

**THE
MACARONI
JOURNAL**

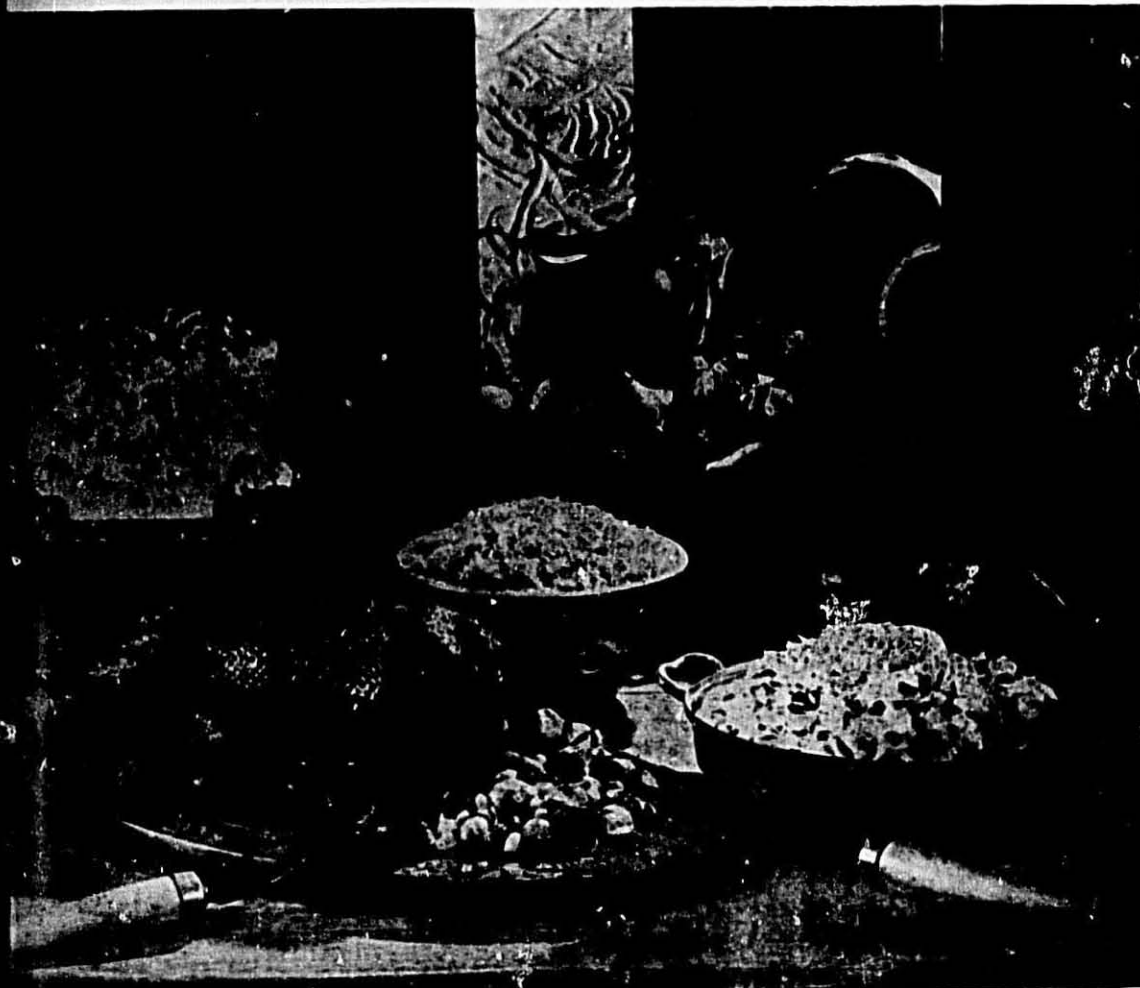
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Macaroni Journal

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DECEMBER, 1982



COOKERY CLASSIC

Season's Greetings



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The Macaroni Journal

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Cookery Classic

The art masterpiece on the cover this month could be a photographic representation of a painting from the Italian Renaissance or a Flemish still life.

The holidays are traditionally a time of sumptuous feasting. This year, why not borrow a menu from a European celebration and share in one of their delectable repasts.

Roast Goose

Roast goose is as highly esteemed in the eastern European countries as turkey is here. We've chosen this magnificent bird, one of the most flavorful members of the poultry family, as the mainstay of our handsome Christmas table. Rich and savory, the goose should emerge from the oven beautifully browned with tender, delicate meat and a very crisp skin. It is customary to stuff it with crisp, pungent sauerkraut, a favorite vegetable that has a tangy sharpness to complement the goose. They are usually served together on the Continent, and in our own country, it is customary for the Pennsylvania Dutch to serve kraut

with goose or turkey for Christmas as a symbol of the ending of the old year.

Nestled invitingly around the goose is another popular vegetable cultivated for centuries in Germany and the lowlands and now grown in California. Robust, bright green Brussels sprouts are enhanced with golden seedless raisins and poached in dry white wine. Broad egg noodles, seasoned with a hint of orange, are an ideal accompaniment and, together with black pumpernickel, complete the main course. The bland noodles provide a welcome contrast to the richer, more zesty flavors.

Your guests will probably appreciate a respite before dessert, so plan to serve the superb, towering Maraschino Hazelnut Torte with coffee later, so that it will get the enthusiastic reception it deserves. Hazelnuts, or filberts as they are also known, have a subtle yet distinctive flavor and are probably the most often used nut in European cookery. A heavenly butter cream studded with bits of sweet ruby-red maraschino cherries makes the confection still more toothsome. Pipe it with rosettes of whipped cream and crown this masterpiece with whole toasted filberts and stemmed cherries.

MACARONI JOURNAL

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DECEMBER, 1982

PASTA: PAST & PRESENT

by Lorraine Latorraca, freelance writer,
in the Professional Nutritionist

Whether it's economic concern, time constraints or increased awareness of good nutrition, Americans have developed an all-consuming love affair with an ancient food: pasta.

In increasing numbers, they are enjoying what sounds like a "wonder food" from the labs of modern food technologists: it is versatile, easy to prepare, economical, shelf-stable, and an excellent energy source. Best of all, plain pasta is low in fat and sodium and has no more calories per ounce than unadorned potatoes or rice.

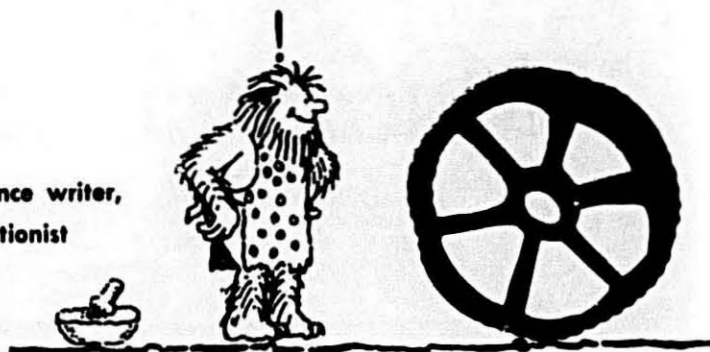
Per capita consumption of pasta in the United States last year was about 11 pounds. That's up about three pounds per person since 1972, though still a long way behind the average Italian, who consumes up to 60 pounds per year!

Long associated with Italian cuisine, "pasta" is now used as a generic term for an international spectrum of foods made from what is basically a mixture of flour and water. It's a term which encompasses the range of foods from familiar Italian fare—spaghetti, ravioli, lasagna—to Chinese *mein*, Ukrainian *vareniki*, North African *couscous*, German *spätzli*, Japanese *udon*, and dozens more.

Like bread, pasta is a staple food in many cultures. And as with bread or any other staple, it's doubtful that any one person or country "invented" pasta. Italian chauvinists may be relieved to know that Marco Polo did not introduce Italians to spaghetti after discovering it during his expedition to China in the 13th century: both Italians and Asians had already been making and enjoying it for millennia.

Grain Is Key Factor

The key factor in pasta's evolution is grain, the source of flour. From about 9,000 B.C., people began to establish villages in areas where wild wheat grew. Eventually, they learned



to cultivate wheat by saving and replanting some of the ripened grain.

One early food made in the Near East was a mixture of roasted ground grain and water, a paste food the Greeks called *maza* and the Romans, *puls*. The existence of such grain paste in Ancient Asia is not documented; however, a similar food called *tsampa* is still made in Tibet today, suggesting a parallel origin in that part of the world.

By any name, such a food was nourishing, bland enough to mix with other foods and spices, easy to carry along on journeys and not as quick to spoil as breads. It was, as one food writer called it, "a convenience food for the pre-industrial kitchen."

It isn't a far leap in culinary development from this grain paste to some sort of primitive pasta. It would only have required innovative cooks to shape or flatten it, let it dry in the sun, and drop it into boiling water, broth or stew.

Known in Many Cultures

Whatever the progression, pasta was known in many cultures by the 3rd or 4th centuries B.C.—certainly in China and what was eventually to become Italy.

References to noodles appear in 3rd century Chinese documents, and oral history suggests its existence there even earlier. From earliest times, the Chinese used a variety of flours their pasta, including wheat, rice, potatoes, and mung-beans (still used to produce today's "cellophane" noodles).

A bas-relief on an Etruscan tomb dated about 400 B.C. provides an early Italian connection. The scene on this tomb, located 30 miles north of Rome, clearly depicts implements

for pasta-making: a table, rolling pin, pastry wheel, knife, water jar, ladle, and sack of flour. Perhaps this ancient Italian wished to carry a favored food into the next life with him?

