum wheat into finished and packaged noodle products in one operation. Currently most of the area's durum crop is shipped to ports at Minneapolis and Duluth and then to mills in other cities to be processed into macaroni and noodles.

Cautious Optimism

The ceremonies, conducted amid an air of cautious optimism, included remarks from North Dakota Gov. Arthur Link, Commissioner of Agriculture Myron Just, and Attorney General Allan Olson, in addition to Gasparre and local dignitaries.

Following a noon luncheon at a Cando restaurant, ceremonies moved to the plant site for more addresses and the traditional symbolic turning of dirt with gold-plated shovels.

Link, Olson, and Just, who are members of the State Industrial Commission, emphasized the important financial role played by the Bank of North Dakota in the Cando venture. They noted that without the state bank, financing for the plant probably could not have been arranged.

Likening the local promoters of the project to early-day pioneers, Link said the founders of the state bank would be proud of the Cando involvement. "We are re-enacting history of this state with this kind of project," the governor said. "Cando can be an example to other small communities in our state, that we can indeed process and market the products of our soil. It can and should be done right in our local communities," the governor declared.

Financing

Financing for the project has come from three sources—Gasparre's $2 million, approximately $5 million in loans from the state bank, and the remainder in loans from local banks. One million dollars of the state bank loan is being guaranteed by the federal Economic Development Administration. In addition, the city of Cando received a $1 million grant from the federal Department of Housing and Urban Development for improvements at the 16-acre plant site.

Gasparre expressed special thanks to Bill Patrie, executive director of the North Central Planning Council, headquartered at Devils Lake. Patrie was instrumental in securing federal portions of the funding for the project.

State bank president, H. L. Thorndahl, one of the officers of the bank who has expressed doubts about the project, said that while the bank was happy to be involved in the development, it was the Industrial Commission "that ordered the bank to get involved."

"We didn't feel we had enough information to make a credit worthy judgment," Thorndahl said. "But under the loan agreement, we are to have all that information before the money is advanced."

Thorndahl said the investment committee of the bank had some doubts about plans for marketing and transportation. Gasparre said he plans to have the final product shipped mostly by truck.

"If the plant can be built for the amount of money he is projecting, I think he's got a bargain and I wish him the very best," said Thorndahl. "naturally, when we've got $5 million of our money in it, I want to see him succeed in no uncertain terms."

District 10 Rep. Gene Nicholas of Cando also noted that in the past food processing ventures have not been successful in North Dakota. "But we believe Leonare Gasparre has brought the right project to the right place at the right time."

Agriculture Commissioner Just added that without the "tenacious local support" for the project it might not have gone forward. "In my opinion," Just said, "the most exciting kind of industry for North Dakota is the kind being established here—using the product of our soil."

Cando Mayor David Rinn called the groundbreaking a "bright spot" in

(Continued on page 38)

New Research Study

The market for dry pasta products is expected to reach $900 million during 1979, according to a new industry study, "The U. S. Pasta Market: Current Performance & Future Prospects," just published by Business Trend Analysts, a leading business research and publishing firm.

Industry wide growth has been pegged at close to 13% over the past decade, making it one of the fastest growing segments within the food industry. Factors supporting this strong growth include the growing demand for easy to prepare "convenience" foods, brought about by the increase in the number of married women in the labor force. With less time available for cooking, easy to prepare dishes, including noodles, have grown in importance.

The relatively low cost of preparing pasta related dinners is another important factor. High levels of inflation have forced consumers to cut budgets wherever possible, by strengthening the demand for the inexpensively priced pasta products. Per capita consumption, is currentlly pegged at ten pounds per person per year, almost double the level in the 1950's.

Projections to 1988

Under preparation for several months, this new study provides a detailed review of current market trends, with projections to 1988 for overall pasta demand, as well as individual market segments.

In addition to sales trends, the report covers, other aspects of the pasta business, including plant operating trends brand shares by region, pricing, advertising and company information. A special section of the study, provides important new data on the New York market, from a supermarket and consumer survey recently conducted by the company.

Research for this new report was carried out, through the extensive research facilities of Business Trend Analysts complemented by extensive interviews with leading industry experts. In depth analysis projections and conclusions are supported by more than 100 statistical tables that facilitate further internal research.

The U. S. Pasta Market: Current Performance & Future Prospects is currently available from Business Trend Analysts. The price of the report is $235. Write Lorraine Lawrence, Business Trend Analysts, 105 Burleigh Drive, Holbrook, N.Y. 11741.

Preliminary Census Report

Poundage shipments of macaroni and spaghetti by plants in the U.S. posted an 18% increase between 1972 and 1977, according to preliminary data from the 1977 Census of Manufacturers compiled by the Bureau of the Census.

While that gain in shipments is probably one of the sharpest for any industry in breadstuffs covered by the 1977 Census, it is considerably less than the increase of 40% for shipments posted in the 1967-72 period by all manufacturers of macaroni and spaghetti.

Shipments of macaroni and spaghetti products, according to the Census report for the Macaroni and Spaghetti Industry. S.I.C. 2098, totaled 2,074.8 million lbs., against 1,754.5 million lbs. in 1972. These totals compare with 1,245.4 million lbs in 1967, 1,143.8 million in 1963 and 966.2 million lbs. in 1958.

The 1977 total includes 1,657.5 million lbs. of macaroni, spaghetti, vermicelli, and other macaroni products of all types, except canned, up 21% from 1,363.8 lbs. in 1972. It also includes 313.7 million lbs of noodle products of all shapes, sizes and types, except canned, up 9% from 287 million lbs. in 1972.

Value of Shipments Increases 90%

Total value of shipments of establishments classified in the Macaroni and Spaghetti Industry amounted to $662 million in 1977, according to the preliminary report, up 90% from $348.3 million in 1972. Value of shipments classified as primary to the industry was $751 million up, 112% from $355.2 in 1972.

"The product accounting for a significant portion of this change," the preliminary report says, "was noodle products, for which value of shipments increased 122%." The Census places value of shipments for noodle products at $163.5 million, compared with $73.7 million in 1972.

Value of shipments of macaroni, spaghetti and vermicelli was $550.4 million, up 111% from $259.9 million in 1972.

Leading Company Number Totals 44

The 1977 Census for the first time identifies the number of companies with annual shipments of $100,000 or more. It shows 44 companies in this category shipping macaroni, spaghetti, vermicelli and other macaroni products of all types, and 47 companies of this size producing noodle products of all shapes, sizes and types.

INDUSTRY PROFILE
Macaroni and Spaghetti
S.I.C. 2098

Indicator		Change from '72
Shipments	2.07 billion lbs.—	+18%
Value shipments	$662 million—	+ 90%
Value added	$327 million—	+110%
Number plants	205—	+ 5%
Number employees	8.2 thousand—	+ 12%
Total payroll	$96 million—	+ 61%
Capital spending	$12.6 million—	+ 77%

Poundage Totals for Census Series

The following table shows poundage shipments by all manufacturers of spaghetti and macaroni products in 1977, along with comparisons for the three previous Census reports:

	1977	1972	1967	1963
	— (million lbs.) —			
Mac., spagh., vermic., other mac. products except canned	1,657.5	1,363.8	996.7	N.A.
Noodle prod., except canned	313.7	287.0	164.7	N.A.
Macaroni spagh. n.s.k., 10 or more employees	63.9	51.4	63.5	N.A.
Macaroni, spagh., n.s.k., 10 employees or less	39.7	52.3	20.5	N.A.
Total	2,074.8	1,754.5	1,245.4	1,143.8

Value Added by Manufacture up 110%

Value added by manufacture in the Macaroni and Spaghetti Industry in 1977 totaled $327 million, 110% above the 1972 aggregate of $155.7 million. Value added by manufacture approximates the value of shipments, less cost of materials used to manufacture the products, and is considered by the Census to be a closer measure of net contribution of the industry to the nation's economy than is value of shipments.

Significant in the preliminary report is a marked change in the coverage

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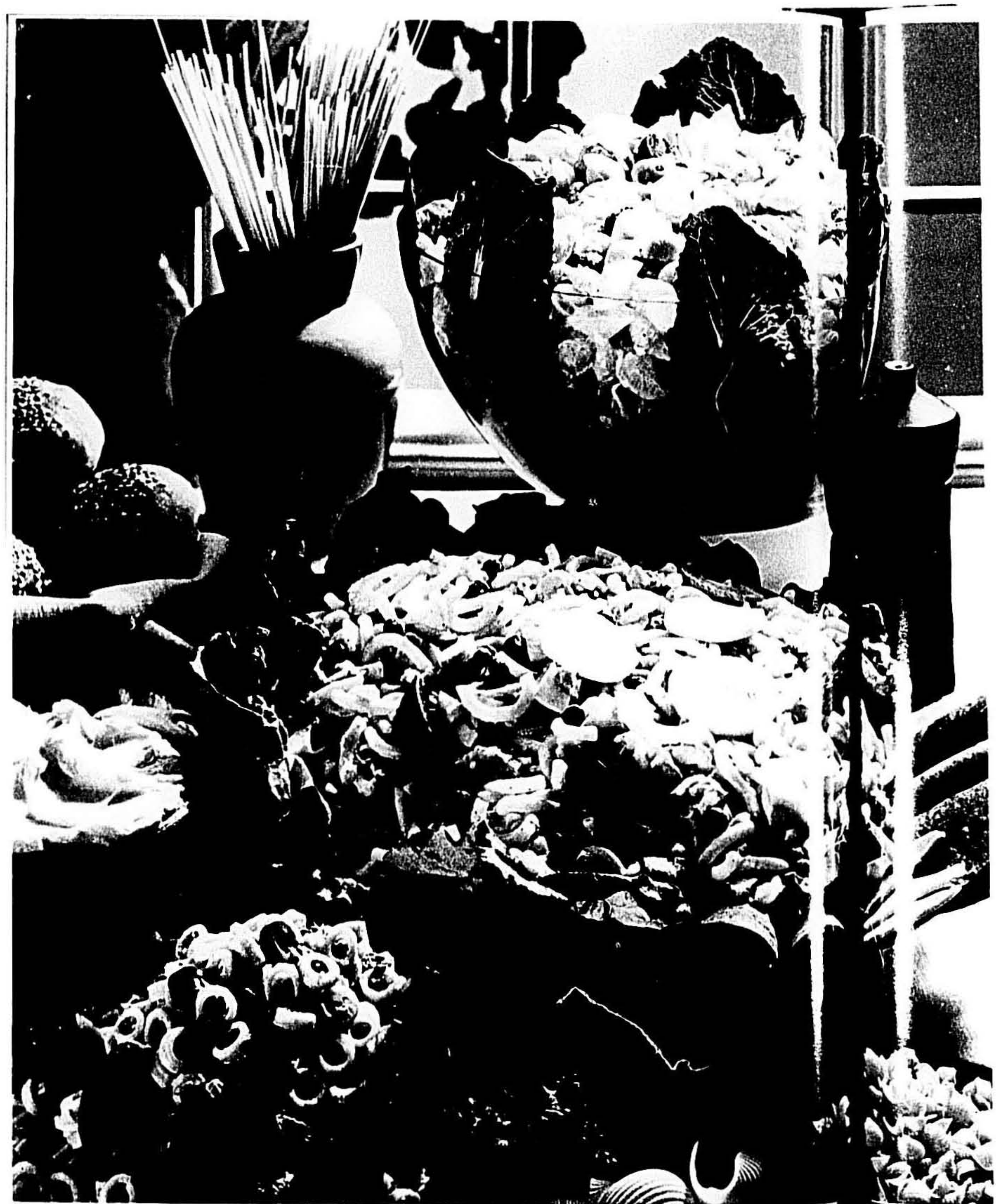

