

**THE
MACARONI
JOURNAL**

**Volume 63
No. 9**

January, 1982

Macaroni Journal

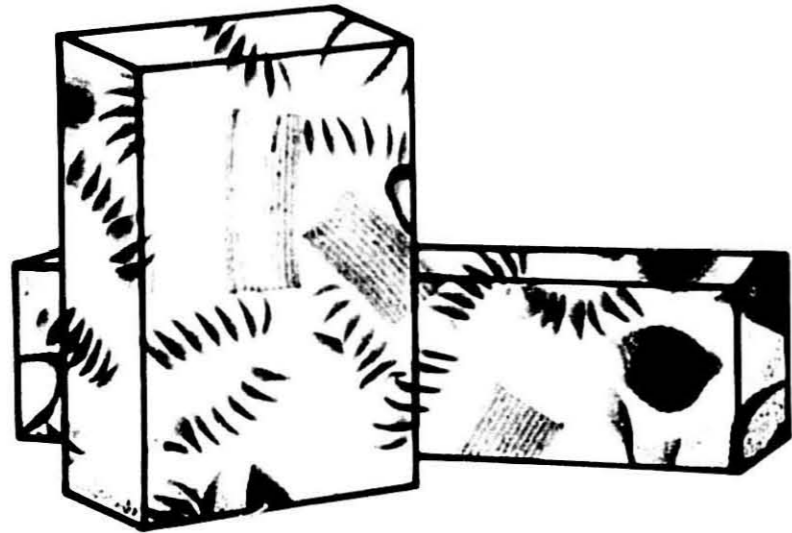
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JANUARY, 1982



Bob Mathias shows the Kids how.

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package...



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The

Macaroni Journal

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Consumer Concerns

Consumer concerns are a major factor in the success or failure of a product. The National Macaroni Manufacturers Association has a number of programs in place to address these concerns. These programs include a consumer education program, a quality control program, and a complaint handling program. The association also has a number of resources available to help manufacturers address these concerns. These resources include a list of consumer organizations, a list of consumer complaints, and a list of consumer complaints that have been resolved.

Pastaville USA

M I N O T, N. D.

The International Durum Forum, held in Minot, North Dakota, November 11-15, was blessed with mild weather and good attendance.

The meeting at Ramada Inn opened with a presentation from the National Pasta Association, President Lester R. Thurston, Jr. asked: "Do you believe in Santa Claus?"

"Do you believe in the Tooth Fairy?"

"Do you believe you can lose weight on a diet that lets you eat all the pasta you want?"

"Neither does she!"

"She" is the typical American consumer, and she appears in advertising for a new magazine to be released soon called "Spring."

This misconception of pasta as fattening is the biggest deterrent to increased volume facing the pasta industry, and the National Pasta Association is determined to correct this misconception, Mr. Thurston declared.

He pointed out that the Idaho Potato Commission is spending \$2 million on promotion this year; the National Potato Board another \$1½ million. Pasta manufacturers will double their product promotion through the National Pasta Association in the coming year by increasing dues as of



Lester R. Thurston, Jr.

September 1 from 2¢ to 5¢ per cwt. Mr. Thurston called upon durum millers and durum growers to increase their support of promotion for the domestic market.

Councils Report

Chairmen of the newly established councils of the National Pasta Association reviewed issues and objectives facing the industry.

Anthony H. Gioia, Chairman of the Government Affairs Council, observed that U.S. agriculture is the marvel of the world, but many of their problems are the same as those of all small businesses and are directly impacted

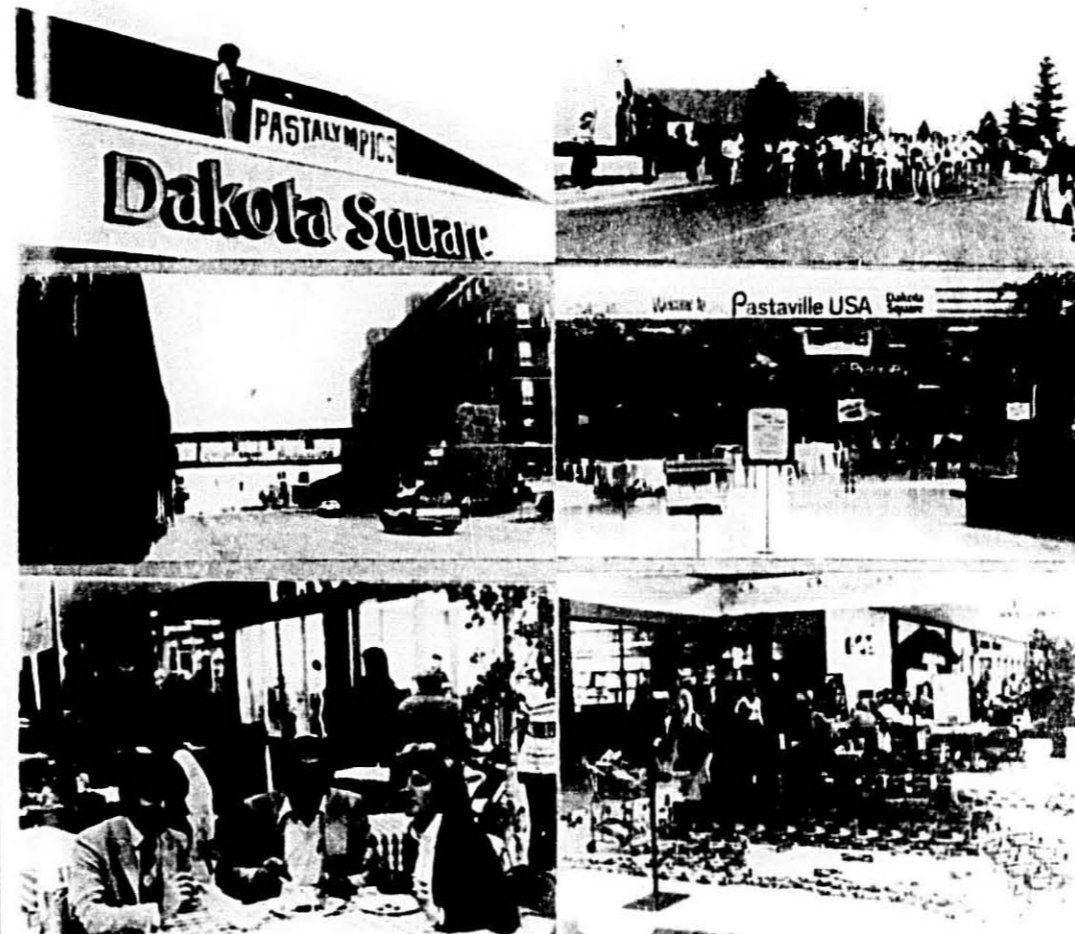
by the government. He introduced Counselor Gary J. Kushner who described the monitoring efforts of the Association in general and specific areas such as labeling, moisture loss study, and a recent petition to the U. S. Trade Representative protesting the subsidization of Italian pasta products into this country.

"The ultimate objective of these activities is to increase per capita consumption of pasta so all segments of the industry from farm to table will benefit," Mr. Kushner said.

Joseph P. Viviano, Chairman of the Technical Affairs Council, stated that the pasta industry uses 50-60 million bushels of durum annually. This represents 50¢ worth of merchandise in a \$100 cart of groceries. Good quality in raw material and finished product is essential to compete in the market place.

He observed that we are going into difficult times that call for discipline and professional management. The business climate in the world will be much more competitive, and if we don't know what we want to accomplish, we won't accomplish it. Cooperation and communication are needed between segments of the industry.

The Japanese are masters of planning, he observed — better man-



Upper left: Lighting the torch

Center left: Welcome to Pastaville, USA

Lower left: Dennis Hill, Minot Chamber of Commerce; Tony Braunagel, U.S. Durum Growers Association; Dar Tufto, North Dakota Wheat Commission, sample pasta dishes

Upper right: Start of the Rigatini Run

Center right: Welcome to Pastaville in Dakota Square

Lower right: Packaged pasta products on display at Town and Country Center



Anthony H. Gioia



Joseph P. Viviano



C. Joan Reynolds



Paul A. Vermylen

that we are — so there is no room for inefficiency if we are to realize the greater future ahead of us.

He named the chairmen of his committees as follows: Mickey Skinner, San Giorgio/Skinner, Standards Committee; B. K. Matlick, Agribusiness, Hershey Foods Corporation, Product & Process Committee; Darla Tufto, North Dakota State Wheat Commission, Committee on Nutrition.

L. John Westerberg, Chairman of the Industry Advisory Council has been with the Creamette Company

for 30 years. He noted we are competing in the grocery store with 10,000 items with plenty of competition from potatoes, rice, and beans. He, too, emphasized that communication between various segments of the industry is essential. "To grow we must do better and put our money together," he said.

He introduced C. Joan Reynolds, Executive Director of the Wheat Industry Council. She stated that the Wheat Industry Council could be called the Wheat Foods People — that

it represented many industries working together, sponsored by manufacturers. Assessments of 1¢ per cwt. quarterly will provide a budget by the end of the year for delivering a promotional plan for wheat food products.

Paul A. Vermylen, Chairman of the Consumer Affairs Council, said nothing happens until something is sold. The Product Promotion Committee is now made up of professional marketing people in the pasta industry who

(Continued on page 8)

production **25** tons per day

length **55** feet

High temperature **185°** Fahrenheit

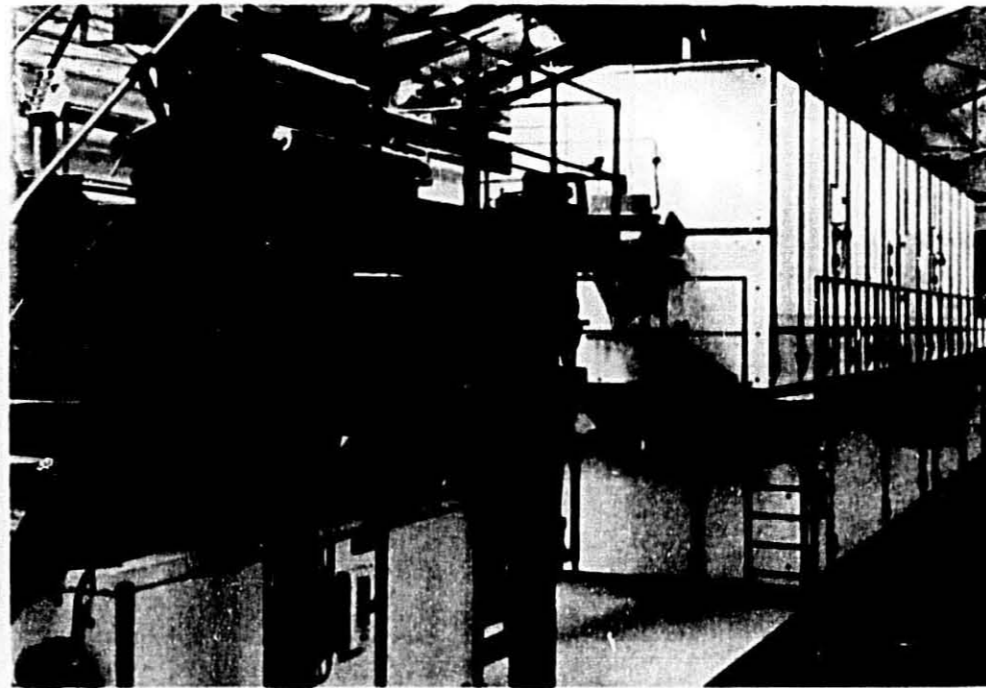
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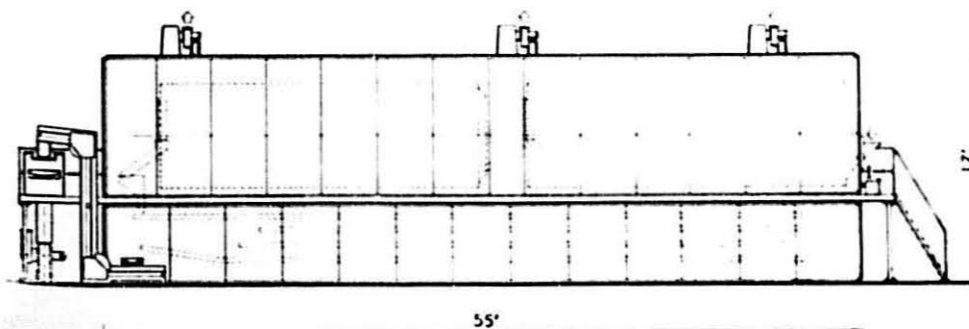
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LUSTUCRU Macaroni Co. - Grenoble, France

BRAIBANTI has in operation a new high temperature drying line for a wide variety of short pasta shapes:

- Cobra 1000 press with two 16" diameter die holders
- Shaker type TM/1000 AT
- 2 Metal rotary dryers model Romet 24/8
- 1 Finish dryer type Teless ATR/17/4
- 1 Cooling shaker





Judging Durum samples.



Tony Braunvogel (left) presents award to Joe Halow.



Bob Green (right) presents fellowship checks to Dr. Joel Dick and Dr. Roy Cottrell of North Dakota State University.

Durum Forum

(Continued from page 5)

are directly charged to come up with a promotional plan to increase consumption. While the many appeals of versatility, convenience, nutrition and variety are being utilized, the focus of the approach will be on the calorie question. He noted that the National Potato Board has successfully changed the image of potatoes as a fattening food in an eight-year period. He concluded: "We must be a working, efficient family."

He introduced Elinor Ehnman of Burson-Marsteller who reported on publicity placements, past, present, and future. She declared the pasta industry is focusing its marketing on women aged 18-49 in low and middle income brackets and that initial emphasis will be on the non-fattening qualities of pasta - "lean cuisine".

President Thurston summarized the session by calling for concerted cooperation from producers, processors, and end-product manufacturers.