Four centuries later—and still 1200 years before Marco Polo left for Cathay—pasta made appearances in the writings of Roman poet/philosopher Cicero and Horace. And in the early years A.D., a Roman libertine named Marius Gabius Apicius, known for his love of food and lavish entertainments, wrote a "cookbook" which included several recipes for the preparation of pasta dishes. (It isn't known whether this collection was compiled for commercial purposes; if it was, it was not a great success among Romans of his day, for pasta aficionado Apicius committed suicide in despair over his dissipation of his fortune.)

After the fall of the Roman Empire, many influences permeated the Mediterranean region. In the 11th century, the Normans invaded Rome. An Arab geographer, Al-Adrisi, was commissioned by Norman King Roger to write of his explorations of the area. Al-Adrisi's manuscript includes reports of people near Palermo, Sicily making a flour and water paste into strips Al-Adrisi called *liriyah*, which is the Arab word for "string." The word evolved into *trina* or *trifi*. The latter is a dialect word for *spaghetti* in parts of Sicily even today.

Italian Favorite

So by the late 13th century, pasta held a central place in Italian culture and cuisine. It may even have been considered a luxury for many—a will written in Genoa in 1279 contains among its bequests a basketful of *macaroni*. The Vatican library houses a manuscript dated about 1290—several years before Marco Polo

returned from China—which describes the methods for making *vermicelli*, *tortellini*, and other types of pasta.

Ironically, although Marco Polo and his contemporaries had already elevated pasta to a place of honor in their lives, the Chinese considered their noodles quite a common, vulgar food, mostly suitable for peasants to take with them into the fields for noon meals, for at least another 300 years. The Chinese eventually changed their minds, of course, and pasta became a respected food. It has most commonly been made in long strips, to signify long life, it is said. Birthday celebrations in parts of China often feature noodles for that reason.

But pasta has been a very serious matter to Italians for a long time. Its commercial possibilities were evident to the Italians as early as 1400 A.D. Initially, Sicily, as a major wheat-producing region, was the center of southern Italy's pasta industry. Production later shifted to Naples. That city still reigns as the major producer of southern-style pasta—the extruded tubular shapes such as *rigatoni*, *mostaccioli*, *tuberoni*, and *spaghetti* itself.

Northern Italy was slower to begin commercial production, its inhabitants apparently preferring to make their specialties at home. Northern Italian pastas are still primarily made with an egg dough, in ribbon-like types such as *tagliatelle* and *capelletti*, or slaps such as *tortellini* and *capelletti*.

The region of Emilia-Romagna has long had a reputation for the finest pastas of this sort. Its proximity to Switzerland and Germany suggests that the egg noodles of those countries may have derived from the specialties of Emilia-Romagna, either through friendly visits or one of the many invasions of northern Italy.

All of Italy was "visited" by occupiers and invaders and landlords of various sorts for centuries. Generally, the newcomers took readily to the natives' favorite food, and the proliferation of pasta throughout the world may be due to Italy's turbulent heritage. But woe unto any foreign power who failed to respect pasta!

An only-in-Italy version of the Boston Tea Party reportedly occurred in 1647 during a Spanish occupation of Bari, a town in the heel of Italy's "boot." The Spaniards made the mistake of imposing a stringent tax on flour, thus interfering with both per-

sonal and commercial pasta production. The citizenry of Bari revolted; the tax was rescinded after a week of fighting.

Yankee Doodle

Pasta certainly had made it to England during the Middle Ages. By the 18th century, the word "macaroni" had somehow become popular slang for anything smart and fashionable, which is why Yankee Doodle so dubbed the feather in his cap. In 1817, the food itself was considered fare fit for a king (or future king); a featured entree at a banquet for England's Prince Regent, later to become King George IV, was a dish called "La Timbale Macaroni a la Napolitaine." (Sounds impressive, but it was basically macaroni and cheese.)

The New World gradually got its taste of pasta, too. While serving as Ambassador to France in the late 1700's, Thomas Jefferson sampled pasta during a visit to Naples. He was so fascinated by the manufacturing process and the product that he ordered several crates of "macaroni" sent back to the United States, along with a pasta-making machine. Unfortunately, history does not record whether guests at Monticello—or later, the White House—were treated to homemade pasta a la Jefferson.

Swiss, German, and English settlers brought their noodles to the U.S. during the 19th century, too. But it was not until after World War I, when the "melting pot" of America stopped simmering as rapidly as it had been, that people began to sample their new neighbors' cuisines and appreciate the different contributions of other cultures to the American experiment.

Pasta was one "foreign" food to win its citizenship papers quickly, perhaps because it was already a familiar food to so many cultures.

21st Century

As the 21st century becomes more of a reality than a setting for science fiction, one of the most ancient foods moves forward to claim a central role in the world's diet. Many things old are new again! In a recent article, *Newsweek* magazine took a look at the boom in pasta restaurants, take-out stores, home pasta machines, and other pasta accoutrements and called it "Pasta Chic." The label implies

that, like the Charleston, Zoot Suits, goldfish swallowing and Op Art, pasta is a trendy fashion which will have its heyday and pass away.

But from neolithic wheat gatherers to the Etruscans and ancient Chinese, to Marco Polo and Thomas Jefferson, history suggests otherwise. As long as someone has a bit of flour, some water and a healthy appetite, there will always be pasta.

Le Menu Dinners

Campbell Soup Company's U.S. Division has begun shipping a new, premium line of dinners.

Le Menu dinners began appearing in supermarket freezer cases in several West and Southwest markets recently. They are particularly appropriate for upscale, one-to-two-member households, in metropolitan and suburban areas.

There are eight different varieties, each with meat, starch and vegetable selected to complement each other in both appearance and taste appeal.

Eight Varieties

The Le Menu dinners include: beef sirloin tips, with o'Brien potatoes and broccoli with cheddar cheese sauce; sweet and sour chicken with seasoned rice and green beans with oriental vegetables; pepper steak with long grain rice and oriental vegetables; sliced turkey breast with long grain and wild rice and garden vegetable medley; chicken a la king with seasoned rice and green beans almondine; yankee pot roast with browned potatoes and seasoned carrots and pearl onions; chopped sirloin beef with potatoes au gratin and seasoned green beans; breast of chicken parmigiana with fettuccine alfredo and Italian green beans.

"Le Menu reflects the efforts of a skilled team of Campbell research scientists, an award winning French chef, home economists, market researchers, engineers, and production specialists," explains Steve McNeil, general manager of the U.S. Division's frozen food business unit, "all directed by a strong marketing and sales group and supported by top management."

The dinners come on a unique, round, table-ready serving plate, suitable for either conventional or microwave ovens. Heating times for the line range between 30 and 45 minutes in

(Continued on page 20)

A SALUTE TO THE U.S. DURUM GROWERS ASSOCIATION

An audio-visual presentation was made at the International Durum Forum to salute the 25th anniversary of the U.S. Durum Growers Association.

The story, in essence, is as follows:

World War I

The domestic pasta industry grew up with the end of Italian imports during World War I. With the multitude of neighborhood ethnic producers, there were some 500 operations around the country. The National Macaroni Manufacturers Association was incorporated and hired its first paid executive and editor of the Macaroni Journal in 1919. He was M. J. Donna from Braidwood, Illinois.

In addition to putting out the Journal and putting on an annual convention, Mr. Donna promoted national advertising for pasta and encouraged durum relations with Burt Groom and Bill Sebens of the Greater North Dakota Association who brought grain exhibits to the National Livestock Show in Chicago each fall. It was customary that Mr. Donna entertain the North Dakota delegates at some Italian restaurant in the city.

Mr. Donna began attending Durum Shows when they were established in Langdon, North Dakota, during the 1940's. He would take the train from Chicago to Grand Forks and transfer there to the milk run up to Langdon. The milk train would be loaded in the morning and would leave when loading was completed, anywhere between 6 and 9 a.m. It was customary to get a brown bag lunch, a deck of cards, a couple of companions to spend the day covering the 200 miles almost to the Canadian border. He was usually accompanied by Bud Norris of The Creamette Company and Maurice Ryan of The Quality Macaroni Company. Later Lloyd Skinner and Bob Green joined the group.

The National Macaroni Manufacturers Association has awarded a Sweepstakes Award to the best entry of durum in the show since its inception back in the 1940's.

Victor Sturlaugson, director of the experiment station at Langdon, was a sparkplug for the Durum Show. He marshalled the whole community behind the event and got growers, millers, commission men and elevator op-



erators as well as macaroni manufacturers to discuss mutual problems and develop good will which led to the cultivation of better quality durum.

World War II

World War II was followed by heavy exports of macaroni products to Europe. This market was cut off abruptly by the Marshall Plan, and in the fall of 1948 the National Macaroni Institute was established to start a program of product promotion to pick up the slack in production. The firm of Theodore R. Sills in Chicago was retained to handle the campaign.

One of the early publicity efforts at Sills was to have a macaroni portrait of President Truman presented to the President when he visited St. Paul on its centennial.

15B Rust

During the crop years of 1953-54-55 15B Rust devastated the durum crop and forced the pasta industry to blend with other wheats. The pasta manufacturers, durum millers, and technicians at North Dakota State University worked together to establish a crash program of plant breeding to develop varieties resistant to this rust.

Ruben M. Herrmann, agronomist from the U.S. Department of Agriculture was one of the early plant breeders working on durum variety improvement. His work was aided by Henry O. Putnam of the Northwest Crop Improvement Association and Don

Fletcher of the Rust Prevention Association. This rust was a parasitic spore that wintered on the barberry bush, and barberry eradication was a primary goal of the Rust Prevention Association.