Pasta Masters.

Super cool summer salads start with pasta made by Peavey experts from our fine Semolina and Durum flours.

At Peavey, there's a long-standing tradition of searching out ways to make our products perform a little better for you. In our laboratory macaroni press and dryer operation, for example, our own pasta experts actually make test batches of pasta so they can precisely analyze its color, nutritional content, and shape retention. We've found this is a proven way to constantly improve our products. We're also very willing to work with our customers on their new product ideas using our laboratory equipment. Naturally, we're [illegible] about keeping their secrets.

Another reason why Peavey's such a popular name with pasta manufacturers is the consistently high quality of our King Midas Semolina and Durum flour. We start with Durum wheat from the North Country. Then mill it in our modern, well equipped facilities that were designed specifically for producing the best Semolina and Durum flour available today.

Our pasta masters even develop recipes for using pasta in mouth-watering new ways, as in the cool summer salads shown here. Recipes are available to you at no obligation. Just drop us a line and we'll rush them to you, plus answers to any questions you may have.

Peavey Technology. Continuously probing the future to get better results for you.

Peavey
Industrial Foods Group

Sales Offices: Minneapolis, MN [illegible]

Preliminary Census Report

(Continued from page 27)

ratio of S.I.C. 2098. The coverage ratio represents ratio of primary products shipped by the establishments in the industry to the total shipments of such products that are shipped by all manufacturing establishments, wherever classified.

The 1977 Cesus shows the coverage ratio of the Macaroni and Spaghetti Industry at 82%, off sharply from 91% in 1972 and compared with 98% in the 1967 Census and 94% in 1963. This apparently indicates that a sizable volume of the industry products are being produced in plants not classified as being in the pasta industry.

Specialization Ratio Remain Unchanged

The specialization ratio in the Macaroni and Spaghetti Industry, according to the preliminary report, remained unchanged in 1977, at 99%. This figure represents the ratio of primary product shipments to total product shipments (primary and secondary, excluding miscellaneous receipts) for the establshments classified in the industry.

Reversal in Plant Number Decline

Total number of establishments in S.I.C. 2098 in 1977, according to the preliminary report, was 205, reversing a downward trend. The 1977 total is up 5% from the 1972 plant number of 194 and is identical to the 1967 total of 205 plants. There were 221 macaroni and spaghetti producing establishments in the 1963 Census.

Of total establishments in 1977, 68 had 20 or more employees, compared with 64 in 1972 and 75 in 1967.

Reversal of the decline in plant numbers was accompanied by a change in total employment. There were 8,200 employees in S.I.C. 2098 in 1977, up 12% from 7,300 in 1972 and compared with 7,500 in 1967. Total payroll was $96 million in 1977, up 61% from $59.4 million five years earlier and compared with $43.2 million in 1967.

Total number of production workers in the industry in 1977 was 5,700, up 11% from 1972, while production wages were $56.5 million, up 65% from $34.2 million in 1972. Production hours worked in 1977 aggregated 12.3 million, up 13% from 10.8 million hours in 1972.

Macaroni, Spaghetti Plant Capital Expenditures Up

Capital expenditures by the Macaroni and Spaghetti Industry totaled $12.6 million in 1977, up 77% from the 1972 total of $7.1 million, according to the preliminary report of the Census of Manufacturers for S.I.C. 2098.

The 1977 capital spending of $12.6 million compares with expenditures of $14.9 million in 1976 reported in the Bureau of Census Annual Survey of Manufacturers. The latter survey places capital spending by macaroni and spaghetti plants in 1975 at $14.2 million, in 1974 at $10.2 million and in 1973 at $6.1 million.

Gross value of fixed assets in the Macaroni and Spaghetti Industry in 1977, the preliminary report shows, was $162.8 million, a rise of 53% from $10.9 million in 1972 and compared with $106.5 million in 1967.

Regional Leaders

California, New York, Illinois and Pennsylvania continue as the states accounting for approximately one-half of the nation's spaghetti and macaroni plants, as well as of total value of shipments and value added by manufacture.

The preliminary report for the 1977 Census of Manufacturers in the Macaroni and Spaghetti Industry, S.I.C. 2098, shows the four states account for 104 of the industry's 205 plants, and that plant numbers increased in each of the states from 1972 totals.

New York, California lead in numbers

New York leads in plant numbers with 38 plants, compared with 34 plants in 1972, according to the preliminary report. California is second with 37, three more than in 1972. The Illinois total in 1977 was 17, also up three from 1972, while Pennsylvania had 11 plants in 1977, compared with nine in the previous Census.

"The leading states in employment," the preliminary report says, "were California, New York, New Jersey and Illinois, accounting for approximately 55% of the industry's 1977 employment. Data for New Jersey have been withheld to avoid disclosing operations of individual companies." The 1972 Census showed New Jersey with seven spaghetti and macaroni plants.

Sharp gains in California value added

Leading state in value added by manufacture in 1977 was California, with a total of $53.8 million, more than a threefold increase from $16.3 million in 1972. New York's value added in 1977 was $47.1 million, more than double $23.2 million in 1972, followed by Illinois with $32.3 million and Pennsylvania with $30 million.

California also led in new capital expenditures in 1977. Capital spending by plants in that state totaled $2.1 million, or 21% of the U. S. total. New York plants in 1977 spent $1.5 million on capital expenditures.

In value of shipments, New York, Pensylvania, Illinois and California accounted for a total of $334.2 million in 1977, compared with $327.8 million for macaroni and spaghetti plants in all other states.

Semolina Use Gains

A 33% increase in use of semolina and durum flour by the Macaroni and Spaghetti Industry is noted in the preliminary report of the 1977 Census of Manufacturers for S.I.C. 2098.

At the same time, the Census shows a sharp reduction in the industry's usage of farina and other wheat flour from 1972 levels.

The preliminary report places usage of semolina and durum flour by macaroni and spaghetti plants in 1977 at 15,933,700 cwts., compared with 11,-905,700 cwts. in 1972, a rise of 4,028,-000 cwts.

The 1967 Census of Manufacturers placed semolina and durum flour use in S.I.C. 2098 at 9,699,500 cwt., pointing to a 10-year rise of 6,234,200 cwts., or 64%

Macaroni and spaghetti plants, according to the preliminary report, used 657,200 cwts of farina and other wheat flour in 1977, off sharply from 1,378,-600 in 1972 and compared with 822,-900 cwts. in 1967.

The Census report places delivered cost of semolina and durum flour used by macaroni and spaghetti plants at $144.3 million, compared with $90.7 million in 1972 and $72.9 million in 1967. Delivered cost of farina and other wheat flour used by S.I.C. 2098 in 1977 was $5.4 million, down from $9.4 million in 1972 and from $5.5 million in 1967.

All Materials Total $299.7 Million

Total delivered cost of all materials, ingredients, containers and supplies utilized by the Macaroni and Spaghetti Industry in 1977 was $299.7 million, compared with $174.4 million in 1972 and $137.9 million in 1967.

The 1977 total includes $39.7 million for paperboard boxes and containers and $110.3 million for other materials, components, ingredients, containers and supplies, not specified by kind. Combined total of these two categories in the 1972 Census was $74.3 million.

Wheat Situation

From USDA Economic Research Service, August 1979

New Wheat Crop To Exceed Two-Billion-Bushels Record Exports Likely

The 1979/80 U.S. wheat outlook is beginning to shape up with a bumper crop almost certain, prospective exports at a record level, and strong prices.

The July 1 forecast of the U. S. wheat crop is at a near-record 2.1 billion bushels, the result of an 8-percent increase in total planted acreage and excellent winter wheat yields. Chances are 2 out of 3 that the final crop outcome will be within 70 million bushels of this forecast. The Hard Red Winter wheat crop will likely be a record 1.07 billion bushels, nearly 30 percent larger than in 1978. A sharp increase in the Soft Red Winter crop will expand supplies from last season's tight situation, but a shortfall in the 1979 White wheat crop will tighten supply. Production of spring wheat other than Durum is forecast slightly up from a year ago, but reduced acreage and yields will likely cut the Durum crop by 17 percent.

