

**THE  
MACARONI  
JOURNAL**

**Volume 61  
No. 7**

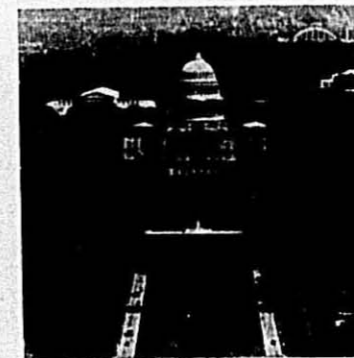
**November, 1979**



# Macaroni Journal

NOVEMBER, 1979

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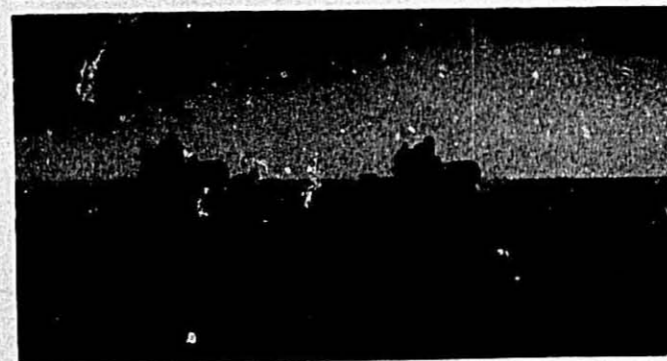


Washington Meeting

Left Fall Classic  
Lots of Macaroni Publicity

Left Spaghetti "Snack-A-Roni"  
See Pasta Chips on Page 4

Below: Abundant Harvest—See Page 14







## 13TH ANNUAL FAMILY REUNION

Outstanding attendance of the New York press on September 12 proved again the significance of the NMMA annual Family Reunion luncheon at Tiro A Segno. Among editors present were those from youth, women's interest, foodservice, romance, trade, and home economics publications. Represented were: Young Miss, Daisy, Good Housekeeping, Woman's Day, Mademoiselle, Seventeen, Family Health, Personal Romances, Progressive Grocer, Teen, Forecast for Home Economics, Glamour, Co-ed, Vogue, Redbook, Lady's Circle, Gourmet, Bon Appetit.

Editors of newspaper syndicates and syndicated Sunday supplements attended: Newspaper Enterprise Association, Amalgamated Publishers, New York Daily News, Family Weekly.

Food editors of local newspapers were present representing the Husson Dispatch, New York Post, Staten Island Advance, Jersey Journal, Electronic media attendance included CBS, WOR, WNYC, WPLJ.

"Unimac Cookery . . . Pasta Quickies for Singles/Doubles", newly published industry leaflet, was incorporated in the press kit with descriptive release. Other kit contents: releases describing "pasta chips" introduced during the reception hour; luncheon menu; background relating to NMMA's FDA petition against "oriental noodles"; a photo story geared to the theme of NMMA's 75th Anniversary and remarks delivered by Paul Vermeylen relating to industry historical data and the current wheat/consumer cost forecast; hosts present. Press gift was a Spaghetti Set . . . colander, server, and a measure to facilitate cooking two and four servings.

### National Macaroni Manufacturers Association Marks 75th Anniversary

We are celebrating the 75th Anniversary of the founding of the National Macaroni Manufacturers Association" announced Paul Vermeylen, current president of one of the oldest food trade associations, as he greeted guests attending the thirteenth annual Macaroni Family Reunion luncheon. Mr. Vermeylen, great grandson of Antoine Zerega who built the first commercial pasta plant in this country,



Paul Vermeylen

recounted the early days of pasta in America. The original Zerega building was opened in 1848 near the Brooklyn Bridge in New York City. (Today, the Zerega Company is located in Fair Lawn, New Jersey, and the fifth generation now participates with two of Mr. Vermeylen's sons active in business).

By the turn of the century, the pasta business had reached a growth point which triggered a handful of industry members to assemble for a discussion of marketing and manufacturing problems. The result of the meeting was the founding of the National Macaroni Manufacturers Association. Despite strong ethnic ties with Italy, it is interesting to note that the founder of the first U.S. pasta firm was a Frenchman, Antoine Zerega, and the first president of the National Macaroni and Noodle Manufacturers of America (later shortened to NMMA), was an Irishman, Thomas H. Toomey.

The Association today is composed of 52 active members engaged in the manufacture of macaroni, spaghetti and egg noodles. The \$900 million a year industry produces better than 2 billion pounds of pasta annually.

Highlights in the Association's history include:

- The establishment of Standards of Identity in the 1930's to protect the consumer. Artificial coloring was outlawed and 5½% egg solids established as the minimum for egg noodles.
- A working relationship with the growers and North Dakota State

University Department of Agronomy and Cereal Chemistry to develop new varieties of durum wheat, resistant to disease and containing the characteristics desired by growers, millers and macaroni manufacturers.

- The appointment of an Association Director of Research responsible for maintaining Quality control and Sanitation for the industry.

Mr. Vermeylen concluded his remarks stating that pasta prices are expected to remain relatively stable during the next year. The wheat crop is very good, and though some will be exported, there will be more than an ample supply for domestic consumption.

### Pasta Chips

Guests attending the New York Press Party enjoyed an unusual treat during the reception hour . . . pasta chips in a trio of pasta shapes, which were first cooked, then deep fried.

Crispy small macaroni shells mixed with Spanish peanuts for texture contrast were sampled as cocktail nibblers. Egg noodle bows were transformed into crackly scoops for a creamy Roquefort dip. Jumbo shells became crunchy containers for a seafood filling.

These conversation makers . . . inexpensive, quick to make and versatile . . . are ideal for today's entertaining. To prepare, simply cook the pasta and deep fry for a few minutes.

The small shells and bows may be served "as is" or sprinkled with a choice of salt, Parmesan cheese, curry powder, onion or garlic salt. Or try some variations with the shell nut mix such as cashews, almonds or pecans.

If you wish to follow the dipping route with the bows, use the Roquefort cheese recipe served at the luncheon or buy a prepared one. Some other suggestions: yogurt with chopped chives; sour cream and chopped stuffed olives; cream cheese blended with white wine and minced parsley.

Tuna or ham salad, cheese combos like Cheddar and cream cheese, or freshly grated vegetables moistened with French dressing are other suggestions for the jumbo chips.

## N.M.M.A. 1904-1979



An historical montage depicting early days in the pasta industry portrays a 1904 group photo of the founders of the National Macaroni Manufacturers Association; pasta packing lines; drying rooms; delivery trucks; store displays; redeemable coupons; advertisements.



### Pasta Chips

Whenever snacks are in order, you'll find these recipes appropriate.

#### Shell Chip-Peanut Mix (Makes about 1 1/4 quarts)

8 ounces small macaroni shells  
(about 3 cups)  
1 tablespoon salt  
3 quarts boiling water  
Oil for frying  
1 cup Spanish peanuts

Gradually add shells and salt to rapidly boiling water so that water continues to boil. Cook uncovered, 10 minutes, stirring occasionally. Drain well in colander. Place half of shells in frying basket. Fry in deep oil heated to 400° F. about 3 minutes or until lightly browned. Stir frequently. Drain on paper towels. Repeat with remaining shells. Cool. Mix with peanuts.

Note: Oil may bubble up during first few seconds of frying. If so, lift up basket for a few seconds.

#### Crispy Bow Chips (Makes about 1 1/2 quarts)

8 ounces egg noodle bows\*  
1 tablespoon salt  
3 quarts boiling water  
Oil for frying

Gradually add bows and salt to rapidly boiling water so that water continues to boil. Cook uncovered, stirring occasionally, 10 minutes. Drain well in colander. Place half of bows in frying basket. Fry in deep oil heated to 400° F. about 3 minutes or until lightly browned. Stir frequently. Drain on paper towels. Repeat with remaining bows. Serve "as is" or as dippers for Creamy Roquefort Dip.

\*Note: Macaroni Bows cannot be substituted in this recipe.

Note: Oil may bubble up during first few seconds of frying. If so, lift up basket for a few seconds.

#### Creamy Roquefort Dip (Makes about 2 cups)

8 ounces Roquefort cheese, crumbled  
8 ounces cream cheese, softened  
1/2 cup sour cream  
Thoroughly blend together all ingredients until creamy and smooth.

#### Crunchy Jumbo Chips (Makes about 2 1/2 dozen shells)

8 ounces jumbo macaroni shells  
(about 4 1/2 cups)

1 tablespoon salt  
3 quarts boiling water  
Oil for frying  
Neptune Filling

Gradually add shells and salt to rapidly boiling water so that water continues to boil. Cook uncovered, stirring occasionally, 10 minutes. Drain well in colander. Place half of shells in frying basket. Fry in deep oil heated to 375° F. about 4 minutes or until lightly browned. Stir frequently. Drain on paper towels. Repeat with remaining shells. Cool. Fill with Neptune Filling.

Note: Oil may bubble up during first few seconds of frying. If so, lift up basket for a few seconds.

#### Neptune Filling (Makes about 2 cups)

1/2 pound shrimp, shelled and cooked  
1/2 pound crab meat  
1/2 small onion  
1/2 cup mayonnaise  
1 tablespoon chopped pimiento  
1 tablespoon lemon juice  
2 - 3 teaspoons prepared horseradish  
Salt and pepper

In food processor, with cutting blade, combine all ingredients except salt and pepper. Process until smooth. Salt and pepper to taste.

Conventional Method: Finely chop shrimp, crab meat and onion. Mix well with remaining ingredients.

### Tiro A Segno Specialties

Tiro A Segno, a private club noted for Italian cuisine in New York's Greenwich Village, was the setting for the thirteenth annual New York Press Party. Pasta specialties were presented under the guiding hand of manager Antonio Manfredi, associated with the club for 40 years. Mr. Manfredi, a native of Portofino, came to the United States in 1922. Since arriving he has impressed Italian cuisine devotees with his knowledge and experience.

Working closely with Mr. Manfredi is executive chef, Salvatore Stropoli. Mr. Stropoli joined Tiro A Segno two years ago following his position as chef at the Atrium Restaurant in the Wall Street area. His food skills were learned by observation at a family-owned restaurant, Trimarche's, in Staten Island.

The menu proved his skill. An antipasto of salami, hardcooked egg, anchovy-wrapped bread sticks, pimiento,

black olives and artichoke heart was followed by Spaghetti Matriciana. The pasta, dressed with a delicate tomato sauce seasoned with bits of prosciutto, bacon, thyme and bay leaf, was sprinkled with Romano cheese and served with a garnish of fresh basil.

Chicken Fettuccine De Medici appeared as the main course, lightly browned chicken and pasta topped with a blend of white wine, chicken broth and lemon juice. Minced fresh parsley, sprinkled over all, added the final note.

Egg noodle bows, cooked, deep fried and sprinkled with confectioners sugar arrived for dessert. These flaky morsels have the taste and texture of the Italian pastry, cenci.

#### MENU

Antipasto

Spaghetti Matriciana\*

Chicken Fettuccine De Medici\*

Green Salad — Oil/Vinegar Dressing

Fresh Fruits

Biscotti e Cenci Assortiti\*

Espresso

Wines

Ruffino Chianti

Ruffino Soave

\*Spaghetti Matriciana  
(Makes 4 Servings)

2 ounces prosciutto, chopped  
1 slice bacon, chopped  
1/2 medium onion, chopped  
1 tablespoon olive oil  
1 can (16 ounces) tomatoes, crushed  
1/4 teaspoon thyme  
Dash pepper  
1 bay leaf  
8 ounces spaghetti  
1 tablespoon salt  
3 quarts boiling water  
Grated Romano cheese  
Chopped fresh basil

In medium saucepan, saute' prosciutto, bacon and onion in oil until onion is translucent, stirring often. Add tomatoes, thyme, pepper and bay leaf. Simmer, uncovered, about 45 minutes or until sauce thickens, stirring occasionally.

(Continued on page 8)



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NOVEMBER, 1979



### Spaghetti Matriciana

(Continued from page 6)

Meanwhile, gradually add spaghetti and salt to rapidly boiling water so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander. Transfer spaghetti to serving platter; pour sauce over. Sprinkle lightly with Romano cheese. Garnish with basil just before serving.

### \*Chicken Fettuccine De Medici (Makes 4 Servings)

8 ounces fettuccine (about 4 cups)  
Salt  
3 quarts boiling water  
2 whole chicken breasts; boned, halved and pounded to ¼-inch thickness  
White pepper  
Flour  
1 egg, beaten  
¼ cup olive or salad oil  
¾ cup dry white wine  
½ cup chicken broth or bouillon  
¼ cup lemon juice  
¼ cup butter or margarine  
Chopped parsley

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

Meanwhile, sprinkle chicken with salt and pepper. Dredge with flour; then quickly dip in egg. In large skillet, saute chicken in oil over medium-high heat until lightly browned on both sides. (If skillet is not large enough to saute 4 chicken pieces at one time, cook 2 pieces first and remove to heated platter.) Pour off drippings. Add wine, chicken broth, lemon juice and butter to skillet; cook until butter melts. Return chicken to skillet; simmer 5 minutes or until chicken is tender. Remove chicken; keep warm. Over high heat, boil sauce until slightly thickened. Transfer fettuccine to serving platter. Pour ¾ sauce over and toss gently. Top with chicken; pour remaining sauce over all. Sprinkle with chopped parsley.

Note: If using unpounded chicken breasts, cover and simmer browned breasts 10-15 minutes or until tender.

### \*Cenci

(Makes about ¾ pound)

8 ounces egg noodle bows\*  
(about 3½ cups)  
1 tablespoon salt

3 quarts boiling water  
Oil for frying  
Confectioners' sugar

Gradually add bows and salt to rapidly boiling water so that water continues to boil. Cook uncovered, stirring occasionally, 10 minutes. Drain well in colander. Place half of bows in frying basket. Fry in deep oil heated to 400°F. about 3 minutes or until lightly browned. Stir frequently. Drain on paper towels. Repeat with remaining bows. While warm, sprinkle with confectioners' sugar.

\*Note: Macaroni bows cannot be substituted in this recipe.

Note: Oil may bubble up during first few seconds of frying. If so, lift up basket for a few seconds.

### Rossi Appointed Chairman

Nicholas Rossi, Vice President of Sales for Procino-Rossi Macaroni and Sales Manager for San Giorgio Macaroni in New York, has been appointed Chairman of the National Macaroni Institute Committee. According to Rossi, "the committee is responsible for overseeing numerous activities involved in the promotion of the use of macaroni. Basically, the committee wants to keep a continual flow of information on macaroni directed to the consumer."