A Winter Increase Program for the development of rust-resistant durum was established by the Rust Prevention Association, later to become The Crop Quality Council between Canada, the United States, and Mexico. The original seeding was in Arizona, later in Mexico.

The Southwestern Miller editorialized in 1956 that one of the most phenomenal achievements in the field of wheat breeding and research was bearing fruit. It was the development of varieties of durum wheat resistant to Stem Rust 15B. Within a period of six years, or less than half the time normally required for the development of a new wheat, varieties of durum were bred with rust resistance that have brought an indicated crop of some 35 million bushels. But there were problems of acreage allotment at that time, and the questions at the Durum Show in 1956 was: (a) how much durum will the macaroni industry use in the crop year 1956-57? (b) will there be a durum legislation program for 1957? Senator Milton R. Young was on hand and said there would be a program if the farmers wanted it. They wanted it, and the legislation was passed successfully.

(Continued on page 8)

THE MACARONI JOURNAL



Ma D'Agostino, of tv cooking and cookbook fame, serves up proof packed pasta at Minneapolis' popular Sammy D's restaurant

The proof is in the pasta!

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Salute to Durum

(Continued from page 6)

The National Macaroni Manufacturers Association placed advertisements in newspapers throughout durum country urging growers to grow durum. There was competition from other crops including hard red spring wheat, barley, flax, and potatoes as well as competition from other states.

The state of Nebraska, for example, arranged for a delegation of Italian pasta manufacturers to make a trip to the U.S.A. to see their Nebraska variety of hard winter wheat as a substitute for durum. Some of the Italians were impressed and bought some. They were not impressed with the way American restaurants overcooked pasta.

But durum is a North Dakota crop. Russell B. Wittefield, Extension Program Director at North Dakota State Agriculture College, wrote in "Wheat, Bread, and Man" that durum is typically a North Dakota crop. He described how it came from Russia, brought by Dr. Mark Carlton at the end of the 1800's, and how it had grown into one of the specialties of North Dakota.

Growers Association Established

The U.S. Durum Growers Association was established in 1957. They, along with representatives of the Farm Bureau, met with durum millers and macaroni representatives in Minneapolis in the spring of 1958. The sentiment was expressed that a Wheat Commission could go a long way toward developing a demand for durum and durum products. N. M. M. A. President Lloyd Skinner formally issued an invitation to the growers to send representatives to the macaroni conventions and to cooperate in efforts to promote durum from the farm to the table.

At the harvest time in 1958 a group of macaroni manufacturers made a trip with Don Fletcher and Gene Hayden of the Rust Prevention Association (later to be called the Crop Quality Council) through Durum Country. At the university they learned how new varieties were developed by the plant breeders and tested by cereal technologists. In the fields they saw how the grower plants, cultivates his crop, and harvests it with the huge combines sweeping over large tracts of land. They saw truckloads of grain being taken to the elevator where it

is checked, stored, and shipped to market. At the Minneapolis Grain Exchange they saw how grain from the upper midwest is traded.

In a tool shed talk by grower Dick Crockett they learned something of the production costs of the grower.

During the 1950's the Durum Show was strictly a North Dakota affair. But when it became obvious that political pressure from other states would help get allotments through Congress, growers in South Dakota, Minnesota, Montana, and California were invited to come to the U.S. Durum Show. One representative from Tule Lake, California, attired in a trench coat in mid-February, arrived when the temperature dropped to -20° and was quick frozen as he got off the plane. He complained about being cremated when he walked into a building.

Dr. Glen Smith was one of the early pioneers in plant breeding and made the observation that the wheat breeder must keep the environment and hereditary points of view sharply in focus at the same time.

Feast or Famine

After the new varieties of durum resistant to Rust 15B came along, durum came back to normal production, but it was frequently feast or famine, and in 1961 there was a shortage again, and the millers called for a meeting in Minneapolis to determine what could be done with half sufficient supplies. It was generally agreed that the best way to husband the crop was to use half durum and half bread wheat. A resolution was proposed. The Federal Trade Commission then cited the National Macaroni Manufacturers Association for fixing the price of durum wheat. The defense was that there was no police power to enforce the resolution, but the Association was told to cease and desist.

An Industry Advisory Committee made up of durum growers, durum millers, and pasta manufacturers met informally through the 1960's and 1970's mostly to unite in presenting a front to the U.S. Congress and to encourage plant breeding and cereal technology at North Dakota State University.

Pasta Association

When the North Dakota State Wheat Commission was established, Paul Abrahamson, who had been a county agent and promoter of the

Durum Show in Langdon, was named as administrator. He saw to it that growers were represented at macaroni meetings and participated in product promotion.

The Durum Wheat Institute, a committee of the Millers' National Federation made up of the millers milling durum, also contributed to the product promotional efforts of the National Macaroni Institute, the Wheat Flour Institute, and later the Wheat Industry Council.

Wheat Commission

Two years ago last July when Lester R. Thurston, Jr. of the C.F. Mueller Company was elected President of the National Macaroni Manufacturers Association, he got the group to adopt the idea of developing a strategic long range plan, adopting a new name — The National Pasta Association — and adopting a new organizational structure of five councils: one for consumer affairs; another for government affairs; technical affairs which includes liaison with North Dakota State University; international affairs; industry advisory council which has representatives from the growers, the millers, and the pasta manufacturers.

Darla Tufto, nutrition specialist of the North Dakota State Wheat Commission, heads the committee on nutritional education for the Technical Affairs Council for the National Pasta Association.

In an effort to promote both consumer relations and good relations with the durum growers, Mr. Thurston created the idea of Pastaville, U.S.A. to coincide with the International Durum Forum two years ago. The promotion was to emphasize the fact that pasta is a special food made from a special type of wheat, grown in a special part of the country.

Last year to hype publicity a well known sports figure, Bob Mathias, Olympic decathlon champion, put on a "Pastalympics" to encourage young people to run, exercise, and eat pasta as a complex carbohydrate to give them the energy they require.

By working together the durum grower, the durum miller, and the pasta manufacturer can do a better job in developing the domestic market for the promotion of pasta and durum wheat. Through national publicity in every type of media, a continual upward trend in pasta consumption can be achieved.



Very
Christmas

and Best Wishes for a Healthy,
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INTERNATIONAL WHEAT COUNCIL STUDY ON DURUM

Because the production base and the market for durum are relatively small, adjustments of world supply and demand do not always converge towards equilibrium and rises and falls in price seem to be more precipitous than for other wheats, the Secretariat of the International Wheat Council explains in a special analysis of the world durum wheat situation. In its first comprehensive survey of the world durum wheat market since 1975, the Council traces recent developments and trends in durum production and trade.

World trade in durum exceeded 4 million tonnes for the first time in 1979-80 and rose to 5.3 million tonnes in 1981-82, compared with an average of 3.4 million tonnes in the 1970's, the survey says. Canada and the United States account for nearly all durum wheat exports, it points out.

The survey says that, while the European Community exports little durum wheat, it regularly exports considerable quantities of semolina and pasta products, "some made from North American durum imported under the onward processing regime." IWC describes an increasing tendency to import durum from Italy, Greece and Turkey in the form of semolina rather than grain.

Following, in part, is the summary of the IWC's survey, "The World Durum Wheat Situation."

A notable characteristic of the durum wheat economy is its vulnerability to crises, both of shortage and surplus. Shortages of supplies occur more often and with greater severity than in the case of bread wheats. On the other hand, producers of durum are apt to find surpluses particularly burdensome. Consequently, they rapidly cut down production and, inevitably, this leads to shortages. Supply and demand in the international market are not often in balance. When they are, it is only for brief periods. Above all, durum export prices are notorious for their wide fluctuations. These difficulties are intractable because they stem from the geographical pattern of durum production, and the nature of its uses.

In contrast to bread wheat, durum is grown only in limited areas in a small number of countries. There are not many established varieties of du-

rum, and even fewer which meet the criteria required for the manufacture of quality pasta products. The narrow varietal base makes it difficult to develop improved types by cross-breeding. It also means that the crop is particularly susceptible to pests or diseases.

Durum for Pasta Products, Couscous

The manufacture of pasta is the best known use of durum. But pasta made from a mixture of durum and non-durum wheat can be acceptable to some consumers. In North Africa and parts of Near East Asia durum is used to make couscous, a traditional food usually eaten with meat and vegetables. It can also be made from bread wheat, although with some loss of quality. In most countries, durum would not be considered suitable for bread making, but this has been traditionally practiced in some places where bread wheats are not locally grown. Finally, durum is used in some countries to make bulgur (parboiled wheat). Since durum wheat is not necessarily an essential component of most of these products, its price relationship with hard wheats can be of critical importance for the amount used.

Because both the production base and market for durum are relatively small, adjustments of supply and demand do not always converge towards equilibrium. Instead, they very often overcompensate, causing the durum market to oscillate from surplus to shortage and back. This has been the pattern of recent decades and seems likely to recur.

Near-record Production in 1982

On present estimates, world durum production was 25.2 million tonnes in 1981, 1 million tonnes more than in 1980 but still slightly below the record of 25.6 million tonnes reached in 1976. Preliminary estimates for 1982 suggest that output may fall by 2.2 million tonnes to 23 million tonnes. Production has been on an upward trend since the early 1970's, partly because of higher yields in Europe and Near East Asia. World durum areas increased between the mid-1960's and 1976, from 16 million to 18.3 million hectares, but have

since fluctuated around the 17 million mark. A notable recent development has been the major increase in the durum area in North America. In 1981, Canada and the United States together accounted for one-third of the world crop.