Prospects for foreign wheat production have deteriorated since May; in particular, the USSR's crop is now expected to be well below last year's record harvest. The total 1979/80 world wheat crop is forecast about 7 percent short of 1978/79's record 438 million metric tons. Smaller crops are also projected for Canada, West and East Europe and Australia. With world wheat usage close to last year's record level, and smaller world supplies, prices are likely to be stronger in 1979/80.

World conditions now point to record U.S. exports this year of about 1.3 billion bushels. Current transportation, and labor problems are limiting expanded wheat exports from other exporting countries, leaving the United States as the main supplier to the international wheat market. By July, export commitments were 40 percent higher than a year ago.

After remaining steady for several months, farm wheat prices started to advance in May, reflecting weather-related problems in the United States and the world, limited producer selling, dwindling carryover stocks, prospects for expanded export sales and concern for increasing transportation problems. Prices jumped in June and continued strong in July even with the mid-May release of reserve stocks and the bountiful new crop harvest. For 1979/80, farm prices will likely

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Wheat Situation

(Continued from page 31)

average between $3.50 and $4.25 per bushel, compared with $2.94 in 1978/79.

Last season, total wheat disappearance topped 2 billion bushels for the first time. Domestic use was modestly higher and exports were up 6 percent the second heaviest on record. The result was a sharp drawdown—22 percent—in yearend wheat stocks, the first decline in five years.

Durum Supply Remains Large: Prices Spiral

Acreage seeded to Durum is estimated at 4 million acres, down 3 percent from last year. North Dakota, the leading Durum producing State, upped plantings slightly, while acreage in other States declined sharply. California and Arizona growers reduced acreage by half. Delays in spring seeding helped to reduce yields substantially below last year's record 33 bushels per acre. Thus, the 1979 harvest as of July 1 is forecast at 111 million bushels, down 17 percent. This crop, coupled with a carryin about a fourth larger than last June results in total 1979/80 Durum supplies about equal to last season's 200 million bushels.

The world market for Durum is not large, and the United States and Canada share nearly all of the export trade. Despite a sizable increase in world Durum production last year, U.S. shipments reached a record 70 million bushels. Another good season is likely as demand from Western European buyers continues strong. As long as Durum prices stay competitive with other wheat classes, the recent growth trend in domestic food use should continue.

May and June prices of No. 1 Hard Amber Durum at Minneapolis posted their sharpest advances since 1972 as a result of spring planting delays, increased export demand, and prospects for a reduced Canadian crop and exports. Durum prices, at more than $5 per bushel, were $1.70 higher than a year ago. Because of the potential large supply, prices may moderate as the harvest approaches.

August Summary

On a class basis, August crop summary shows increases from a month ago in hard, soft red and white winter, along with white spring, and decreases in hard red spring and durum. The new record hard winter estimate is up 28,345,000 bus from July, soft red up 11,677,000 bus, white winter up 2,111,000 bus, hard red spring down 9,361,000 bus, durum down 3,629,000 bus and white spring up 2,721,000 bus. The record hard winter crop shows an increase of 32% from 1978, soft red is up 56% and white spring is up 49%, against decreases of 12% in white winter, 3% in hard red spring, and 19% in durum.

The following table shows production of wheat by classes in 1979, with comparisons, in thousands of bus:

	1979	1978	1977
Hard red winter	1,100,135	834,252	992,446
Soft red winer	315,920	202,119	350,152
White winter	186,846	211,901	194,515
Hard red spring	366,515	379,390	397,603
Durum	107,546	133,328	79,964
White spring	56,079	37,722	21,638
Total	2,133,041	1,798,712	2,036,318

Strong Gluten Durum To Be Tested

An extensive cooperative effort of the U. S. Durum Growers Association, North Dakota Mill & Elevator and Skinner Macaroni Company of Omaha will allow the domestic durum industry to eventually test consumer acceptance of high gluten durum for pasta products.

The U. S. Durum Growers Association has made arrangements to obtain about 15,000 bushels of Edmore durum released in 1978 from North Dakota State University. The durum will be commercially milled by North Dakota Mill in Grand Forks and the semolina shipped to Skinner Macaroni Company in Omaha. Skinner will manufacture a variety of pasta products from it and market them in their area. Consumers will be surveyed to determine their reaction to the improved gluten strength durum products.

The variety Edmore is a result of a concerted effort of the NSDU durum plant breeding team to release an improved durum wheat. The domestic and overseas customers have indicated that durum with strong gluten would be more acceptable. This hopefully results in a more acceptable pasta product that has less cooking loss and remains firmer after cooking which results in more food value for the consumer.

The results of the project will be made known to not only the entities involved but circulated to other millers, pasta manufacturers and eventually overseas customers for their analysis. Hopefully the acreage of the strong gluten durums will increase to have a significant effect on the overall quality of U.S. durum production.

Durum Varieties

Ward easily remained the number one durum variety in 1979. However, with 39 percent of the 3.33 million durum acreas, its popularity declined from 45 percent last year. Rugby remained the second most popualr durum variety with 17 percent of the total, up from 13 percent last year. **Cando** took over third place among durum varieties with 12 percent of the acreage. Last year Cando was fourth with 9 percent.

Crosby fell from third last year to fourth this year with 10 percent of the durum acreage, while **Rolette** remained in fifth place with 7 percent of the acreage, down from 9 percent last year.

Other significant varieties and their percentages of total acres were Botno, 4; **Leeds, Wells,** and **Calvin,** each with about 3 percent. All other varieties individually accounted for less than 1 percent of the acres, and along with acreage where the variety planted was unknown by the reporter, or mixed, accounted for nearly 3 percent of the total.

Ward was the most popular in five out of the nine crop reporting districts this years and second in the rest, whereas last year it ranked first in all but one. It was second in the Central, East Central, Southeast and South Central districts. Rugby secured the number one spot in two districts and was second most popular in three districts. Cando ranked number one in the East Central districts.

Durum Growers President

Norman Weckerly of Hurdsfield, North Dakota has been elected President of the U.S. Durum Growers Association replacing Harold Hofstrand of Leeds who served for five years.

Durum Forum — Nov. 13-14

New Transportation Environment

American business must prepare immediately for the dramatic changes in freight transportation it will face in the next 10 years. That was the major conclusion drawn by A. T. Kearney, Inc., management consultants, at a briefing on the effects of deregulation on the transportation of goods.

James E. Moorehouse, vice-president of Kearney, said, "The transportation structure upon which American business runs is being stripped away and replaced with an entirely new set of ground rules."

He said that few American businesses were prepared to capitalize on the new transportation environment that was being created because of deregulation and other changes in the trucking, rail, water and air industries.

"Therefore, most U. S. companies must closely examine and redefine their transportation strategies because of the changes being brought about by deregulation," he said.

"In this country, transportation services have been bought and sold in an artificial environment. This environment has provided great stability for shippers and carriers, but it has also isolated transportation from significant changes in the American economy.

"Rates are currently based upon market and historical relationships rather than cost. Carrier entry into and exit from the marketplace is often restricted and public funds are often disproportionately invested among the modes of transportation," he said.

Mr. Morehouse said changes that will likely occur in each transportation mode in the coming months include:

- Limited deregulation of the trucking industry with virtually free entry into some market segments. This will greatly increase competition and will lower rates for truckload quantities of goods. Less-than truckload (LTL) rates will probably rise.
- Survival of only the best managed trucking companies as a result of competition.
- The need for shippers to be much more sophisticated buyers of trucking services.
- Some rail traffic will be completely deregulated. The rest of it will have greatly increased pricing freedom.
- Easier terms for line and service abandonment.
- A stripping of most of the power of the rail rate bureaus.
- Rail rates will go up. Movement of goods over short distances will see the highest rate increases, as will intra-state and single car movements of goods.
- Survival of only the best managed rail companies within the new free market.
- Barge transport will continue to dominate its traditional market, high-volume, bulk commodities between waterside locations.
- Increasing environmental pressures that may delay needed maintenance of existing waterways and most new waterway construction.
- An increase in intermodal transportation involving barges.
- Barge rates rising at least as fast as inflation.
- Increasing demand for barge shipments to take advantage of the barge's fuel efficiency.
- Air rates will continue to rise.
- A reduction in capacity available for air cargo because of increases in passenger business.
- A resulting deterioration in air freight service nationally.

"These changes may force shippers to concentrate on large volume markets, to increase their minimum order size, to consolidate operations wherever possible, to relocate plants and warehouses onto highly traveled transportation routes and to consider developing in-house transporation service," Mr. Moorehouse said.

"Deregulation will cause a major shift in corporate strategy for the 1980s."

Tunisian Team Visits North Dakota

A five member team representing the Tunisian Ministry of Agriculture's National Cereal Office visited North Dakota from August 27-29, 1979. The wheat trade mission is sponsored by the North Dakota State Wheat Commission in cooperation with Great Plains Wheat, Inc. and USDA's Foreign Agricultural Service. The Cereals Office is the agency responsible for all aspects of grain procurement, marketing, processing and pricing for the Tunisian government.

Neal Fisher, NDSWC marketing specialist said the Tunisians produce 50-60% of their annual wheat requirement domestically and rely on imports from the U.S., Turkey, Canada, Argentina and the European Economic Community to fill the rest of their needs. The domestic crop is largely durum and durum products constitute a large portion of the Tunisian diet.

The U.S. typically supplies 50% of Tunisia's imported wheat requirement, also made up of a high percentage of durum. This makes the Tunisian wheat trade team's visit to the United States of particular importance to the North Dakota wheat producer. The National Cereals Office purchased 4.1 million bushels of U.S. Durum in 1978-79 and 6.6 million bushels in 1977-78.

While in North Dakota the team will meet with producers, attend technical sessions regarding the hard red spring and durum wheat varietal development and quality research programs at NDSU, Fargo, and discuss milling technology with officials at the North Dakota Mill and Elevator in Grand Forks.

Durum Markets in August

No. 1 Hard Amber Durum Range from $4.60 to $5.05 per bushel, Minneapolis with semolina quoted at $13.20 to $15.20, granular 15¢ less, durum Flour 40¢ less.