Export Session

Increased demand, lower prices and reduced crop production in some Mediterranean area countries have caused U.S. export markets for wheat to open up this year, according to Frank Piason, a U.S. Foreign Agriculture Service marketing specialist at the Fifth International Durum Forum in Minot. He told an audience of a few hundred durum producers and pasta manufacturers that American durum exports are expected to rebound to 2.2 million tons or higher in 1981-82. Mr. Piason said 1980-81 durum exports were 1.6 million tons, down from a record 2.3 million tons the year before.

"The U.S. and Canada, which together account each year for nearly

all of the world's durum exports, have ample supplies to satisfy a 3.5 million-ton Mediterranean (area) import requirement," he said.

Durum exports to Algeria, Italy, Tunisia and Morocco this year and next are expected to increase to nearly 3 million tons, according to Piason.

He said large durum supplies this year have caused prices to fall despite increased export demand. Piason expected strong sales to force prices up from present low levels.

"Expected export tonnage will not be sufficient to keep stocks from soaring," Piason said. "But the outlook is not as pessimistic as it would be without the Mediterranean increase."

Arizona Surrender

Joe Watson, general manager of Arizona Grain Inc., came to the speaker's microphone and waved a white handkerchief. "I surrender," he said.

His gesture was symbolic of North Dakota's large durum production this year.

Watson, of Casa Grande, Ariz., said durum production in that state amounted to 20 million bushels this year. North Dakota's production is listed at 129 million bushels this year. He said Arizona cannot afford to grow more wheat because of current low prices and decreasing water supplies. Next year, cotton would be grown in place of wheat, lowering state wheat production totals to 13 million bushels.

With 13 percent of Arizona land deeded (the rest owned by the federal and state governments, and Indian reservations), Watson said only 2 percent of that is tillable.

"There's just not enough water and enough land," he said, "so Arizona is

no threat to North Dakota durum growers."

Halow Honored

The U.S. grain farmer should have an administration in Washington "dedicated to exporting," not one bent on controlling markets, Joseph Halow, executive director of the North American Grain Export in Washington, D.C., told a Durum Forum banquet gathering.

"When the farmer has an administration which is dedicated to exporting, then through exports should come agricultural prosperity," he said.

Before his banquet speech, Halow was presented with the Annual Durum Forum Achievement Award.

Halow said that government will never provide the farmer the type of support prices "he needs to exist in this world." He added that grain farmers' financial prosperity can be realized through exports, provided farmers press government to "free (the) exports."

When there are problems with low commodity-market prices, Halow told his audience, "the farmer's first thoughts are of approaching government with a request for additional price supports."

"If government is more involved in supporting agriculture, it then assumes a greater role over agricultural production or marketing, or both."

Halow then noted possible legislation in Congress calling for complete government control of export marketing.

Turning to wheat markets, Halow said that the grain's consumption is increasing. "There has been a slight increase in per capita consumption of U.S. wheat flour products, and our wheat exports are almost burgeoning."

(Continued on page 10)

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Les Thurston congratulates Roland Redini and Joyce Pfau of First Western Bank for their prize-winning display.

Export Session

(Continued on page 8)

Halow projected wheat exports this year to range near 1.9 million bushels.

The grain export executive also predicted that wheat prices "should be stabilizing and rising" in the near future because "demand is apparently quite strong."

The demand for wheat, said Halow, suggest a trend away from meat products, especially beef.

"In the U.S. there are figures which indicate per capita consumption of beef is about 30 pounds lower," he said. "This is a drastic reduction. . . . Part of the consumption change is undoubtedly due to the price of beef, as compared to other meat forms."

Halow indicated that it takes eight pounds of grain for each pound of beef, but only two pounds of grain for a pound of poultry.

All this also suggests, he said, that the U.S. consumer may be heading toward a diet of other forms of protein, such as wheat.

Show Winners

Winners in the youth division were Byron Aho of Mohall and James Aho of Stanley. Winners in the commercial division were Lowell Larson of Fortuna and Carter Rennerfeldt of Williston.

Winner of the NPA's Sweepstakes Award for the best crop sample in the show was James Aho of Stanley.

FFA winners were Marty Anderson, James McCormack and Craig Cerkowniak, all of Des Lacs. Winners of 4-H competition were Jason Leiseth, Marty Pederson and Gena Gunderson, all of McKenzie County.

Pastaville II

While banners at the airport and major highways entering Minot, North Dakota, had signs of welcome to Pastaville, U.S.A. during the entire week of the International Durum Forum, the events descended on Friday and Saturday, November 13-14.

Bob Mathias, Olympic Decathlon champion and head of the Olympic Training Center at Colorado Springs, Colorado, flew into town on Friday. On Saturday, the major events were the Pasta Olympics at Dakota Square shopping mall which was a series of



Pasta, Food for Athletes, made out of macaroni products, presented by Town and Country Credit Union. Mary Jane Sautner (left), Les Thurston (right).

athletic competitions for youngsters from 3rd-8th grades.

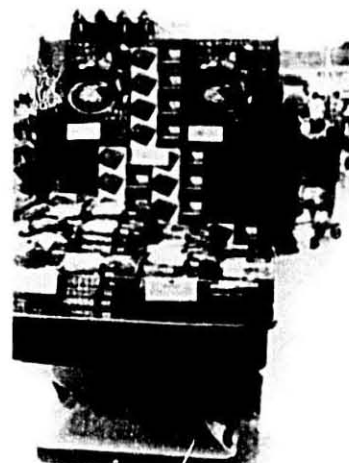
Some of the events:

- Spaghetti Sprint - 100 yard dash
- Pasta Basket Shoot - a speed-shooting basketball contest
- Pastapedal - speed contest on a stationary bicycle
- Lasagne Leap - broad jump competition over a heap of mock lasagne
- Tortellini Toss - ring toss at stationary pegs
- Pastacle Course - run through pasta-shaped obstacles

(Continued on page 13)



Display of Creamette Company Products



Display of American Beauty Pasta.

The future of the pasta industry.

Our New Hi-Temp One Short Goods Dryer It Saves Time, Space and Energy.

The DeMaco Hi-Temp One dries any type of short goods in 4½ hours or less at 170°F. And since it doesn't attain drying temperature electrically, the energy savings are considerable when compared to microwave. Just two-thirds the size of its predecessor, Hi-Temp One saves valuable space.

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DEMACO

A vital link in the food chain



Upper left: Bob Mathias welcomes contestants to Pastalympics.
Lower left: Sign-up for the Lasagna Leap.

Upper right: Bob arm wrestles Les Darin Egge while his sister Lauri, Les Thurston and Father Dennis look on.
Lower right: Tortellini Toss.

Pastaville II

(Continued from page 10)

Noodle Jump — high jump from an upright position.

Torch Lighting

Also at the Dakota Square was the lighting of the Pastalympics torch to start the events and the running of the second annual Rigatoni Run — a 5 kilometer and 10 kilometer race for senior runners that attracted 104 contestants.

While these athletic events were going on, Pasta World was being held at the Town & Country shopping center. Some 16 food boutiques presented different pasta specialties in a string of Pastaville sidewalk cafes with red and white checked tablecloths, strolling singers, and appearances by Bob Mathias and Pasta Hockey Cup contenders: the U.S. Air Force Academy Jr. Varsity Falcons and the Minot collegiates.

Hockey

The cup was presented to the Air Force winning team by Bob Mathias

after they whipped the Collegiates 8-3. Mayor Chet Reiten and NPA President Lester B. Thurston, Jr. were present at the presentation.

A spectacular Spaghetti Supper with musical entertainment where some 3,000 meals were served was held at the Pastarena on Friday evening while a Spaghetti Slurping Contest was held between fraternity and sorority members to see who could slurp the most spaghetti in a two-minute time period.

Citywide Participation

Throughout the week of November 9 the city was decorated with banners and signs. Display competition was open to banks, grocery stores, and non-food retailers. First Western Bank, Barlow's Grocery Store, and J. C. Penney were the winners in their respective divisions.

North Dakota Incorporation

Secretary of State Ben Meier has issued articles of incorporation to North Dakota Pasta Association Inc.

Cando, to do a general foreign and domestic exporting and importing business. Directors are J. Pederson, K. Aardahl, G. G. Thomas. One hundred shares at \$300 per value have been authorized.

Spaghetti Sauce

Aunt Nellie's Foods, Clyman, Wis., has introduced Antoine's brand Italian-style spaghetti sauce. The sauce, available in a 32-oz. family-size glass jar, is expected to retail in the \$1.19-\$1.29 range.

Ragu Homestyle

Chesebrough-Ponds, Greenwich, Conn., is introducing Ragu Homestyle spaghetti sauce in plain, mushroom and meat flavors. Advertising support includes network and spot TV ads during prime and daytime hours. In addition, six separate coupon offers, totaling 215 million coupons, will run between December and April. Extensive trade allowances will also be offered.



Rigato Run Senior Division winner Paul A. Vermylen receives award.

George Constantino wins the 10,000 meter run.

Happy Joe Piazza Parlor feeds all runners rigatoni after the race.

NORTH DAKOTA PRODUCTION OF DURUM WHEAT

Year	Acres Harvested (1,000)	Total Production (1,000 Bu.)	Yield Per Acre (Bu.)
1941-50 (Ave.)	2,245	33,400	14.9
1951-60 (Ave.)	1,348	18,511	13.7
1961	1,344	16,800	12.5
1962	1,855	57,500	31.0
1963	1,651	43,752	26.5
1964	2,064	58,824	28.5
1965	1,981	61,411	31.0
1966	2,060	54,590	26.5
1967	2,287	54,888	24.0
1968	2,989	83,692	28.5
1969	2,880	93,600	32.5
1970	1,843	46,075	25.0
1971	2,525	82,063	32.5
1972	2,298	65,493	28.5
1973	2,530	69,575	27.5
1974	3,540	77,000	20.0
1975	3,960	103,540	26.5
1976	3,640	90,500	25.0
1977	2,470	60,515	26.4
1978	3,240	102,060	31.5
1979	3,250	84,500	26.0
1980	3,850	73,150	19.0
1981	4,450	129,050	29.0
Ten Year Average	3,323	85,053	25.9

PLANTED ACRES OF DURUM

Year	N.D. — 000 Acres	Other States	U.S. Total	% in N.D.
1970	1,812	355	2,167	84%
1971	2,592	351	2,943	88%
1972	2,333	259	2,592	90%
1973	2,680	362	3,042	88%
1974	3,190	647	3,837	85%
1975	3,910	689	4,599	85%
1976	3,710	1,030	4,740	78%
1977	2,600	583	3,183	82%
1978	3,300	810	4,110	80%
1979	3,330	652	3,982	84%
1980	4,500	1,055	5,555	81%
1981	4,800	1,355	6,155	78%

DURUM USAGE

Year (July-June)	Semolina & Durum Flour (1000 cwt.)	Durum Wheat Ground (1000 bu.)
1970-71	14,650	31,697
1971-72	15,475	33,066
1972-73	15,669	35,736
1973-74	15,234	35,546
1974-75	13,359	32,172
1975-76	14,749	34,257
1976-77	16,025	36,613
1977-78	15,349	35,126
1978-79	16,363	37,729
1979-80	16,292	37,008
1980-81	15,532	38,985
1981-82	14,721	33,482

Pasta Week TV Script

Burson-Marsteller sent out "Eat Light with Pasta" television kit, requested by 90 stations. Contents of kit-on-air prop... trivet with wheat motif, script, recipe leaflet, four slides series, packages of elbow macaroni, spaghetti and egg noodles. Script read as follows:

October 1-10 is National Pasta Week... a perfect time to talk about this popular food. Our theme is "Eat Light with Pasta," and the suggestions we have are designed for today's people who want to eat nutritious meals and have adopted the "light" eating pattern. Here's a perfect example. Look at this platter of spaghetti served with a medley of vegetables... green beans, yellow squash, zucchini and tomatoes. These nourishing vegetables plus the wholesomeness of pasta does indeed show how easy and delicious it is to "eat light with pasta."

Chowders have a special appeal as we begin to enjoy brisk autumn days. This beautiful mix goes together in about twenty minutes. Fine egg nood-

les team with carrots, beans and zucchini plus milk, chicken broth and parmesan cheese. Savor for lunch or supper. This is great, too, for away-from-home meals. Carry in a vacuum container.

Chicken continues to be one of our best buys. Try chicken cutlets atop egg noodles with chopped tomatoes, mushrooms and scallions seasoned with basil and pepper. This appealing, colorful entree is an excellent choice when entertaining... good-to-eat, good-for-you and easy on the budget.

Let's take a look at some of these popular pastas. They are made from durum and/or other high quality hard wheat, and are an excellent source of complex carbohydrates... those

S. DURUM DISAPPEARANCE DOMESTIC & EXPORT (in million bushels)

Year	Production	Consump. Dom.	Exp.	Carry-over
1950-51	20	23	1	18
1951-52	34	26	6	20
1952-53	21	20	16	5
1953-54	70	25	4	46
1954-55	51	27	29	41
1955-56	67	31	9	68
1956-57	70	50	34	54
1957-58	63	41	47	29
1958-59	63	41	31	24
1959-60	100	37	46	41
1960-61	106	35	34	78
1961-62	50	35	39	58
1962-63	92	37	44	69
1963-64	73	40	65	37
1964-65	79	47	42	33
1965-66	81	41	47	26
1966-67	123	45	52	53
1967-68	134	57	41	92
1968-69	80	47	62	67
1969-70	133	44	72	86
1970-71	106	49	83	61
1971-72	108	50	59	61
1972-73	182	56	80	107

recommended in U.S. dietary guidelines as those which should be increased in our diet. In addition to its carbohydrate value, enriched pasta offers us protein, iron, niacin, thiamine and riboflavin. It is a low-fat, low-sodium, easily digested food. And remember, pasta doesn't load meals with calories — there are only 210-220 calories in an average entree serving.