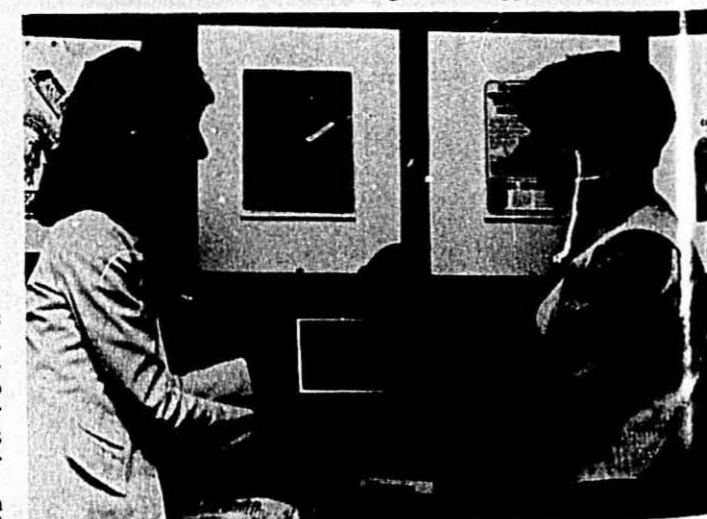


Nicholas Rossi

The National Macaroni Institute Committee is composed of major pasta manufacturers throughout the United States.

### Merger

The National Macaroni Institute, incorporated in 1948 as the product promotional arm of the pasta industry, will be merged into the National Macaroni Manufacturers Association as a committee function at the end of the calendar year. All members will be expected to support this activity to increase consumption of macaroni, spaghetti and egg noodles.

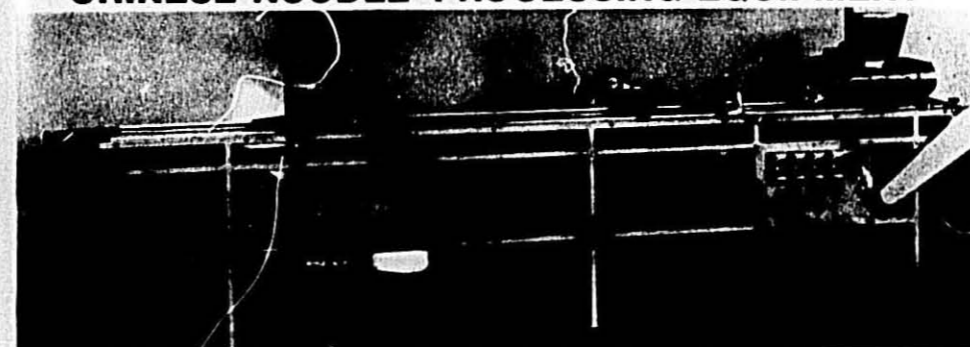


### More than Spaghetti . . .

is what Bernice Slosburg (right), Vice President of Client Services at Bofinger and Associates Advertising is saying to Pat Burns, Public Relations Director of the Agency. They're about to hang the International Open Tennis Federation Award that was received for the agency's promotion of the Delmonico and San Giorgio "Spaghetti Bowls." The Spaghetti Bowl tournaments were created by Gunter Herz in conjunction with the double-strung spaghetti racquet used in the competition. Bofinger and Associates handles packaging publicity and sales promotion for the Delmonico, P&R and San Giorgio division of Hershey Foods.

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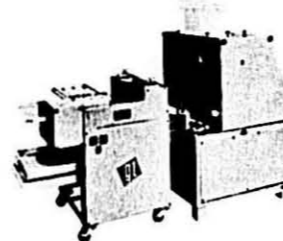
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## WASHINGTON MEETING

Some sixty macaroni manufacturers, milling and grower representatives met in the nation's capital September 13 for the National Macaroni Manufacturers Association tenth fall meeting.

### Briefing Session

In a briefing session at the U. S. Chamber of Commerce, a quick overview was given with rapid fire presentations by Chamber specialists.

James F. Steiner, Director of the Chamber's Briefing Center, explained the National Chamber's Action Program and distributed kits with materials ranging from a listing of Staff Specialists and their specialties to a copy of the Regulatory Action Network; Washington Watch.

Donald J. Kroes, General Manager of Field Operations, declared a favorable trend is running for born-again conservatives. Carter can't win if the economic situation gets worse, and it will. Kennedy will peak the day he announces his candidacy. The GOP race is wide open. Odds look good for business in 1980, but it will require work and contributions.

Carol Jackson, Associate Director, Social Security and Welfare Reform, stated 1977 amendments raised both the base and rates for social security providing short-term relief, but there is a cash flow problem that will continue for the next five years. Universal coverage (to include governmental employees) is supported by the Chamber. In the kits were two special reports: Social Security—some short-range solutions to a continuing problem; and some long-range solutions to a continuing problem.

Eric Oxfeld, Associate Director, Employee Benefits, had just returned from a national meeting of state administrators of workmen's compensation and reported they favored national standards. The Chamber offers an analysis of Workers' Compensation Laws at \$6 per copy—publication no. 5913.

Charles Wheeler, tax attorney, said the value added tax is being discussed as a source of revenue to offset the tax cut that will undoubtedly come in an election year. The Chamber recently held a seminar on the subject.

Mr. Wheeler also stated the capital recovery plan being discussed would replace present depreciation system



allowing write-offs for buildings in ten years and equipment in five years. The subject is discussed in a Congressional Action Bulletin dated July 6, 1979, Volume 23, Number 25.

### Energy Situation

Steven Hellem, Associate Director, Resources & Environmental Quality Division, said the energy situation is a confused picture, but prices are rising and supplies will be tight. The Administration's energy program consists of three major proposals—creation of an Energy Mobilization Board and an Energy Security Corporation and imposition of a "windfall profits" tax on oil companies. These three proposals are moving through Congress independently of one another.

The Energy Mobilization Board has the purpose of cutting through federal and state red tape and eliminate delays in the permit-granting process for critical energy facilities. Numerous facilities could be producing energy right now, were it not for substantive and procedural constraints which have slowed or aborted projects. In the Senate, the Energy and Banking Committees are considering EMB but it's anybody's guess right now as to the final shape of the bill.

Energy Security Corporation (ESC), an independent agency, would make investments in the production of alternate fuels. It would have a mandate to produce 2.5 million barrels per day of substitute for imported oil by 1990. Its \$88 billion capital would come from the proposed "wind fall profits" tax. ESC would not engage in research and development.

The House Interstate and Foreign Commerce and Interior and Insular Affairs Committees and the Senate Energy Committee are not expected to consider ESC until the EMB issue is settled. However, bills have been introduced in the Senate to spur the development of alternative fuels by private industry through government incentives. And the House has passed H.R. 3930 to provide for the startup of alternative fuel production for defense purposes.

The Administration's ESC proposal is an easy alternative to the hard decisions, such as immediate decontrol of domestic oil prices, which are necessary if the United States is to solve its energy problem. There is general agreement among energy authorities that production of alternate fuels—now and in the future—is but a partial solution, and that this country must rely heavily on its conventional energy resources.

The "windfall profits" tax, passed by the House of Representatives on June 28, would take effect January 1, 1980. It generally would be levied at a 60% rate on each barrel of domestically-produced oil. The revenue from this tax would be segregated in an "Energy Trust Fund".

The Chamber estimates that this tax will soak up over \$78 billion of revenues which would otherwise go for domestic energy production between now and 1990. This huge tax burden will cost the country roughly 80,000 barrels a day in lost production by 1990. That is 800,000 barrels a day that the United States will have to import or do without, making President Carter's pledge to hold imports below 1978 levels that much harder to fulfill.

Business people should oppose the proposed tax, which is nothing more than an excise tax on domestically-produced oil. After payment of existing federal, state and local taxes, the revenue from decontrol should be left in the private sector, which can use them more efficiently than the government. Even without a new tax, 50 to 60% of the added revenue from decontrol would go to governments at all levels, through federal corporate and individual income taxes, royalty payments to governments, and state and local severance, property, and income taxes.

At luncheon on the Hill at the Rayburn House Office Building, Congress-

(Continued on page 12)

THE MACARONI JOURNAL

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### Washington Meeting

(Continued from page 10)

#### Luncheon on the Hill

man from North Dakota Mark Andrews, described himself as the only durum farmer in Congress. He commented on the difficulties of bringing in this year's durum crop and reported that Congress was hard at work on energy matters.

#### Taylor Quinn

At an afternoon business session at the Mayflower Hotel, Taylor Quinn, Food and Drug Administration, Bureau of Foods, Compliance Division, announced the new Commissioner of FDA was Jere Edwin Goyan, Dean of the School of Pharmacy, University of San Francisco. He said proposals coming from the hearings on labeling will be published in the Federal Register in early October, and the emphasis is on ingredient labeling. Next year the FDA will put emphasis on pesticides, environmental contaminants, nutritional concerns, and food safety.

Asked about oriental noodles, he said, "There are still illegal products in the marketplace."

#### Christopher Hitt

Christopher T. Hitt of the professional staff of the U.S. Senate Committee on Agriculture, Nutrition and Forestry, said the major policy area in 1980 will be oversight legislation on food safety issues. Passage of full ingredient labeling seems realistic for next year. Other possibilities:

- Use of nutrient data base for labeling for fresh foods and fast foods on an average basis with the same approach for packaged foods.
- Federal legislation will preempt state laws.
- Criminal penalties will be eliminated.
- There will be an allowance for a two-year period for test marketing for better labeling formats.
- Percentage labeling will be rejected.
- Government must teach consumers how to use labeling.
- Gray area between advertising and labeling will be considered.

#### Robert J. Wager

The Department of Agriculture issued a favorable ruling on the Wheat

and Wheat Foods Research and Nutrition Education Order September 7 and published it in the Federal Register. Robert J. Wager, President of the American Bakers Association described ramification of the order and stated passage requires two-thirds of registered voters or a majority if the voters represent two-thirds of production.

#### Michael L. Hall

Michael L. Hall, President of Great Plains Wheat, Inc., reported the wheat market is fluid and uncertain. The Soviets are already ahead in purchases for the fourth year of their agreement, and intervening factors such as the lake strike, Rock Island Railroad, independent truckers will have a great impact on grain exports. Several crops will be competing for transportation and this will have a depressing effect on prices. There is a good supply of durum, but the present crop is not yet made.

#### Michael Naylor

Michael Naylor, legislative director for Senator John C. Culver of Iowa, reported insurance for product liability was reasonable until about four years ago. Now the question is: what can be done to bring competitive pressures on the insurance industry or provide for tax incentives for self insurance? Joseph Canepa of DeFrancisci Machine Corporation pointed out that their premium is four percent of total sales on the cost of equipment and, of course, the consumer has to pay this.

Presidential candidate Phil Crane of the twelfth Congressional District of Illinois appeared at the evening reception with other Congressional delegates and aides.

#### Ullman Sees VAT Hearings This Fall

Ways and Means Chairman Al Ullman recently told a special Chamber of Commerce workshop on the value-added tax that he intends to conduct hearings toward this new tax system this fall.

Both Ullman and Senate Finance Committee Chairman Russell Long (D-La.) said the enactment of the national sales tax would be used to cut income and Social Security taxes. Both spent much of their time fending off businessmen's suspicions that the VAT would be an additional tax in-

stead of a replacement. "A VAT on its own, I wouldn't support," Ullman said. Long forecast 1981 as the earliest possible VAT enactment.

#### In Practice: Value-Added Tax at Work

A farmer sells a flour miller a scoop of wheat for 10¢. The miller grinds the grain into flour. It is sold to the baker for 20¢. The baker makes bread and sells the loaf for 30¢. The consumer pays 40¢ for the bread from the grocer. Assuming a tax rate of 10%, the farmer collect 1¢ from the miller and remits it to the government. The miller collect 2¢ from the baker, credits the 1¢ already paid and gives 1¢ to the government. The baker collect 3¢ from the grocer, deducts his 2¢ credit and remits 1¢ to the government. The grocer collect 4¢ from the consumer, deducts his 3¢ and remits 1¢ to the government. Each passes on the full rate to the next in the production chain and gets a rebate for tax already paid. The consumer pays the ultimate tax . . . but unlike a general sales tax, this one is hidden.

#### Wheat Foods Order

In a recommended decision published Friday, Sept. 7, the Department of Agriculture issued a favorable ruling on the Wheat and Wheat Foods Research and Nutrition Education Order and published procedures for conduct of a referendum among wholesale bakers and other producers of wheat-based foods.

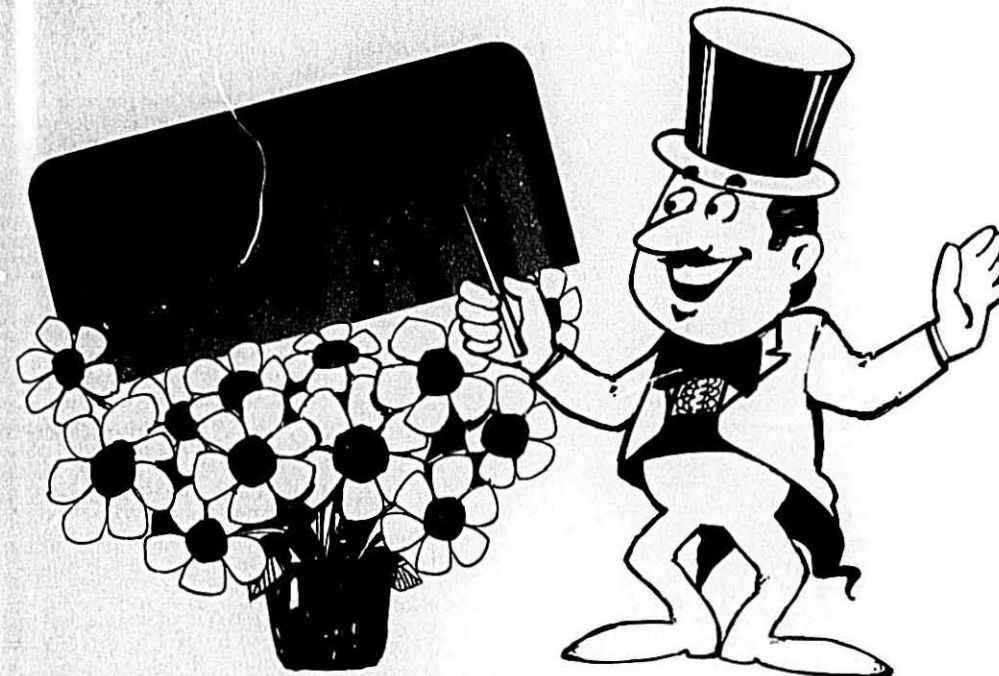
Publication of the recommended decision by U.S.D.A. had been anticipated in breadstuffs since midsummer, following submission of briefs on behalf of the Wheat and Wheat Foods Foundation. Those briefs cited widespread support within the industry for the program, the subject of three public hearings last February and March.

In recommending that the Wheat and Wheat Foods Research and Nutrition Education Program proceed, U.S.D.A. provided a 45-day period for filing of written exceptions to the proposed order.

After consideration of exceptions, if any, the Department will publish a final decision on the order and schedule the end product manufacturer referendum.