Egg Products

August Price Range

Central State Nest Run—$11.40 to $13.50.

Southeast Nest Run—$10.20 to $13.20.

Frozen Whole—40-47¢.

Frozen Whites—32-35¢.

Dried Whole—$1.65-$1.81.

Dried Yolks—$1.52-$1.60.

USDA Requests Nominations For American Egg Board

Egg producer organizations certified by the secretary of agriculture have until Oct. 15 to nominate candidates to fill 18 vacancies as members or alternate members of the American Egg Board.

The 18-member board administers a producer-funded national research

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American Egg Board

(Continued from page 35)

and promotion program for eggs. The program is financed through producer assessments on sales of eggs and is authorized by the Egg Research and Consumer Information Act of 1974. The U.S. Department of Agriculture's Agricultural Marketing Service monitors the program to ensure that it operates within the law.

Nominations are to fill upcoming vacancies when terms for nine members and their alternates, all of whom can be renominated, expire at the end of 1979. The new members will serve terms through 1981.

By law, members can serve three consecutive terms. Nominations are to be made by the 60 egg product organizations, associations or cooperatives certified as eligible by the secretary of agriculture.

Certified organizations within an area can meet to jointly nominate members and alternates. Nominations should be sent to Thomas R. Porter, director, Livestock; Poultry, Grain and Seed Division, Agricultural Marketing Service, rm. 2631-S, USDA, Washington, D.C. 20250.

Members whose terms and this year are listed below by geographic area. Names of alternates follow each member's name:

Area 1 (North Atlantic States): William R. Park, Valencia, Pa., and Donald E. Horn, Ephrata, Pa.

Area 2 (South Atlantic States): Edward L. Houston, Lumber City, Ga., and Perry McCranie, Jr., Tifton, Ga.; Roland H. Coles, Bent Mountain, Va., and Norman W. Sanders, Columbia, S. C.

Area 3 (East North Central States): Clyde I. Springer, Grand Rapids, Mich., and John Weaver, Versailles, Ohio.

Area 4 (West North Central States): John Rich, Kalona, Iowa, and Gilbert Eckhoff, Omaha, Neb.

Area 5 (South Central States): Fred R. Adam, Jr., Jackson, Miss., and James W. Hanna, Jr., Alexandria, La.; Jack M. Dubose, Gonzales, Tex., and John K. Ashby, Clarksville, Tenn.

Area 6 (Western States): Donald J. Long, Burbank, Calif., and Nonie A. McAnally, Yucaipa, Calif., Chester Fassio, Salt Lake City, Utah, and Ernie Camperle, Turlock, Calif.

Cando Project

(Continued from page 26)

the history of the city and emphasized that there still is "lots of hard work ahead."

The plant, in the planning stages for more than eight years, will cover about 75,000 square feet and when complete manufacture 168,000 pounds of pasta daily. Approximately 150 persons will be employed.

The pasta products will be marketed under the name "Noodles by Leonardo."

Harvest Reports

At Mid-August

Freezing temperatures and dry weather highlighted mid-August weather in North Dakota according to the Crop & Livestock Reporting Service.

Normally by August 19, 60 percent of hard red spring wheat and 41 percent of durum is swathed or combined while this year the figures are 31 and 12 percent respectively. Stages of development as measured by percent for durum were 40 percent milk to dough or earlier, 48 percent turning to ripe, 9 percent swathed but not combined, and 3 percent combined.

Crop Quality Council reported harvest in the upper Midwest small grain crop should become general the week of August 20 in South Dakota, west central Minnesota, southern North Dakota and the Red River Valley. Prospects are generally above average except in Montana where moisture has been short and slightly lower yields are likely. Spring wheat and durum in dry northwestern North Dakota has withstood the drought well and many fields should yield 20-25 bushels.

However, continued cool weather has further slowed crop maturity over wide areas, putting most crops another 3 to 5 days late and 15 to 20 days behind normal. Barring an early hard freeze, it appears that most northern North Dakota wheat, though late, should mature before September 16 the average killing frost date for this area.

Burlington Northern Crop Report August 24 says: "Harvest of spring grain in Minnesota and the Dakotas is well underway and slowly moving north. Scattered showers and unseasonably cool temperatures have caused some delays as operations become general. Early reports of yield and quality from the fields harvested thus far have been variable, ranging from poor to excellent. Production estimates are for a 7 percent reduction in North Dakota from last year while Minnesota may be up 1 percent. Montana's crop will be down about 7 percent with lower yields."

Standards Enforcement Demanded

The National Macaroni Manufacturers Association, representing the American pasta industry, has petitioned the U.S. Food and Drug Administration to enforce the standards of identity that FDA has prescribed for noodle products.

The association claims it acted because the FDA has adopted a policy permitting so-called "Oriental noodles" to be labeled and marked in such a way as to mislead consumers into believing that "Oriental noodles" and traditional noodles are the same product.

The association's executive director, Robert M. Green, called the administration's non-enforcement policy "outdated, inadequate, without legal or factual basis and in contravention of the letter and intent of the law."

He urged that the FDA require that "Oriental noodles" be labeled as "imitation noodles" or by a different name that does not include the term noodles.

"Therefore, consumers purchasing 'Oriental noodles' are being denied a most valuable food constituent.

Furthermore, a nutritional analysis of a variety of 'Oriental noodles' products shows that they are substantially higher in fat content than standardized noodles, as well as lower in protein."

Green said that the FDA is aware that many manufacturers of "Oriental noodles" are improperly representing their products in both labeling and advertising.

"FDA's unwillingness to take appropriate regulatory action to protect consumers from such deception is particularly unconscionable at this time when standardized noodle products are becoming increasingly popular as inexpensive and nutritious staple foods," said Green.

Business Opportunity Fair

The Defense Personnel Support Center will hold a Business Opportunity Fair on 16, 17 and 18 October 1979, to improve communications with current suppliers and to attract new ones.

As one of the Defense Department's largest purchasing arms, DPSC spends about $2 billion annually to supply food, clothing and medical material to the Armed Forces. Each commodity area has been designated for special emphasis during each of the Fair's three days. Clothing and Textiles will be highlighted on 16 October; subsistence or food on 17 October; and Medical on 18 October.

The Fair will include symposiums and exhibits about many of the 42,000 items DPSC buys and information about how to take advantage of contract opportunities. Small business will receive special attention throughout the Fair. All participants will be able to meet and talk with DPSC buyers, supply specialists and small business counselors. Also, bid openings will be held so that participants can see how this procedure is carried out. All fair activities will be at the Center in South Philadelphia.

DPSC receives about 9.3 million requisitions annually which result in more than 284,000 procurement actions. Besides purchasing items required by the services, DPSC arranges for delivery to bases and depots all over the world. Companies providing services such as shipping and packaging are encouraged to attend.

As an adjunct to the Fair, DPSC is making available its 86-acre center, which includes display space and a cafeteria, for associations or groups who wish to hold meetings during the Fair. Ample parking is available, as are nearby hotels and restaurants. DPSC is located only minutes from Philadelphia International Airport.

If you would like additional information call Mr. Joseph Grill, AC 215-952-4133.

Wall Chart

The Durum Wheat Institute placed a wall chart, "How Durum Wheat Is Milled into Semolina or Flour . . .How Milled Durum Products are Made Into Pasta", in the September issue of Forecast for Home Economics. With circulation of 76,000 at the start of the new school year, appearance of this highly informative chart in the magazine guarantees it will be exposed to the teachers of more than 8,000,000 students, together with ancillary home economists that make up the 100,000 employed in that category.

Wheat and eggs and finished dishes are pictured in full color on the front foldout, as are diagrams of milling and pasta maufacture.

Backside is bordered with a variety of shapes, tells where durum came from, label statement, a class project for cooking pasta, three simples recipes for Giardino Con Farfellette, Macaroni Shells Hollandaise, and Linguini Caponata.

Limited quantities are available if usage and response is reported to the Durum Wheat Institute.

International Durum Forum
Nov. 13-14, Minot, North Dakota

PACKAGING: AN ENERGY BARGAIN

Less than four per cent of the nation's total energy use is now employed to make the packaging required to bring our food, drugs and other products to our homes and offices.

Without the vital role which packaging plays in our economy, it is estimated that 24 per cent of the usable energy in the United States would be devoted to distributing the food we eat.

Packaging is thus an energy bargain. The energy used to manufacture packaging is recovered many times by the energy it saves during the food distribution process.

These facts are among many which are included in a report recently issued by The Packaging Institute, U.S.A. (PI/USA). Titled "Packaging and Energy," the report examines how packaging reduces energy consumption, the energy used to make packaging and methods by which the nation's packagers strive to promote energy conservation.

Protects & Preserves

Packaging protects and preserves food and is essential to the efficient and swift movement of goods from the farmgate to the table. Without packaging and modern mechanization, the United States would suffer crop losses similar to less developed countries—losses of over 20 to 40 per cent of all agricultural production. Packaging also allows processors to package only the edible portions of our food, thus reducing the weight and volume of all food shipments in the United States. Without packaging, the report states, vast quantities of additional energy would be utilized in replacing crop losses, food damaged or spoiled in transit, and in transporting food in sufficient quantities to meet America's needs.

In examining its own energy use, the packaging industry notes that producing the raw materials for packages consumes the greatest portion of the total energy input. In manufacturing steel cans, for example, 88.2 per cent of the total energy input is required to produce the raw materials. Only 11.8 per cent is used to convert the steel and tin into cans.

Comparatively small reductions in material usage, the report shows, save as much or more energy as large reductions in the energy used to convert the raw materials. Much packaging research, therefore, has been directed to reducing the materials and energy inputs of various packages. Over the past 15 years, remarkable progress has been made in this area. The tin can, for example, is now 25 per cent lighter than it was a decade ago.

Trade Offs

To further reduce energy use, the nation's packagers also constantly reexamine the energy and functional trade-offs of using glass, plastic, metal or paperboard packages. In all cases, consideration must be given to the particular properties of the material, the applications for which it is best suited and the degree to which the product must be protected and preserved.