Here is another of our "eat light with pasta" series. Macaroni is blended with shredded carrots, celery and parsley, then topped with cheese-filled chicken or turkey franks.

We are really ready to celebrate National Pasta Week! All of the suggestions we've talked about and more are available when you write for this special leaflet. All of the recipes are calorie counted.

Governor Breaks Ground For New Peavey Flour Mill

More than 100 Phoenix business and civic leaders were on hand as Arizona Governor Bruce Babbitt, Tolleson Mayor Mario Herrera and Peavey Company Chairman and Chief Executive Officer William G. Stocks turned the first shovels of earth to launch construction of a multimillion dollar Peavey Company flour mill in the Phoenix suburb of Tolleson.

DURUM STOCKS IN NORTH DAKOTA

Year Beginning	On Farm Oct. 1	Off Farm Oct. 1	Total Oct. 1	Jan. 1	April 1	June 1
1975-76	74,507	14,251	88,758	55,618	45,124	33,581
1976-77	95,930	22,124	118,054	83,260	68,780	61,540
1977-78	89,562	16,280	105,842	70,197	51,438	40,545
1978-79	100,019	15,141	115,160	83,689	71,442	60,215
1979-80	103,090	16,725	119,815	74,360	54,925	38,025
1980-81	71,687	15,973	87,660	59,983	49,742	37,307
1981-82	120,017	19,000	139,017			

The new five-story mill, to be built in the 400 block of South 99th Avenue in Tolleson, will have the capacity to produce 8,000 hundredweights (800,000 pounds) daily of bakery flour and semolina and durum flour. Bakery flour, milled from hard winter wheat, is used by bakers to produce breads, sweet goods, tortillas and hundreds of other food products. Semolina and durum flour, milled from durum wheat, are both basic ingredients of spaghetti, noodles, lasagna and other pasta-based foods.

The new milling complex will include separate milling units for bakery flour and semolina, a 500,000 bushel wheat storage elevator, office, quality control laboratory, and a warehouse. Target date for completion of the new mill which will employ approximately 40 people, is early 1983.

One of the Largest Millers

Peavey Company is one of the nation's largest flour millers with the capacity to produce 110,000 hundredweights of a wide variety of flour products daily, or approximately 10 percent of total U.S. flour milling capacity, at nine flour mills located throughout the country.

In addition to flour milling, Peavey Company merchandises grain worldwide and operates more than 225

building supply stores, farm stores and fabric stores in 16 states and Canada. These specialty retailing outlets are primarily oriented to the "do-it-yourself" consumer market.

Peavey Company, headquartered in Minneapolis, has annual sales of more than \$800 million, has some 350 operating locations throughout the country and has 5,000 employees.

Catelli Annual Report

John Labatt is a broadly-based Canadian-owned company carrying on business in three major industrial groups: brewing, packaged food and agri-products.

Catelli, in the packaged food group, is the largest division.

Catelli produces and markets a wide range of grocery products in Canada and in the New England region of the United States.

In Canada, Catelli is the leading producer of pasta and has a significant market share in several of its other product lines, particularly on a regional basis. Catelli's other product lines include soups, pickles, jams, marmalades, table and maple syrups.

(Continued on page 18)

Lent Begins February 24 Push Pastal

BUHLER-MIAG SHORT GOODS LINES...

Performance You Can Depend On!



Models TRBB and TTBB Capacity: up to 10,000 lbs/hr

MODEL		CAPACITY, LBS/HR
PRE-DRYER	FINAL DRYER	
TRT	TTT	500- 2,000
TRNA	TTNA	1,000- 4,000
TRNC	TTNC	2,000- 6,000
TRBB	TTBB	4,000-10,000

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in design
in construction.*

Efficient Energy-Saving Design

- High temperature and high humidity drying, requiring a minimum volume of fresh air. The most energy-efficient design!
- Panels 1" thick with polyurethane foam core. Aluminum lining on inside for heat reflection and absolute vapor barrier. No heat bridges.
- Smaller, high-efficiency units require less floor space.
- Circulating air fan motors are mounted inside dryers, utilizing 100% of electrical energy. (New type of energy-efficient motor is available).
- Built-in heat recovery system (optional) utilizes exhaust air heat.

Bacteria and Sanitation Control

- High temperature drying controls bacteria. Dry bulb temperature adjustable from 100°F to 180°F.
- Doors are in front panel for product control during operation. They also give easy accessibility for weekly cleanouts. Swing-out side panels extend entire dryer length, allowing fast cleanout and service.
- Dryer is absolutely tight, yet easy to clean, maintain and supervise.

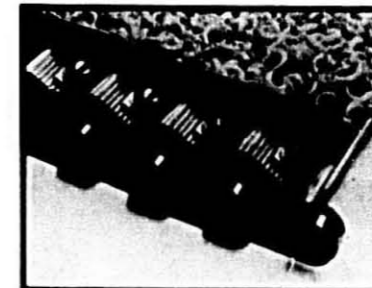
Top Quality Product

- Each dryer is equipped with a patented, U.S.-built BUHLER-MIAG Delta-T Control System that allows the product to adjust its own drying climate. The result is a stress-free, nice yellow-colored fine product.
- High drying temperatures, in combination with ideal drying time, increase cooking quality of final product.
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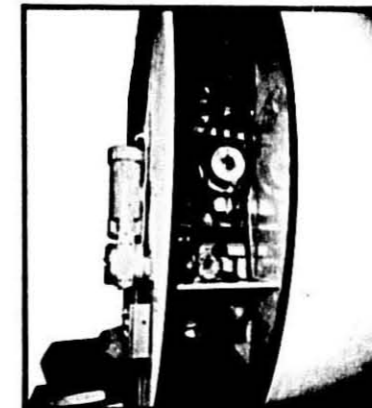
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Each dryer is equipped with two drive stations. Special safety device protects drives. Gearmotors mounted outside panels for long life and easy service. AC or DC variable speeds. Standard U.S. built drive components.



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Catelli Annual Report

(Continued from page 15)

spaghetti sauces, puddings, packaged flour and other milled products. Private label and generic products are produced by Catelli for retail food chains.

In New England, soups, high quality processed meat products, specialty condiments, and table and maple syrup products are sold.

Catelli operates six plants in Canada, two in Toronto, one each in Lethbridge, Montreal, St. Hyacinthe, and Delta (Ontario). In New England, several small plants are operated.

Improved Performance

In fiscal 1981, the Division's performance improved despite the slow growth in the Canadian retail food industry. Higher sales volumes and improved operating efficiencies contributed to this strong performance. Despite high interest rates which have caused major retail customers to reduce their inventories, Catelli's volume increased by 8.1% during fiscal 1981, mainly as a result of strong volume in custom packed products, flour, jarred and canned goods.

Catelli has continued to expand its base in New England. The acquisition of M. M. Mades and the recent purchase of the Portland, Maine, plant by Cudahy Foods, added to the Division's presence in the processed meat products business, and the acquisition of Vermont Maple Orchards provided new capacity and markets for maple syrup products in the United States.

In fiscal 1982, it is anticipated that the retail food industry will experience slow growth; however, Catelli is positioned in the market to continue the trend in earnings growth it has achieved in recent years. Emphasis will be placed on strengthening market share position in Canada, particularly in the important Ontario market and on further developing its operational base in New England.

Hershey Stock Issue

Hershey Foods Corporation announced Nov. 6 that it filed with the Securities and Exchange Commission a registration statement covering the proposed public offering of 1,500,000

shares of the Company's common stock.

The net proceeds from the sale of the common stock will be added to the general funds of the Company to meet capital expenditure and working capital requirements. The principal capital commitment at present is the new major confectionery plant under construction in Stuarts Draft, Augusta County, Virginia. Construction of the new 450,000 sq. ft. facility began in October 1980. The plant is expected to be operational in late 1982.

The cost of land, building and equipment is expected to be \$86 million. Additional production equipment being contemplated, if approved, could increase the cost further by \$15 million to \$30 million.

Hershey Foods Corporation is engaged in the manufacture, distribution and sale of food and food-related products and services. The Company's principal operating units are Hershey Chocolate Company, a major producer of chocolate and confectionery products; Friendly Ice Cream Corporation, which operates a chain of restaurants; San Giorgio-Skinner, Inc., a major producer of pasta products; and Cory Food Services, Inc., which operates an office coffee service plant.

Foremost-McKesson Acquires An Interest in Spaghetti Pot Investments, Inc.

Foremost-McKesson, Inc., announced that it has acquired an interest in Spaghetti Pot Investments, Inc., a franchisor of take-home spaghetti restaurants.

As part of the agreement, Foremost-McKesson has a three-year option to purchase all of the capital stock of Spaghetti Pot.

In making the announcement, the company said the transaction is in line with its long-term strategic direction of investing in developing new businesses which may have the potential to make significant contributions to the company's profitability over the next five to ten years.

Spaghetti Pot is a privately held corporation located in Costa Mesa, California. Currently, Spaghetti Pot has eight franchised and one company-owned takeout restaurants op-

erating in Southern California. Franchises for about 120 additional units have been sold to date.

Hal C. Hylton is chief executive officer and president of Spaghetti Pot.

Foremost-McKesson is in the food (including pasta, bottled water and dairy products), drug and health care, wine and spirits and chemical industries. Last year, the company reported revenues of \$4.2 billion.

Regional Pattern Uneven as Corrugated Shipments Rise 3+%

Corrugated industry shipments for the first three quarters of 1981 have been virtually flat, according to Thomas J. Muldoon, Executive Vice President of the Fibre Box Association.

"All of you," he told industry executives at the trade group's Annual Meeting, "sat on the edges of your chairs waiting for either spectacular volume to come in or the bottom to fall out." Neither would have been surprising, he surmised, but neither happened. "We just limped along, with each month and each quarter being about the same as the period before." But with volume for the first three quarters up more than 3%, "we really shouldn't knock it," he added.

Muldoon presented a profile of the past decade's shipments as background for the industry's current data.

In the 1970-1980 period, "the recessionary years of 1974 and 75 stand out," Muldoon pointed out. Volume declined by 5% and 10% in those two years.

"Shipments rebounded in 1976, but it took until 1978 to exceed the 1973 levels," Muldoon recalled. All-time high shipments of just over 250 billion square feet were reached in 1979, he said, while 1980 saw a fall-off of 3.7%.

Leading into his review of 1981 data, Muldoon noted that corrugated shipments have always been highest in the third quarter, with the first quarter right behind. But "for the last several years, this has not been true," he noted. "The basic economic forces in the country have altered the traditional seasonal pattern."

Quarterly Data

In 1981, Muldoon noted that first-quarter shipments of 62.6 billion square feet were down just 1.4% from the all-time-high first quarter of 1979.

The second and third quarter figures of 62.4 and 62.2 billion square feet represent increases of 6.5 and 6.4% over the same quarters of 1980. "These gains were not due to any great increase in shipments," Muldoon pointed out, "but rather to the fall-off in shipments last year."

The fourth-quarter forecast, prepared for the industry by Merrill Lynch Economics, anticipates shipments of 2.1 billion square feet. Muldoon noted, equivalent to a 1.9% increase over the fourth quarter of 1980. This would make the quarterly profile for the year virtually flat and bring the current three-quarters gain of 3.7% down to +3.2% for the year.

Total volume of 249.2 billion square feet would make 1981 the second-highest year in industry history, about one-half percent below the 1979 record.

Regional Data

Muldoon continued his presentation of industry statistics by reviewing regional data. Again he began with a look at the past decade.

Box shipments in the Northeast and East Central states show the slowest growth, Muldoon reported. The best growth has occurred in the Southeast, South Central and Western states, but the pattern of 1981 recovery from the declines of 1980 is uneven, he noted.

Corrugated Industry Shipments by Area 1970-1979

Area	Average Annual Growth	1980 vs. 1979	1981 vs. 1980*
Northwest	+2.0%	-5.2%	+0.5%
Southwest	+5.1%	-0.7%	+0.8%
East Central	+1.3%	-10.1%	+4.2%
South Central	+4.0%	-0.7%	+6.3%
West Central	+4.0%	-0.1%	+5.4%
Industry	+3.0%	-3.7%	+3.2%

* Estimated.

Price Index

Muldoon also traced the corrugated price index performance in recent quarters. The figure stood at 214 in the fourth quarter of last year, and has registered 233, 233, and 232 in the first three quarters of 1981. The slight third-quarter drop is identical

to last year's pattern. The current figure represents an 8.4% increase since the first of the year.

Comparison of the corrugated index to the Producer Price Index shows some stability in 1981. The gap between the two widened substantially in 1980, Muldoon noted, with the corrugated index dropping from 45 to 65 points behind. The current figure shows corrugated 64 points behind the average of all other products.

Muldoon also presented a thorough analysis of containerboard mill activity. While current box plant inventories of 2.45 million tons (as of October 1st) are the highest since January 1st of 1978, he pointed toward a potential linerboard shortage by the end of 1983. Current inventories, he noted, equal 6.7 weeks of supply.

New Management Team at Packaging Industries

Claude J. Gaubert, Executive Vice President and Board member of Packaging Industries, Inc., West Coast manufacturer of printed and laminated flexible packaging materials, has been elevated to President of the company. The announcement was made following the annual meeting of the Board of Directors.

Along with the election of Gaubert as President, Ian M. Reed was appointed Executive Vice President and General Manager - the No. 2 post at the company. Reed was also elected to the Board of Directors.

Another appointment went to Kris Sigfusson, who becomes Controller and Treasurer. Former President and founder of Packaging Industries, Rene J. Gaubert, takes over the Chairmanship of the Board of Directors. Nathan Kessler of Piedmont and Edward Le Vescount of Portola Valley retain their position on the five man board.