(Continued on page 14)

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## Wheat Foods Order

(Continued from page 12)

While the organizations supporting the wheat foods order through the Wheat and Wheat Foods Foundation—the American Bakers Association, Millers' National Federation and National Association of Wheat Growers—had hoped for a referendum by November or December, 1979, it is now anticipated that the referendum will be held no earlier than late January or early February, 1980, assuming no unusual delays or procedural problems develop.

U.S.D.A. said written exceptions to the recommended decision should be filed by Oct. 22. It set the same deadline for written comments on the proposed rule establishing referendum procedures.

### Need for Program

In its 17-page recommended decision on the wheat foods order, U.S.D.A. states:

"It is concluded from evidence introduced at public hearings that there is a need to establish a wheat research and nutrition education program."

In discussing criteria used in the Secretary of Agriculture's conclusion, U.S.D.A. includes the following comments:

**Need for Program:** From 1910 to 1978, per capita consumption of wheat flour decreased about 50%. There is growing concern by the industry that consumption may continue to decline because of misconceptions that wheat-based foods are both fattening and lacking in nutritional value. Research has shown that increased consumption of wheat-based foods would contribute to both a healthier and more economical diet for U.S. consumers. Representatives from nearly every segment of the wheat industry presented evidence which strongly support the need for a Wheat and Wheat Food Research and Nutrition Education Order.

**Possible Program Results:** While it is expected that the order will increase the demand for wheat-based foods relative to other foods, problems in isolating the effects of other influencing factors make it difficult to evaluate the program's performance. However, hearing testimony indicated that a one-slice per day increase in the per capita consumption of bread would not only contribute to a healthier and more economical diet for the Ameri-

can people but would also result in a 20% increase in bread production. All income groups could benefit from the program, but the poor, the elderly and teen-age consumers would be expected to derive proportionately greater benefits from increased knowledge of the economic and nutritional advantages of wheat-based foods as a source of good nutrition."

In discussing its findings and conclusions, U.S.D.A. adds:

"The record reveals a need to communicate factual information to consumers as well as nutrition and health professionals about the nutritional properties of wheat-based foods."

"Many consumers . . . do not realize that wheat-based foods are highly nutritious and that the increased consumption of wheat-based foods has been strongly recommended by many nutritional authorities. Educational programs could provide sound information to consumers concerning the nutritional properties of wheat-based foods. Educational material that has been developed for use with consumers has been well received. However, funding to develop and distribute this information has been lacking, therefore, the material has had limited impact."

### Cost Impact

Cost impact on end product manufacturers, U.S.D.A. adds, would vary from 1¢ per cwt of processed wheat as authorized during the first two years of the program to a maximum of 5¢ per cwt.

"At the 1¢ per cwt assessment level," U.S.D.A. notes, "the cost per 1-lb. loaf of bread would be about seven one-thousandths of a cent per loaf. At the maximum assessment level of 5¢ per cwt the cost per 1-lb loaf of bread would be about three one-hundredths of a cent."

"Proponents have stated that given the competitive nature of the wholesale baking industry and the minuscule amount of the assessment per unit of production, the assessment will not be passed on to the consumer. Proponents point out that a very small increase in volume will reduce per unit costs to more than offset the cost of the assessment."

### For Final Approval

U.S.D.A.'s recommended decision includes the following comments on steps remaining for final program ap-

proval:

"A 45-day period is being provided for public comment on this action. If the Secretary finds after a review of these comments and the entire hearing record that the order will implement the policy of the act, a final decision will be issued, and a referendum among end product manufacturers will be held to determine if they wish to put the order into effect."

## Crop Report

Unusually heavy late summer rainfall increased potential for U.S. corn production to well beyond previous record expectations, while also causing slight reductions in outturn of hard winter, spring and durum wheats in Upper Midwest, the U.S. Department of Agriculture indicates in its Sept. 1 crop summary.

Soybeans are forecast to attain a new harvest high, and rice outlook is also a record.

Cool, wet August weather had been considered a threat to the 1979 corn crop because it delayed maturity to an extent to make the grain vulnerable to frost damage. But the same weathered added substantially to the yield potential, contributing to the outlook for a corn crop in 1979 of 7,268,175,000 bu. a 2% climb during August and 3% higher than last year's previous record outturn of 7,081,849,000 bus. It would be the second crop in history above 7 billion bus.

### Small decreases in Spring Wheats

Hard red spring crop potential is 1% less than August indications, but 1% above 1978. Decrease of 2,390,000 bus from August is entirely in Minnesota. Hard spring forecast of 384,157,000 bus in 11% below record 411,177,000 bus in 1976.

U.S.D.A. estimate of durum crop outturn this year, dictated by conditions as of Sept. 1, was 107,379,000 bus, down just 187,000 bus since the Aug. 1 estimate was released, and compared to last year's harvest of 133,328,000 bus. Most significant aspect of the new figure is that the estimate for North Dakota, which is expected to account for 82% of the entire 1979 durum outturn, was entirely unchanged from a month earlier. South Dakota was up slightly. As in hard red spring, Minnesota was the state showing bulk of the overall decline. Montana estimate was off slightly.

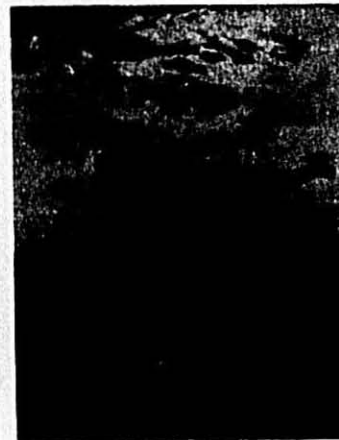
The following table shows production of wheat by classes in 1979, with comparisons, in thousands of bus:

	1979	1978	1977
Hard red winter	1,094,600	834,252	992,446
Soft red winter	315,920	202,119	350,152
White winter	185,071	211,901	194,515
Hard red spring	364,125	379,390	397,603
Durum	107,379	133,328	79,964
White spring	56,079	37,722	21,638
Total	2,123,174	1,798,712	2,036,318

## Winter Durum

A new variety of fall-planted durum developed by Northrup King Co. for western areas has been shown in tests by the company to produce higher yields and better resistance to lodging than the two varieties which now predominate in that area, along with highly desirable pasta characteristics.

"Aldura," as it is known, was developed and has been released for planting this fall. It is a short-stem type, which Dr. Robert Romig, director of research for Northrup King, says has



superior resistance to lodging. Heavy test weights, a high incidence of dark, hard, and vitreous kernels, and good pasta color are other attributes claimed for Aldura.

## Late Harvest

The North Dakota Crop Reporting Service said dry weather prevailed during the last week of September. Scattered frost occurred on the morn-

ing of the 21st and extremes ranged from 28° at Ashley to a high of 91° at Ft. Yates.

Durum was 84% combined and 11% was in swathes compared to averages of 87% and 9%.

Small amounts of grain were being piled on the ground in scattered areas as storage facilities filled and grain movement remained slow. Diesel fuel supplies continued to be tight in about one-half of the counties with delays due to diesel or gasoline shortages reported in three counties.

## Big Crops and High Prices

Thanks to Mother Nature and Mother Russia, U.S. farmers expect to reap both big crops and high prices.

Mother Nature's benevolent weather patterns once again are helping farmers coax record and near-record wheat, corn and soybean harvests from the earth. And Mother Russia's Soviet grain buyers are a major prop supporting remunerative prices despite the high production.

Big crop forecasts would mean lower prices for wheat, corn and soy-

(Continued on page 18)

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**Mechanical Handling**  
**Food-Processing Industrial Machinery**

**Milan 18-23 March 1980**  
 Milan Fairgrounds

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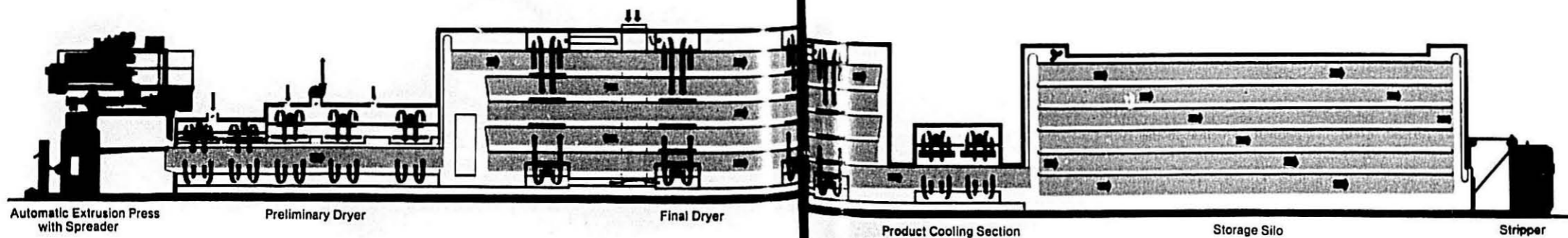
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### Big Crops and High Prices

(Continued from page 15)

beans if it weren't for export demand and steadily increasing domestic consumption, experts say. Corn stocks totaled 1.1 billion bushels when the current marketing year began last Oct. 1, and they are expected to increase by Sept. 30 to 1.23 billion bushels. By Sept. 30, 1980, though, stocks are projected to be down to 957 million bushels, with a 15% increase in exports a primary reason why.

#### Wheat Stocks Down

Wheat stocks also are projected to decline, to 792 million bushels next May from 922 million bushels this year, with a 17% export increase again a major contributing factor.

Only soybeans defy the trend. When the 1979-80 crop year for beans expires next Aug. 31, the best guess is that 290 million bushels will be left on hand, close to double the figure on Aug. 31 this year.

#### Big Variable

But the big variable in the supply-and-price equation remains the Soviet Union. Grain prices soared this spring on news of a poor outlook for Soviet grain production and because cool, wet weather delayed planting somewhat in the U.S. Weather fears proved to be unfounded, but Soviet buying helped sustain price advances.

It's unclear how much U.S. grain the Soviets will want during the 1979-80 buying year, which under the treaty begins Oct. 1, or how much Washington will permit to be exported. Agriculture Secretary Bob Bergland said the Soviets could buy an additional 2 million metric tons, or 7.3 million bushels, of wheat through this month, bringing the potential Russian grain allotment for the year to 17 million metric tons. The agriculture department says it's unlikely the Soviets actually will buy the entire amount because of difficulty in shipping it all. (A metric ton contains 39.4 bushels of corn or 36.7 bushels of wheat or soybeans.)

For next year, Mr. Bergland has told the Soviets they may buy eight million metric tons, or 315 million bushels of wheat but the corn authorization won't be settled until early next month. Government officials want to be sure the bumper U.S. grain harvest is safely established before making big promises.

### No Set Aside

The USDA has announced that the 1980 wheat program will contain no acreage set-aside. The 1979 crop had a 20% set-aside provision. Acreage is expected to increase. The 1979 U.S. seeded acreage was 12% less than the 1978 seeded acreage. The U.S. record production was in 1976.

### Some Sprout Damage

North Dakota Wheat Commission reports small amounts of sprout damaged wheat in localized areas of the state. Elevator managers and producers indicate the problem is not wide spread but confined to a few areas which received heavy rainfall. The fact that sprout damage can seriously affect the marketability of Hard Red Spring and Durum became apparent in 1977. In some instances overseas customers who had traditionally used U.S. wheats became dissatisfied with the quality of cargoes containing even minute amounts of sprouted wheat and switched to wheats of other origins. The result was a reduced market and lost sales. If sprout damage occurs in significant amounts this year it is urged that sound wheat go to normal milling and export channels and the damaged grain be used as feed in order to protect the quality reputation of North Dakota grain.

### Canadian Wheat and Grain Production Falloff

Adverse growing conditions and a slight reduction in wheat seeded acreage have contributed to an estimated 17 percent reduction in the 1979 Canadian wheat crop. Statistics Canada has predicted a wheat crop of 642.1 million bushels (17.5 million tons), the smallest crop since 1975. Canadian Wheat Board officials have stated that if Canada is to maintain its share of the international grain market, then the export target goal of 30 million tons (1.1 billion bushels) established by the Canadian Wheat Board must be reached by 1985. In view of the fact that this is a 67 percent increase over last year's total, coupled with the predicted wheat production decline this year and recurring transportation difficulties, Canada may be hard pressed in achieving this goal.

### Gasohol Grant

The North Dakota Wheat Commission has made a \$1,000 grant for the second consecutive year to the National Gasohol Commission, a private agency headquartered in Lincoln, Neb.

According to Melvin G. Maier, administrator of the Wheat Commission, the commissioners decided to support gasohol research in an effort to open additional markets for agricultural products.

The National Gasohol Commission was formed to encourage use of agriculturally-derived alcohol blended fuels as a viable energy source.

### Multifoods Sales Increase

International Multifoods Corporation announced increased sales for the second quarter ended August 31. Earnings for the quarter declined, principally due to the Duluth grain handlers strike.

Net earnings for the quarter were \$4,469,000 or 55 cents per common share which compares with \$4,840,000 last year or 60 cents per common share. Sales for the quarter were a record \$260,258,000, compared to \$228,241,000 for the same period last year. This increase in sales represents principally higher raw material costs passed through to selling prices.

For the first six months of fiscal year 1980, net earnings were \$8,177,000 or \$1.01 per common share, up from first half net earnings last year of \$7,400,000 which is 98 cents per common share. Sales for the first six months were a record \$502,308,000 which compares with sales of \$438,600,000 last year.

William G. Phillips, Multifoods Chairman, explained that in addition to the Duluth grain handlers strike, lower than expected results from several of the company's Consumer market areas and higher interest costs affected second quarter results. Mr. Phillips went on to say that "due primarily to the growth of certain businesses, notably the specialty cheese and seed corn businesses, where more earnings contribution is generated during the fall and winter months, there will be an increase in the percentage of total earnings derived from the company's operations during the second half."



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### ADM Cites Progress

In the 1979 ADM report, James R. Randall, president, and Dwayne O. Andreas, chairman of the board and chief executive, give attention to the increasing feasibility of gasohol and steps being taken by the company to expand its "head start" in gasohol production.

ADM, as previously announced achieved net income in the fiscal year ended June 30 of \$56,415,210, equal to \$1.63 per share on the common stock, up 2% from \$55,180,000, or \$1.60 per share, adjusted, in fiscal 1978.

Net sales and other operating income totaled \$2,297,838,000, up 24% from \$1,857,053,000 in the previous year.

Earnings for fiscal 1979 reflect an adjustment of corn and corn products inventories from the first-in, first-out cost method to the last-in, first-out cost method. The change reduced net earnings for the year by \$4,375,000, or 13¢ per share. ADM in fiscal 1977 posted net income of \$61,403,679, or \$1.87, on sales of \$2,114,168,257.

The sales gain in fiscal 1979, Mr. Randall and Mr. Andreas state in the annual report, was due to "increased sales volumes in most of the company's operations and increased raw material costs which were reflected in higher selling prices." Management's discussion and analysis of operations notes that average cost of soybeans, corn and wheat processed in fiscal 1979 exceeded fiscal 1978 costs by 14%, 6% and 20%, respectively.