It is too simplistic, the report cautions, to merely change the packaging material for any product without considering the energy the package saves during distribution vs. the energy drain which the package might create. For example, in deciding whether beverages should be packaged in disposable cartons or returnable bottles, packagers must consider the impact of the additional weight, as well as the energy required to collect and clean the bottles or to recycle the glass for another use.

Also part of the overall energy equation is the fact that after use, many packaging materials have a recovery value either as energy or as raw stock for new materials. When packaging is incinerated, for example, much energy is potentially available for recovery. Also, because it is free of contamination, all scrap produced in a factory during packaging manufacture is currently recycled.

Recycling

PI/USA also points out that when the nation's business community develops the needed reverse distribution systems, recycled packaging in many forms will become a new resource for both energy and raw materials.

Far from creating a drain on the nation's energy resources, packaging conserves energy and also holds great promise as a supplement to the nation's future energy sources.

In issuing this report, The Packaging Institute, U.S.A. is providing factual information to help consumers, business persons and government officials make intelligent decisions on the role of packaging in our lives.

Canadian Metric

Grocery shoppers in this Okangan valley city of Kamloops, British Columbia are learning to put ounces and pounds behind them in a metric system switch that could be an indication of what's ahead for U. S. consumers.

Kamloops, which is about 408 kilometers—that's 265 miles—East of Vancouver, is one of three towns chosen by the Canadian Metric Commission as test sites for the conversion to the measuring system already in use in most of the world.

The other two cities are Sherbrooke, Quebec, and Petersborough, Ontario. Officials said the three communities were picked because their residents have typical consumer habits, while advertising and market areas don't overlap with neighboring cities.

Canadians already have abandoned miles, gallons and farenheit temperatures. The switch to grams and kilos instead of ounces and pounds should be completed by December 1981.

The Metric Commission has spent five years preparing for the conversion program, which involves 33,000 retailers in 22 zones, each zone is to begin conversion under a schedule which is supposed to allow for installation or adjustment of scales.

The United States is also switching to metric, but the conversion is voluntary and the drive has hit some stumbling blocks. The federal highway administration, for example, abandoning a plan to switch road signs to metric after getting 5,000 comments from the public—almost all negative.

On the other hand, the liquor industry in the United States is expected to have switched to metrics completely by 1980; some soft drinks are being sold in liter containers; and officials in at least 30 states have taken formal action in introduce the metric system in schools.

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Packaging Is Key to Combating World Hunger

According to studies conducted by the United Nations and the World Bank, a direct correlation exists between the nutritional well-being of a country's populace and the amount of money invested in modern packaging systems.

Packaging protects and preserves food and is essential to the safe and efficient delivery of foods to the consumer. Without packaging, foods cannot be safely processed, stored or transported without damage. As has been proven by developed countries like the United States and Japan, packaging is indispensable in maximizing harvest yields and feeding the populations.

Six hundred million people in developing countries lack the minimum calories required for survival. Another 400 million do not receive enough daily protein to ensure growth and sustain life.

High Post-harvest Losses

Most Third World countries today do not employ modern agri-systems which include distribution and packaging technology. Consequently, post-harvest losses often consume up to half of the total agricultural production. By using advanced agricultural, food packaging and distribution systems, developing nations could dramatically reduce hunger and starvation.

Recognizing this fact, a United Nations group has begun to study and recommend packaging/delivery systems for developing countries. Involving packaging experts throughout the world, the United Nations group will promote information on the use of many agricultural, food processing and packaging techniques used in the United States today. Simultaneously, the United States' Packaging Education Foundation is supporting the commercial efforts with educational programs.

According to The Packaging Institute, USA (PI/USA), the goal of the group is to increase the world food supply by promoting the distribution of safe and nutritious foods to populations throughout the world. Among the areas to be addressed are:

- Modern agricultural techniques which prevent crop losses during growth and harvest.
- Storage techniques which protect food from moisture, insects, other predators and harmful microorganisms.
- Food processing techniques which ensure sanitary packaging and prevent nutrition loss.
- Packaging manufacture, closure techniques and the proper use of all types of packaging (glass bottles, wooden crates, cans, plastic bags, paperboard cartons, etc.)
- Modern transportation systems designed to safely and efficiently carry food to market.
- Proper storage and handling techniques for packaged foods at the purchase site.

PI/USA, the nation's leading packaging professional society, points out that the world can feed itself when every country possesses adequate food preservation, packaging and distribution systems. Eliminating the losses which occur between the farmer and the consumer in post-harvest handling and delivery is the key to combating world hunger.

PI/USA, a non-profit professional society, seeks to inform citizens, government officials and businessmen on the vital role which packaging plays in the United States and its potential for the future.

A report containing further information on how packaging can help solve the world food crisis is entitled, "It's In The Bag." The report has been presented to three international food conferences in the past three years.

Future Food and Beverage Regulations Will Hit Hardest In Labeling and Packaging

While marketers of food and beverages can look to increased federal intervention in the areas of processing, pricing, distribution, advertising and competition, nowhere will that regulation be as intense as in labeling and packaging.

That's among the key conclusions of a new study covering the impact of regulations on the food and beverage industries. Prepared by market researchers Frost & Sullivan, Inc., the 485-page report provides a survey of federal statutes, regulatory activity and court decisions affecting the industries, a prognosis of the prospects for future regulatory change and an examination of the major marketing impacts of those changes.

In the critical packaging and labeling area, for instance, the study points to such impending changes as

- Full ingredient and nutritional disclosure.
- Mandatory unit-pricing for all foods and beverages, despite the continued spread of electronic front-end scanning in supermarkets.
- Identification of the growing number of substitute foods and additives. Labeling will also be required to identify products processed in non-traditional forms (e.g., concentrates).
- Warning labels on all items posing a potential health hazard.
- A "sweeping and simplified" system of grading standards for meats, beginning with beef.
- More regulatory agency attention to potential health hazards of basic packaging materials and coatings.

Will Reduce "Sell Space"

"The growing and pervasive regulatory demands for more complete labeling will materially reduce the 'sell' space on food and beverage packages, requiring the increasing use of professional designers to maximize the impact of the space remaining for sell," Frost & Sullivan points out. "This continuous effort in package redesign will be particularly important for the processors of impulse items."

Beyond the realm of packaging and labeling, other strategy shifts likely to evolve in this tightening regulatory climate include:

- Developments of nutritionally sounder foods and lower-calories counterparts to many existing products. Processors will be forced to cut down on sugar, salt and saturated fats in order to compete in the marketplace, the study notes. Marketing of non-dairy products, egg substitutes and geriatric foods will intensify.
- Processors of additives will have to substantially strengthen research and development efforts to insure product safety and nutritional value.
- Processors will expend more time and money on the development of legally defensible cost-justified pricing plans. Similarly, retailers will have to plan price promotions more carefully to satisfy heightened regulatory agency surveillance of such activities.

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Food & Beverage Regulations

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- Most food and beverage processors will have to turn to new pricing systems to conform to metrics.
- Agricultural cooperatives will devote more effort to justifying their tax and anti-trust exemptions.
- The future of franchising will be clouded until the right of the franchisor to establish exclusive territorial agreements with his franchisees is secured. Meantime, the shift from franchised to company-owned outlets will continue among some franchisors.
- Smart processors of the future will be moving away from 'cute' and/or misleading advertising in favor of sound nutritional claims, supported by thorough R&D efforts and sound product formulation," Frost & Sullivan asserts.
- Advertisers will spend considerably more time and money to substantiate preemptive claims, responding to the mandates of regulatory bodies regard basic truth in advertising.

For further information, contact Customer Service, Frost & Sullivan, Inc., 106 Fulton Street, New York, New York 10038, Telephone (212)-233-1080. Report #580.

Selling to Food Service Market

The foodservice industry's dynamic growth during the past few years has, according to Frost & Sullivan, Inc., outpaced the suppliers abilities to perform to a degree meeting the food service industry's requirements. "The problem is say the New York based market research specialists, "many suppliers continue to function as a production oriented business, where in reality, their working environment requires a user-oriented marketing outlook.

F&S offers detailed information on supplier marketing opportunities, for companies able to resolve their foodservice operator problems and requirements, in their new 225-page "Strategies for Selling to the Foodservice Market" (#521) report.

The foodservice dollar portion spent away-from-home reached \$.25 in 1963, and \$.30 by 1975, and is projected to reach the \$.50 level within the next few years. The prime eating-out market of the future decade will comprise young adults ranging from 22-34 years of age, in addition to those over 55. According to F&S, food service operations vary from fast food chains to factory cateterias to gourmet restaurants.

Foodservice operators currently face the dilemma of rising wages and rising food costs accounting for a 50-60% share of their operating expenses, with the ever rising cost of real estate and rentals an additional burden. In addition, consumers are becoming increasingly sophisticated, demanding more and better menu selections and service. It is an atmosphere in which operators find it extremely difficult to generate the productivity increases required to offset rising operational ovehead.

The food service industry is the USAs' fourth largest consumer industry producing over \$94 billion in 1977 sales. Volume doubled during the decade ending in 1974, and was then at the \$64.6 billion level. Away-from-home eating expenditures have risen more rapidly than in-home dining expenses based on any measurement used, including: the rise in disposable income, against family income, or in annual compound growth rates.

The New York market research specialists, F&S, have measured the market's potential growth for Food Store & Eating and Drinking Outlets (per Million Dollars) with the following forcasts below:

Meeting growth, large food processors must necessarily alter th r market perspectives, no longer c n they view their foodservice operat ons as unimportant by comparison to the supermarket side of their business. They will otherwise fail to commit the resources essential to foodservice development. In grocery retailing, the focus in on brand loyalty at the consumer level. Food service shows little brand loyalty with the emphasis cast on services and cost savings provided to the retailer.