Packaging Industries, Inc. has been a prominent Bay Area company for 20 years. The company is a major manufacturer and supplier of barrier films, foils, papers, pouches and other flexible packaging materials to the food industry. Industrial packaging products, in a wide variety of forms, are also produced by the company.

IPACK-IMA Exhibition
Milan Fairgrounds, Italy
March 19-24, 1982

McCall Joins Wright Machinery Sales Force

John D. McCall has joined Wright Machinery of Durham, North Carolina as Southwest Sales Representative. According to Delano Verricchia, Domestic Sales Manager, McCall will have responsibility in the territory including Texas, Oklahoma, Arkansas, Mississippi and Louisiana and will be based in Richardson, Texas.

McCall was formerly with Automated Packaging Systems, leaving a position as Regional Manager after 16 years with the company. A graduate of Akron University, Akron, Ohio, he is a member of Sales & Marketing Executives (SME) Dallas, Texas and Society of Packaging & Handling Engineers (SPHE).

Wright Machinery is a division of Rexham Corporation, Charlotte, N.C., and is one of the oldest packaging machinery manufacturers in the U.S.

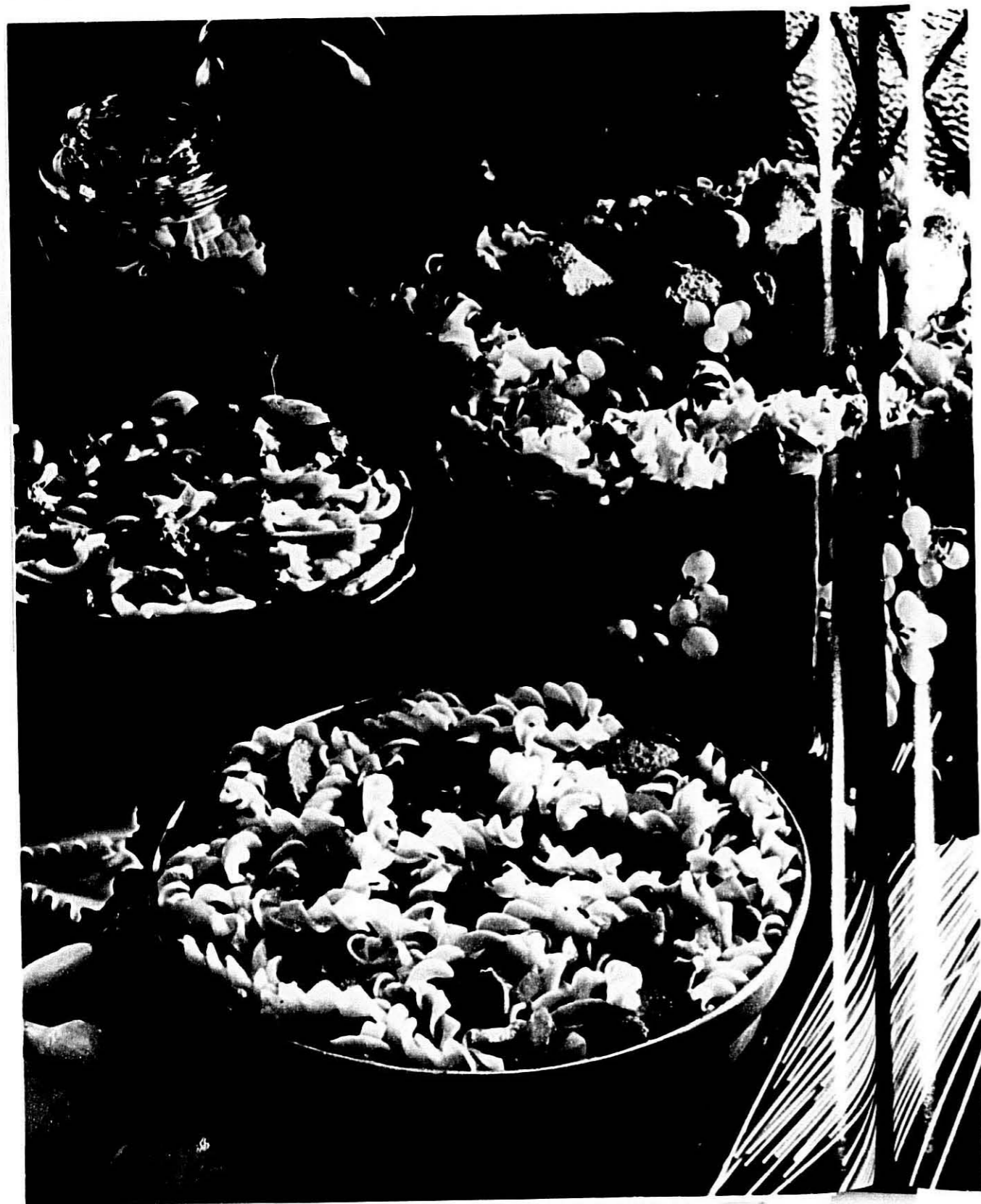
Foodservice Picks Up

After two disappointing years, the outlook for the foodservice industry appears brighter. Restaurant customer traffic and industry sales posted the largest gains this spring quarter in over two years, according to the National Restaurant Association's (NRA) Consumer Report on Eating Share Trends. (Crest).

The 5.3 percent traffic increase, along with a 16 percent sales gain, leads some to venture that maybe 1981 will be a rebound year. One source predicts a slight average actual growth of about two percent in 1982-1984, because of better economic conditions, increased disposable income for consumers and heightened optimism about government actions. The CPI away from home is expected to increase less sharply than the CPI at home, a favorable sign for foodservice and a reversal of a pattern established over the past few years.

The actual sales decline in 1979 and 1980, which was particularly marked in the non-commercial foodservice segments, has had definite reverberations throughout the trade. With operators increasingly concerned about rising food and labor costs, and consumers worried about money, time and health, both are seeking foods that offer good perceived dol-

(Continued on page 22)



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Foodservice Picks Up

(Continued from page 19)

lar value, ease and speed of preparation and consumption, and better nutrition.

More Salads

At home when there is time, people are making more salads with lighter dressing. They are using more economical entrees like poultry and pasta that can be easily dressed up with simple sauces and condiments. And they are drinking more low-calorie beers and white wines. Short on time, they are eating out more often. And since by 1990, 57 percent of women over 18 will work outside the home, it appears that this trend will continue, and families will not return to the traditional "three square meals" eating pattern.

Search for Lower Costs

During the past couple of years, economics also has forced food-service operators to search for lower-cost food items that can be prepared in many ways. These would include pasta, soup, sandwiches and salads. For fast food outlets that previously focused on beef, there is a proliferation of more economical alternatives like chicken patties and fish sandwiches.

At lunch and dinner, fewer people are ordering heavy meals. Michael L. Minor, certified executive chef and corporate executive chef for L. J. Minor Corp., notes that customers want something quick and light but substantial, especially at lunch. Soups and salad qualify. He says that although salad bars are popular soup really is the most profitable item on a menu, offering a 500 percent to 1000 percent profit. In fact, Mr. Minor recalls one lunch-oriented restaurant in Montreal that offers only soup. It is doing a "landslide business."

It makes a strong case for specialization for smaller, less elaborate restaurants. Other possibilities he sees for specialization include shops which would offer only omelets, crepes, and, of course, Mexican foods. In all cases, specialized menus help eliminate waste and reduce labor costs.

• The 19.8 percent of fast food customers who visit twice a week or more often account for nearly half of total fast food visits.

Private Label Strong

Although 80% of 1,500 consumers surveyed by a polling organization had a good attitude toward private labels, the study also disclosed one person in six felt private labels are a poor value and that their quality is not worth the price.

Highlights of the study were given by George Gallup, Jr., of the Gallup Organization, at the Private Label Manufacturers' Association second annual trade show and educational conference. The association had sponsored the study.

Not totally unexpected was the disclosure that the public sees private labels closer to the non-name brands in price than to the national brands.

"Furthermore, the public perceives relatively large differences in price between private labels and national brands, and relatively small differences in price between private labels and the generics, namely, 22% compared with 10%, Gallup said.

Although one person in 10 responding to the survey believed private labels to be an "extra" or "super" value, 31% said they are a "good" value, while 37% indicated they are a "fair" value.

Against Generics

Predictably, for a group of products that has been around for decades, private labels showed up well against generics within a 30-day period, 69% of those polled had bought at least one private-label product and only 39% had bought a generic item.

"As would be expected," Gallup said, "the percentage of consumers who limit their purchases to national brands, private-label products, or generic products is extremely small in each instance."

For example, only one respondent in five limited purchases within the previous 30 days to national brands.

On the other hand, only 3% bought private-label or generic products exclusively. A total of 2% purchased private labels exclusively.

Good Prospects

Large families are good prospects for private labels and generics, presumably because of the lower prices. But Gallup noted little differences in purchase patterns by income for private-label products. "Generics are rel-

atively more popular in the base of the lowest-income families, however. National brands perform relatively better in the highest-income households, that is, those with \$25,000 a year or over." Other observations based on the survey:

- The percentage of consumers buying generic products is relatively high in the West and Midwest and relatively low in the East and South, Gallup said.

- Private-label products are bought relatively more often by those under 50. Generics are relatively more popular with the youngest consumers.

- Private-label products and generics are purchased by relatively fewer consumers in the nation's largest cities - those with populations of more than a million - than in medium-sized and smaller markets.

Potential Promising

Gallup said the market potential for private-label products "would appear to be very promising for the immediate future" for the following reasons:

When asked whether they planned to buy more or fewer private-label products in the next 12 months, 20% said they planned to buy more. Two-thirds said they would buy about the same number, 9% said they did not know and 13% said they would buy fewer.

"Significantly," the youngest consumers showed the greatest likelihood of buying more private-label products, Gallup said.

When those polled were asked whether they planned to buy generics within the next 12 months, the picture was less favorable. For example, about as many stated an intention to buy fewer generics (18%) as said they would buy more (17%).

Generics in Supermarkets

Here are highlights of a special report by James L. Parks, Vice President of A. C. Nielsen Company's Marketing Research Group (USA) and Western Division Marketing Manager.

Over the past three years generic labels have become a new way of life in many supermarkets across the nation.

etailers who have introduced generic products openly laud their success from the standpoint of:

Pure sales performance.
Traffic building qualities.
Meeting "price customers" needs in an era of incessant inflation.

Manufacturers Concerned

Manufacturers of advertised brands, on the other hand, have had occasion to feel threatened due to the initial thrust of generic labels coupled with the vocal and printed publicity regarding the "success" of these low priced no-name market basket entries.

People on the periphery, consultants and researchers for example, have assembled and commented on reams of highly aggregated data which, depending upon who you are listening to, support either retailer contentions of unequivocal success, or manufacturer concerns regarding the infringement of generic labels on the brands that they originated, and then turned into household names through years of careful attention not to mention massive amounts of direct marketing support.

Nielsen Comments

Due to the highly topical nature of the generic phenomena, A. C. Nielsen Company has undertaken to factually and objectively illustrate and comment on the true impact of generic labels. Nielsen data not only provide accurate measurements of total performance, but have the complementary ability to analyze information by unique store groupings to isolate specific market conditions. Both the capabilities have been used to provide the aggregations of data available in our effort to provide insight for both manufacturers and retailers.

Generic labeled products in grocery stores are easily distinguishable due to their basic and plain packaging characteristics coupled with the attribute of primary emphasis on the contents of the package rather than on a brand name. Early introductions were often distributed in stark white packages with bold black content labeling. Fine print, generally located on the bottom of the package would further identify the product regarding the manufacturer or distributor origin. Due to this plain no-frills and

consistent product packaging approach, store customers rapidly became familiar with this new innovation. This familiarity is in sharp contrast to consumer affiliation with private label merchandise which more closely resembles advertised brands in that a "brand name" is stressed in the primary labeling with secondary content emphasis.

Furthermore, shoppers can easily relate to generics across organizations due to the packaging commonality, whereas this identification is less likely for private label entries for which product labeling varies from chain to chain, as well as oftentimes within a given chain organization. This commonality across the industry has greatly aided consumer awareness and understanding of the generic label concept.

Recently even generic labels have started to depart from the basic black and white package as attention seeking colored labels have been adopted by several chain organizations. Nonetheless, the overriding characteristic of bold labeling emphasis on package content has not generally been tampered with.

Low Price Appeal

Of course, generics are attention getters based on selling price alone as these no-name entries significantly undercut advertised brands as well as traditional private labels. Accordingly, the obvious opportunity for shoppers to save money and stretch their grocery budget is the overriding selling point and the primary basis of generic appeal.

Based upon unit share of market for a recent interval, the top 50 generic categories were filtered out of the more than 500 warehoused grocery product categories normally available across supermarkets. Store delivered items were not represented in this listing.

Table 1 presents these 50 categories in groupings of 10 based upon share of market range. Within each of these five distinct separations, individual product classes are identified in ranked order of generic label share performance. Overall, the top 50 generic products' absolute share of category volume ranges from 3.7% for Canned Tomatoes up to 9.6% for Canned Salad Fruits.