In Canada, durum competes for land with other spring wheats and certain other crops, such as sunflowers and oilseed rape. The area sown each year has been extremely responsive to price and market conditions, but despite large variations, it is possible to perceive an underlying upward trend in both durum areas and production. In the 1950's, production averaged 520,000 tonnes. In the 1960's it was almost twice as much, while the average for the 1970's was double that again, at 2 million tonnes.

Production Since 1975

Since 1975, the U.S. durum crop has only once been less than 2.9 million tonnes. In 1982, following a large increase in area and exceptionally good weather, production reached 5.1 million tonnes. Depressed prices and compliance with the voluntary acreage reduction program are expected to result in a drop in output to less than 4 million tonnes in 1982. High-yielding winter varieties with good quality characteristics are now grown on irrigated land in parts of the Southwest.

North Africa is one of the traditional durum producing regions. But areas have declined, yields are low and output is now lagging considerably behind consumption requirements. From being on balance a net durum exporting region in the 1950's, North Africa has now become the main source of import demand. It was probably in Near East Asia that the wild species of durum wheat originated. Durum is still widely cultivated, especially in Turkey, Syria and Iraq. Production in the region appears to be increasing.

Italy Spurred by European Policy

Durum is also of considerable importance in southern Europe, particularly in Italy, where production now averages over 3 million tonnes following a substantial switch in areas away from bread wheats, mainly as

a consequence of the durum policy of the European Economic Community. The 1960's saw a considerable expansion in production in France. It declined sharply following the termination of certain E.E.C. regional subsidies in 1977. Durum is also grown on a large scale in Greece. The increased intervention prices and aid to producers consequent upon the accession of Greece to the European Economic Community have greatly stimulated production there. Portugal and Spain also produce significant quantities.

Sharp Drop in Argentine Production

The only important producer in the Southern Hemisphere — Argentina — now harvests, on average, barely about 100,000 tonnes a year. Areas have been progressively reduced, probably because farmers get higher yields and better returns from feed grains and oilseeds. It is known that large quantities of durum wheat are grown in the USSR, but no official information is available as to the precise amount. It may be inferred that production is usually about 3 million tonnes at present. This only covers part of Soviet domestic requirements.

World Usage Growth Lags

During the 1970's, world durum consumption appears to have increased on average by about 2.2% per annum, whereas total wheat use went up at an annual rate of nearly 3%. Usage is heavily concentrated in a small number of countries, particularly developing countries which account for about half of the world total. Another 25% is consumed in the E.E.C., mostly in Italy.

North Africa, where the main durum products are couscous and unleavened bread, durum consumption expanded rapidly in the 1960's and early 1970's, but the rate of growth has recently fallen. This may be due to increased incomes, urbanization, and the consequent change in food habits, and the cost of imports. It would appear that consumption in Near East Asia is continuing to increase. Very little durum is consumed in Asia (except the Near East). Consumption is also very low in Africa south of the Sahara and in Latin America, except Argentina.

Use in Italy Decreasing

Some durum is consumed in most countries in Europe and North America, mainly in the form of pasta. Only in Italy, however, is it a significant part of the diet. Per capita pasta use in Italy has, however, declined from 30 kilograms in 1960 to 25 kilograms. Pasta for domestic consumption is now made exclusively from durum wheat, and Italy also exports durum products. Total durum use has therefore risen over the last 20 years from about 1.7 million to over 3 million tonnes. Per capita consumption of pasta is still increasing in many other European countries, but because of low population growth rates, total usage is rising very slowly.

Domestic use of durum in Canada has increased from about 250,000 tonnes in the early 1960's to about 450,000 tonnes at present. Consumption in the U.S. has risen from about 700,000 tonnes in the early 1960's to about 1.3 million tonnes in recent years.

North Africa Leads in Import Volume

World trade in durum wheat exceeded 4 million tonnes for the first time in 1970-80, and rose to 5.3 million tonnes in 1981-82. This compares with an average of 3.4 million tonnes in the 1970's. The main cause of the increase has been the growing requirements of North Africa which has overtaken Western Europe as the main durum importing region. Algeria is now the leading importer. In 1981-82 its purchases rose to 1.5 million tonnes. Tunisia has imported durum in each season since 1976-77, taking over 200,000 tonnes in most recent years. The imports of Morocco and the Libyan Arab Jamahiriya are smaller and less regular. There has been an increasing tendency, particularly by Algeria, to import durum in the form of semolina rather than grain. Semolina is available from nearby sources such as Italy, Greece and Turkey, whereas durum wheat as such has to be imported from Canada and the U.S. with correspondingly higher freight charges.

Imports of durum into Western Europe fluctuate considerably from year to year without any marked tendency to expand. The region's share in world durum trade has fallen from over 60% in the late 1960's to little more than 30%.

The main cause of the variations is the size (and quality) of the crop in Italy, which usually accounts for at least half of the region's imports.

Significant amounts are purchased by other members of the European Economic Community — particularly the Federal Republic of Germany and France. In recent years, there were also substantial imports by Spain.

Asia, Africa south of the Sahara and Latin America usually account for no more than 500,000 to 600,000 tonnes in total, or about 15% of the world trade. This contrasts with the important share of these regions in imports of other types of wheat.

Exporters

Two countries — Canada and the U.S. — account between them for nearly all durum wheat exports. Moreover, their dominance of the market has tended to increase. In most years the two countries have exported roughly equal amounts. The pattern of Canada's exports has changed considerably over the years. The growth of the Italian market has had a particular influence on the grading of Canadian durum. Canada has also supplied most of the durum imported by the USSR since it became a regular importer in the mid-1960's. It usually provides all the durum imported by Poland, and has gained an important share in the rapidly growing markets of North Africa. American durum is exported to a wide variety of markets, but the largest shipments usually go to Western Europe, including the Federal Republic of Germany and Italy, especially in the last few years, and to South America, Algeria and Tunisia.

The relative importance of Argentina as a durum exporter has decreased considerably in recent years, in line with the fall in domestic production.

The European Economic Community exports little durum wheat. But it regularly exports considerable quantities of semolina and pasta products, some made from North American durum imported under the onward processing regime. Italy alone exports nearly 1 million tonnes of semolina and products in most years.

Only two principal exporting countries — Canada and the U.S. — regularly maintain large carryover stocks

(Continued on page 14)

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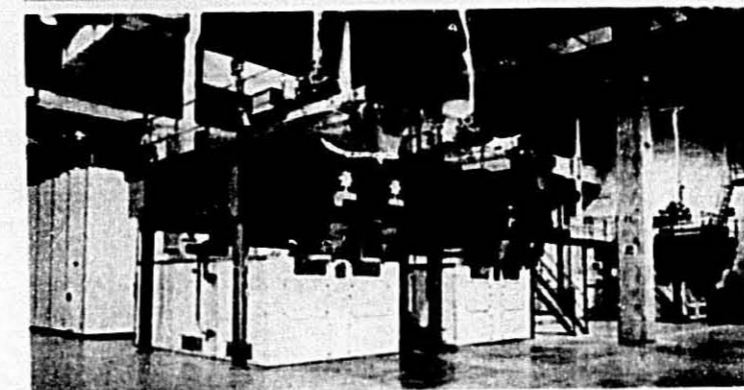
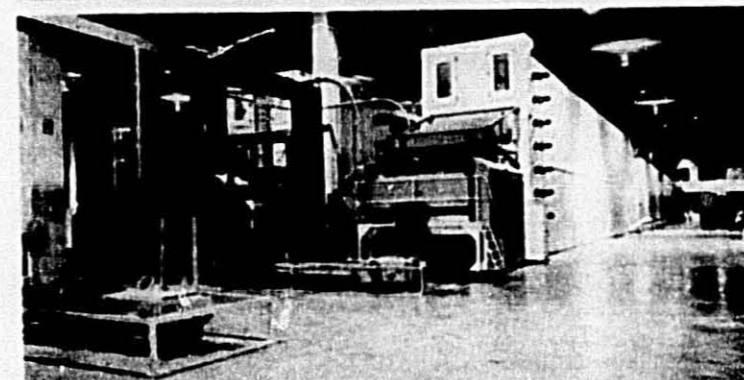
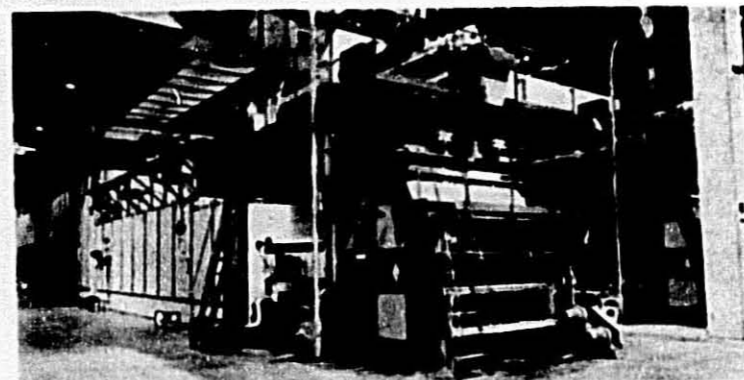
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DECEMBER, 1982

International Wheat Council

(Continued from page 11)

of durum. In most years carryover stocks in the E.E.C. are 500,000 tonnes or less, although they reached 800,000 tonnes in 1982. In Argentina they are minimal. Such evidence as is available suggests that durum carryovers in importing countries are usually very small. The combined carryovers of Argentina, Canada, the U.S. and the Community have varied during the past two decades from a minimum of 600,000 tonnes in 1962 to a peak of 5.8 million tonnes in 1977. The ratio of stocks to trade tends to be higher for durum than for wheat in general.