F&S finds suppliers must develop entire supply distribution, and equipment systems, benefiting both the food service operator and the end consumer. User-oriented supliers who focus on specific market segments, tailor-making their products to fit specific customer requirements must structure their operations to respond quickly to changing consumer demands.

Distribution channels can be selected on the basis of particular foodservice operator or manufacturer needs. However, in the selection of strong distributors, processors must clearly understand the distributor's operating problems. These are specifically inventory costs and the amount of sales effort and support they can anticipate in view of the distributor's tight operating margins.

For more information contact Customer Service, Frost & Sullivan, Inc., 106 Fulton Street, New York. New York 10038 (212) 233-1080. Reference Report #521.

FOOD STORE AND EATING AND DRINKING OUTLETS SALES (PER MILLION DOLLARS)

Year	Eating and Drinking	Food Stores	Total	% Eating and Drinking Places
1954	\$ 13,127	\$ 40,106	\$ 53,233	24.7%
1958	\$ 14,792	\$ 50,263	\$ 65,055	22.7
1963	\$ 17,194	\$ 57,254	\$ 74,448	23.1
1967	\$ 23,473	\$ 69,113	\$ 92,586	25.4
1972	\$ 33,891	\$ 95,020	\$128,911	26.3
1975	\$ 47,514	\$131,723	\$179,237	26.5
1976 est.	\$ 52,520	\$140,400	\$192,920	27.2
1981 est.	\$ 80,200	\$210,700	\$290,900	27.6
1981 est.	\$122,800	\$315,600	\$438,400	28.0

Canadian Metric

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In Kamloops, some stores t up metric-conversion displays and thers assigned staff to answer qu tions from bewildered shoppers.

VI Fredslund, manning a etric display at a super-valu store, said business was brisk Tuesday with few complaints.

"Of course, butter and margarine has been sold by the kilogram for quite a while now, and milk is sold by the liter instead of the quart," she said. "so it's really not too much of a shock."

"Once politics was about a few things; today it is about nearly everything."—Dr. James Q. Wilson, professor of government, Harvard University.

A Look Toward the 80s

Stan Romaine, Executive Vice President a l Publisher of Institutional Distributi n (ID), gave the following address a the recent National Association of Wh lesale Grocers of America Convention.

The first quarter of the last year of the 70's is a good time to evaluate in perspective the 70's and the 80's. For foodservice distributors, 1979, marks the end of the **soaring seventies** and the start of the **"weighty eighties."** Distributors who are anxious about the 80's and the imponderable effects of inflation, rising costs, energy shortages and the likelihood of recession need only remember there are never any guarantees — institutional distributors will remember that as they entered the 70's their very survival as an industry was in doubt.

Although the future is clouded with economic uncertainty, there seems little doubt that the food service distributors will continue in a period of expansion provided they can meet the demands of more professional management. Among the areas upon which the distributor must concentrate are: The "ID ten commandments of distribution" if you will.

1. **Order Size** — Because our industry is capital and labor intensive, characterized by high fixed costs over which the distributor has no control, order sizes must be increased in order to maximize gross profit dollars to meet t se costs. In 1978 for all respond ts average order size was \$331.3 ompared to 1977 — \$219.30.

How ver gentlemen this picture is not as right as it appears. Average order ze actually dropped for distribut . doing \$10 million or less in spite o 8% inflation. Are the smaller distrib tors picking up the accounts that th larger ones consider uneconomical: That is to say(too many deliverie weekly, cherry pickers dividing th r business between 4 or 5 distribut s. Perhaps the small distributors have too few lines and thus find it difficult to build high enough minimums. Less than 50% of the smaller distributors even have minimum order requirements.

2. **Multi-Unit Accounts** — Multi-Unit accounts will provide a major share of future sales growth. They will be a focus for distributors in the 80's. Not only food chains, but theme parks, coffee shops, fine dining units etc. Chain operators are becoming more knowledgeable and aware of distribution problems. Often they will pay more to get better service and keep continuity of supply. Distributors will increase the percentage of business that they do with the chains versus the street business. Selling the chains will demand increased sophistication and better middle management in addition to tighter cost controls. Although the average percent of sales done with multi-unit accounts is 23.8%, note that the largest distributors seem to be better equipped to handle multi-unit business with certain exceptions.

3. **Product Turns** — Product turns must be accelerated in the coming period. Less distributors are stockpiling in an attempt to achieve the inventory appreciations of 73-74. High interest rates make this type of "Phantom profits" unappealing. It is interesting to note that over the last eight years the increase in turnovers here has been nil. However, this is understandable since lines have widened and increased turnover has become more difficult.

4. **Credit Practices** — We must tighten up our policies. The distributors can no longer afford to be their customers' bankers. Not as interest rates continue to rise. 60 and 90 day terms must go. One distributor is giving 1% discount for C.O.D. and now half his customers are on a cash basis. 12 to 13% money dictates tougher credit approaches. Slow payers will be weeded out because they're too "costly" and profits disappear.

5. **Margins** — Margins will have to be widened to meet the increased costs of physical distribution, of financing, of sales, etc.

6. **Data Processing** — Increased emphasis will be placed on developing more sophisticated data processing systems both to provide better internal controls and to expand services to customers particularly multi-account customers. Over 60% of all distributors are now into data processing and 24% more are going into it in the next two years. That's over 84% by 1981. Truly foodservice distribution has come a long way in the 70's.

7. **Inventories** — Inventory controls must be tightened. Again rising costs particularly that of money, dictate rolling up our sleeves in this area.

8. **Productivity** — The average distributor has instituted productivity measures to help compensate for cost increases. Small distributors particularly are caught in this crunch. Since their resources and their resourcefulness will be severely tested by inflation, cost of money, etc., their volume must outgrow the rising costs of doing business or they will go "to the wall."

9. **One Stop** — Will continue to grow as distributors reach out for additional lines to increase minimums an and to allow them to pursue multi-unit business and larger unit volume accounts.

10. **Government** — Keep your eye on this growing phenomenon. More and more, consumerists are making their voices heard in Washington and the bureaucracy is responding. FDA and USDA are studying the foodservice industry with an eye towards "improvement" (my quotation marks). Energy shortages and back haul legislation are other areas that government is making its weight felt to say nothing of OSHA and FTC. Yes, ladies and gentlemen, government is making itself felt in an ever increasing crescendo — they must be dealt with. Contact your local representative, participate in the discussion and in the politics of a better foodservice industry. The industry that you save may be your own.

Conclusions — Whatever the pressures, the distributor who meets the challenges of increased professionalism and the delivery of quality and service at a fair price wil survive and flourish in the "Weighty Eighties."

Applied Cooking Technology For the Foodservice Operator

Black Body Corporation marks a new advance in the field of cooking technology with the publication of **Applied Cooking Technology for the Foodservice Operator**, written by Harold Wells, Black Body President, and experienced foodservice operator, John D. Correll.

This new reference book is the first of its kind. In easy-to-understand language, the book explains the fundamentals of the cooking function, heat and heat transfer, cooking methods and equipment, as well as holding foods until service.

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Applied Cooking Technology

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The book also takes a new and hard look at many of the "accepted" and, until now, unquestioned concepts in the field of cooking technology.

In his introduction to the book, Dr. Lendal H. Kotschevar, Ph. D., widely recognized authority in the foodservice, industry, observes that: "Few who read this book in the foodservice industry will not profit from it. It is a book that carries a broad, enlightened, thorough discussion of heat and its application to foods in cooking and baking, and thus makes a very important contribution in developing knowledge to improve cookery and utilize energy to maximum advantage."

Hows and Whys

Dr. Kotschevar, in his introduction, also describes the book as "a text that explains why foods are cooked or baked; what heat is and how it is transferred into food; what happens to foods when cooked or baked; how various pieces of equipment develop heat and work to cook or bake food; and how to utilize heat efficiently so maximum results are obtained from its use."

The authors anticipate this book will be used widely by individual foodservice operators as well as teachers and students in foodservice courses throughout the country. The book is soft cover, contains 104 pages, 36 illustrations.

A copy can be obtained by sending $7.95, plus $1.00 for shipping and handling, to Black Body Corporation, Dept. B.K., 1505 Fenpark Drive, Fenton, MO 63026.

Polypropylene Plant For Quebec

Hercules Canada Limited announced plans for the construction of a biaxially oriented polypropylene film plant adjacent to its "Pro-fax" polypropylene resin plant at Varennes, Quebec.

This new facility, which will convert polypropylene resins to biaxially oriented films, represents an investment of more than $30 million and will create over 100 new jobs. Construction will begin immediately and the plant will begin production before the end of 1980, said Edwin S. Moler, president, Hercules Canada Limited.

The importance of this project to the Canadian and Quebec economies is underscored by the financial support of 20 percent, or approximately $6 million, granted by the Federal Department of Regional and Economic Expansion, and $3 million granted by the Quebec Industrial Development Corporation.

Mr. Moler revealed that the most modern manufacturing technologies, both tubular and tenter, would be used to produce the full range of products required in the Canadian market. Biaxially oriented polypropylene films are important packaging materials and are widely used in food and tobacco markets, as well as for industrial applications.

The combination of advantageous properties such as clarity, low temperature durability, excellent moisture barrier, good grease resistance, high impact and tensile strength, and flex crack resistance, together with low cost, has been the primary reason for its widespread usage. There is at present no Canadian production of these films.

Contractor Selection Continues

Selection of contractors is not yet complete; however, all are expected to be from the Province of Quebec.

Hercules is the world's largest producer of biaxially oriented polypropylene film, with two plants in the United States—Covington, Virginia, and Terre Haute, Indiana, with another under construction at the latter site; one in Brantham, England, and one under construction in Brazil.

Hercules Canada Limited, established in 1912, operates three plants in Canada—the Pro-fax polypropylene resin plant which opened at Varennes, Quebec, in 1977, and chemical plants in St. Jean, Quebec, and Burlington, Ontario.

The company also maintains sales offices in several major cities, including the principal office in Montreal.

"Pro-fax" is a registered trademark of Hercules, Incorporated.