Top 50 Generic Categories Ranked Winter/Spring 1980-81 - Unit Basis

Top 10 (share range 6.8%-9.6%)

1. Canned Salad Fruits
2. Garbage Bags
3. Preserves
4. Jelly
5. Cream Substitutes
6. Brownie Mix
7. Paper Towels
8. Facial Tissue
9. Paper Napkins
10. Canned Oranges

Second 10 (share ranges 6.0%-6.7%)

1. Diet Salad Dressing-Dry
2. Canned Spaghetti Sauce
3. Aluminium Foil
4. Chocolate Syrup
5. Canned Mushrooms
6. Pasta Dinners-Dry
7. Toilet Tissue
8. Lunch & Sandwich Bags
9. Coffee Filters - Paper
10. Chocolate Chips

Third 10 (share range 4.8%-5.8%)

1. Baking Soda
2. Shortening
3. Cat Litter
4. Canned Applesauce
5. H. D. Liquid Detergents
6. Canned Freestone Peaches
7. Tea Bags
8. Ground Pepper
9. Fabric Softeners
10. L.D. Liquid Detergent

Fourth 10 (share range 4.3%-4.8%)

1. Powdered Breakfast Drinks
2. Iced Tea Mixes
3. Lemon/Lime Juice
4. Liquid Bleach
5. Potato-Dehydrated
6. Dill pickles
7. Disposable Plates & Bowls
8. Canned Milk
9. Relishes
10. Spaghetti-Dry

Fifth 10 (share range 3.7%-4.3%)

1. Grape Juice
2. Canned Cling Peaches
3. Apple Juice
4. Noodles & Dumplings-Dry
5. Canned Green Beans
6. Canned Pastas
7. Canned Grapefruit
8. Catsup
9. Canned Peas
10. Canned Tomatoes

(Continued on page 26)

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For example:

There's probably an ADM milling center not too far from you — and that means you have quick access to consultation, professional product testing, and custom blending.



And, since ADM is probably closer than many other sources, you can count on prompt delivery and the availability of emergency supplies.

ADM's wide-spread milling center network is backed up by four huge flour terminals which provide storage capacity, thereby assuring year-around delivery of the products you need.

In these respects — and in many others — ADM Milling Company is unique in the market.

But all you really have to remember is that ADM assumes total responsibility for and maintains total control of — the quality and availability of its products.

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ADM also supplies quality baker's shortening, corn sweeteners, soy protein and vital wheat gluten for the baking industry.

Generics in Supermarkets

(Continued from page 23)

Conclusions:

1. While on occasion an established generic entry has exceeded a 10% share of a single category's unit sales volume, though the range is between 4% and 10%. A six-month cumulated average share for the top 50 generic categories is just over 5%.
2. The majority of the top 50 generic categories are heavily commodity oriented. That is, most of the developed generic products operate in categories that are low to moderately supported by manufacturers of national brands:
 - Canned Goods (16 categories)
 - Home Cooking Ingredients Products (14 categories)
 - Paper and Plastic Products (9 categories)
 - Beverages (6 categories)
 - Household Products (4 categories)
 - Other (1 category)(Some current exceptions to the preceding generalized statement would include categories such as Brownie Mixes, Fabric Softeners, Liquid Detergents and Tea Bags.)
3. Within the top 50 categories, generics are pulling share proportionately from advertised brands and traditional private label entries in the latest six-months versus a year ago.
4. Originating outlets continue to pace generic performance relative to second and third generation followers.
5. The uppermost share potential for generics within developed categories is slightly over 16% based upon performance in supermarkets originally carrying generics.
6. Generic entries have not influenced the size or direction of categories in which they operate.
7. Generics are generally understocked relative to sales performance.
8. Annual stock turns for generics are significantly greater than for the balance of the market and/or the overall categories in which they operate.
9. Stores originating the generic idea turn inventories much faster

than second and third year followers.

10. Generic entries are priced well below the entries with which they compete, as shelf prices are generally 15% under private labels and in the range of 30% or more below average category prices.

Fancy Supermarkets

The five-store Byerly's chain in Minneapolis suburbs is one of a growing number of grocery operators that have been quick to capitalize on a hungry market for fresh, exotic, and high-quality foods among young, affluent, nutrition-conscious consumers. In the \$221 billion-a-year, slow-growth supermarket industry, this new breed of "prestige" food retailer has been bagging sales gains of 20% a year by catering to pent-up demand for better food and personal service.

The supermarket industry historically has relied on a catch-all retailing approach. But recently, local independents such as Byerly's, Dierberg's in St. Louis, Lofino's in Dayton, and Barlow's in Cedar Rapids, Iowa, have successfully segmented the high-profit upper end of the market. Using posh, spacious stores that carry two to three times the variety of conventional supermarkets — including fancy and imported goods — they have encouraged affluent families to "trade up" without scaring off more price-conscious shoppers.

Service

The chief ingredient in these new stores is service. That makes them considerably tougher to manage and more labor-intensive than a typical supermarket. Cooks, bakers, butchers, and in-store home economists mean higher operating costs — as does the finicky sorting of fresh fruits and vegetables. As a result, labor-cost ratios run into the range of 12.5% of gross revenues — well above the industry average of 10.3%. Occupancy costs are also much higher than the industry norm of about 2% of revenues. "The payback may be quicker on a big store," says Don G. Byerly, "but the gamble's bigger."

To offer such coddling and still keep prestige grocers must generate massive sales volume. A 50,000 sq. ft. store, for instance, needs two and a

half to three times the sales of a store half its size to meet the industry norm of 1.5% pretax net profits. To do that, the strategy is to push high turnover, perishable products to make up for slower-moving exotic items and to hold down the price of standard groceries. By using this plan, operators say they are able to turn over their inventories up to 40 times a year, vs. 25 times in a typical supermarket. Sales per square foot average \$8 to \$9 per week in the prestige stores compared with an industry average of less than \$7 last year. Sales per customer are generally 50% more than the \$12 industry norm.

Although they insist they sell basic groceries as cheaply as anyone except warehouse stores, the prestige marketers shy away from competitive advertise prices every week when they're really selling service and ambience. Instead, they redeploy the 1.5% of gross they would have spent on ads into labor and furnishings.

Scanners Get Smarter

Business Week magazine reports shoppers at an Albertson's supermarket in San Jose, Calif., are getting an earful these days at the checkout counter. The chatter is not coming from a talkative grocery clerk, but from a point-of-sale system that automatically calls out the prices of groceries as it reads and tabulates them. Built by National Semiconductor Corp., this unit is but the flashiest in an outpouring of new products from supermarket scanner makers who are fighting for position in this increasingly competitive market.

Demand for the supermarket scanning system has been picking up briskly. Nearly 4,000 supermarkets in the U.S. and Canada are now equipped with scanning equipment — a 165% jump over the total of just 18 months ago. The reason for this popularity is simple: By using a laser to read the Universal Product Code printed on each grocery item, the scanners can speed customer checkout and eliminate the costly and time-consuming process of manually stamping prices on each item.

But vendors are beginning to realize that their machines must do more than just tally prices if they want to keep up their sales momentum. To

speed scanner sales, manufacturers are rolling out new software programs that will enable a point-of-sale system to take on such sophisticated management functions as calculating the most profitable cuts of meat and keeping track of inventories — as well as automatically reordering when supplies are low.

Indeed, scanners have become the key to more streamlined, cost-efficient supermarket operations. And their new features promise to stimulate demand for these systems as a management tool in a market expanding beyond the large supermarkets that to date have been the primary customers for scanning equipment.

Automated Management Systems

The driving force behind this growth are new applications — many of which were developed by the supermarket chains themselves — that are transforming scanners into automated management systems. Nowhere is this more evident than at Ralphs Grocery Co., a Los Angeles supermarket chain that has installed scanners in all of its 98 stores. Over the last two years, these scanners have supplied the "back-room" computer at Ralphs' headquarters with data from each checkout terminal, enabling the company to identify and eliminate some 1,400 slow-moving items from its shelves.

Says Patrick W. Collins, Ralphs' president: "The marketing benefits (of scanning) will exceed the benefits of better productivity and reduced inventory loss." That is saying quite a lot. By speeding checkout, Ralphs' scanners have boosted the chain's productivity by 25%. The units also do a better job of monitoring inventory loss, making it easier for store managers to spot shoplifting and condit ions that may lead to product damage.

Independents' 1980 Sales Down

Inflation took its toll of independent retailers' sales for the second consecutive year, according to the annual survey commissioned by the National Association of Retail Grocers. While overall dollar sales were up 8.6% in 1980 over 1979, the national inflation rate of 12.4% would indicate a real-sales decline of 3.8%.

The dollar-sales growth was 12.6% in 1979, but when compared with a 13.3% inflation rate, it indicated a real-sales decline of 0.7%. The last year of real-sales growth was 1978, when dollar sales were up 14.4% and inflation stood at 9% for a real-sales gain of 5.4% for the independents.

Conducted by the Milwaukee consulting firm of Bartz, Postl & Associates, the survey was based on information supplied by 75 retailers operating 195 stores with \$925 million in aggregate sales.

"The growth in (dollar) sales the past few years has been due to inflation," said Frank Register, NARGUS president, "and the fact is that this industry, in general, is in a period that is not marked by growth." Independent retailers' sales posted an average 8.6% growth in 1980 over 1979. A year earlier, this growth was pegged at 12.6%, and averaged 14.4% in 1978 versus 1977.

Profits Slide

Pretax profits also continued to slide, averaging 2% in 1980, after reaching the 2.1% level in 1979 and 2.4% in 1978.

The declines can be ascribed partly to declining sales per customer as measured by the survey. After jumping 16% to \$11.13 between 1979 and 1978, sales per customer slumped 5.7% to \$10.53 in 1980. This decline perhaps is even more important in its significance, since the NARGUS report found average store advertising had increased 7.3% to \$46,016 in 1980.

The economic situation facing food retailers affected all of the gross profit picture. Grocery-department profits dropped from 18% in 1979 to 17.9% last year, and the meat-department profits declined from 20.3% to 19.9%.

Gross profit in bakery departments declined from 48.1% in 1979 to 39.3% last year, and fell from 37.5% to 36.7% for deli departments over this one-year period. Gross profit for produce declined from 27.9% to 27.7%.

The slightly reduced growth of profits in 1980 occurred even as most measures of productivity posted modest gains. For example, the ratio of store-management salary to sales was 0.9% in 1980, versus 1% a year earlier.

Sales per employee hour posted a 4.4% gain, from \$66.90 in 1979 to \$69.87 last year. Specifically, these sales for grocery products increased 6.8%, from \$103.34 to \$110.40. The meat department, on the average, posted a 2.9% increase from \$86.22 to \$88.78, while produce showed a 10.3% rise from \$56.14 to \$61.93.

Measuring labor productivity as a percentage of labor costs to sales, the study found this category remained unchanged in 1980 over 1979, at 8.8%.

The NARGUS survey also showed a slight change in stores' average sales mix. Grocery sales increased their intake from 64% in 1979 to 66.9% last year. The meat department increased its take, from 20.9% to 21.7%.

IGA Sees Conventional Market Dominant

"We feel strongly that the conventional supermarket will be the IGA store of this decade and on into the '90s," says William E. Olsen, president of the voluntary group.

Olsen noted that warehouse stores are continually adding products and eventually will become like the conventional market with a different merchandising approach.

Generics Offered

IGA has offered its retailers a generic label under the Much More name for several years. It is the traditional black-and-white look, he said. These products are constantly under review, additions and subtractions being made as needed. Olsen said. There are about 90 products under the Much More label.

He believes generics have a direct relationship to the economic situation in the United States today. Because of inflation, consumers are trading down. But, he cautioned, if a generic product is a standard grade and the packer must use a higher grade fruit or vegetable, the result is erosion of the retailer's margin.

There are 33 wholesale companies operating 60 authorized distribution centers in the IGA program.

Third Largest Food Retailer

Olsen said the 1980 IGA retailer volume reached \$7 billion, making

(Continued on page 28)

IGA

(Continued from page 27)

the group the third largest food retailing group in the United States after Safeway and Kroger. He noted that 14% of the IGA stores last year were either new or remodeled. In addition, IGA wholesalers are upgrading existing facilities and services to retailers as well as building new warehouses.

Regarding the immediate future, Olsen said "we will be intensifying some of our marketing programs that are in place . . . (we will be) doing all of the things we have been doing but let's do them better."

One of the most important programs that IGA headquarters has been working on with its wholesalers, with the help of outside experts in the field, is the ability of wholesalers to accept scanning data from retailers on their host computers.

"It is our firm opinion that, as scanning penetrates the retail stores, (wholesaler) host computers must be able to accept this information." With this information, there will be a closer bond between the IGA wholesaler and retailer to make better merchandising, advertising, pricing and space allocation decisions. "That is where the real payoff is," he stressed.

Decentralized P-L Procurement

Perhaps the most important change in IGA since the last national IGA convention five years ago was the decentralization of private-label procurement started last year, he said. Because of the 1953 Federal decrees that ruled IGA headquarters could not act as a broker, IGA wholesalers have been sublicensed to procure private-label products, although IGA headquarters is still in control of quality standards on private-label merchandise.

It means the IGA wholesalers now may buy product directly from a supplier or from a supplier's broker. "The bottom line is that the elimination of the (IGA) headquarters margin gives a price differential to the IGA wholesaler and retailer to make them more competitive."

Since the new program was implemented about a year ago, Olsen said it has gone "extremely well." IGA's private label product line is changing as needed, with items being added and deleted.

Egg Products Under Federal Inspection, United States

ITEM	PERIOD	
	Oct. 1, 1979- Sept. 30, 1980	Oct. 1, 1980 Sept. 30, 1981
Shell Eggs Broken	725460	740473
Edible Liquid From Shell Eggs Broken		
Whole	445817	443557
White	266851	293626
Yolk	170330	184035
Total	882998	921218
Inedible Liquid From Shell Eggs Broken	56844	59007
Liquid Egg Used in Processing: ¹		
Whole	507107	507416
White	375272	415604
Yolk	186807	202220
Total	1069186	1125240
Ingredients Added in Processing: ²	35153	36177
Liquid Product Produced for Immediate Consumption and Processing: ³		
Whole Plain	147053	153579
Whole Blends	66587	68486
White	146611	161062
Yolk Blends	20370	24219
Total	41492	43090
Frozen Product Produced: ³		
Whole Plain	149643	140388
Whole Blends	58983	62491
White	43804	50910
Yolk Plain	9960	12915
Yolk Blends	68720	75520
Total	331110	342224
Dried Product Produced: ³		
Whole Plain	10846	12928
Whole Blends	76559	21359
White	22423	25665
Yolk Plain	14962	16104
Yolk Blends	6340	6127
Total	81130	82183

¹ Includes all frozen eggs used for processing. Excludes ingredients added.