Because of the remoteness of producing areas in Canada from open-water ports, and the policy of the Canadian Wheat Board to maintain exportable supplies of a number of different types and grades, larger carryover stocks have been tolerated than might otherwise have been deemed desirable. The Canadian Wheat Board's quota system has not prevented sharp variations in production, although it may have helped to control stock fluctuations. Stocks of durum have been more variable in the U.S. The burden of stocks is reflected in price movements on the Minneapolis Exchange, the terminal market for durum. These movements in turn are echoed in U.S. and international export prices.

E.E.C. Spurs Greece

Within the general context of the Common Agricultural Policy, the arrangements for durum in the European Economic Community have an economic and social bias reflecting the particular situation of producers. Recognizing the special position of producers, the intervention price for durum (itself higher than for bread wheat) is further supplemented by direct community aid to producers. Many producers in Greece qualify for this aid, and the country's durum output has expanded considerably since its accession to the Community in 1981. The Community of 10 member states is now self-sufficient in durum, with a tendency toward surplus. Under present Community policies, this trend might well be considerably accelerated by the accession of Spain.

Wide Price Fluctuations

Wide price fluctuations are one of the well-known characteristics of the world durum economy. Rises and falls tend to be more precipitous than for other wheats. The most violent wheat price movements of the 1970's came early in the decade when a surge in import demand coincided with short supplies of a number of other grains and feedstuffs. Prices steadily declined during the mid-1970's following record crops in exporting countries. The middle of 1977 marked a cyclical low point and from the late summer durum prices moved steadily upwards as trade increased and stocks declined. The prospects of much bigger crops in Canada and the U.S. caused a collapse of prices in the first half of 1981. They remained low in the first half of 1982.

Farmers' Plight

In the longer term, durum production may be affected by the financial solvency of producers. Most U.S. farmers would appear to have had to face total costs (including land) of over \$8 per bu. (about \$300 per tonne) in 1980. Since cash prices at Minneapolis for No. 1 hard amber durum averaged \$6.81 for bu. (\$250 per tonne) in 1980-81, but fell to as little as \$4.75 (\$1.75) in August, 1981, many durum farmers are currently experiencing financial difficulties.

While the position will probably improve when durum prices stage their next cyclical recovery, the degree of distress to producers in the early 1980's is probably the worst for several decades.

At the time of writing (August, 1982) durum is in abundant supply on world markets. Following the large crops of 1981, stocks in the major exporting countries have accumulated to burdensome levels, despite record import demand. Prices are low, both absolutely and in relation to other spring wheats. Producers in some countries, particularly in the U.S., find that their returns are far from covering their costs. There is evidence in the reduced plantings in the U.S. and Canada for the 1982 harvest that the next phase of dwindling supplies of the durum cycle may already have begun. The main uncertainties relate to the particular levels which prices

will reach at the next peak, and when this will occur.

Outlook

The world durum situation is not the same in all respects as a decade ago. A much greater proportion of import demand is now accounted for by developing countries. The financial constraints on those countries, and the fact that bread wheat is, apparently, to some extent substitutable in their durum products, suggests that demand might be more elastic with respect to price than hitherto.

While the short-term outlook for durum—say, over the next two years—points to an eventual price recovery, the longer-term prospects do not appear to be all that favorable to producers in exporting countries such as Canada and the U.S. A consideration of the main import markets indicates that demand may show little growth. Unless there is a considerable change in its present policies, the European Economic Community seems likely to become increasingly a net exporter of durum, including products. Its imports may not cease entirely, however. It seems doubtful whether the North African market for durum will continue to expand at the same rate as of late. Rising incomes and urbanization may tend to reduce per capita consumption. The financial burden on these countries of wheat imports in general, and durum in particular, has increased greatly during the 1970's and is likely to accelerate their efforts to expand domestic production.

Efforts to Increase USSR Production

There seems little prospect of increased durum purchases in the long term by other countries. In the USSR, which has been an important market for durum in the past, efforts are increasing to raise output. Durum-based foods have yet to establish a hold in such areas of rapid wheat consumption growth as Far East Asia or Africa south of the Sahara.

While the durum problem is of the same nature as that of wheat in general, it does differ from it in certain respects. Very few importing countries are so dependent on durum that they cannot switch to bread wheats in times of emergency. Producers, at least in the main exporting countries, can usually turn to alternative crops.

(Continued on page 16)

THE MACARONI JOURNAL

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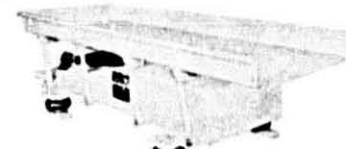


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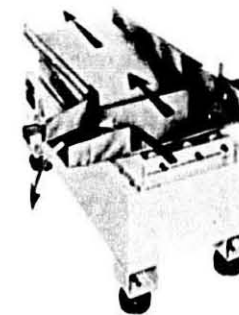


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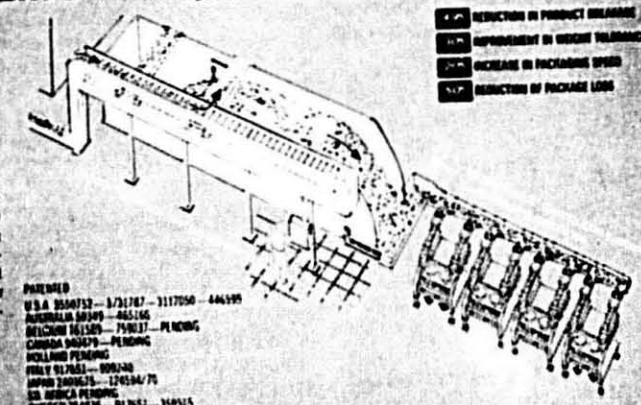
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International Wheat Council

(Continued from page 14)

But sudden and severe price movements do indeed cause real hardship to producers and consumers alike. It is to be hoped that when present endeavors succeed in establishing an international agreement for market stability and food security in wheat in general, it will include some arrangements beneficial to those whose livelihoods and well-being depend on durum.

Canadian Grain Commission Research Laboratory 1981 Report

Amber Durum Wheat

An improved method for milling semolina in the Buhler Laboratory Mill and a comparison with the Allis-Chalmers Mills. The Grain Research Laboratory receives many requests from quality control laboratories around the world for assistance in developing durum wheat laboratory milling procedures. The Allis-Chalmers Laboratory Mill used in durum wheat quality testing in the Research Laboratory is no longer available commercially. Most quality control laboratories use the Buhler Laboratory Mill. Therefore, a scheme was developed for milling durum wheat in the Buhler Laboratory Mill to yield semolina of extraction and quality comparable to that milled in the Allis-Chalmers Mill.

The mill flow developed uses only the break system of the mill. Following passage of stock through the third break (B3), middlings were collected and purified in a laboratory purifier. Branny purifier stock was passed through the third break rolls again (B4) and middlings again purified. This was followed by a final passage of rich branny purified stock through the third break rolls (B5) and final purification. This procedure yields 70% extraction granulars (65% extraction semolina) from sound durum wheat.

Compared to the Allis-Chalmers Laboratory Mill the Buhler Laboratory Mill was equally sensitive to variations in wheat milling potential. A wide range of semolina and spaghetti quality tests revealed the Buhler Laboratory Mill to be as reliable a predictor of semolina end-use quality as the Allis-Chalmers Laboratory Mill.

Effect of harvesting method and processing conditions on spaghetti quality. In recent years licensed cultivars of durum wheat have not performed as well as would be expected in the spaghetti cooking test in the Durum Co-operative Test. A study was undertaken to determine whether this apparent change in quality can be related to harvesting methods or to maturation period. Aspects studied include:

- i) Three cultivars (Hercules, Coulter, Macoun) seeded at Glenlea, Manitoba at two planting dates.
- ii) harvesting method:
 - a) Hege thresher with artificial drying
 - b) Hege thresher with natural drying
 - c) cut, stook and thresh
- iii) time interval between milling and spaghetti processing.
- iv) time interval between spaghetti processing and cooking.

Results to date indicate that:

- a) harvest method affects spaghetti color and rheological properties but not cooking quality.
- b) semolina storage affects rheological properties and pigment loss during processing but not cooking quality.
- c) spaghetti storage does not affect cooking quality but there is some indication that the ability to withstand overcooking is affected.

Work is continuing on the material from the second planting date and if the trends found for the first series can be duplicated and are statistically significant, then further experiments will be carried out on material grown in another year.

Effect of smudge and blackpoint, mildewed kernels and ergot on durum wheat quality. Farm samples from 1979 and 1980 Western Canadian durum wheat crops were hand-picked to yield a series of samples containing varying levels of smudge and blackpoint, mildewed kernels and ergot bodies. The most important effect of smudge and blackpoint and mildewed kernels was an undesirable increase in semolina speckiness. Spaghetti color also deteriorated slightly, particularly with mildewed kernels. Levels of ergot within the tolerance

specified in the grade schedule increased semolina speckiness. At higher levels of ergot spaghetti color deteriorated rapidly and milling yield decreased. Spaghetti cooking quality did not appear to be affected by any of the degrading factors examined.