"People overestimate the amount of profits and underestimate the amount of taxes paid by big business. They also underestimate labor costs."—George Gallup, Jr., President of the American Institute of Public Opinion.

Grocery Products Logistics

from Hunt Personnel, Ltd.
"People for Distribution"

Few institutions in American life are as illustrative of our "abundant society" as the thousands of supermarkets dotting the landscape from coast to coast. And it should come as no surprise that the origins of the physical distribution "movement" in the U.S. are closely identified with the grocery manufacturing industry, including such firms as Heinz, Gerber, Pillsbury, Del Monte, General Foods, Scott Paper, and many others.

Technology Pioneers

The unit load car, and indeed much of the technology of unit loads including shrink wrap and stretch wrap, were both pioneered by grocery manufacturers. The principles of freight consolidation, pool cars, milling in transit and other logistics strategies owe much of their present state-of-the-art development to the industry. Delivered pricing, either national in scope or regional, depends on sound logistics and enables equitable pricing for consumers who might otherwise be bypassed because of locational or transportation factors.

But perhaps the greatest challenge for grocery products logisticians is to achieve a reasonable three-way balance among the variety of offerings which consumers expect to find in their supermarkets, the actual level of availability of such products, and the ultimate cost to consumers.

Balance is Difficult

It is not an easy balance to achieve because of the combination of the complexity of the distribution system and the massive volumes involved. Forecasting and inventory management are central activities, their importance intensified by the special conditions imposed by sanitation requirements, obsolescence, seasonality and what is perhaps the highest level of competition in an industry.

In normal practice, a forecast error of five percent may not seem like much, but when you're dealing with and industry where shipments of as much as a million pounds of canned goods are not unusual, that error can be maginified significantly!

Even more important, however, is that just as logistical expertise makes

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Grocery Products Logistics

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products widely available at reasonable cost to consumers, so logistical "mistakes" can drive up the cost of those goods. For example, under-forecasting will limit supply and possibly result in price increases because of operation of the law of supply and demand. On the other hand, over-forecasting will create added costs for the manufacturer which ultimately must be passed along to the consumer.

Indeed, it is unfortunately not too well understood by consumers that part of the cost of the products they buy stems from the basic inventory costs involved. For the typical supermarket to maintain inventories of 12,000 or more items imposes an inescapable cost which the consumer must bear. The higher the level of convenience, the higher that cost; the aptly-named convenience store is a good example.

Marketing Innovation

At the other extreme, the so-called "box store" represents an innovation in marketing which could have far-reaching results. The economics of the box store are predicated on relatively high volumes of purchases by consumers from relatively narrow product lines. Will it undermine the traditional supermarket? The odds are that although patterns of purchasing by consumers may change, if anything the logistical challenge will only be intensified.

And there's every likelihood that new advances and new educational thrusts will come from within the industry. Many manufacturers have brought the logistics "message" to the wholesalers and chains to whom they sell, which in turn help hold down prices consumers pay. Here, such seemingly tangential matter as loss and damage in transit and in wholesaler and chain warehouses may be covered in detail because of the effect on overall prices. As one example, the Quaker Oats Company has developed training materials for its customers to use in training their personnel in such areas as sanitation and unloading of device rail cars. The same firm is also known for its motion picture, "The Distribution Game," which translates the many facets of physical distribution methods into a format that is widely understood—the typical game show seen on television.

An although singling out one firm, or a dozen, always leaves several dozen others unmentioned who should be mentioned, the fact is that the logisticians of the grocery product industry in general have long since earned their laurels, and the proof is all around us.

More Point-of-Sale Material Being Used

Supermarkets are using more point-of-sale material—but not just any point-of-sale material.

Retailers and manufacturers agree there has been a swing away from sterile store atmosphere to the more bazaar-like, colorful environment POS materials can provide. However, the material must meet retailer's standards, whether they are designing their own, or accepting those offered by manufacturers, respondents to a survey said.

Generally high on the list of requirements is generic materials. Retailers often want material that can be used to promote a variety of products with a particular theme, such as a "total meal" or an "inflation fighter" concept. Material with a particular brand's name all over it defeats this purpose.

But aside from this, POS material must meet supermarket operators' esthetic standards. The desire for a bazaar type of atmosphere does not mean a hodge podge of clashing colors and styles.

Prominent Manufacturers Involved

Several manufacturers are prominent in making POS materials available to retailers. They include Kraft, Del Monte, Libbey and Green Giant.

In general, large supermarket operators tend to develop their own materials, while independents often turn to those manufacturers. A combination of both sources is often used.

Stores had "very limited" decorations and no POS material from outside sources five or six years ago, said Laurence Naumn, vice president, consumer affairs and public relations, and advertising manager, Dominick's Finer Foods, Northlake, Ill. "Now we are doing much more sales promotional material for our own promotions than before, and we are accepting more from outside."

Retailers said POS material gives stores an air of excitement. "We want to have an exciting, attractive atmosphere at A&P stores," said Donald L. Braun, director of merchandising for A&P's Chicago division. "We want our shoppers to be in a festive, happy mood."

Braun, who noted that 75% of the POS material his division uses comes from manufacturers, said the use of storewide POS material has increased, compared with a couple of years ago, because of "a different approach in merchandising.

"Thematic sign material makes the store more interesting. It has to be changed, so it doesn't become part of the wallpaper. But I don't think a store should ever look bare."

POS Use is Cyclical

Some observers and retailers said the use of POS material is cyclical. Brightly decorated stores are popular now but "there is a time coming when we will look around the stores and want to return to a different, clean look with a small amount of tasteful material.

"Then we will work our way back up to very decorated," said Nauman.

Supermarket operators are selective in their choice of POS materials. At Alpha Beta, materials are authorized through the main office, said Larry Rodgers, marketing director. "When we decide to display an item, we review the point-of-sale material to see if it fits our merchandising plan. For example, we determine if it displays well on an end. Or, if the display is in a 'big-buy' area, we determine whether the materials can be displayed affectively with a four-sided display. We also ask ourselves: "Is the POS attractive enough to add to the display itself?"

Unlike other retailers, Rodgers is unconcerned about whether the material is generic. "It's not a matter of looking for brand names or not looking for brand names. We look for POS that's well done, something that will make an impression on consumers. Del Monte, for example, does an excellent job with POS. They have giant cans, or other replicas of their products, and they offer six to eight different theme promotions to choose from at any given time."

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Point-of-Sale Material

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Alpha Beta's Del Monte theme promotions in January and October were popular. Rodgers said, but POS was not the determining factor. "POS is one of the supporting factors for a major promotion, but it's not the only area that determines the success or failure of a promotion. You can have a successful promotion with poor POS materials.

Joe Bayless, vice president, merchandising and promotion for A. J. Bayless Co., Phoenix, said all POS material—which must be authorized through the chain's general office—"must be small, so it doesn't cover the order tags on the shelf; it must not be injurious and it must fit into the theme we're promoting."

Bayless prefers that POS materials have "as little product material as possible. We use it to get customers into a buying mood instead of to buy a specific product. We use it to give them ideas to try new items, or to remind them of a particular meal idea."

Bayless said his company is "constantly using point-of-sale materials —anything from shelf signs to ceiling danglers."

Considerations in Choosing

Attractiveness, impact and timeliness are considered when choosing POS materials for A&P's Chicago division, said Braun. If the manufacturer's name is prominent, the material will be used only a short time. The generic type of POS material can be used longer, up to a full season, he said.

Del Monte supplied the division with storewide POS materials tied in with a sale on its products and was effective, Braun said. That type of material can be used up to three weeks.

The American Dairy Association offers seasonal POS material, Braun said. "They had some interesting danglers promoting milk for the summer season. They come up with unusual adaptations for the use of dairy products. Their POS material is very visual, clever, generic and appropriate.

"We won't put up POS material just because a manufacturer offers it," said Elwood Kross, advertising manager of Piggly Wiggly stores operated by Schultz-O-Stores, Sheboygan, Wis. "It has to tie in with our overall merchandising plans. We prefer to have a clean rather than cluttered look, so we limit the material we use. If the manufacturer's material coincides with our promotions and our merchandising plan, we will use it."

Dominick's likes "nice four-color materials without strong company identification" and, regardless of the theme, a reference to preparing food at home is appreciated, Nauman said.

Dominick's distributes the materials through its own mailing system from its central warehouse, so materials in kit form is preferred, Nauman said. A bulletin is sent to the stores with information on what is coming, what is authorized and what salesmen are permitted to do in the stores. The material is timed to arrive the day before the promotion begins "so it won't get lost in the stores."

Safeway's Philosophy

Safeway's southern California division uses little manufacturer POS material, said Cal Gunnell, advertising manager. "Oh, we might use some Del Monte signs during a Del Monte promotion, or some POS during the holidays, if it's decorative with very little advertising.

"But we spent so much money building pretty stores with beautiful wall signs that say Guaranteed Meats or Farm-Fresh Produce that putting up a lot of POS only hides it."

Besides, Gunnell added, Safeway uses what space it can for its own POS materials; signs advertising Super Savers (manufacturer-reduced buys), its games or Scotch buy lines.

"We judge each piece of point-of-sale material on its own merit, but we have so much of our own that we use very little of anyone else's", he said. "We look at what it says and what it can do for us, but there's a lot of junk that really does no good."

Fleming Uses its Kits

"We don't get much involved with manufacturers anymore," said Jim Pontius, director of advertising for Fleming Foods, Topeka, Kan. Several years ago, he said, manufcturers cut back on POS materials, and Fleming started turning out its own kits through necessity. "Many retailers like the idea and are willing to pay for it," he said.

Wally Dyke, advertising director of Malone & Hyde's Memphis division, called manufacturer POS materials "pretty sufficient." Manufacturers go directly to individual retailers in an effort to get their promotional pieces placed in a supermarket, he said.

"Retailers are looking for ways to spruce up their stores, and most accept the material," Dyke said.