² Includes all non-egg ingredients added.

³ Includes ingredients added.

Stouffer Special Projects Manager

Margaret Y. Gerwin has been named manager of special projects for Stouffer Foods, subsidiary of The Stouffer Corporation. C. Alan MacDonald, president of Stouffer Foods, announced.

In her newly-created position Gerwin will assist in capital planning and new product development and implementation in connection with Stouffer's frozen prepared food products manufactured and marketed in Canada. She also will work closely with Stouffer Foods' manufacturing group in planning, productivity and value analysis projects.

With Stouffer Foods since 1963, Gerwin was promoted to methods research manager in 1968. She was appointed consumer and technical ad-

visor in 1972 and she has been in a similar position as quality assurance manager since February, 1973.

Stouffer Foods, with operating sales headquarters in Solon, Ohio is the nation's leading producer of medium quality frozen prepared food products including entrees, side dishes, French bread pizza, soups, crepes and "à la Cuisine," a new line of calorie-controlled entrees.

Egg Products

November price range from U.S. Department of Agriculture.

Central States Net Run \$14.40 to \$16.80.

Southeast Net Run \$13.80 to \$16.20

Dried Whole \$1.96 to \$2.10.

Dried Yolks \$2.23 to \$2.36.

THE MACARONI JOURNAL



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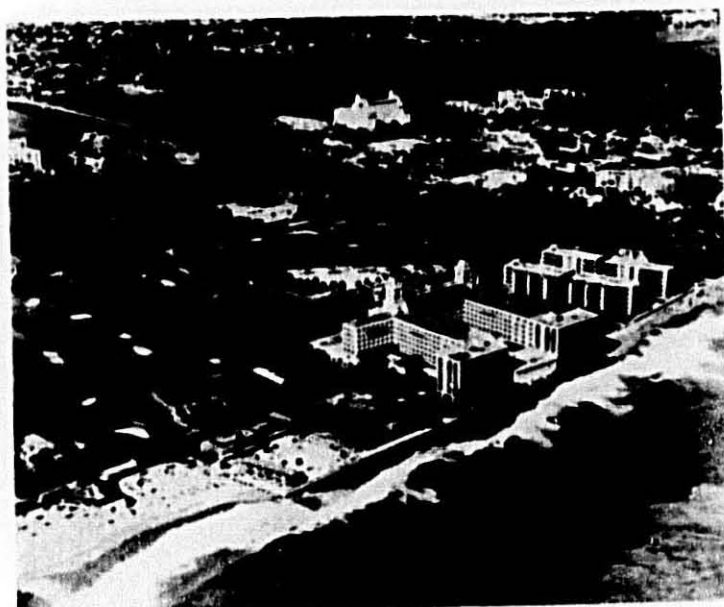
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The Breakers, Palm Beach

Site of the NPA Winter Meeting
February 28 - March 3, 1982

In 1894, railroad tycoon Henry M. Flagler brought his then relatively new mode of transportation to the Palm Beach area. He must have liked what he saw since he immediately began purchasing land, including the swampy, oceanfront plots on the palm-covered island just off the mainland. Though the first two wooden hotels he built on Palm Beach burned to the ground, Mr. Flagler remained undaunted, and built a sturdier third hotel, this one in the manner of a Mediterranean palace.

To this day, that resort, The Breakers, welcomes a blue-ribbon clientele.

The Breakers is situated on the ocean overlooking the Gulf Stream . . . the center of delightful Palm Beach attractions . . . An all encompassing conference resort, The Breakers can provide all the vital essentials for successful meetings. The resort pleasures are many, with an endless chain of helping hands awaiting to serve you at the hotel, at the Golf Clubs, at the Tennis Club, at the Beach Club, at the seaside cabanas.

The Breakers provides a variety of luxurious accommodations, including delightful ocean-front rooms.

At day's end, step into the intimate Alcazar Lounge overlooking the surf,

where you'll sip cocktails and return for evening dancing. Then move on to the magnificent Florentine Dining Rooms to savor superb cuisine and fine wines, while you relax to the rhythms of live music and nightly dinner-dancing.

Golf & Tennis

At the Breakers you will enjoy the convenience of two championship



Putting green — golf course.

golf courses. The Breakers Ocean Course, adjacent to the hotel and Breakers West, just minutes away. Each has its own Clubhouse for before and after game relaxation. There's a lot of tennis too — with two tennis courts — and plenty of sun terraces for just plain resting. At the Beach Club are two swimming pools, private cabanas and dining terraces. Some guests prefer the beautiful private beach and the cool blue waters of the Atlantic for sunning and swimming. Right at the hotel there is a putting green, lawn bowling, shuffleboard, horse shoes, croquet, and picturesque pathways through tropical gardens.

Things to See

The Flagler Museum, opposite the hotel, stands as a tribute to the vision of Henry Morrison Flagler who made Palm Beach a resort of international acclaim . . . Flagler Systems, Inc., which owns and operates The Breakers is the corporate descendant of the vast empire founded by Flagler . . . Palm Beach is truly a resort of unending pleasures . . . Ladies especially enjoy shopping on world-famous Worth Avenue . . . Real thrills await adults and children at renowned Lion Country Safari Land . . . Near The Breakers are sport fishing Marinas . . . greyhound racing . . . exciting Jai Alai

(Continued on page 32)

ASEECO

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The Versatile Bucket Elevators with Space Age Design-Sani-Plus Buckets (Polypropylene) FDA approved, Sanitary Delrin rollers on chain—reduce friction and wear. Pre-lubricated chain bushings where lubrication is not possible. Sectionalized uni-frame construction permits easy changes in height or horizontal run—allows for ease in cleaning and inspection. Available as standard with conventional frame or sanitary open tubular frame design. Capacities to 4000 cu. ft./hr.

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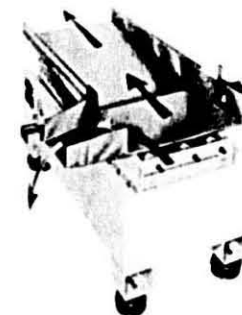
Tubular sanitary open frame model permits easy inspection and cleaning. Also available in complete stainless steel construction.

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Vibrating Conveyors: Ideal for conveying materials gently without breakage. One piece stainless steel trays which are self cleaning meet the most stringent sanitation requirements. All units utilize corrosion free "Scotch Ply" reactor springs which can be washed down plus simple maintenance free positive eccentric drives. Capacities of up to 2500 cu. ft. hr. with lengths over 60 feet.

Bulletin cvc-30



The Modu-Tran II Vibrating Conveyor feeds product sideways as well as in the normal forward direction. This unique development by Aseeco Corporation makes it possible to split a stream of product to any rates of flow desired with sanitary esthetically designed vibrators. Units can be installed in series to distribute product to multiple packaging machines or to several use points simultaneously on demand.

Bulletin cm-110

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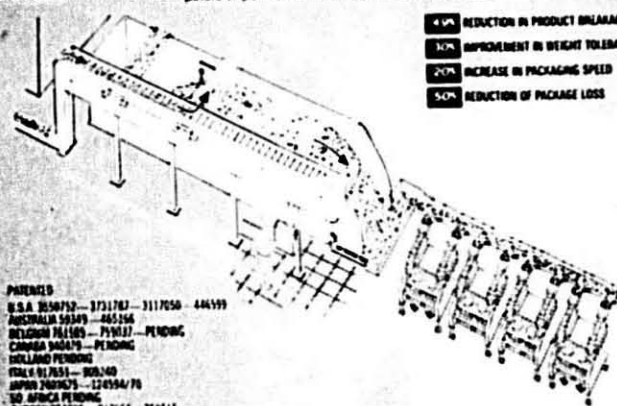
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The Breakers, Palm Beach

(Continued from page 30)

... the Royal Poinciana Playhouse. The Breakers is an enduring experience ... a resort for all seasons.

Convention programs and registration forms for rooms and activities are available from the National Pasta Association, P.O. Box 336, Palatine, IL 60067.

Tentative Program

The tentative program for the convention is as follows:

Sunday, February 28

- 9 a.m. - Executive Committee Meeting
- 3 p.m. - Board Meeting
- 7 p.m. - Welcoming Reception
- 8 p.m. - Group Dinner with Presidential Address

Monday, March 1

- 9 a.m. - noon Council Meetings - Appointments to the various Councils and committees should be made shortly. They will include the Industry Advisory Council, Government Affairs Council, Technical Affairs Council, and the Consumer Affairs Council which will meet at an extended luncheon session.
- 2 p.m. - Tennis Mixer
- 7 p.m. - Suppliers' Social
- 8 p.m. - Italian Dinner Party

Tuesday, March 2

- 9 a.m. - noon - Trade Day with product promotion reports and panel discussions by distributors.
- 1 p.m. - Golf Tournament
- 7 p.m. - Suppliers' Social
- 8 p.m. - Dinner Dance

Wednesday, March 3

- 8 a.m. - Three concurrent breakfast meetings for suppliers, millers, macaroni manufacturers.
- 9 a.m. - noon - Seminar on people management skills that will be of interest to wives as well as members.
- 12:00 noon - General luncheon session for members and wives. Convention adjournment, afternoon recreation and/or departure.



DeFrancisci Offers Fresh Pasta Press

A new generation of pasta press that's designed to produce fresh macaroni for use in restaurants, hotels, various institutions and other food preparations businesses is being introduced by De Francisci Machine Corporation.

Called the De Francisci Model SRP-100 Pasta Press, this versatile new unit produces fresh quality pasta in a variety of shapes in as little as 10 to 12 minutes per batch.

Capable of producing up to a week's supply of pasta at one time, the SRP-100 is a smaller version of the De Francisci high production presses used by manufacturers of pasta products throughout the U.S.

The Model SRP-100 offers an advanced sanitary design that includes stainless steel construction, a pharmaceutical grade finish and rapid disassembly for easy, thorough cleaning in a sink.

Requiring minimal maintenance, this sturdily built unit also features industrial type drives, energy efficient motor, large 35 lb. capacity mixing basin, simplified controls plus an exclusive magnetic key safety device that shuts off the unit when mixing door is opened. In addition, the SRP-100 is equipped with a unique water jacketed extrusion cylinder that cools extrusion temperature for ideal product flow.

Model SRP-100 operates as follows: first, ingredients are loaded into the stainless steel mixer, the mixer door is set into position and the unit turned on. The contents are then automatically mixed for approximately 10 minutes until the proper consistency is reached. Next, the unit's sliding door is opened, allowing dough to enter the extrusion cylinder where a rotating screw forces it through the pasta forming die. For long goods, pasta is simply cut and hung on sticks to dry. For short goods, a propeller-type blade adjustment is set in place and the pasta is cut and collected on stainless steel accumulator trays.

For more information on the versatile Demaco SRP-100 press, please contact: Mr. Joseph De Francisci III, De Francisci Machine Corporation, 250 Wallabout Street, Brooklyn, New York 11206; phone: (212) 963-8000.

National Plant Engineering And Maintenance Show And Conference

The elements necessary for the re-industrialization of American industry - from the maintenance of sophisticated electronic equipment to the computerization of the maintenance function itself to improved management techniques for higher productivity - will be the focus of attention in the exhibits and the conference sessions when the National Plant Engineering & Maintenance Show and Conference convenes at McCormick Place, Chicago, March 29 through April 1, 1982.

Show and conference are produced by Clapp & Poliak, Inc., New York the international exhibition and conference management firm that has produced the twin events annually since 1950.

The show will occupy the huge upper floor of McCormick Place and the adjacent mall area, which was added for the first time for the 1981 show. The 1982 show is expected to be larger than last year's show.

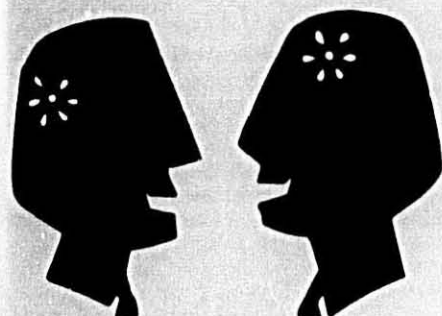
Visitor information is available from Clapp & Poliak, Inc., 245 Park Ave., New York, N.Y. 10167. 212-661-8410.

NPA Plant Operations Seminar, Chicago, Apr. 27-28

THE MACARONI JOURNAL

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plication of ideas between members goes on
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ideas begin to flow.

Your association works hard to create the
right atmosphere for this profitable idea ex-
change. Conventions, seminars, workshops, all
of the activities that pull members together,
help to keep ideas moving.

The officer you can put yourself in this
company, the more you'll benefit. Step num-
ber one is to join and support your trade
association.

Step number two is to attend their next
meeting. And take an idea along with you.
You're bound to at least double it before you
leave.

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- 6—Pesticide + Fumigant Analysis.
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FELLOW SERVANTS, MANAGERS, LAWSUITS AND SAFETY

by Joseph Canepa, Jr. — B.S. Industrial Management, George Tech; LL.B. St. Johns; admitted to practice law in New York State and presently is General Manager of DeFrancisci Machine Corporation; and Russ Coniglio — B.B.A. Hofstra University; J. A. Hofstra University School of Law; and presently Vice President of Paramount Macaroni Company.

At the recent National Pasta Association meeting, Mr. Eric Oxford, an Attorney for the U.S. Chamber of Commerce, mentioned that some States are disregarding the "Fellow Servant" rule.

This is a very significant change in the law and may mean that managers will be subject to enormous potential personal liability. Since most managers do not carry insurance covering personal liability (other than auto and homeowners, which do not help), a manager who loses a liability suit, could be wiped out economically.