Effect of sprout damage on durum wheat and spaghetti quality. The level of sprout damage cannot be assessed accurately by visual means. The Falling Number test is highly correlated to wheat alpha-amylase activity and is a good indicator of sprout damage. The critical factor is the level of alpha-amylase in the processed product. High amylolytic activity in spaghetti increases the amount of residue in the cooking water, the level of reducing sugars in spaghetti, and tends to give a softer cooked spaghetti. Semolina proteins do not appear to be affected as shown by a modified Osborne protein fractionation procedure and by gel filtration of acetic acid extracts. Semolina yield and spaghetti color are not affected by sprout damage.

Effects of processing conditions and cooking time on thiamine, riboflavin and niacin levels in enriched spaghetti. Durum wheat semolina enriched to two levels with a commercial enrichment mixture containing riboflavin, thiamine mononitrate and niacin was processed into spaghetti in a DEMACO laboratory-scale continuous extrusion press. Spaghetti was dried by the GRL dry temperature drying cycle and by two high temperature drying cycles. The enrichment mixture decreased brightness, increased brownness and color intensity in spaghetti but had no effect on cooking quality. While significant amounts of riboflavin were lost during all three drying cycles, no significant loss of niacin or thiamine was detected. After optimum cooking time (12 minutes) 30% of riboflavin, 39% of thiamine and 48% of niacin were retained in the cooked spaghetti. Neither the enrichment level nor the drying conditions appeared to have a significant effect on the proportion of riboflavin or thiamine lost during cooking. A greater proportion of niacin was lost during cooking at the higher enrichment level. Analysis of the cooking water accounted for essentially all of the niacin leached from the spaghetti. In contrast over 40% of riboflavin and over 50% of thiamine of the added vitamin appeared to have been des-

troyed. Similar results were obtained with enriched commercially produced spaghetti samples.

Statistical evaluation of tests for assessing spaghetti-making qualities of durum wheats. Thirty durum cultivars grown at two stations for two years were subjected to detailed quality evaluation tests to ascertain which test or group of tests best predicted spaghetti quality. Pooled data were analyzed statistically to determine the influence of location, year, cultivar, and interactions on each quality test. The correlation matrix of all tests showed significant correlation of gluten quality tests, farinograph band width and mixograph mixing time to cooking quality. Stepwise regression analysis showed that semolina protein, specific absorption, SDS sedimentation volume and farinograph band width are the best predictors of cooking quality. Specific absorption appears to be the most useful test where only one or two variables were used to predict cooking quality.

Available lysine in spaghetti. Estimates are being made of lysine nutritionally available in spaghetti. Emphasis is to be placed on spaghetti samples dried under high temperature conditions.

Amber Durum Wheat Varieties

Varieties grown by Canadian plant breeders. Eighteen amber durum wheat varieties (5 standard and 13 new varieties) were grown at 11 stations in Western Canada for the annual Co-operative Test in 1980. Because of generally low grades for all varieties in 7 of the stations, milling, spaghetti-making and cooking quality tests were carried out on composites from 4 stations. Of the 13 new cultivars, 6 were developed at the Agriculture Canada Research Station, Winnipeg 4 at the Agriculture Canada Research Station, Swift Current, 2 at the University of Saskatchewan, Saskatoon, and 1 at the North Dakota State University, Fargo. A fourth-year cultivar, DT 427, a third year cultivar, DT 237, a second year cultivar, DT 433, were all rated equal to Hercules DT 367, a second year cultivar, was rated not equal to Hercules because of low protein content. First year cultivars DT 371, 436, 437, 438 and 439 appeared equal in quality to Hercules.



Grain Inspector Ken Severson, traders Doug Haberman and Bob Ramsey

Grain Traders

From International Multifoods Impact

Some things don't change much. For instance, Multifoods has been buying grain to be ground into flour since the summer of 1892, when Francis Atherton Bean, Sr. opened a small flour mill in New Prague, Minn. and founded the New Prague Flouring Mill Company. The rest, as they say, is history.

"We've been buying grain for 90 years," said Earl Sonnensyn, vice president and general manager, Grain Operations. "The basics haven't changed much. Salespeople sell the flour, the grain buyer buys against these flour orders and the miller grinds the grain to fill the order."

But buying grain for Multifoods' Industrial Foods Division flour mills "is an exciting business," said Sonnensyn, who's been with the corporation, and in the grain area, for 36 years. He sees a constant challenge in "buying the best grain we can, of the right quality and at the right time."

These decisions are made by a team of grain traders in the Grain Division. Multifoods has grain merchandisers who buy and sell grain for profit, but there are also the traders, whose goals are to provide the nine IFD flour mills with the necessary amounts of quality wheat, durum and rye to fill IFD customer orders.

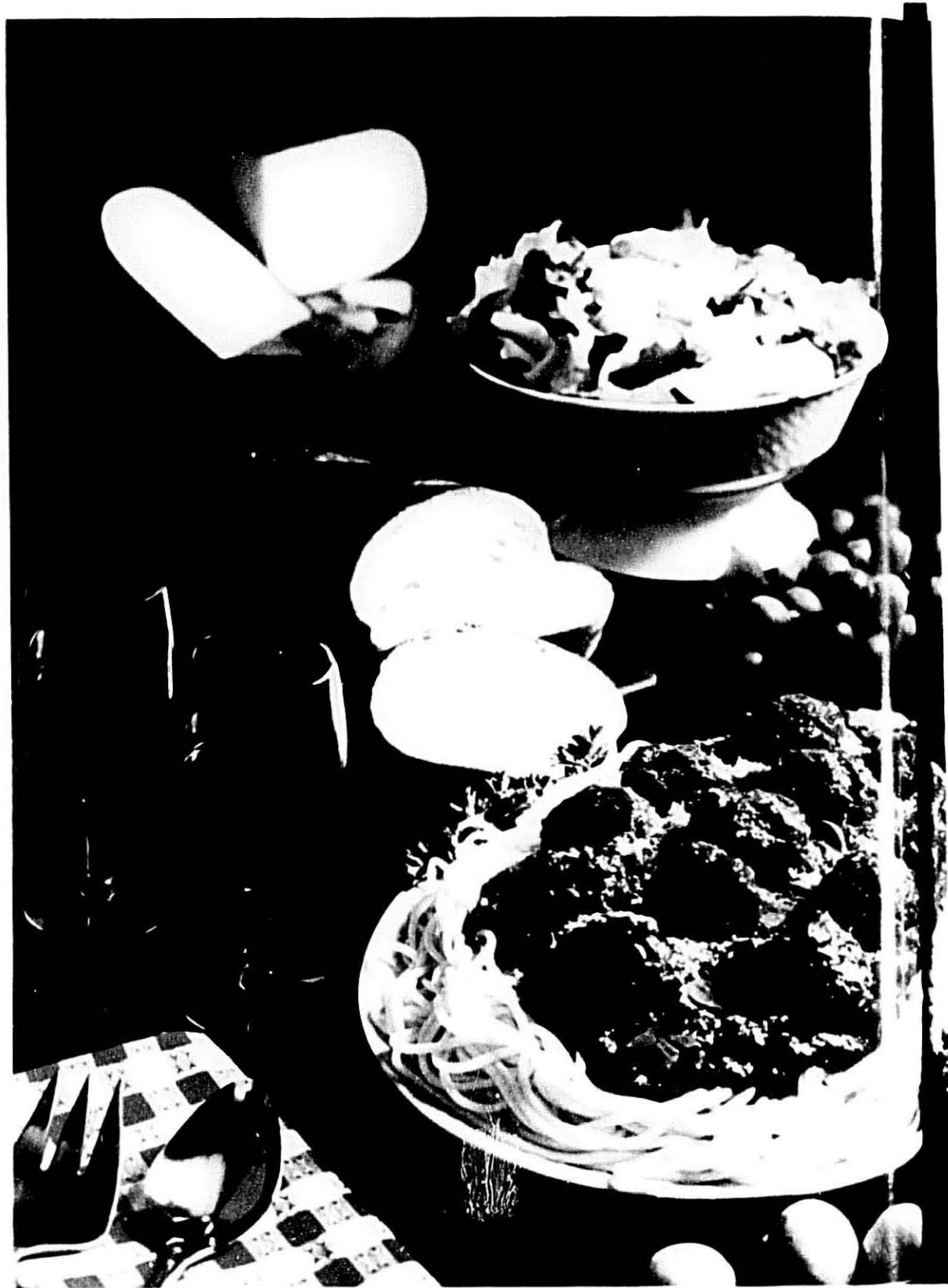
An Exciting Business? "You bet," said Mike Mullin, division vice president, procurement, who's been in Multifoods' grain division for 22 years. "You're playing with new variables every day; what happened in the grain market yesterday may not happen today. The prices are easy to see, but it's the subtleties of the market that make our jobs so much fun."

John Gwin, manager of procurement and grain trader with 15 years logged at Multifoods, explained the mill-buying aspects of Grain Operations recently during a visit to the historic Minneapolis Grain Exchange. This century-old building, with its tall windows and seasoned wood floors, is the setting for the world's largest cash grain market. It's also the place where Gwin purchases wheat, Bob Ramsey buys spring wheat, Don Kirschbaum buys spring wheat and handles lake freight, and Doug Haberman purchases durum, all for the different mills.

Quality tests were also carried out on 36 amber durum wheats, including 5 check samples, grown in the 1980 Co-operative "B" Test. Promising cultivars from the "B" test are advanced by the plant breeders into the durum wheat Co-operative Test.

IFD has wheat mills in Blackwell, Okla., North Kansas City, Mo., New Prague and Wabasha, Minn., Buffalo, N.Y., and a soft wheat facility in Co-

(Continued on page 20)



Peavey

Sales Offices

Grain Traders

(Continued from page 17)

lumbus, Ohio. Durum is milled at Baldwinville, N.Y. and at two mills in St. Paul, Minn. Rye will again be milled when a new unit is installed at New Prague next year.