Bigger Tax Bite

Taxes collected by all governments were $61.5 billion higher in fiscal 1976-1977 than the previous year. This is more than double the $26.8 billion increase in fiscal 1975-1976. Total tax revenue collected by Federal, State and local governments for 1976-77 was $419.7 billion. Of the total national tax revenue, approximately 58% was collected by the Federal government, 24% by the State and 18% by local governments. Total Federal, state and local government revenues from all sources was 657.3 billion for fiscal 1976-77, up 86.1 billion from prior fiscal year. Total funds received by states from Federal Revenue Sharing was $2.3 billion in fiscal 1976-77. Local governments received $4.5 billion. Total government expenditure in fiscal 1976-77 was $680.3 billion, up 55.3 billion from previous year. The following is a breakdown of Federal, State and local government expenditures: $366 billion for current operations of which $202.5 billion went to salary and wages for public employees, $75 billion for capital outlay, $49 billion for subsidiaries and assistance, $46 billion for debt interest, and $144 for insurance benefits and repayments.

Have You Noticed?

The Office of Management and Budget (OMB) recently reported to President Carter that the public spends 10 percent less time filling out federal forms than was spent in January, 1977. OMB said the government is making "real progress" in its war against federal paperwork, which each year costs the public and business 785 million hours of work at a cost of $100 billion.

Under current review are more than 1,300 reports which various federal egencies are required to send to Congress.

"Spaghetti all' Italiana" For the Prevention Of Heart Attacks

by Luciano Raguo, Florence, Italy

"Continue eating as usual in Italy, and certainly you will manage to keep heart attacks at a distance. One need only slightly reduce the quantity of pasta one eats, not overdo the butter, not give up meat—particularly pork—and give preference to non-fattening cheeses."

The invitation comes from two experts in cardiology, Professor Richard Bing of California, and Professor George Burch of New Orleans. One must believe them, for they have ample Italian experience ranging from the restaurants in Fiesole to those along the Arno River frequented during their leisure moments while attending the International Congress on Miocardial Infarction recently in Florence.

Don't copy Americans

It is a sad fact that for some time in Italy we have abandoned the good eating habits of our parents and grandparents who ate tasty dishes of green vegetables, minestrone, grilled meats, and pure cheeses. We have discovered animal fats and foods saturated in sauces. The mania of mimicking others, from music to dress, has brought into our homes American or Swedish tastes in food. These countries have experimented with foods and are at a loss to overcome for themselves the castigation of heart attacks. Now Americans and Swedes are thinking about imitating us Italians, at least in our eating habits.

Listen to the Professors

Since Professors Burch and Bing are knowledgeable in the area of heart attacks why not be guided by them? They are both past middle age, slim, in excellent physical shape, and they are happy. It means they know how to make personal use of good medical norms.

On smoking, Bing says: "There is no scientific explanations for the fact that tobacco is responsible for coronary illnesses, therefore, smoking cannot be accused of being a contributory cause. It is, however, harmful to those who already have a heart condition." And Burch adds: "Cigarettes create serious respiratory problems, and smoking is not good for one; he who smokes is foolhardy and is not thinking of himself."

On stress: When one speaks of heart attacks, he quickly accuses the upsetting tenor of life today. But stress does not make up for the largest percentage of the blame. Such a claim is a bit exaggerated. Bing says: "A bit of tension and a bit of responsibility are not bad for one. They are stimulating and are better than leading a monotonous existence without incentives. What destroys the heart instead, is unexpected stress, for example, the emergence of a big problem."

Sexual Tranquility

We were unable to touch on a discussion of sex. Now-a-days sex is discussed at every occasion. Even so, the two professors judge love to be an excellent preventative for heart attacks. "Although it occurs between husbands and wives, between two people who live together over the years," Bing points out, "because of all the complexities involved, it may create problems for the heart. Sexual tranquility is life . . . why not participate? On the other hand, one who has had a heart attack should be cautious, even if sexual activity is permitted during the rehabilitation stage."

Sports Moderation

The interview continues. Florence has emerged from the torpor of a sad spring. A splendid sun shines outside the building of the Congresses. From the window, in the street below, one sees two men desperately trying to lose weight by jogging—which actually means running like mad through the city streets amidst smog and noise. The question is a spontaneous one. Is participation in sports, according to the professors, a means of avoiding heart attacks? Bing and Burch smile. "Certainly," says Bing, "movement is good for one, but in this case, it is overdone, especially when one is no longer young. There are those who actively throw themselves into a sport without realizing that one must stop at the first moment of fatigue or shortness of breath. A cardiologist friend of mine always says that the only sports activity he engages in is to accompany his overly active friends to their last resting place." Burch is even more precise: "For me, one who overdoes sports without using good judgment, it is simply stupid." He used few words, but they are certainly effective.

Added Weight is Risky

"Very well, Professors," I repeat, "but when one puts on too much weight, what should he do?"

"Right, added weight is a risk factor. Even a big one. But to keep within limits, one need only reduce his intake a bit, but not eliminate bread, pasta, and wine, and add a brisk walk. You Italians already eat very well in comparison to us foreigners who drown ourselves in fats."

And thus, at the Congress in Florence, I discovered the Italian way to good health. If it weren't for the terrorism . . . .

The more one is unhappy the more one runs the risk of ending up a victim of a heart attack. Professor George Burch is convinced of it. To convince me, too, that he is not unhappy, he unfolds a great smile made in the U.S.A." The only thing missing to make him look like a TV film star in a big cigar. There are few happy people in the world. Tension and worry raise the blood pressure and when one suffers from hypertension, he falls prey to heart trouble. And it's a short step from this to a heart attack.

"Why is one unhappy?"

"Because he is never satisfied with his work, family, friends, or with the political situation. Who knows why some people always look for a reason to be unhappy rather than seeking ways to be happy. In order to be happy—and therefore keep heart attacks at a distance—one must relax, rest, and have fun. You only live once. And, above all, be satisfied with the simple things in life. One must seek happiness from among those goals that are attainable and pursue interests outside of one's work: a hobby, or an active social life. I, for example, dedicate myself to gardening, and spend a great deal of time washing the car."

Agreed, Professor, but for us in Italy it takes ten minutes to wash a little Fiat '500. We don't have your big American cars. Anyway, thanks for the advice: smile and stay calm. The check can wait.

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F. Peavey Heffelfinger

F. Peavey Heffelfinger, Director Emeritus and a former President and Chairman of the Board of Peavey Company, died Aug. 13 at the age of 81.

He was born at Minneapolis on October 15, 1897, son of Frank T. and Lucia L. (Peavy) Heffelfinger.

His career with Peavy began in 1920 in grain elevator operations at McNutt, Saskatchewan. He was elected to the Company's Board of Directors in 1922. Having worked in Canadian grain operations for five years, he became Vice President of Duluth, Minnesota grain operations in 1925. He transferred to Minneapolis as Vice President and General Manager of the Company's Monarch Elevator Company in 1929 and became Vice President of Peavy Company in 1939. He was elected Executive Vice President of Peavy in 1944.

Grandson of the Company's Founder Frank H. Peavey, he became Peavey Company's fourth President in 1953, Chairman of the Board in 1959 and Chairman of the Executive Committee in 1965. Mr. Heffelfinger retired from active management of the Company in 1968 as Honorary Chairman of the Board and in 1972 was elected Director Emeritus.

Mr. Heffelfinger was a 1920 graduate of Yale University.

Professional Activities

His professional activities have included serving as president and director of the Minneapolis Grain Exchange, president and a director of the Northwest Country Elevator Association, president of the National Grain and Feed Associations, chairman of the National Grain Trade Council, director of Foundation for American Agriculture; advisory board of the National Football Foundation and Hall of Fame.

He served as a director of the Great Northern Railway from 1937-70 and has been a director of Northwest Bancorporation, vice president of the U.S. Chamber of Commerce, director of North Star Research and Development Institute and a member Canadian-American Committee.

Public Service

Mr. Heffelfinger had been chairman of the Republican National Finance Committee, a trustee and member of the Advisory Council of Tax Foundation, Inc., a director of the National Tax Equality Association, a member of the Yale University Alumni Board, a trustee of Thacher School in Ojai, California, a trustee of Northrup Collegiate School in Minneapolis, and president of Izaak Walton League of Minnesota.

During the 30's he was managing director of the Agency for Deficiency Distribution at the appointment of Secretary of Agriculture Henry Wallace. He was regional director of the War Production Board during World War II.

In 1973 he was a member of the Governor's State of Minnesota Commission on Alcohol Problems, and was vice chairman of the Hennepin County Task Force on Alcoholism and Inebriety in 1974.

Mr. Heffelfinger was a member of the Minneapolis Club, Woodhill Country Club of Wayzata, Minnesota Manitoba Club of Winnipeg and the Union League Club of Chicago.

He and his wife Elizabeth reside in Wayzata, Minnesota and had four children, 13 grandchildren, and two great grandchildren.

Today's Family— Something Different

Dramatic changes in U.S. family life are documented in studies issued by the Census Bureau in late June.

One report tracks an increasing desire among young adults to postpone marriage in favor of advancing their educations and careers.

Among the findings—

- Over 1.1 million unmarried couples lived together in 1978—more than double the number in 1970.
- Forty-eight percent of women in their early 20s last year had never married. In 1970 only 36 percent had remained single.
- From 1970 to 1978, the median age at first marriage advanced a year, to 24.2 for men and 21.8 for women.
- More than one fifth of all households last year consisted of persons living alone. The number of men living alone, 6.4 million had risen 79 percent since 1970. The number of women 10.4 million, was up 42 percent.
- Eight million families last year were supported by women who were not living with a husband—44 percent more than in 1970.

Another bureau study reported that 22 of every 1,000 marriages ended in divorce last year—double the divorce rate of a dozen years ago.

Small Business Is Big Business

Small business provides 55 percent of the jobs for U.S. workers and a livelihood for more than 100 million people, according to A. Vernon Weaver, administrator of the Small Business Administration. Millions of small businesses comprise 96 percent of all business.


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