Cases going back to 1937 in England¹ and 1842 in the United States² affirmed the "Fellow Servant" rule. This rule prevented one worker from successfully suing his fellow workers for negligence on the job. The reason for the rule was that the employer (or in those days, the Master) was liable for his employee's on-the-job negligence. Without the "Fellow Servant" rule, worker Smith hurt by worker Jones' on the job negligence, can successfully sue Jones with the Employer paying the damages awarded from the suit.

In the case above, the worker Smith could also sue his employer directly for the boss's negligence, except that in the early 1900's most states passed Workmen's Compensation Laws, which barred this type of suit.

The reason for the prohibition of suits between employees against employers was that the employee would get compensation for his injuries on the job regardless of who caused the injury, and there was no necessity for litigation.

This system seemed satisfactory enough until we reached our present day when aggressive Plaintiffs attorneys, who sometimes wind up with a percentage of the money judgment, separated the Employer from the Manager. The manager became a "Fellow Servant."

A group of workers in Alabama, apparently not satisfied with their benefits under Workmen's Compensa-

tion, sued their Fellow Servants. The highest Court in Alabama allowed the suit in the case titled Grantham Vs Benke (1978)³. Even though these employees could not sue their employers, they were allowed to sue their "Fellow Servants".

A few months later this same Court heard a case in point. A lady named Amy Jean Evans, on behalf of her husband, Floyd Wayne Evans, sued one, Orville Eugene Kindred. Both Mr. Evans and Mr. Kindred worked for a Fish Construction Company. Kindred was a crane operator and Evans a pipefitter. With Kindred in control, the crane knocked Evans down. Evans received his Workmen's Compensation but sued Kindred anyway. He also named as defendants Kindred's supervisor and the Personnel Director of the Fish Company. His theory in naming the two managers was that they were both negligent in hiring and keeping Kindred as a Crane Operator because Kindred had only one arm and had an alleged drinking problem. The Court ruled in favor of Mrs. Evans citing the Grantham case as authority.⁴

Alabama Case

The next case in Alabama⁵ is a manager's nightmare. Six employees were assembling a trailer body for the Dorage Company in Alabama. They were using electric screwdrivers and had opened cans of a highly flammable glue. Glue fumes must have been concentrated enough so that a spark caused an explosion injuring all of the workers.

All collected compensation. All sued. They sued their Line Supervisor, the General Supervisor, the Production Vice President, and the Director of Personnel and Labor Relations. (They even sued the safety inspector from the Insurance Company, which carried the Workmen's Compensation for Dorage. The legal fate of this poor soul is not germane to this article).

The lower Court awarded the six men (and three wives) a grand total of \$7,575,000.00. On appeal, the liability

of all the managers was affirmed, although the higher Court did ask the lower Court to review the amount of the judgment.

Another case⁶ in Alabama recently held that a group of Coal Miners, who had "black lung" disease, could sue their fellow servants but not their employer, West Point Pepperell Company.

Notice that in all of the Alabama cases, the employers, Fish, Dorage, and West Point Pepperell were not defendants. The defendants, who ultimately have to pay the damages, were mostly managers.

In Wyoming

Another State followed Alabama and did away with the fellow servant rule. In January, 1981, the Supreme Court of Wyoming⁷ ruled against a Gibson A. Barnette. Mr. Barnette was the 50% owner of a corporation. He was also the Chief Executive Officer and directed the corporation almost every day in its activities.

One time he was told by one of his employees that a certain truck had a defective emergency brake. He chose to ignore this warning. Later, another employee, driving the truck, stopped to open a gate and left the truck unattended with the emergency brake on. The truck rolled backwards and crushed the legs of one Michael L. Doyle who sued Barnette. Doyle was successful to the tune of \$1,000,000, even though he collected Workmen's Compensation. Barnette incidentally defended the case vigorously. First he contested that he and his corporation, Casper Mud Service, were immune from suit because Doyle was protected by the Workmen's Compensation Act of Wyoming. The Court agreed regarding Casper Mud, but did not agree dealing with Barnette personally. The Workmen's Compensation Act in Wyoming provides that fellow employees, including managers, directors, etc., are liable for their culpably negligent acts. The Court did not have much difficulty in coming up

with this conclusion in light of the evidence that Barnette knew the emergency brake was defective and did nothing about it. Barnette also tried to defend himself using the so called "Unholy Trinity" of legal defenses. The first one of these is called the Assumption Risk Doctrine. In its simplest terms this means if a person takes a job which is hazardous, he fundamentally assumes those hazards.

The second rule was the Contributory Negligence Doctrine which states that if an injured party in any way contributes to his own injuries, the other party is not liable.

The third defense was our friend the "fellow servant" rule. The court made quick work of all trial defenses and held the owner-manager liable for his own acts. Wyoming thus became another State which rejected the "Fellow Servant Doctrine".

Florida Case

There was even a case in Florida in which an individual named Sidney H. Jessop was a sole stockholder and President of Sun State Properties, Inc. Mr. Jessop's secretary was a lady named Maria Butterworth West. Ms. West complained one day of a headache. Mr. Jessop thought he could help Ms. West by manipulating her head and he wrenched her back. She sued.

The Florida⁸ Court held that Mr. Jessop, President of Sun State Properties, Inc. was not liable to Ms. West but she is liable individually for her own affirmative act in wrenching her neck. (Although, the Court did not say it, it is probably a good rule of management or law to keep one's hands off the neck).

Many other states also followed the Alabama, Wyoming and Florida decisions. We would guess that most states will adopt these decisions because

A The "Fellow Servant" rule has little logical basis.

B Most injured workers are unhappy with the amounts they receive from Workmen's Compensation.

C Attorneys who make their living by getting a percentage of money damages will vigorously attack any rule of law which discourages litigation.

What Can Manager Do?

What can the manager do to protect himself from this liability? First, there is insurance. Secondly, the manager should be very careful not to act in any manner which a Court could eventually view as negligence.

A few examples where a manager could be held negligent for injury to an employee:

- 1) Ordering or permitting an employee to disregard a safety device installed by a Manufacturer.
- 2) Not taking action after seeing that an employee disregards a safety device.
- 3) Failure to install a safety device upon notice from the manufacturer of the device's availability.
- 4) Failure to keep up with the state-of-the-art regarding machine safety.
- 5) Failure to instruct employees in safe use of machinery.
- 6) Hiring or keeping workers who are safety risks.
- 7) Buying equipment which is inherently unsafe.

This list is not intended to be infallible or all-inclusive, but is merely a guide to examine areas which may later be a source of litigation.

Transcript

Let's imagine the following transcript from a negligence case involving an injured worker:

Plaintiff's Attorney: What is your name?

Defendant: Joe Production.

Plaintiff's Attorney: Who do you work for?

Defendant: XYZ Macaroni Company.

Plaintiff's Attorney: What do you do there?

Defendant: I am the Production Manager.

Plaintiff's Attorney: Do you have a Safety Program?

Defendant: NO.

Plaintiff's Attorney: Do you instruct your personnel on safety?

Defendant: NO.

Plaintiff's Attorney: Do you do anything on safety?

Defendant: Once in awhile we put up a sign.

Plaintiff's Attorney: Are the signs in English?

Defendant: YES.

Plaintiff's Attorney: Do you have any employees that do not speak English?

Defendant: Probably half.

Plaintiff's Attorney: Did you see any machines that had safety guards removed?

Defendant: YES.

Plaintiff's Attorney: Did you do anything when you saw a safety guard removed?

Defendant: NO.

If you were sitting on a Jury and heard this line of questioning, do you think you might be inclined to hold the Defendant liable for negligence?

If you were the Defendant in the above imaginary case, do you think you could walk out of the Court Room without liability?

These areas should be looked into very seriously. The economic well-being of all Managers could be affected by it.

Footnotes

1. Priestly vs. Fowler (3 Mee & W 150 Eng Reprint 1030) 1837
2. Murray vs. South Carolina Railroad Company 26 SCL (1McMull) 385, 1842
3. Grantham vs. Denke 359 So. 2D 785 1978
4. Evans vs. Kindred 362 So. 2D 206 1978
5. Firemen Fund American Insurance Company, ET AL. vs. John F. Coleman 394 So. 2D 334
6. Wilkens vs. West Point Pepperell Company 397 So 115 April 10, 1981
7. Barnette vs. Doyle 662 P. 2D 1349 January 23, 1981 Supreme Court of Wyoming
8. Maria Butterworth West vs. Sidney H. Jessop (Sun State Properties, Inc.) 339 So 2d 1136
9. 21 ALR 3rd 845 (see list of specific States within)

Insulation Conserves Energy

Industry representatives across the country gathered at the Department of Energy recently and were told that American industry can save more than 305,000 barrels of oil daily through available conservation measures.

The savings are estimated to be valued at \$2.3 billion over a one-year period.

At the "Economic Thickness of Commercial/Industrial Thermal Insulation" Seminar, a representative of the Thermal Insulation Manufacturers Association (TIMA) reported that

(Continued on page 40)

SAVE OVER \$1 MILLION IN TEN YEARS!

WITH EACH MICROWAVE DRYER

- Up to 4 times the production in the same feet of floor space (a bargain in itself with construction costs in the \$40 sq. ft. range)
- Free production 5.42% with a 5-day week
- Save energy. Tests prove over 50% total energy savings compared to some competitive dryers
- Sanitation savings. Minimum \$100 each cleaning. Most easily sanitized dryer. Hose it down or steam clean it.
- Save on installation. Fabricated and assembled at our plant. Up to 5,000 man-hours savings.
- Other factors of increased flexibility: less waste from spillage, more exact moisture control.

A BETTER PRODUCT

Finally we have the capability we've been trying to achieve for hundreds of years—drying macaroni products from the inside out. Until now we have had to wait for the product to sweat or rest so that the moisture would migrate to the surface, when we could again dry some more in small stages. We had to be careful not to "case harden" the product so the moisture would not get trapped, thereby causing the product to keep drying on the outside but not properly and to check at a later date when that moisture finally did make its escape.

Microdry actually produces a better product than does conventional processing. The superior bite, the cooking strength and color when ready to eat, and the color enhancement and microbiology when presented in the package. We will be pleased to submit samples of product made on the same press same die same raw material but dried in conventional and Microdry units. You will readily see the color difference, cook and taste the bite differences, and measure for yourself the starch sluff off each product.

- Kills all weevils—eggs, larvae and adults
- Kills all salmonella, *Staph. E. Coli* and Coliforms. Greatly reduces total microbial counts.
- Makes a product with nice color.

WHAT USERS SAY:

■ Lowest downtime. We keep an accurate record of all downtime and express it as a percentage of time down to time scheduled. Microdry leads the list at less than 2%.

Plant Manager of a leading mid-west operation

■ All future equipment will be Microdry.
Technical director of a large pasta plant

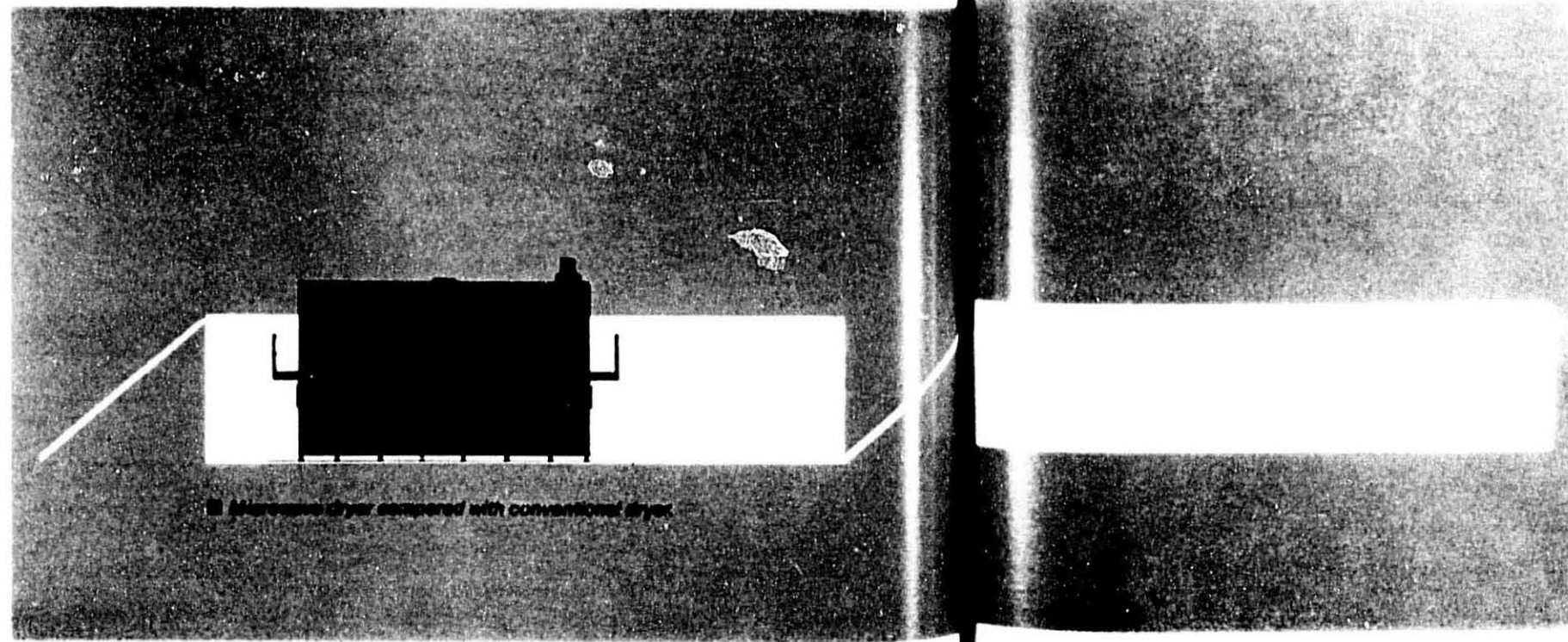
■ I guess the greatest compliment I can pay to Microdry is that if we were going to install another Short Cut line in our Operation, it would definitely be a Microdry Microwave Dryer.
Executive Vice President, pasta manufacturer

UNITS IN THESE LBS. HR. CAPACITIES: 1500, 2500 AND 4,000 ARE OPERATING TODAY OR ARE ON ORDER FOR:

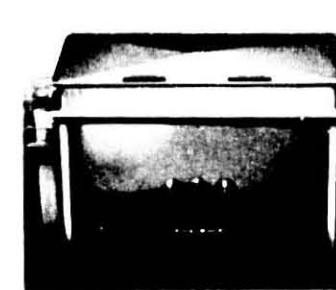
- GOLDEN GRAIN PLANTS 7 units
Chicago, Seattle, San Leandro
- DAMICO 1 unit
Chicago
- CATELLI 1 unit
Montreal
- GOOCH 2 units
Lincoln, Nebraska
- O B 1 unit
Fort Worth, Texas
- LIPTON 2 units
Toronto, Canada
- GILSTER MARY LEE 3 units
Chester, Illinois
- WESTERN GLOBE 2 units
Los Angeles
- PILLSBURY CO. American Beauty Division 2 units
Kansas City, Kansas
- SKINNER 1 unit
Omaha, Nebraska



Pasta drying operation from production line comparisons by two processors. Shows total energy saved.