Knowing how much wheat, durum and rye to buy depends on the mills' requirements. Presently, these mills use approximately 165,000 bushels of wheat per day in their grind. That translates into almost 10 million pounds of wheat, enough to fill 50 jumbo hopper cars, each the size of an average garage.

To keep these large orders filled, the grain traders and IFD maintain a close cooperation.

"We work with IFD's production and scheduling department so we're in tune with the mills' needs and runs," said Gwin. "We meet with this department once a week and up to 3-4 weeks ahead of time so we're prepared for changes that may occur."

Multifoods also buy grain through trader Jim Workman at the Kansas City Board of Trade, and through brokers at the Chicago Board of Trade. Purchasing the grain is just the first of several steps in the mill-buying process — getting the grain to the mill is next.

Methods of Buying

Three methods of buying and receiving grain are used to keep the mills supplied. The greatest percentage of Multifoods' purchases are "spot purchases," which is buying carloads of grain ready for movement to mills at any location. "To arrive" purchases mean the grain seller will deliver the grain by rail or truck to any given location within a time period.

"F.O.B.," or "freight on board" trading, is buying grain from someone who will handle, grade and load it into railcars, barges or steamships for transporting, using whichever method is appropriate for the designated mill.

"Experience tells us the delivery time from source to mill," said Gwin. "We have 'in-transit' time figures based on the prior month's delivery history. Train and truck deliveries vary, as truck deliveries are generally smaller but faster."

The grain traders base their initial purchasing decisions on sample provided in pans at the exchanges. But Multifoods' quality control wheels just

begin to turn with this first look at the kernels of wheat, durum or rye.

Ken Severson, the corporation's grain inspector at the Minneapolis Grain Exchange, checks all grain samples there. This practice documents the quality and protein levels in the pan samples for later comparison with the mill deliveries. Pan samples of the purchased grain are also sent to the laboratories in New Hope, Minn. Further testing is done on each carload of purchased grain when samples are sent to New Prague and Wabasha. As Gwin said, "Many tests are made to ensure that Multifoods' quality standards are met."

Durum Buyer

Doug Haberman, the durum buyer, explained that each durum mill requires different qualities of durum wheat to meet the various products' standards. Durum, he said, is purchased through the spot market at the Minneapolis Grain Exchange.

Unlike many commodities, there is no "busy" season for grain trading. The movement of grain has also become a year-round activity because of storage facility improvements. But, like other commodities, the grain trade and movement of the cash market in wheat is controlled to a large extent by supply and demand. The wheat market, said Gwin, "is established by the premiums paid for protein content, plus the base price per bushel. This price is set by the level of the nearby month of futures trading." It's a never-ending challenge to the traders.

Adventuresome

That brings us back to the adventurous side of grain trading. While always working to "buy the right quality at the right price," and thereby maintain the quality standards of Multifoods' flour mills and flour products, the traders never seem to tire of the action and the changing markets.

"I'm never in doubt, but I'm not always right," said Mullin. "I'm here because I love it, and anybody who has been in this business for more than a couple of years will tell you the same thing."

Sonnesyn certainly will. "It gets in your blood," he smiled, "and very seldom does a trader leave the business. Nowadays, we have a complicated and exact system of grading grain with federal inspectors and

all; yet it still comes down to doing the best you can every day. We'll work as a team and we get the job done.

Vitamins, Inc. Appoints Marketing Director

Mr. Louis E. Kovacs, President, Vitamins, Inc., announced the appointment of Mr. John H. Diehl as Marketing Director. Since his training which includes University of California, Berkeley, B.S., Oregon State University M.S., and University of Chicago, MBA, he has been associated with various segments of the food industry including research, development, sales, and marketing. His additional duties initially will include sales representation in selected mid-west areas.

Mr. Jack W. Rogers who has been associated with Vitamins, Inc., since 1959 has been promoted to Vice-President-Sales.

Vitamins, Inc., established in 1936, is a privately-owned company manufacturing and supplying nutritional ingredients to the food, pharmaceutical, cosmetic, and veterinary industries. Its manufacturing plants are located in Chicago and Michigan City, Indiana.

Le Menu Dinners

(Continued from page 5)

a regular oven, and 4 to 8 minutes in a microwave oven. There is a burgundy foil and a plastic dome overlay for each dinner that makes adaptable to either oven. Each dinner contains less than 500 calories. Retail pricing will range from \$2.3 to \$3.29.

Marketing support for the introduction includes a nine-month program of prime-time and late night TV on major networks. A major newspaper advertisement in key markets will include store coupons, featuring 25¢, 30¢ and 35¢ toward different variety purchases in October, and a 40¢ coupon good toward the purchase of any variety during November. Full-page, four-color ads are also scheduled in *Newsweek*, *People*, *Metropolitan Home*, *Good Housekeeping*, *Southern Living* and *Sunset* magazines through April.

NATIONAL PASTA ASSOCIATION
WINTER MEETING
February 20-24, 1983
Marriott's Marco Beach Resort
Marco Island, Florida

THE MACARONI JOURNAL

Good Crop Quality

Preliminary results from a regional wheat crop quality survey released by the Department of Cereal Chemistry and Technology at North Dakota State University indicate the grain quality of the 1982 U.S. hard red spring wheat and durum crops are very good.

The wheat samples were collected from farms or local elevators in North Dakota, Minnesota, Montana and South Dakota.

Mel Maier, North Dakota State Wheat Commission administrator, said the annual regional crop quality survey is the second of its kind funded by the North Dakota, Minnesota, Montana and South Dakota wheat commissions. He said the NDSWC has been surveying HRS and durum wheat in North Dakota since 1960.

"To form a basis for their purchasing decisions, foreign and domestic buyers rely heavily on this wheat quality information," Maier said. "Each year quality reports are mailed to overseas and domestic buyers on a timely basis following harvest so these wheat customers know immediately the milling and processing properties of U.S. hard red spring wheat and durum."

Better Than Last Year

Dr. Joel Dick, NDSU Department of Cereal Chemistry and Technology durum specialist, said according to preliminary results of the regional durum quality survey, the 1982 durum crop should grade equal, if not better, than last year's which graded 8.8 percent of the crop "U.S. No. 3 Hard Amber Durum" or better.

Preliminary data from the 1982 regional durum wheat survey indicate a test weight of 60.9 pounds per bushel, or .5 percent higher than last year, Dick said. "The average protein content for the region should be 14 percent on an 'as is' moisture basis. Last year's average protein content was 13.7."

Dick said the average falling number value of the 1982 durum crop is 382 — 31 points higher than last year — indicating very little sprout damage. "Average moisture content for this year's durum crop is 11.8 percent which is .6 percent lower than last year. The region's average percent of vitreous kernels showed a value of 88, or equal to last year."

Dick stressed these grain quality results are preliminary and a final assessment on both grain and end-products will be completed and published in early November.

Maier said this year's excellent quality wheat crop results should please foreign and domestic buyers. "Higher test weights and percent of vitreous kernels will increase the wheat millers' flour and semolina yields while the higher falling number values will better the bakers' and pasta manufacturers' end-product quality," Maier said. "A top quality crop such as this year's, will be a pleasure to promote compared to the sprout damaged 1980 crop."

This year North Dakota produced 43 percent of the total U.S. HRS wheat crop or 220.8 million bushels, and 76 percent of the U.S. durum crop or 112 million bushels. North Dakota ranks first in the production of both HRS and durum wheat and is the second largest producer of all wheat in the United States.

Australian Drought

Australia, a major wheat exporter, probably will have to import U.S. wheat next year because of a widespread drought, the Australian Wheat Board said.

The last time Australia needed to import wheat was in 1957, a Wheat Board official said.

But imported wheat wouldn't be used to meet export contracts, according to the government agency. Instead, it would be for domestic consumption and animal feed.

Some 80,000 farms, or 60% of Australia's total, have been hit by the drought, the Bureau of Agricultural Economics said. All states have been seriously affected except Western Australia, where the impact has been minimal.

The Wheat Board has asked the government to amend the Wheat Marketing Act of 1979 to enable the board to import wheat if necessary. The board's request hasn't been considered yet by Canberra, but board officials said they expect parliament to amend the law before year-end.

Defect Action Levels Revised

The Food and Drug Administration has revised its policy guide for defect action levels in macaroni and noodle

products to permit the use of soft wheat flour, for which separate defect action levels exist.

In a notice in the *Federal Register* of September 17, FDA said current defect action levels for insect and rodent filth in macaroni and noodle products were established on the basis of an analysis of 1,500 samples of product collected from the retail market. "FDA," the notice said, "established defect action levels in macaroni and noodle products as an average of 25 or more insect fragments per 225 grams or an average of 1.2 rodent hairs per 225 grams. After these action levels were published, the agency discovered that they conflicted with the action levels established in soft wheat flour."

"Macaroni and noodle products are normally made from hard flours (durum flour, semolina, and farina), which are not included in the action levels for soft wheat flour. However, the standards of identity for macaroni and noodle products also allow the use of soft wheat flour for which defect action levels have been established."

"The defect action levels for macaroni and noodle products are lower than those for soft wheat flour. Thus, macaroni or noodle products manufactured from non-violative soft wheat flour may violate the action levels set for macaroni and noodle products. Therefore, although the results of the retail market survey indicate that soft wheat flour is not commonly used in the manufacture of macaroni and noodle products, the action levels for macaroni and noodle products have been revised to permit the use of nonviolative soft wheat flour in such products."