#### Milling Satisfactory

"ADM Milling Co. continued to operate at very satisfactory levels in spite of a serious explosion at one of the company's largest flour mills which is currently being rebuilt."

Production and sales of bakery flour, semolina and milling by products were at anticipated levels and ADM Milling concluded "another good year," Mr. Randall and Mr. Andreas note.

"The activities of our closely related production, marketing and distribution network was shown when, despite severe railcar shortages and the loss of a major mill due to an explosion caused by lightning, we were able to maintain sales and production levels to meet the demands of both the domestic and export markets. In most cases, we were able to provide uninterrupted service to our customers.

The damaged mill is being rebuilt at its previous capacity and is expected to be in operation by mid-year, 1980.

"Construction is continuing on the new flour mill in Hudson, N.Y., and that plant is expected to begin operations during the fiscal year. The division's truck fleet has been expanded to provide better service to its customers." The ADM officers note that "increased domestic sales of bulgur wheat, soy fortified bulgur, wheat germ and bran reflect the increasing nutritional awareness of the U.S. consumer. We expect this favorable trend to continue."

#### Gooch Shows Gains

Gooch Foods, Inc., achieved substantial gains in production and sales, Mr. Randall and Mr. Andreas note. "The sharp increase in meat prices," they say, "placed pressure on many home budgets and resulted in increased sales for the Gooch line of pasta products. Growth of sales in the institutional line of macaroni and spaghetti products were especially strong." An expansion program to accommodate another spaghetti line and a microwave macaroni and noodle line should be completed by the end of the calendar year, it is pointed out.

#### Pillsbury Ups Dividend

The Pillsbury Co. is expecting to report "very strong" first quarter results and in fiscal 1980 will become a \$3 billion sales corporation, "recession or no recession," William H. Spoor, chairman and chief executive officer, said Sept. 11 at the annual meeting of shareholders.

Mr. Spoor announced at the meeting that the board of directors had increased the quarterly dividend on the common stock by 13%, from 38¢ to 43¢ per share, which is payable Dec. 1 to shareholders of record on Nov. 1. The increase is the second in less than a year; the Pillsbury board increased the company's quarterly dividend from 32¢ to 38¢ during the second quarter of fiscal 1979.

"With a fine and experienced management team—one I personally think is better than any in our industry—we expect to achieve all of our fiscal 1980 objectives including becoming a \$3 billion corporation, recession or no recession," Mr. Spoor said.

#### Milling Margins Better

Winston R. Wallin, president of Pillsbury, said the Agri-Products Group in the first quarter, which ended Aug. 31, is "off to a superb start with all profit centers contributing to the result."

"Flour milling margins are very much improved over a year ago. The industry is operating at a high level of capacity and since we are now moving into the period of peak seasonal production we expect these excellent margins to continue."

Mr. Wallin also noted excellent first quarter performances in bakery mixes and feed ingredient merchandising and strong first quarter volume and profits in grain merchandising.

The Restaurant Group, Mr. Wallin said, will again report "higher first quarter sales and earnings and we expect this trend to continue for the full year."

#### Green Giant Benefits

Thomas H. Wyman, vice-chairman, said that Pillsbury in fiscal 1980 expects to achieve worldwide sales of about \$1.5 billion in its Consumer Group operations, compared to \$993 million in fiscal 1979. He told stockholders that 1980 will include full year results from the Green Giant merger, which was finalized last March. Only the fourth quarter of Green Giant results were included in Pillsbury's record 1979 fiscal year, he said.

In discussing operational changes which have resulted from the merger, Mr. Wyman noted that the Tomno's and Fox Deluxe frozen pizza business of Pillsbury are now operating within the Green Giant group, and the synergies with Green Giant's extensive sales and distribution network for frozen products are substantial."

#### Research to Expand

Mr. Wyman said that Pillsbury has approved an \$11 million addition to Pillsbury's research and development facilities in Minneapolis. Citing an increasingly strong emphasis on research and development, he said that these efforts have been reorganized to provide an increasing number of new, internally-developed products "and promising results are already on the horizon."

Pillsbury said that total capital expenditures for fiscal 1980 will be about \$250 million. Mr. Wallin said that total

(Continued on page 24)

## 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 macaroni 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.

ASECO, 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.





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So we put just as much effort into serving you faster. We've set up wheat handling facilities all through the North Country's prime Durum areas. To get this top quality wheat to us faster.

In milling, we put maximum emphasis on handling efficiency, so King Midas Durum Products can get under way to you faster.

So you can get the quality you need for the products you want to make.

At Peavey, King Midas Semolina and Durum Flour is the most developed specialty flour for Semolina and Durum Flour quality and consistent availability. We work with the most advanced equipment available to produce our products.

And we're doing it right. Semolina and Durum Flour is the way Peavey has always done it. We've been doing it for over 100 years. And we're still doing it.

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



Peavey's King Midas Semolina and Durum Flour is the most developed specialty flour for Semolina and Durum Flour quality and consistent availability. We work with the most advanced equipment available to produce our products.

See Peavey's King Midas Semolina and Durum Flour in action at our mills in North Dakota, South Dakota, and Minnesota.

**Peavey** Industrial Foods Group



## Pillsbury Report

(Continued from page 20)

includes \$170 million for new restaurants, compared with \$79 million just three years ago.

## Larry Youngblood Promoted

Larry P. Youngblood has been appointed vice president and business unit manager for American Beauty Macaroni Company, a Pillsbury subsidiary. He was formerly manager of American Beauty operations.

Youngblood joined Pillsbury in 1975 as director of retail operations for refrigerated foods and a year later was named director of marketing for refrigerated foods.

He has been manager of the American Beauty Macaroni operations since June, 1979.

## Peavey 1979 Earnings Up 17%

Peavey Company announced net earnings from operations, before extraordinary items, of \$16,319,000 or \$2.85 per share on sales of \$594,430,000 for the fiscal year ended July 31, 1979. This compares with net earnings of \$13,918,000 or \$2.40 per share on sales of \$522,872,000 for the previous fiscal year.

In addition, Peavey realized an extraordinary gain of \$1.6 million, or 29 cents per share, from the sale of its minority interest in Trico Industries, Inc.

In the fourth quarter Peavey earned \$5,457,000 or \$.98 per share on sales of \$171,211,000. For the same period a year ago Peavey earned \$4,218,000 or \$.73 per share on sales of \$144,231,000.

"Retail Group sales and earnings improved for the sixth straight year, with excellent results from our farm stores and fabric stores," Peavey Chairman and Chief Executive Officer William G. Stocks said. Agricultural Group earnings were more than double last year's disappointing levels, Stocks added, as all of this Group's main areas of activity improved over the prior year.

Food Group earnings, however, declined from the prior year. Flour milling volume and earnings were down due primarily to strikes at two flour mills throughout the first quarter and unsatisfactory margins for much of the year. Though sales improved, Brown-

berry and Home Brands earnings were disappointing, Stocks said, "in part due to rapidly rising ingredient, manufacturing and distribution costs."

"For fiscal 1980," Stocks said, "in spite of an uncertain economy and continued inflationary pressures, we expect sales and earnings improvement from all three operating groups."

## Peavey Dividends

Peavey Company's Board of Directors declared a regular quarterly dividend of 23 cents per share on its common stock payable October 15, 1979 to shareholders of record October 1. There are approximately 5,592,000 shares of common stock outstanding.

The Board of Directors also declared a regular quarterly dividend of \$1.50 per share on preferred stock, payable October 15 to shareholders of record October 1. Two classes of outstanding preferred stock comprise approximately 38,200 shares.

## Seaboard Earnings Up

Net earnings of Seaboard Allied Milling Corp. in the fiscal year ended June 2, 1979, established a new record, up 10% from fiscal 1978. This marked the fourth successive year of a new peak in profits for the company, which is a ranking flour miller in the U.S., South America and Africa.

For the year ended June 2, Seaboard had net income of \$7,601,206, equal to \$5.58 per share on the common stock, compared with \$6,901,107, or \$5.13 a share, in the prior year. Net income in fiscal 1977 was \$3,634,453, or \$2.70 per share.

Net sales of Seaboard also established a new all-time high in fiscal 1979, totaling \$332,436,504. This was up 17% from the volume of \$284,712,536 attained in the 53 weeks ended June 3, 1978, and compares with fiscal 1977 aggregate of \$307,528,011. The previous sales record was \$320,513,976 for the year ended May 31, 1975.

## Seaboard Optimistic

Seaboard Allied Milling Corp. maintains "great optimism" on future growth of the total flour market, according to the company's annual report for fiscal 1979, which details the fourth successive year of record earnings.

Net income of Seaboard in the fiscal year ended June 2, as announced pre-

viously totaled \$7,601,206, equal to \$5.58 per share on the common stock, up 10% from \$6,901,107, or \$5.13 per share, in fiscal 1978. In the fiscal year ended May 28, 1977, Seaboard had net income of \$3,634,453, or \$2.70 per share earnings in fiscal 1979, the Seaboard report notes, reflect conversion of \$1,642,000 face amount of convertible notes due June 1 1979, into 136,832 shares of common stock, issued from treasury shares.

Net sales of Seaboard in fiscal 1979 aggregated \$332,436,504, up from \$284,712,536 in fiscal 1978 and compared with \$307,528,011 in fiscal 1977.

**Production Growth**  
The Seaboard report states that the company reached a new peak in flour production for the 20th consecutive year. "It is particularly significant," it adds, "that the company has been able to maintain annual increases in flour sales in light of the decrease in the total domestic flour market, which declined in 1978 to 245 million cwt from the all-time high of 252 million cwt in 1976."

"The company maintains great optimism on future growth of the total flour market, particularly in light of current developments in the general economy. Flour foods, primarily bread and rolls, are among the most economic and nutritious foods available to American consumers. In view of inflationary trends in our economy, it is probable that the flour foods market will experience at the least a maintenance of demand and possibly even a significant improvement, in line with what has occurred in past periods of deep consumer worry about inflation and unemployment."

The Seaboard report states that the company "is particularly well situated, because of plant locations and marketing/sales skills, to take advantage of any demand pickup for the many foods made from the broad line of flours produced by the company."

## Outlook

It comments on the outlook for fiscal 1980 as follows:

"This is an extremely difficult time to look to the future. Wheat prices climbed sharply in the period around the end of the fiscal year in response to heavy Soviet Union buying and an overall escalation in demand for food around the world. Each of the developing countries in which we operate also faces severe problems, caused in

part by the U.S. recession and also by rapid advances in energy prices.

"Seaboard is a world leader in the production of one of man's most important foods, and with continued growth in population and with gains in standards of living in many lands, basic foods such as flour and bread should be in increasing demand. We intend to do our utmost to supply this very important need."

## Name of RHM Milling to Rank Hovis Limited

Effective with the start of September, the name of RHM Flour Mills Limited, the flour milling division of the Ranks Hovis McDougall Limited Group, has been changed to Rank Hovis Limited.

Stanley G. Metcalfe, managing director of Rank Hovis Limited, explained that "most people still refer to us as either 'Ranks' or 'Hovis,' reflecting the long history and tradition of our major companies within the milling industry." Mr. Metcalfe added, "We believe our new title reflects

more accurately the position our company holds in relevant business circles."

## Great Plains Wheat Elects Officers

At their annual reorganization meeting held in Rapid City, South Dakota, last week the Great Plains Wheat Board of Directors elected new officers of the Board for the 1978-80 year.

James Ole Sampson, a wheat farmer from Lawton, North Dakota, was elected Chairman of the Board for the nine-state foreign market development organization succeeding Raymond L. Davis of Potter, Nebraska, who has been the GPW Chairman for the last year. A member of the North Dakota Wheat Commission for 13 years, Sampson previously served as Vice Chairman of the Board for the 1978-79 year and for the 1966-67 year. He has played an active role in the U.S. wheat industry, having served as Chairman of the North Dakota Wheat Commission and Vice Chairman of the U.S. Durum Growers Association.

The GPW Board of Directors also

elected Ed Ross of Fisher, Minnesota, as Vice Chairman and Wilmont Vecker of Raymond, South Dakota, as Secretary of Great Plains Wheat for the coming year. Dennis L. Shirley, the current Secretary of the Kansas Wheat Commission, was elected Chairman of the Foreign Marketing Committee. A wheat producer from Norcatur, Kansas, Shirley has also been appointed to serve with Ross and Vecker on the Great Plains Wheat Executive Committee chaired by J. Ole Sampson.

Great Plains Wheat, Inc. is a foreign market development organization supported by wheat producers through their respective state wheat commissions in Colorado, Kansas, Minnesota, Nebraska, North Dakota, Oklahoma, South Dakota, Texas and Wyoming. In addition to the central office in Washington, D.C., GPW maintains foreign regional offices for wheat market development in Rotterdam, the Netherlands, or East and West Europe; in Cairo, Egypt, for the Middle East; in Casablanca, Morocco, for Africa; in Guatemala City, Guatemala for Central America and the Caribbean; and in Santiago, Chile, for South America.

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**PROFII**

In many ways, a Chimney Sweep's job is the same as poets, playwrights and historians have portrayed in centuries. The same kinds of brushes and elbow grease are needed to clean the same kinds of chimneys... the time-honored superstitions associated with the job are observed, such as wearing second-hand top hats and for good luck.

But, for all the legend and romance surrounding his profession, the Chimney Sweep performs a very necessary modern-day function... a function which makes him as popular in 20th Century Yellow Pages as he was in 17th century plays.

# He's a Breadwinner

While the summer isn't a time when most of us think about cozy fireplaces, it's the busy season for the Chimney Sweep. When the temperatures go up, so does he... to clean chimneys which won't be in use until the next winter months.

The Chimney Sweep's services are valued by more than just people who enjoy clean fireplaces. Area fire departments also support his efforts, because most homeowners are unaware of that built-up creosote in the chimney. The resulting fire is so hot it can melt brick mortar and spread to attics... fire-fighters can be of help.

Chimney Sweeps still observe the traditions and superstitions associated with the trade. Second-hand top hats, shirts and shoes are worn to avoid bad luck. But the nostalgic image stops there.

Extreme heights and temperatures are daily facts of the Chimney Sweep's life... as are schedules that prohibit the luxury of prepared lunches. Instead, he carries the time-saving sandwiches and snack foods he needs to complete his jobs while the sunlight lasts.

At ADM, busy schedules are also a fact of daily life. The bakers, snack food manufacturers and pasta producers we supply rely on our awareness of their schedules and on the perfected flour blends of quality milled semolina we provide in response. The high-energy products that end up in lunch boxes take a lot of advance planning. At ADM we take our part in that planning very seriously.

Like the Chimney Sweep, ADM understands the value of tradition. We have a tradition, too. It's one of dependable professional service... and we intend to keep it.

Breadwinners supplying Breadwinners since 1902.