■ Microwave dryer compared with conventional dryer.



■ Driewasher by Microdry. More compact. 2,000 p.s.i. water nozzle pressures.

MICRODRY Corp. World leader in industrial microwave heating.



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Energy Conservation

(Continued from page 37)

a study of 15 of the most energy-intensive industrial groups in the economy shows that at least one billion barrels of oil could be saved over the next 10 years by employing insulation on a full-scale basis.

Winfield T. Irwin, manager of Technical Services, Insulation Group, CertainTeed Corporation, said that of the 325 million feet of steam process pipe in use by these industrial groups (which include chemical, paper, petroleum, lumber, and plastics), 72 million feet are uninsulated, while the balance is under-insulated. (Steam generation accounts for 42 percent of industry's total energy consumption).

Survey Findings

Speaking before a gathering of specifiers, contractors, and designers, Irwin described the findings of TIMA's survey of 15 Standard Industrial Classification (SIC) groups, which represent 85 percent of total energy use. He said that the total cost of insulating bare pipe and replacing existing insulation with a more effective type would be \$6.2 billion. The payback period would be 30 months, based on the average price per barrel of oil equivalent.

"Conservation of existing supplies of energy will represent the single greatest challenge to American industry through the remainder of the century," explained the CertainTeed executive.

"The results of the TIMA study," Irwin said, "highlight the need for stronger conservation measures to be taken by industry to lessen future dependence on foreign energy sources. Insulating all steam process pipes with proper amounts of insulation will have a positive effect on conservation."

To encourage industry participation in these efforts, TIMA has made available an Economic Thickness of Insulation (ETI) computer program to those with energy savings goals. Once the data is provided, the program will calculate the proper thickness of insulation necessary while estimating installation costs and investment payback. Any TIMA member company will perform the calculations free with no obligation upon request, or the program can be purchased in Fortran IV language on

cards or paper tape for a nominal fee, noted Irwin.

Presented by the National Institute of Building Sciences (NIBS), and in cooperation with the Department of Energy and other associations, the seminar/workshop was developed to increase the attendees' knowledge of thermal efficiency by the use of thermal insulation on mechanical systems.

Nation Must Develop All Energy Resources

The nation must develop all its energy resources — natural gas, coal and nuclear in particular — in order to continue the current favorable trend in energy perspective, Secretary of Energy James B. Edwards believes.

Natural gas, which provides about a quarter of the country's domestic energy needs, is clean, safe and relatively cheap and not about to run out, he told a recent session of the National Conference of State Legislatures in Atlanta.

He said the reason is very extensive exploration and development that is occurring in certain categories of gas which price is not controlled under the Natural Gas Policy Act. He added that unconventional and deep gas supplies are now increasing significantly because developers have the incentive of market prices.

The Secretary said the Administration is looking at options for the accelerated decontrol of natural gas. "The benefits in increased supply and efficiency would be very great. However, we will also consider carefully the possible negative impact of decontrol in social and economic terms."

Secretary Edwards called for more extensive and effective use of coal. "We must especially reexamine constraints on its use at home and we must put in place the necessary infrastructure to meet export demands."

He said the Administration will have a recommendation soon for revision of the Clean Air Act and will also review the Clean Water Act and various surface mining regulations.

"We want to preserve the environment and we recognize the need for some reasonable regulation," he said. "But it must be reasonable and it must balance environmental needs with the equally important needs of getting America back to work again."

Nuclear Balance

Nuclear power has a safety record unparalleled in any other industry, and it requires more reasonable and balanced treatment, the Secretary said. "Perhaps no other energy source has been so misrepresented," he said. He added:

"We must increase public understanding of nuclear reactor safety. We must speed up the whole nuclear plant construction and licensing process. A decade ago it took 5 to 6 years to bring a nuclear plant into operation. Today, it takes up to 14 years. This is not progress."

Waste Management

The Secretary also called for effective waste management programs. He said institutional problems have impeded use of currently available technology.

In order to effect a change, he said, the Department's FY 1982 budget requests \$299 million for commercial waste management, a 20 percent increase that will enable the country to speed up identification of suitable repository sites and bring a demonstration waste facility into operation by 1990.

"Let me assure you that we do want to work closely with state and local officials in those areas we are considering as possible sites for waste repositories," he said.

Renewable energy sources, including solar, biomass, alcohol fuels, wind, wood and hydropower, will also be a part of the nation's energy mix in the years ahead, Edwards declared. He added that for the most part, these technologies are commercially marketable today and do not require extensive federal support.

He emphasized that the Administration supports and encourages conservation.

Conservation is such a reasonable, common sense answer to rising energy prices that we do not believe it necessary to spend millions of tax dollars to promote it. But we will continue conservation tax credits for individuals, which should amount to at least \$740 million in 1981 and \$500 million in 1982.

"We support grants to assist conservation efforts of low-income people and nonprofit organizations, and of state governments, which are receiving 107 million dollars this year."

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Leo Cantwell, Director of Marketing at North Dakota Mill knows that it's not only the equipment

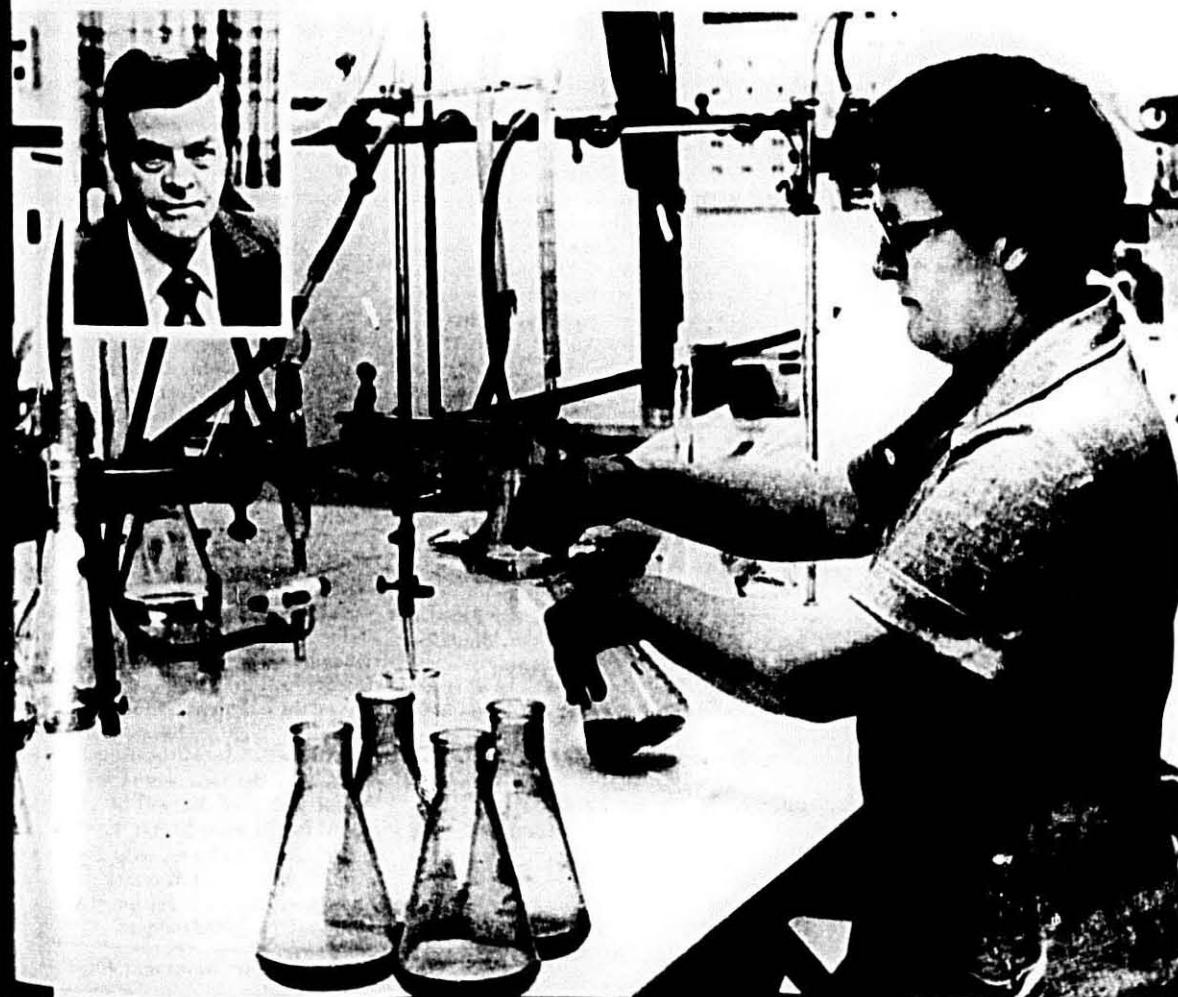
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WANTED: Domoco used presses, spreaders. For information write P.O. Box 336, Palatine, IL 60067.

Donato Maldari Dead

Donato Maldari, patriarch of extrusion macaroni die manufacturers in the United States, passed away on November 2, 1981.

Donato is survived by two sons, Dan and Ralph; four grandchildren—Donald, S.; Danny, Frances Postorino, and Chris; and by one great grandchild, Ralph II.

Born in the town of Giovinazzo (Bari), Italy, Donato immigrated to the United States in 1905 and started the nucleus of the macaroni die makers of the United States. This start was predicated on hard work, relying primarily on personal skill rather than on mechanization for production output. By 1913 the business prospered to the point where Donato was able to return to his native town, marry, and make the journey back to the United States with his wife to con-



Donato Maldari

tinue his upward climb to success in business.

Donato served his chosen country admirably during the war years, co-operating with both business and the United States Government. Through his untiring efforts, he succeeded in having the government recognize macaroni products as an essential food — and was thus granted the necessary priorities for material procurement which resulted in uninterrupted production of macaroni products for both civilian and military consumption.

Today the familiar trademark of the flying eagle perched atop five dies and clutching stems of wheat, symbolic of Maldari Dies, is internationally known not only for extrusion of macaroni products, but also for extrusion of various other products in the food industry.

Donato was loved by everyone, and he most certainly will hold a time honored place in the macaroni industry.

Charles Ritz Dead

Charles Ritz, honorary chairman and active member of the board of International Multifoods Corp., died November 11 in Minneapolis, Minn. He was 90 years old. Mr. Ritz had been associated with the Minneapolis-based food processing company since 1910, when he was hired by the firm's founder, Francis Atherton Bean, Sr., as a stenographer at the Moose Jaw, Saskatchewan, mill.

He was elected to the company's board in 1934 and in 1938 was named president of its Canadian subsidiary, Robin Hood Multifoods. He became an executive vice president of International Multifoods in 1942; was elected its president the following

year; and, was named chairman of the board in 1955, a post he held until he was elected honorary chairman of the board in 1965.

A Leader in Milling Industry

A leader in the milling industry, Mr. Ritz was a charter member of the Canadian National Millers' Association (chairman 1930 and 1931) and the Millers' National Federation of the United States on whose executive committee he served for 16 years. He was a board member of the National Association of Manufacturers from 1955 to 1958.

Mr. Ritz was vitally interested in Radio Free Europe, serving as Minnesota state chairman in 1959 and 1960, and as a member of the board of the national Radio Free Europe organization for a number of years. He served as a director of MSL Industries, Inc., Los Angeles, for 13 years and Investors Diversified Services, Inc., Minneapolis for 10 years. For several years he has been a trustee and member of the executive committee of Walker Methodist Residence and was also an honorary member of the board of directors of the Minneapolis YMCA.

Because of his long-abiding interest in health services and in his birthplace, Mitchell, Ontario, Mr. Ritz in 1972, founded the Ritz Lutheran Villa, a retirement home in Mitchell. The Villa was dedicated to the memory of his parents.

He was a member of Grace Lutheran Church, Mitchell, the Scottish Rite, and a life member of the Masonic Order and Karnak Temple of the Shrine, Montreal; the Minneapolis Club, the Minikahda Club (past president), and the Thunderbird Country Club, Palm Springs, California.

In commenting on Ritz's death, Multifoods' chairman, William G. Phillips said, "Charles Ritz will be remembered as a pioneer of integrity, decency and loyalty in this community and in our industry. He gave of himself as well as his financial resources to his many friends and particularly to the members of his family, far and near. He will be greatly missed by the many lives he touched."

He is survived by his wife, Evelyn; a son, Gordon H., of Wayzata, Minn.; a daughter, Norma R. Phelps, of Wayzata; and six grandchildren.

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