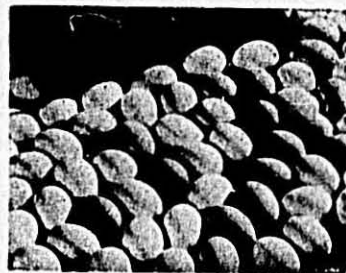


**ADM**

AMERICAN DIETARY PRODUCTS

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





### Egg Situation

From USDA Economics, Statistics, and Cooperative Service, September

Egg production is expected to stay 2 to 3 percent above year-earlier levels during the balance of 1979 and into 1980. Egg prices will rise less than usual this summer and fall but likely will average below a year ago.

#### First Half Egg Production Up

Egg output during January-June totaled 2,841 million dozens, up 2.5 percent from the first half of 1978. Nearly all of the increase was due to a larger laying flock. On January 1, there were 1 percent more hens and pullets in the laying flock than a year earlier. Favorable profit margins caused producers to reduce culling of old flocks during February and March. As a result, layer numbers on April 1 were up 3 percent. After Easter, expectations of a sharp seasonal egg price decline and declining profit margins caused producers to increase culling in April and May. Nearly 6 million more mature chickens were inspected in federally inspected plants during April and May than in 1978. As a result, layer numbers on June 1 were up only 1 percent. Egg prices did not decline as much as expected in the spring, and profit margins generally remained favorable. Culling again dropped sharply in June. This and a few more replacement pullets resulted in layer numbers on July 1 being up a little more than 2 percent from July 1, 1978. Despite the ups and downs in culling, total first half mature chicken slaughter was nearly the same as a year earlier.

#### Second Half Production To Continue Expansion

Egg production this summer and fall is expected to be 2 to 3 percent above both the first half of this year and July-December 1978. The Nation's laying flock on August 1 totaled 281 million layers, up a little more than 2 percent from last August. Layer num-

Month and Year	E.M.E.C. Quotes on Market Values <sup>1</sup>		Received by Producers United States <sup>2</sup>	Cartoned Grade A Large New York <sup>3</sup>
	East	Midwest		
<b>1978</b>				
January	44.6	43.7	49.4	57.2
February	54.2	52.8	55.1	64.9
March	53.0	52.3	55.4	64.0
April	46.4	45.0	52.2	57.9
May	43.3	42.3	49.3	52.9
June	39.3	38.9	43.6	50.6
July	52.8	51.8	48.3	62.8
August	51.4	50.1	52.0	62.6
September	53.0	51.0	53.7	63.8
October	50.1	49.5	52.3	62.1
November	57.4	56.5	56.8	68.8
December	60.8	60.1	61.6	72.6
<b>1977</b>				
January	62.4	60.6	60.3	72.5
February	56.4	55.0	60.1	68.0
March	64.7	63.3	64.3	75.1
April	56.5	56.2	60.2	69.6
May	52.3	51.4	56.7	62.6
June	55.2	55.2	55.6	66.1
July	49.6	53.0	53.4	64.0

<sup>1</sup> Average of weekly price quotations for No. 1 nest run eggs by the Egg Market Evaluation Committee. Does not necessarily represent prices at which eggs are traded in the market.

<sup>2</sup> Average of all eggs sold by farmers including hatching eggs and eggs sold at retail.

<sup>3</sup> Sales to volume buyers, store delivery, consumer Grade A Large.

bers will continue to increase seasonally in coming months and stay above a year earlier because of more replacement pullets entering the flock.

During the first quarter of 1979, producers hatched 4 million (7 percent) more egg-type pullets than a year earlier and 3 million (4 percent) more in the second quarter. In addition, broiler producers placed 3 million more broiler-type pullets for hatchery supply flocks in the first half of this year. Most of the egg-type pullets hatched and broiler-type pullets placed during the first half of the year enter the laying flocks during the second half. Although culling may be heavier this year than last, the increase likely will not fully offset the increase in flock replacements unless producer returns are less than currently expected.

Producer returns likely will remain positive during the balance of 1979 and into 1980; however, they will be less favorable than a year earlier. Production and marketing costs will be above a year earlier.

#### Processed Eggs

September prices were higher on dried whole at \$1.60-\$1.80 and dried yolks at \$1.57 to \$1.72. Frozen whole were 42-47¢; Frozen whites 32-35¢.

#### Schneider Brothers Expand Egg Facilities

Schneider Brothers, Inc., Chicago, Illinois has announced a \$2,900,000 plant expansion program. The 65 year old food processing firm will have greater production facilities in their new location at 5332 South West in Avenue in Chicago.

Construction is almost completed on the new 25,000 square foot free er adjacent to the newly acquired food processing center which is 50,000 square feet. Reconstruction of the processing center will provide for office, test kitchen, quality control laboratory, research and development laboratory, tank farm with a capacity of 300,000 pounds of liquid egg products, and a distribution center. When completed this facility will have the capacity to produce 20,000,000 pounds of egg product per year, with room for expansion.

Schneider Brothers will employ many techniques in its process that are a first in the egg products industry. Part of this process will include total clean-in-place integrated operations. These new operations will be processing egg products in October, 1979. Clifford Schneider is in charge of the expansion program.

## GROCERS' PANEL



Al Foten



Neal T. Jansen



Alfred L. Potin

At the Annual Meeting of National Macaroni Manufacturers Association a grocers' panel featuring three mid-western operators gave their views on the food industry situation following a slide presentation of the 48th Annual Report of the Grocery Industry by Progressive Grocer Magazine.

In Commentary by Editor Ed Walzer it is stated: "An extraordinary amount of innovation and experimentation is under way with store formats, cost control programs, information systems, and pinpointed merchandising tactics."

There are good reasons why this should be happening now. Major sociological development during the 70's, notably the rapid increase of women in the labor force and new feelings about family responsibilities, caused consumers to make significant changes in their life styles. At the same time supermarket operating costs are going up, but the total market stopped expanding enough to offset the higher expenses.

In the mid decade recession and again last year the food-at-home portion of the price index advanced more rapidly than the total CPI. Last year, too, the cost of eating in took a bigger jump than the cost of eating out. A distinct possibility exists that the retail grocery industry may be moving away from its traditional role as a moderating influence on the cost of living. That alone could push supermarkets into a different posture vis-a-vis consumers and force revisions in customer relations, merchandising practices, and pricing strategies.

Retail food store sales increased 10.3 percent in 1978, reaching a total of \$179.6 billion, but the growth was almost entirely due to price inflation.

The largest supermarkets—those with annual volumes of \$4 million and up—continued to build their share last year and now account for 42 percent of all sales.

On the other end of the size spectrum, convenience stores enjoyed a 17 percent gain in overall volume.

The primary cost problem is store labor which went up another 9 to 10 percent last year and now averages 8.9 percent of sales for independents and 9.7 percent for chains. Labor's share of the U.S. food bill has moved past the farmers, and no relief is in sight.

Generics are making themselves felt as a competitive weapon. Research by SAMI indicates that about two-thirds of that tonnage was taken from national brands. In percentage terms, private labels have taken a harder blow, however, because they had smaller shares to begin with.

#### Areas for Attention

As the retail grocery industry moves ahead, four general areas are sure to receive increased attention:

- (1) Computerization. This will expedite paperwork and bookkeeping, improve inventory management and cash flow, permit better utilization of shelf and display space, and contribute to store differentiation and positioning.
- (2) Motivation. Given the labor-intensive nature of the business, success in motivating employees translates directly into operating and competitive advantage.

(3) Stimulation. While fast foods establishments have equated eating out with motherhood, most supermarkets have equated food shopping with miserhood. New and more provocative appeals should come into use—both to stimulate trips to the store and to stimulate buying in the store.

(4) Cooperation. All parts of the food industry will find it advantageous to work together more closely, not only to tackle challenging new conditions, but to clear up lingering issues such as backhauls, modularization, standard loads on standard pallets, putting the right glue on shipping cases to reduce damage.

No less important is collaboration among creative people. More powerful advertising, merchandising, and selling campaigns can be developed by combining the talents of manufacturers, distributors, and retailers. Joint efforts might even produce increasingly constructive ways to use trade promotion funds.

It is not unreasonable to expect tangible progress in all of the above areas. That in itself would ease many of today's cost and productivity worries and let the industry move more smoothly into a more satisfactory and satisfying period of operations.

Among the statistics given are a Summary of 1977-79 sales of food stores.

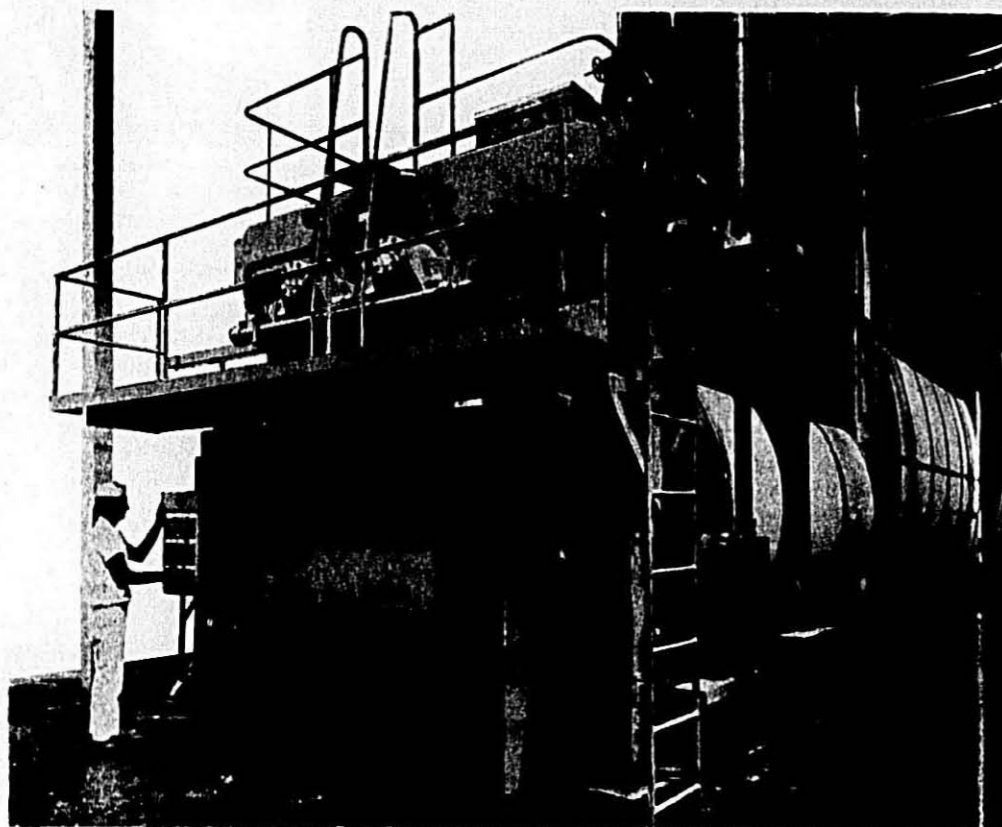
- Metro areas are ranked by food store sales;
- A 1979 mood barometer;
- Prices—public enemy #1 is back;
- Pricing and competition—a time to try new formats;

(Continued on page 32)



## BUHLER-MIAG LONG GOODS LINES

# Performance You Can Depend On!



Long goods line with maximum capacity of 3000 lbs/hr. Line consists of Double Screw Press 1PBD, Spreader TSSA, Dryers TDEC-3/TDCA-4/TDFB-11, Stick Storage TAGB, Cutter TST and Stick Return.

### Three Standard Models . . . 500 to 4500 lbs/hr

#### LONG GOODS DRYERS

MODEL	CAPACITY
TDEC/TDCA	500 to 1000 lbs/hr.
TDCA/TDCA	1000 to 2500 lbs/hr.
TDCA/TDFA	2000 to 4500 lbs/hr.

*Product quality and consistency sell. Buhler-Miag quality and reliability give you the selling edge.*

THE MACARONI JOURNAL

#### Reliable Performance

- Sturdily-constructed 2- or 4-stick spreaders allow selection of ideal extrusion area for a given capacity.
- Spreader, Dryer and Stick Storage are continuously driven and controlled by one variable speed drive.
- All stick conveying chains and drives are heavy duty and contain automatic tensioners. Dryers have lubricating systems requiring an absolute minimum of maintenance.
- Automatic climate controls ensure proper conditions at every stage. Zones are completely separated, cutting down on required supervision.
- Motors, sprockets and drive chains, in addition to electrical and climate controls, are standard U.S. components.

#### Efficient Energy-Saving Design

- New dryers are smaller sized. High temperature and high humidity drying requires a minimum volume of fresh air. Fan motors for air circulation are mounted inside dryers, utilizing 100% of electrical energy. (New style, energy-efficient motor is optional). A most energy-efficient design!
- Panels are 1 1/2" thick with polyurethane foam core. Aluminum lining on inside for heat reflection and absolute vapor barrier. No heat bridges.

#### Bacteria Control

- High temperature drying controls bacteria growth. Dry bulb temperature is adjustable from 100°F to 180°F.
- Dryer is absolutely tight, yet easy to clean, maintain and supervise. Swing-out side panels extend entire dryer length, allowing fast cleanout and service.

#### Top Quality Product

- High drying temperatures in both final drying stages improve product texture, cooking quality and appearance.
- Steady, high temperature drying ensures a straight product, ideal for the high speed packers of today. The high humidity drying climate gives the product an appealing golden color.

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



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



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## Grocers' Panel

(Continued from page 29)

- Energy—high cost short circuit operations;
- Profiles of stores and sales for independents, chains, and wholesalers;
- Convenience stores—growing out of southern roots;
- Customer relations—turning toward the issue of nutrition;
- Manufacturer relations—the message is 'send more help'.

Introductions were made and the panel moderated by Anthony M. Vagnino, American Beauty Macaroni Company, Denver.

### At Nash Finch

Al Flaten joined Nash Finch Company in 1961 as a management trainee. The years 1961 to 1966 were spent in retail operations, including four years as a supermarket manager. For six years he was a grocery buyer in warehouses for Nash Finch Company in Iowa and Nebraska. In 1972 he was promoted to Manager of the Distribution Center for Nash Finch Company in Hutchinson, Kansas and to Lincoln, Nebraska in 1976. Currently he is managing the Cedar Rapids Distribution Center.

Mr. Flaten stated that Americans are among the best fed people in the world, spending less of their income for food. The food distribution system is responsible for much of this.

Nash Finch is a voluntary wholesaler operating 13 distribution centers and supplying some 2,000 retail stores. They also own and manage several produce marketing companies in California. 1978 marked the eighteenth consecutive year that Nash Finch sales have increased. The mark of \$770,472,000 was 14.7% ahead of the previous year. Sales for 1979 are estimated at \$885,000,000, and by 1980 our goal is to become a billion dollar company.

With increasing inflation, Mr. Flaten said, families will have to tighten their belts and reduce spending in order to cover expenses. History shows that when this is necessary, people reduce spending for groceries—they become price shoppers. The Progressive Grocer study stated that store managers and chain-store executives rated warehouse stores as having relatively little competitive impact with poor growth prospects for the future. He disputed that conclusion.

Nash Finch operates 38 warehouse stores and have been in them since

1964. They have become important to us and contribute to our profitability.

Warehouse stores as Nash Finch operates them are simple in design and operation. The customer marks his purchase, bags it and carries it out. Building size is about 24,000 square feet, made of cement block or metal. They handle 5,000 items on wood shelving, cheaply constructed freezers and dairy cases. Fixtures are minimal.

The selling theme is price, Mr. Flaten declared. "We have been able to maintain low prices by increasing productivity." "What competitors do is important to us, but as we compete we strive to maintain our identity." There has been mortality in warehouse stores but there are about 1,000 operating today. But inflation is a growth factor for this type of operation.

Nash Finch stocks 7,088 dry line items and another 796 in frozen foods. In distribution by value in 1978, the No. 1 item was 2 pound Velveeta Cheese, followed by Marlboro soft cigarettes, 3 pound Crisco, and 4-roll white Charmin tissue. They stock approximately 100 different macaroni and spaghetti items. Dollar sales of the macaroni group amounted to 1.24% of total dry line sales. It totaled 1.61% of total cases moved. Growth in 1979 thus far on macaroni products has been better than 20%. Expensive meat is definitely a reason.

### At Red Owl

Neal T. Jansen has been with Red Owl Stores of Minneapolis for twenty years. He started working part-time in 1958, full-time after graduation from St. Norbert College in 1959 and Michigan State University (MBA-Marketing) 1962. His full-time career started as store trainee in the Milwaukee, Wisconsin division where he was made store manager in 1963. He entered Red Owl's Executive Training program in 1964 and went on to hold positions of Grocery Merchandiser for the Wisconsin Division and Milwaukee District Sales Manager. In 1969, he moved to the Red Owl Corporate Office as Price Administration Manager progressing to Sales Development Manager, Assistant Vice President, Marketing, and then to Vice President, Grocery Procurement. In March, 1978, the position was expanded to include his present responsibilities: grocery, dairy, frozen food procurement, merchandising, advertising, produce, meat, general mer-

chandise operations, packaging, consumer affairs, pricing department, bakery and all Red Owl Corporate Stores and Red Owl Country Stores.

Mr. Jansen stated that Red Owl is an upper midwest company, a subsidiary of Gamble-Skogmo. Sales volume this year should be \$850,000,000. Earnings were up 41% last year based on a very successful year and we are going to have a good year this year. Red Owl operates 90 corporate food stores, 5 family centers with general merchandise, 265 franchise food stores, 40 corporate drug stores and 65 franchised drug stores, 4 general grocery warehouses and one general merchandise warehouse.

The Progressive Grocer is extremely good, he declared. "The consumer is changing and this is changing the retail food business. Two-thirds of the women in Minneapolis-St. Paul are working; the other third are running around on community activities—so the housewife is on the move. Also in Minneapolis-St. Paul 51% of the households have only one or two people in them. The retail business is committed to changing stores and they are investing huge sums to do this. Demographics are vital to us. No longer will there be a supermarket on every corner. One store will try to dominate a market area by being so large, so complete, so outstanding, that no one else can survive there."

Electronic changes are important, Mr. Jansen said. Billing and buying procedures are being revamped at Red Owl. This will affect how rapidly they receive merchandise and how rapidly they send it through their warehouses.

"Our buyers will say, 'We don't need any new products'—but if you can't have them, someone is going to take your business away," Mr. Jansen stated. Inventories are becoming more expensive each day, therefore we are going to have to be more selective in buying, he said.

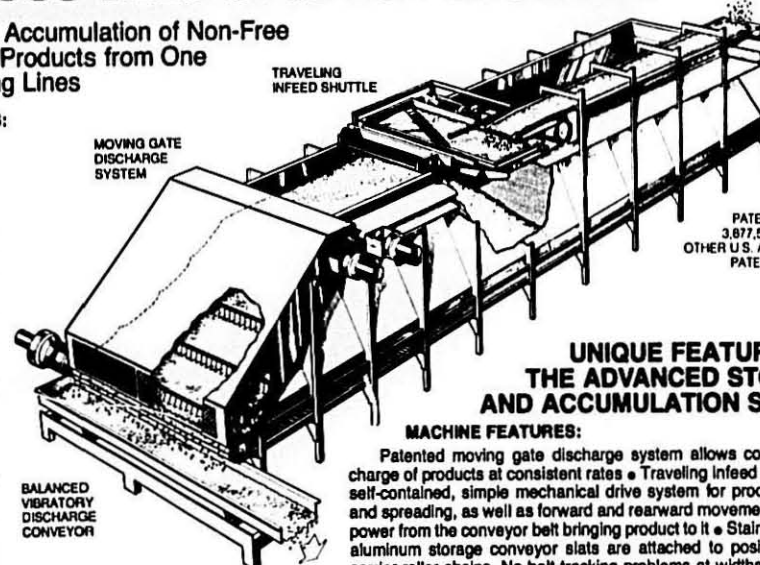
Mr. Jansen said generics originated in France where there were no private labels. There was a place in the marketplace for items like generics because national brand pricing had gotten high enough, followed closely by private label within a few pennies, so there was a gap between retail price and what it cost to package that commodity. Red Owl has no generics, but it has a product line that is trying to fill the same need—a second quality

## CONTINUOUS BELT STORAGE SYSTEMS

Allowing Constant Accumulation of Non-Free and Free Flowing Products from One or More Processing Lines

### PROCESS ADVANTAGES:

- Permits greater line yields. Packaging line breakdowns do not cause process line shutdowns
- First product in is first out
- Allows single 8-hour packaging shift on 24-hour/day line
- Very uniform product discharge rates
- Automatic feed, accumulation and discharge with little or no breakage of delicate and fragile products such as flakes, chips, pellets, expanded items, noodles, frozen items, etc.



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### UNIQUE FEATURES OF THE ADVANCED STORAGE AND ACCUMULATION SYSTEM

#### MACHINE FEATURES:

Patented moving gate discharge system allows controlled discharge of products at consistent rates • Traveling infeed shuttle uses self-contained, simple mechanical drive system for product sensing and spreading, as well as forward and rearward movement. It obtains power from the conveyor belt bringing product to it • Stainless steel or aluminum storage conveyor slats are attached to positively driven carrier roller chains. No belt tracking problems at widths up to 15' • Dynamically balanced vibratory discharge conveyor requires no sensing devices or level controls. Products are discharged in a very uniform stream • Single, double or triple storage levels.



FOOD ENGINEERING CORPORATION

line. Safeway and Kroger have the same policy. Lower end economy products will always be around.

### At Roundy's

Roundy's is 107 years old, an old line wholesaler and smaller than Nash Finch or Red Owl. Alfred L. Patin, Vice President, Retail Program, is responsible for the marketing program. This includes purchasing, merchandising, sales, advertising, as well as retail store supervision. He has 30 years' experience in retail and wholesale operations and has spent 11 years in various levels of store management (including store manager) with an independent supermarket chain in the Milwaukee area.

He joined Consolidated Foods Voluntary Wholesale Group in 1960 as District Manager for Southeastern Wisconsin. In this position he counseled independent retailers in all areas of retail store operations and was responsible for new business development.

In 1968 he joined Roundy's as a retail supervisor. Since then he has held a number of management positions such as Retail Merchandising

Specialist, Business Development Manager, Dairy & Bakery Manager, Advertising Manager and Sales/Merchandising Manager.

In 1953 Roundy's sold their operation to the retailers they serviced. Two years later they built a warehouse in Milwaukee. Now they are doing a \$300,000,000 annual volume and servicing 170 stores in southern Wisconsin and northern Illinois. They offer a full line service to retailers: site selection, accounting, employee training, all aspects of their business. Roundy's is aggressive: business has doubled in five years and will double again in less than five more years.

Mr. Patin stated that the concerns of inflation, energy costs, and competition is of concern to everyone in the retail food business. They are looking for ways constantly to do a better job. Supermarket formats are changing; we have seen all kinds of style of stores come along. We are doing most of our volume in super stores and warehouse stores.

Four years ago we entered the warehouse business with Kohl's holding 45% of the market and tough competition. Roundy's now has four ware-

house stores in the Milwaukee Metropolitan market and have gone from zero to 12% share of market in four years. They expect to have ten such operations in the near future. They are using facilities of a former discounter and some A & P locations: opened stores on a low budget basis and did a fantastic job. They are offering a wider selection of items than many other warehouse stores.

The consumer is trying to save money. In some stores, 60% of the meat sales are on sales items, so care must be exercised in buying and watching profits. The consumer is definitely more price conscious and is watching for sales. People are switching to more economical foods. Our company volume was up 20% last year while our pasta sales were up 30% and better. Gainers included large sized packages as well as macaroni and cheese. We like to sell pasta, said Mr. Patin. "We not only make a profit on the pasta but it sells tuna, cheese, and sauces along with many other items."

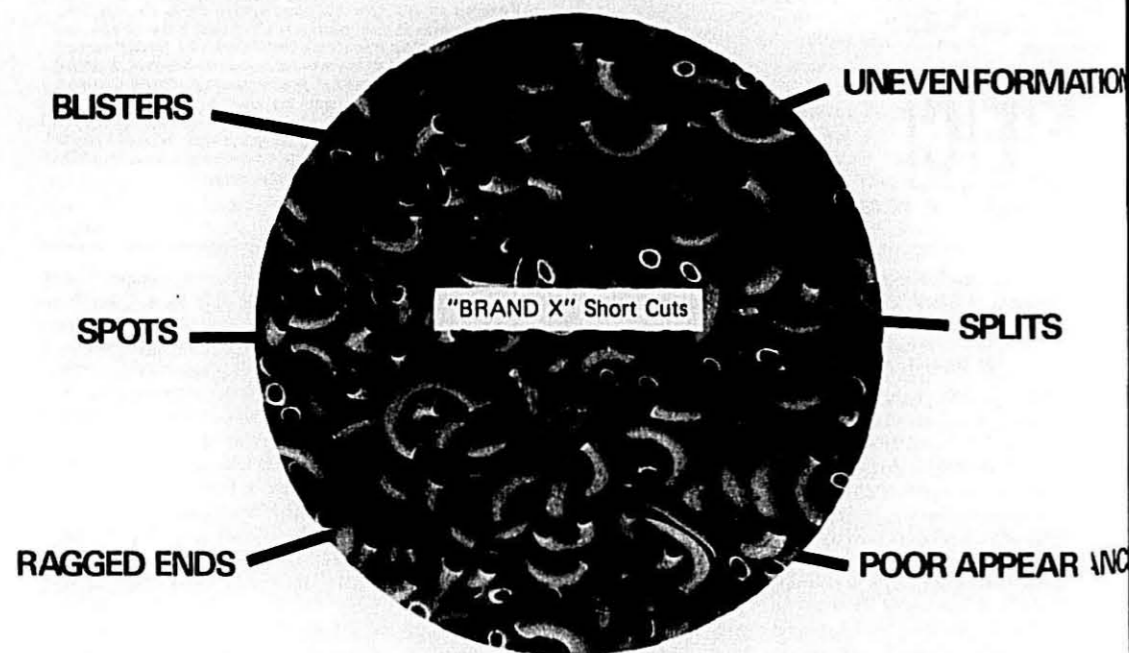
Scanning is coming into its own. Roundy's have 14 stores using scanners, particularly in warehouse stores



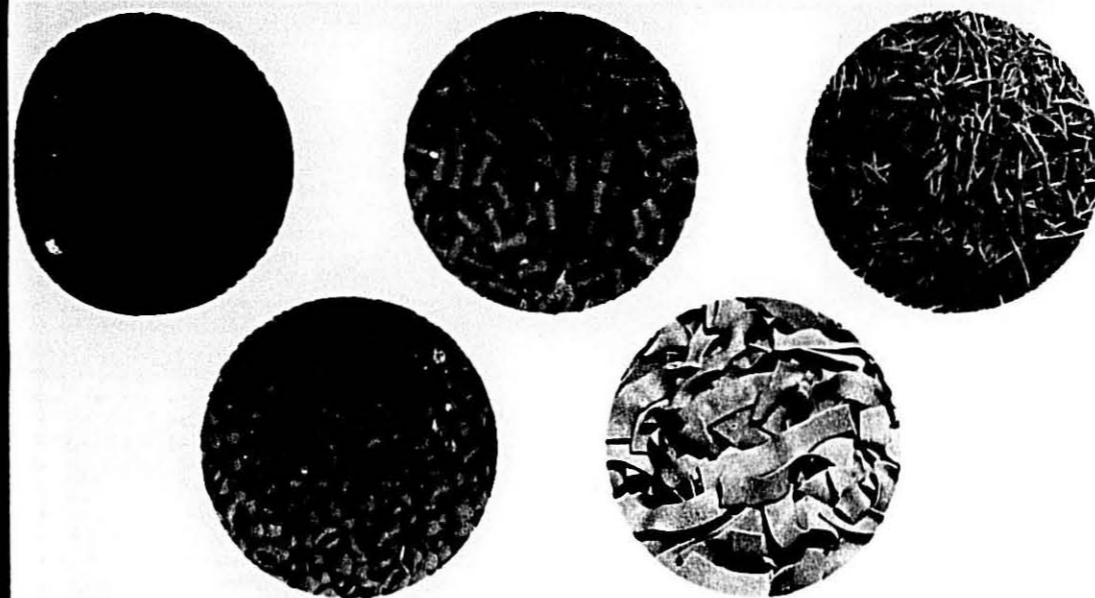
## You can't take short cuts if you want Quality.

"Brand X" Short Cuts reflect all the imperfections caused by their hurried system of production via one large extrusion screw that forces the mix through the extrusion die without allowing it to blend into the proper consistency.

Here are the results:



## The Demaco Short Cut production system is designed with Quality -of-the-end-product in mind!



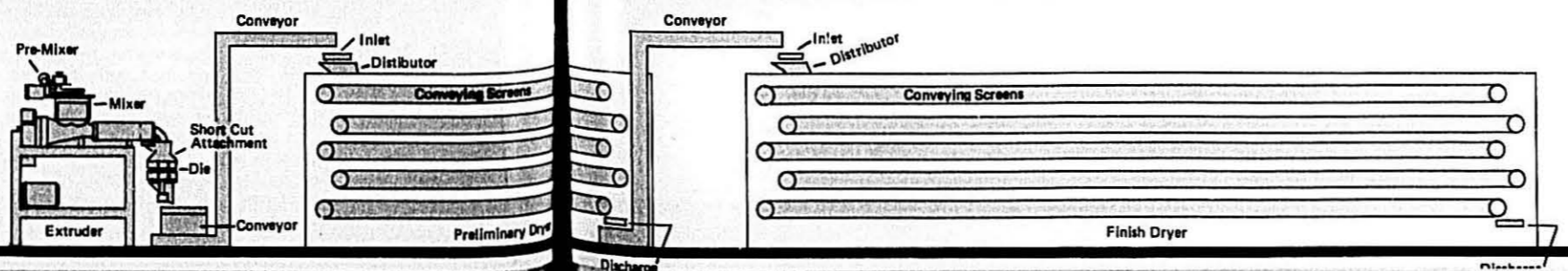
Demaco's 2-headed Short Cut Press (each head with its own extrusion screw) extrudes the mix at a properly regulated, unhurried rate, allowing for a smooth, evenly blended consistency. In addition, Demaco's all stainless steel Pre-Mixer and exclusive Mixer-Extruder (U.S.D.A. approved) prepares the product in advance for:

- ✓ Lightness and Fluffiness (curl)
- ✓ Color and Uniformity
- ✓ Wholesomeness and Eye-appeal in every production run!

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This diagram illustrates the simplicity of design of the Demaco Short Cut Line:

- Stainless Steel Pre-Mixer pre-blends for smooth consistency.
- Exclusive U.S.D.A. approved Mixer-Extruder. Most sanitary available.
- Electroless nickel-plated Short Cut Attachment produces most standard small macaroni products as well as Lasagna. Mostaccioli is also easily made by adding a special cutting device for the bias cut.
- Simple, uncomplicated dryer (all U.S. made parts) will provide maximum dependable service; minimum maintenance required.





### Grocers' Panel

(Continued from page 33)

where consumers do their own pricing. There is no consumer objection to scanning. They like the detailed tape and avoidance of checker errors.

Benefits to retailers: improved front-end scheduling by use of computer to tell how many people are standing in line at any time of day, therefore have more effective people scheduling, thus saving on payroll.

There is better control of pricing. The computer gives information on product movement on every item carried and tells what was sold. Mr. Patin expressed the hope that automatic stock replenishment for markets could be worked out soon.

At the distribution level, we are looking strongly to the computer to increase productivity and reduce costs. That cooperation between retailer, wholesaler and manufacturer goes without saying—and the computer cannot replace communication between these people.

### Questions and Answers

During the question and answer period Mr. Jansen made this statement: "Profits are up at Red Owl because we are controlling costs and have set objectives. You must concentrate on where you can do the best job."

Al Flaten said: "Our warehouse stores stock a total of 5,000 items, 50 to 55 of which are macaroni and spaghetti products. We have no marginal items, no private label. Deal merchandise is displayed on pallets as specials on the perimeter. The concept behind warehouse stores is that the consumer does much of the work that conventional stores hire people to do."

Al Patin observed that Roundy's handles about 65 pasta items including private label. They watch movement closely. He continued: "A 500 item store cannot compete with a 5,000 item store—and I don't think a box store has a place in every situation. Aldi's have been successful in Chicago because there weren't any other warehouse stores around."

Mr. Patin said: "We are using IBM equipment for scanning operations for eight check-outs. The investment of \$120,000 will pay for itself in a short time. Cost of price-marking is less than a half of one-percent, not a major cost. Without pricing in warehouse

stores, however, you have an advantage of being able to instantaneously change a price without having to go back and remark everything."

Mr. Flaten stated: "We guarantee 100% consumer satisfaction with the products we carry. Wholesomeness starts with the manufacturer. We keep our warehouses and stores clean; we blacklight inspect for rodent infestation. A sanitarian answers to the general manager. The consumer wants savings, which means time or money—that means convenience or price."

The statement was made that regular super markets do 80% of the total grocery business.

### Generics Offer Pluses and Minuses

A new breed of packaged goods, known as generics, are sweeping into American supermarkets. One of the newest competitive tactics adopted by many food retailers, these unbranded goods are also known as "no name" and "no frills" products.

Wrapped in plain black and white labels, these products are clearly capturing the interest of cost-conscious consumers. Now carried in approximately 25 percent of America's supermarkets, generics have also captured the interest of the United States Department of Agriculture (USDA)—so much so that a report was recently issued on unbranded products in the department's September, 1978 National Food Review. Based on a study of 15 major food chains and three generic wholesalers, the report answers

many questions about "no frills" products.

The study reveals that generics can save consumers from 15 percent over store brands and 25 percent over national name brands. While savings can be substantial, the report notes, they vary considerably—from 8 to 42 percent—depending on the individual products and retailers. Thus, cautions the USDA report, shoppers should compare prices in their own stores to verify savings on particular items.

### Sources of Savings

According to the USDA, generic savings stem from three major sources: (1) using cheaper, less quality ingredients; (2) reduced advertising and promotion and (3) less expensive packaging materials and labeling.

Of the generic manufacturers and sellers interviewed, all agreed that the standard minimum specifications for generic food items was USDA Grade C with some Grade B used as filler. National brands and top line store brands, on the other hand, use primarily Grade A and some Grade B ingredients. A major source of generic savings is the wholesale price difference between Grade C products and Grades B and A. In June, 1978, for example, the base wholesale list prices for whole kernel corn per case of cases were: Grade A, \$5.50; Grade B, \$5.30 and Grade C, \$4.25. This represents a price difference between Grade A and C foods of up to 28 percent—a figure in line with the average savings between generics and top line store brands. Grade C foods are wholesale

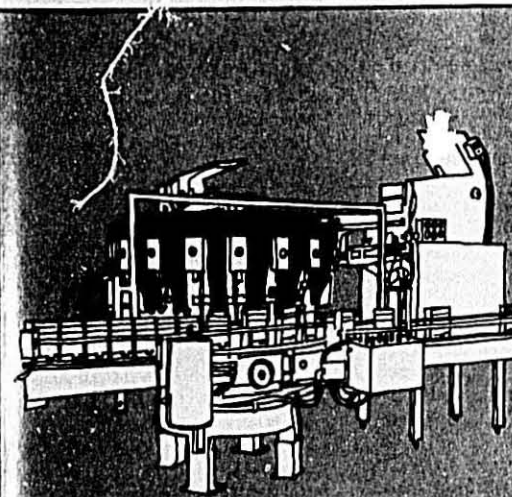
(Continued on page 38)

TABLE 1  
Savings Offered by Generic Labels Over Name Labels for 13 Food Items

Item	Size Oz.	Name Brand Cents	Generic Label Cents	Generic Savings <sup>1</sup> Percent
Corn, whole kernel	16	32	23	26
Sweet Peas	17	33	21	42
Cut Green Beans	16	34	22	39
Tomato Catsup	32	88	65	29
Tomato Sauce	8	20	16	20
Fruit Cocktail	17	45	39	8
Fruit Cocktail	34	85	65	12
Cling Peaches	29	59	45	20
Apple Sauce	16	34	31	10
Peanut Butter	18	105	75	28
Grapefruit Juice	46	53	49	8
Dry Roasted Peanuts	16	136	105	24
Macaroni and Cheese	7 1/2	26	20	22

<sup>1</sup> Percent savings calculated on a per ounce basis to compensate for slight differences in package size between generics and name labels.

Even the rich  
can be seen  
going in circles...



With a Wright Machinery Rotary NT Weigher, going in circles can be a very profitable idea.

Macaroni and noodle products are packaged in rigid containers at speeds from 120 to 220 weighings per minute, depending upon product and charge weight. And the Rotary NT Weigher allows the packager to maximize speed without a compromise in accuracy.

Wright offers two models of the Rotary NT Weigher: the 12-scale and the 18-scale NT Weighers. If greater speed is required, two 12-scale NT Weighers may be combined into a Dual Rotary NT Weigher that boasts a total of 24 weighing heads.

So don't hesitate if your application requires something different from the well-known Wright Form/Fill/Seal Systems or Wright Modular Weighers. Go in circles with a Wright Rotary. You'll be in fast, top company. Write or call Martin D. Cicchelli, Vice President—Sales, for technical literature and price/delivery information.



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## Generics

(Continued from page 36)

and of USDA grade or better, the report states, but they may vary from the uniformity of color, size and texture found in higher grades.

The USDA research also showed that while reduced or no advertising of generics contributes to consumer savings, these costs probably save less than does the practice of using less expensive food ingredients.

According to the retailers interviewed, using plain generic labels represents only a very small source of savings. This fact is corroborated by The Packaging Institute, USA (PI/USA), the nation's leading packaging professional society. According to PI/USA, label printing, whether in black and white or color, adds less than one cent to the packaged food cost.

### Some Problems

While generics can save the consumer money, the USDA report points out that some "no frills" problems have been noted. The practice of displaying all generics in one store area, for example, makes comparison shopping difficult. Some retailers are also getting complaints on uneven quality, although most consumers seem satisfied. Now offered only in one size, generics also inhibit consumer choice with regard to individual and family usage needs.

While it is still too early to measure the success of generic products, USDA notes that "no frills" goods could have a decided impact on the market shares given to store brands and national name brands.

PI/USA also points out that no-name brands could hamper new product development if the current trends continue to escalate. Generics are now drawing upon existing food processing and distribution technologies—all of which have been financed by name-brand food packagers. If name brand manufacturers are seriously impacted by generics, then development dollars will not be available and improved food products will be less frequently offered to Americans. Less than one percent of the consumer's dollar is now allocated to the development of food processing and packaging technologies.

The future role of generics will be dictated by the consumers who must make-up their own minds about the trade-off between price and quality

for each product. PI/USA points out that in making decisions, consumers should know that both branded and no-brand products are packed to protect and preserve contents and to comply with government labeling regulations.

### Reference

Handy, C., and Seigle, ... "Generic Labeling." *National Food Review*. U.S. Department of Agriculture. Washington, DC. September, 1978.

## Labatt Report

Consumer Products and Agri Products Groups of John Labatt Limited, which include major operations in flour milling, baking and pasta, "achieved excellent earnings gains" in the fiscal year ended April 30, according to the annual report. These increases were offset by "significantly unfavorable results" in the Canadian brewing operations and in Skol-Caracu in Brazil, with the result that net earnings for the full year were down, at 2.02% of gross sales, against 3.4% in the prior year.

### Catelli

In discussing Catelli results, the Labatt report says that sales volume was down slightly due to a soft retail grocery market and the effects of a strike at the Montreal plant from April 1 to May 29, 1979. It is noted that pasta and puddings achieved satisfactory sales gains, while in Five Roses flour and Habitant jarred goods "volume declined slightly in line with industry performance."

"In January," the report says, "the cost of Catelli's major raw material, flour, rose substantially. This necessitated price increases in pasta and packaged flour. However, little effect was observed in sales volume trends as both products continue to represent good value for the consumer food dollar."

## Skinner Expands

Construction is currently underway at Skinner Macaroni Co. on a 9,217 sq. ft. plant expansion that includes a new flour silo and packaging warehouse facility.

The \$363,000 project will provide Skinner expanded flour storage capacity of 330,000 pounds along with a packaging materials warehouse that will free up nearly 8,000 sq. ft. in the present plant for finished product storage.

The expansion is necessary to meet Skinner's current and projected growth.

The new flour silo will boost Skinner capacity to a full work-week of raw materials on site. This will be Skinner's fourth silo.

Construction is east of the 6848 "F" Street plant on land owned by Skinner since construction of the current plant, which was built in 1961.

## Frank Cassata Joins Broker

Mr. Frank J. Cassata has joined the H. C. Boerner Company, one of the nation's largest brokers, headquartered in Great Neck, N.Y., as Vice-President of Marketing.

Prior to joining the Boerner organization, Mr. Cassata was Vice-President of Sales for Buitoni Foods Corporation, a division of International Buitoni Perugina. Starting with Buitoni as District Sales Manager, he served in numerous Sales and Marketing management positions before assuming the Vice-Presidency in September 1974.

While Marketing Manager with Buitoni, Mr. Cassata was responsible for the successful development and establishment of the Buitoni line of Frozen Italian Specialties as the number one brand of frozen Italian foods, as well as the development and introduction of a variety of dry grocery products.

Mr. Cassata is currently First Vice-President and a member of the Board of Directors of the Eastern Frozen Foods Association, and a member of the Advisory Board of the National Frozen Food Association, as well as Chairman of the Board of Regents. He is also a member of the Board of Directors of the National Prepared Frozen Food Processors' Association, and a member of the Advisory Board of Fontbonne Hall Academy, a private educational institution.

Mr. Cassata holds a B.A. and an M.B.A. degree from Brooklyn College. He resides in New York City with his wife and two children.

## Directory Available

A copy of the NFBA Directory of Members is available at no charge to manufacturers who make their requests on their company's letterhead. To obtain one, write to the National Food Brokers Association, 1916 M Street, N.W., Washington, D.C. 20036.

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- 7—Bacteriological Tests for Salmonella, etc.
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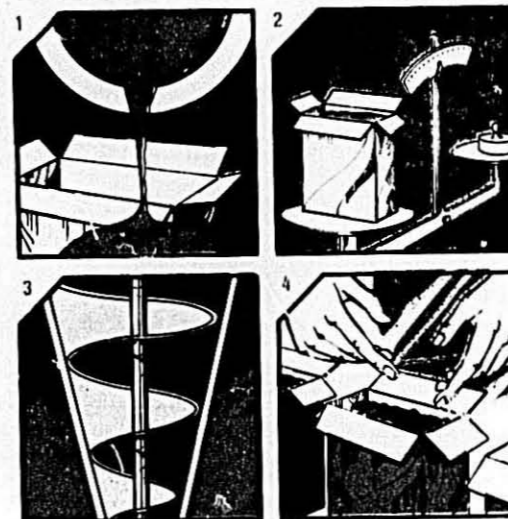
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### San Giorgio Sales Force Expands

Current expansion of the San Giorgio Macaroni, Inc. field sales force continues with the following personnel changes.

Peter Markellos has been promoted to sales supervisor of the Delaware Valley, Central Pennsylvania and Scranton/Wilkes-Barre districts for San Giorgio. Markellos joined the company in March 1983 as a sales representative. He resides at 29 Chiswick Dr., Lindenwood, NJ.

Three new sales representatives have joined San Giorgio's sales team. They are Valerie F. Phillips and Richard L. Kelley in the Metro New York district, and David S. Kennard, Baltimore/Washington district.

Phillips attended the Berkley Institute and holds a B.A. from Sweet Briar College. She was previously assistant manager of Carol Development Associates, Syracuse. Phillips lives at 53 South Drive, New Brunswick, NJ.

Kelly, previously a sales representative for Food Enterprises, Clifton, NJ, attended South Florida College. His address is 2005 Manor Drive, Wall, NJ.

Kennard was with A & P Food Stores for 10 years prior to joining San Giorgio, and he attended Catonsville Community College. His current address is 8411 Banbury Rd., Baltimore.

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

### Marketing Research At Skinners

Mary Noller has been promoted to Manager/Marketing Research of Skinner Macaroni Company.

Miss Noller has worked in the Skinner Marketing Department two years, specializing in the research function. This summer she completed her Masters Degree in Business Administration at Creighton University in Omaha.

A native of Topeka, Kans., Miss Noller also holds a Bachelor of Business Administration degree from Creighton.

In her new position she will be responsible for managing, analyzing and disseminating various market research information used by Skinner, in addition to other research-related projects.



Mary Noller

She is also responsible for implementing many areas of Skinner's trade allowance program.

Prior to coming to Skinner, Miss Noller worked with the Fleming Company's Topeka Division, one of the nation's largest wholesale grocery companies.

Skinner Macaroni is a subsidiary of the Hershey Foods Corporation, marketing pasta products in 32 states.

### Jeno's, Inc., Names Masko President

Appointment of George Masko, a 27-year marketing veteran of The Pillsbury Company with top management experience, as President and Chief Operating Officer of Jeno's, Inc., world's leading packer of pizza products, was announced by Michael J.



George Masko

Paulucci, Chairman and Chief Executive Officer of Jeno's, Inc.

Masko succeeds Carl Hill, who has been serving as Acting President of Jeno's, Inc., in addition to his responsibilities as Vice Chairman of the Board. Hill, who continues as Vice Chairman of the Board of Jeno's, Inc., also was named President and Chief Operating Officer of Paulucci Enterprises, the organization which manages Paulucci family interests and investments. Michael Paulucci is Vice Chairman of Paulucci Enterprises; Jeno F. Paulucci, founder of Jeno's, Inc., is Chairman of Paulucci Enterprises.

Masko, who joined The Pillsbury Company in Minneapolis in 1951, most recently served as Group Vice President, with responsibilities for cake decorating products, pizza products, and microwave foods. He directed the integration of the American Beauty macaroni company when it was acquired by Pillsbury in 1977.

### Gooch Campaign

The biggest campaign ever for Martha Gooch brand pasta products was launched in September. With all-new creative, the advertising will reach consumers every key month in the heavy pasta-buying season throughout the Gooch marketing area.

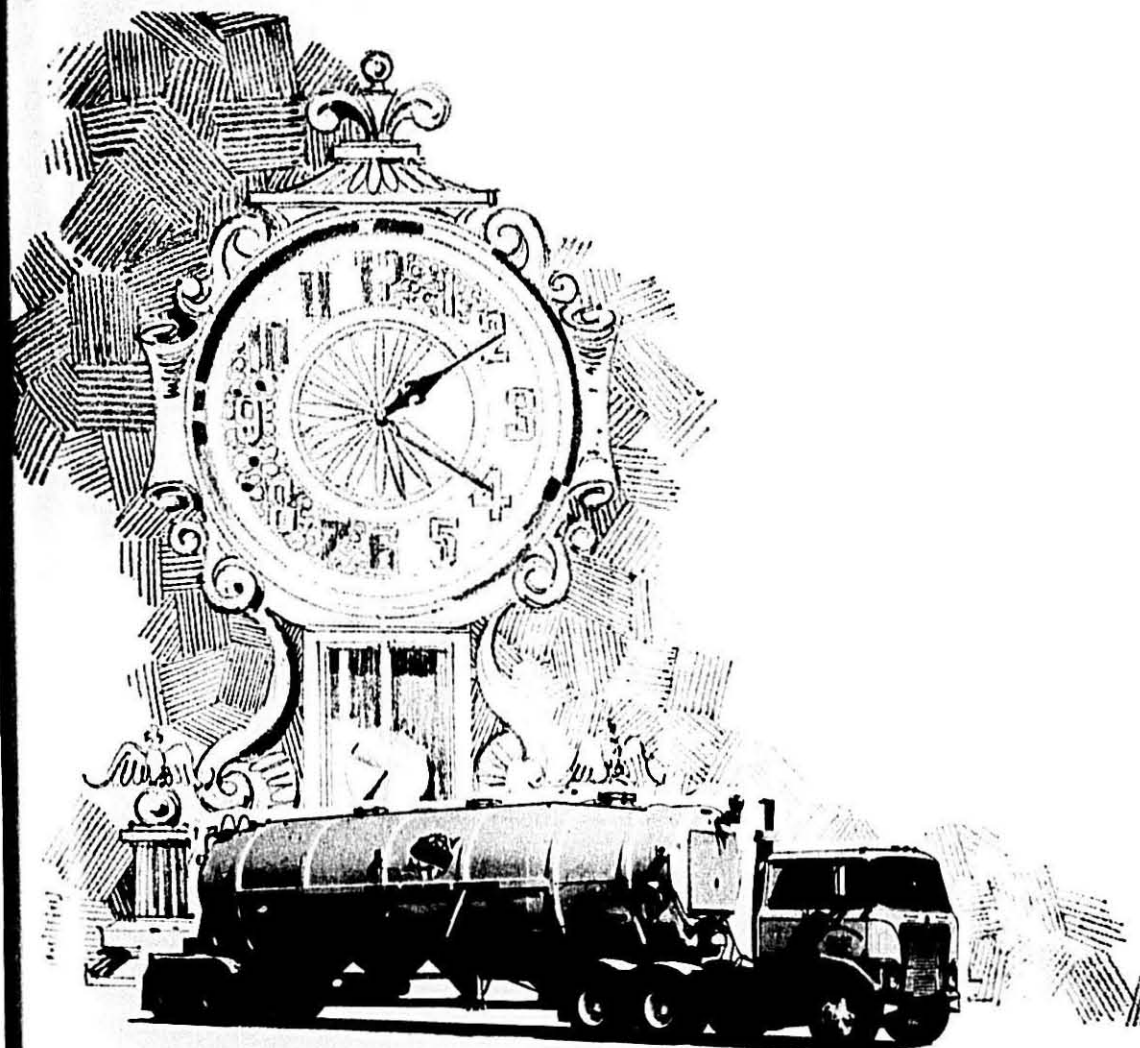
"Put a smile on a pasta-lovin' face" in the new ad theme. The heavy promotion will be backed by full-page, four-color ads in various midwestern regional editions of Family Circle and Better Homes & Gardens.

A four-color, free-standing insert coupon will be used in selected markets to introduce the new campaign. All key cities will also receive First Food Day cents-off coupons during the September-through-May period.

A new jingle that invited customers to put a smile on every face with a fun-to-eat meal of Martha Gooch pasta will be featured in 30-second television commercials.

The campaign will be carried out in the stores with a free recipe offer for shoppers. Other items available to retailers for tie-ins include full-color store banners, package stickers and "put-a-smile" campaign newspaper ad materials.

Barrett-Yehle in Kansas City is the ad agency.



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### Solar Energy for Macaroni Drying

Recent studies by Demaco engineers show that the time for solar energy in macaroni processing has definitely arrived.

Solar energy applications in other areas have proceeded rapidly. The technology that would be used has become established. Solar energy as an energy source for the heating and cooling of buildings and also for processing use is in everyday application.

Macaroni processing is an ideal application of solar energy. It has a steady energy demand on a daily, weekly, and yearly basis. The temperatures used in the process are fairly low and allow for efficient operation of the solar collectors.

We have completed a feasibility study utilizing solar energy in a typical plant situation. The plant capacity is projected at 3,000 lbs./hr. of long goods and 3,500 lbs./hr. of short cut. The location selected was the state of Kansas, this being a typical average situation. A 15% internal rate of return was established, the project providing a 29% return per year before taxes. The payback of the original investment, which is \$880,000.00 occurs in five years.

The expenditures required to establish a solar energy system represent a conservative long term investment typical of utility type situations. There is little or no risk so long as a use for the energy is maintained. The hardware is easily maintainable and has a life expectancy of a minimum of twenty years. In addition to the above, the following data was used in this study:

1. Operation would be on a 24 hour/day, 5 day/week basis.
2. 90/75° input air April through September, and 70/58°F input air October through March were considered appropriate averages.
3. 19,586 ft.<sup>2</sup> net collector area would be needed.
4. Vacuum tube, concentrating type collectors were selected.
5. 25,000 gallons of water would be used for thermal energy storage.
6. Solar participation in the heat energy requirements would be 50%.
7. Conventional energy participation of 50% would be by oil-fired boiler.

8. Oil-fired cost was based on 65% conversion efficiency, and a current oil price of 70¢/gallon with cost escalations of 20% per year for three years and 10% per year for the next seventeen years.

9. 52,000 gallons of oil per year would be saved based on the proposed 260 day per year usage.

Additional assumptions are as follows:

1. The collector panels will be replaced in 20 years with new ones with 25% additional capacity providing a total life of 40 years for the energy system.
2. 10% investment tax credit, 15% solar energy credit, and 15 year accelerated depreciation are applicable.

Additional financial data with sensitivity analysis is as follows:

1. The 15% internal rate if five year payback would increase or decrease by the following sensitivities. Since figures below represent changes, two or more can

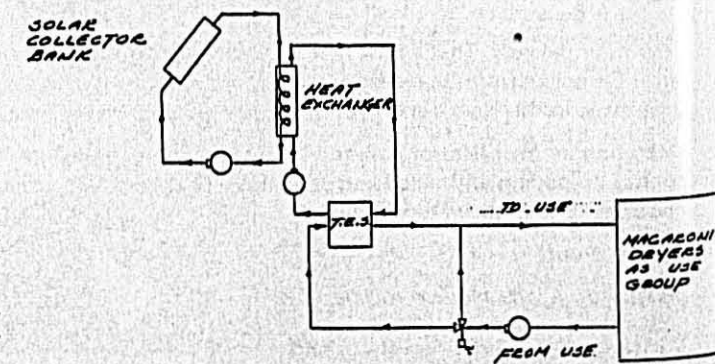
Above figures increase if:

- a. Fossil fuel prices increase by 20% per year for 20 years and 10% thereafter (versus 20%, 10% and 5% used in study)
- b. For every \$50,000 reduction in capital cost of fossil heating system due to solar unit.
- c. For every \$50,000 reduction in annual maintenance on fossil unit due to solar unit.

Above figures decrease if:

- a. Project life is 21 years instead of 40 years.
- b. \$50,000 capital addition is needed for internal process changes.

A simplified schematic of the system is as follows:



be added or subtracted to approximate the results.

From the above you can see why we believe that solar energy is a current and viable investment applicable to the macaroni industry. The engineering principles have become established and the execution can be performed by knowledgeable engineering personnel. Demaco has, in addition to its highly respected in-house engineering personnel, Mr. Charles Becht, P.E. and his staff as consultants. Mr. Becht's group has completed a very successful and landmark solar energy project which has been heating and cooling an 18,000 ft.<sup>2</sup> building since October of 1976. They now have in process a similar application of twice the size. Mr. Becht also has extensive experience in process engineering including macaroni engineering systems. The financial analysis done in this article was done by Mr. Ray Gila of The Becht Group. Mr. Gila has performed these analyses for two seminars held by the New Jersey State Department of Energy.

Demaco invites inquiries for both new and retrofit installations.

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### New Heat Retriever Is Energy and Cost Saver

As fuel prices soar and supplies diminish, factory and warehouse managements are increasingly being squeezed between the need to keep employees as warm and as productive as possible in cold weather and the need to control runaway fuel bills and consumption. Heating these large buildings is so difficult and expensive largely due to the simple fact that air rises as it's heated. This creates a heat stratified situation. Under typical stratified conditions, plant temperature can change by as much as 30 degrees between the floor and ceiling. The heat concentrated at the ceiling is valueless and a great waste of energy and money.

Until now, the best device for getting that heat off the ceiling and down to where it's needed has been the ceiling fan, which has many inherent drawbacks. Large, conventional fans are limited because they are designed to try to keep warm air from rising—an impossibility. As distance from the

fan increases, the amount of warm air that can be pushed downward decreases. Near the floor, where the workers are, the warming effect is quite limited. At best, workers end up too warm near their heads and too cold near their feet. The drafts such fans create only add to the general discomfort.

#### Better Solution

Weil's new Heat Retriever is a much better solution to heat stratification. Designed to work because heat must rise, rather than against it, the Heat Retriever is far more efficient and effective than simple ceiling fans. It quietly draws a small but continuous supply of warm air down from the ceiling to the floor. As it mixes with the colder floor air a gentle warm rising current is created, a "thermal." Through such thermal generation, floor temperatures can be raised 7 to 15 degrees without the creation of annoying drafts and cold spots. Not only is the temperature increase greatest where it's most needed, but it can be achieved with significantly less fuel consumption. Depending on the severity of the stratification problem and the climate, heating costs can be cut 10 to 24%, or more. Because the principle it works on acts to redistribute heat more evenly, the Heat Retriever can also cut cold storage fuel costs and eliminate potentially damaging drafts.

#### Operates Continuously

The Heat Retriever operates continuously, seven days a week, which has several advantages, especially given its low operating cost. This way the Retriever can save and recirculate as much primary and secondary heat as is possible and maximize savings. This includes the heat generated by the operation of lights and machinery and the solar heat created as the Sun warms the walls and ceiling of the plant. At night, the heat from the building and machinery that would normally escape as they cool, is captured and recirculated rather than just lost into the atmosphere. Morning start-up temperatures can be increased 3 to 6 degrees for far less than the heat would cost in new BTU's.

Each Retriever can service a 2,000 sq. ft. area, regardless of ceiling height. They cost less to buy and operate than fans, even running constantly, and installation is much easier. The dome-shaped fan housing just hangs from the ceiling and the seven

foot cord plugs into any 110/120 v. A.C. outlet. No special wiring is required. Attached to the unit is six inch diameter trimmable flexible vinyl duct, available in 20, 40 and 60 ft. standard lengths which reaches to the floor. Each unit costs only about as much to operate as a 40 watt light bulb.

The Heat Retriever unifies and solves conflicting economic, physiological and psychological needs. Even a 10 degree temperature increase can have a profound impact on employee productivity and work attitudes; they're also less likely to be absent if they know they won't be cold all day. That this change can be achieved for fewer heating dollars than now spent makes the Weil Heat Retriever one of the most logical investments you can make.

Request further details from Weil Service Products Corporation, 2434 West Fletcher Street, Chicago, Illinois 60618.

#### Technical Study Tour

The National Macaroni Manufacturers Association is planning on taking a group of macaroni plant technicians to the IPACK-IMA Show in Milan, a tour of plants in northern Italy arranged by Braibanti Corporation, in Imperia, Parma and Bologna and concluding a two week trip with a Macaroni School in Zurich conducted by personnel of Buhler-Mig, Inc. Topics to be covered in the school would include:

- Hygiene—requirements of today's plants and equipment.
- Sanitation and prevention of bacteria contamination.
- Bacteria control in the drying process.
- Pasta and dough quality.
- Extruding—design and purpose of all components.
- Dryers: design and purpose of short and long goods dryers.
- Basics of drying theory.
- Quality control.
- Preventive maintenance.

Plant visit to Buhler works at Uzvil and R. Ernst macaroni plant at Kradolf.

Contact the NMMA office for details and brochure.

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THE MACARONI JOURNAL

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### PROMOTION

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### MARKETING

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### MERCHANDISING

— We can point the way towards new profitable products and lay out merchandising methods.

We have experience in these areas.

Charles C. Rossotti, President

George Leroy, Vice President and Marketing Director

Jack E. Rossotti, Vice President

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