Noting that the standards of identity for macaroni and noodle products state that these products may be made entirely of soft wheat flour, FDA said the new action levels have been established by extrapolation from the action levels for flour. "The resulting action levels," it said, "are an average of 225 insect fragments or more per 225 grams of product or an average of 4.5 rodent hairs or more per 225 grams of product."

The agency said it would receive comments on the new defect action levels until September 19, 1983. The new levels will remain in effect until comments are evaluated and a final decision is published.



Pasta Prescription

Prescribe pasta. It could reduce the risk factors associated with coronary heart disease.

How does this relate to pasta consumption?

- ... saturated
- ... substitute unsaturated fats
- ... not ... not
- ... is ... not

Pastas - let's tell it like it is.

ADM

ADM also supplies quality shortening, corn sweeteners, soy proteins, dough conditioners and vital wheat gluten for the baking industry.

Multifoods Gains

International Multifoods Corp. posted a 15% gain in net earnings in the second quarter ended August 31. Net income in the quarter totaled \$8,189,437, equal to 98¢ per share on the common stock, up from \$8,032,478, or 87¢ per share, a year ago. Sales aggregated \$266,599,000, down from \$278,800,000 a year ago.

Earnings for the six months ended August 31 totaled \$13,376,000, equal to \$1.62 per share, up 17% from \$11,394,000, or \$1.40 a share, in the first half of fiscal 1981. Sales aggregated \$526,318,000, off from \$588,175,000 a year ago.

"We are pleased with the continued strong performance of our Venezuelan operations, which was one of the keys in the outstanding operating gains posted by our Industrial, Consumer and Agriculture market segments," Darrell M. Runke, president, said.

"Not to be overlooked is the continued success of our management team's program of inventory and receivable control as reflected in another significant reduction in interest expense." Mr. Runke noted that net earnings for the second quarter were reduced 23¢ per share by the estimated impact of the recent devaluation of the peso on the company's joint venture in Mexico.

Industrial Segment

Discussing performance in the Industrial segment, Mr. Runke noted that, "In the U.S. and Canada, bakery mix showed gains in unit volume and earnings, but bakery flour continues to struggle as does the export flour market."

Excellent results in the Consumer segment were attributed principally to gains from consumer flour products in non-U.S. operations.

"The good news about the upward trend in the Agriculture segment is the improved earnings of our U.S. feed operations," Mr. Runke said.

William G. Phillips, chairman and chief executive officer, commenting on the situation in Mexico, said, "The impact on the second quarter represents our best estimate based on the current available facts concerning currency exchange. We are convinced that our agri-business joint venture is sound operationally and financially, and that our Mexican partners and managers are doing a good job."

In summarizing the first half, Mr. Phillips said, "I am quite pleased by our earnings gain in this difficult environment. First-half results have been good, and we remain confident that our well-balanced product lines and diversity of geographic sources of earnings will deliver our 15th consecutive year of improved earnings next February."

ConAgra Appoints Executives

Organizational changes reflecting consolidation of the flour milling operations of ConAgra, Inc., and its wholly-owned subsidiary, Peavey Company, were announced by Roger F. (Bud) Morrison, president and chief operating officer of ConAgra Grain Processing Companies.

Headquarters for the combined operations, under the name of ConAgra Flour Milling Co., will be established in Omaha, Mr. Morrison said.

Albert A. Sadok has been named executive vice-president of ConAgra Flour Milling Co. Mr. Sadok will also be responsible for the company's private label grocery products and packaging operations. He joined Peavey in 1969 upon its acquisition of Colorado Milling & Elevator Co. and was named vice-president and general manager of Peavey's milling business in 1978.

C. Robert Stephenson will be vice-president and general sales manager of ConAgra Milling, with responsibility for sales of the combined operations to the commercial baking and pasta industries. Mr. Stephenson joined ConAgra in 1971 after holding sales management positions at Bay State Milling Co. He was named vice-president and general manager of ConAgra's bakery flour sales in 1973.

A D M Annual Report

Lower prices and profits for corn sweetener products, unsatisfactory oilseed crushing margins and higher expenses in a number of areas reduced earnings of Archer Daniels Midland Co. in the 1982 fiscal year from the record levels of the previous year, according to the company's annual report for the year ended June 30.

James R. Randall, president, and Dwayne O. Andreas, chairman of the board and chief executive, comment extensively in the A D M report on the

impact on company operations from use of agricultural subsidies by the European Community.

Net income of Archer Daniels Midland in fiscal 1982 totaled \$154,990,000, equal to \$2.03 per share on the common stock, off 12% from \$17,981,000, or \$2.43 per share, in fiscal 1981, adjusted for a 5% stock dividend payable in September, 1982. Net sales and other operating income aggregated \$3,712,977,000, up 2% from \$3,647,491,000 a year ago.

In the fiscal year ended June 30, 1981, A D M had net income of \$115,958,000, or \$1.84 per share, on net sales and other operating income of \$2,802,011,000.

Per share earnings figures for 1982 and 1981 are based on average shares outstanding of 76,220,000 and 72,433,000, respectively.

Record Sales of Fuel Alcohol

Despite surplus petroleum supplies through most of the year and actual reductions in gasoline prices, A D M achieved record sales of fuel alcohol in each quarter of fiscal 1982, Mr. Randall and Mr. Andreas say. "The benefits of the combined sweetener/alcohol complex," they add, "continued to be apparent as A D M's plants were able to run at higher capacity levels year around than they would have without the alcohol option."

Effects of the Carter administration embargo on sales to the Soviet Union continued to depress portions of A D M's soybean processing operations in fiscal 1982, Mr. Randall and Mr. Andreas say.

International Flour Market Sluggish

"International flour markets," they point out, "remained sluggish through the year as a result of reduced U.S. concessional P.I. 480 programs and continued competition from heavily-subsidized E.E.C. flour millers. When forced to compete with foreign subsidies equal to nearly the total cost of milling domestically, mills are closed and jobs are lost."

Mr. Randall and Mr. Andreas point to the company's involvement in various trade associations and support for the efforts of the Export Processing Industry Coalition in educating policymakers on the economic relationship between the export of pro-

(Continued on page 26)



the durum people



NORTH DAKOTA MILL
Grand Forks, North Dakota (701) 772-4841

ADM Annual Report

(Continued from page 24)

essed agricultural products, the creation of jobs and the total economy.

"America's producers, workers and industry have the ability to compete so long as they are in fact competing with other producers, workers and industries on an equal basis. But right now, U.S. workers, processors and farmers are competing against the full force of the treasuries of other governments, which are subsidizing exports of their products at U.S. expense."

ADM Milling Modernization

ADM Milling Co., the ADM officers state, "continued its emphasis on improved production and marketing programs. The ongoing modernization of the mills is designed to maintain operations at the most efficient levels in the industry.

"Recognizing the significance of customer service, the division's transportation and distribution network continues to receive a high priority. These programs enable ADM to competitively service customers both at home and abroad.

"Additional emphasis was placed on millfeed marketing. By insuring maximum returns on byproduct sales, ADM Milling Co. worked to overcome the narrow industry margins that occurred through much of the year."

High Sales Volumes at Gooch Foods

Mr. Randall and Mr. Andreas state that Gooch Foods, Inc., continued to experience high sales volumes of previous years "through the expansion of prime marketing areas and with the support of widespread advertising." Gooch continued to benefit from the rapid growth in generic products, it is noted.

Pillsbury Gains

While the current economic recession remains a concern, management of The Pillsbury Co. is enthusiastic about the company's future. William H. Spoor, chairman and chief executive officer, and Winston R. Wallin, president and chief operating officer, state in their letter to stockholders in the company's annual report for fiscal 1982.

Noting that the fiscal year ended May 31, 1982, represented the 11th consecutive fiscal year of record sales

and earnings for Pillsbury, Mr. Spoor and Mr. Wallin comment, "Again in fiscal 1982 our commitment to a diversified food business portfolio helped us to achieve significant profit growth."

Highlights

Mr. Spoor and Mr. Wallin point to the following as fiscal 1982 highlights:

- "Exceptional sales and operating profit gains were recorded by our full-service restaurants, Steak and Ale and Bennigan's.

- "Solid growth from both existing products and new market entries in Consumer Foods produced record sales and operating profit.

- "Internationally, Consumer Foods' sales and profitability continued to set new records.

- "Earnings were also enhanced by the disposal of several businesses that no longer fit our strategy and by the settlement, as plaintiff, of certain antitrust claims.

- "The sale of 1.5 million shares of common stock strengthened our balance sheet, improved our liquid financial reserves and provided resources to fund our future growth."

The two officers note that the year also presented the company with "three material disappointments," as follows:

- "Grain Merchandising incurred an operating loss in fiscal 1982 as the industry environment weakened further.

- "Intense price competition in frozen pizza significantly reduced profitability.

- "Burger King's pretax earnings were up 8% in comparison with greater gains of several years ago."

Pillsbury, Mr. Spoor and Mr. Wallin add, is "responding to these problems and we expect substantial progress in the resolution of each in the coming year."

"Over the past decade," Mr. Spoor and Mr. Wallin state in their comments to stockholders, "Pillsbury has accelerated its growth by the acquisition of businesses that have product lines that fit our portfolio strategy. We intend to continue to pursue this policy.

"During fiscal 1982, we acquired eight businesses of varying size. The largest, Wickes Agricultural Division, is the nation's leading processor of navy, kidney and other edible beans. This new opportunity will augment

and provide diversity to our Agri-Products Group."

Agri-Products Downturn

In a review of operations by industry segment, the Pillsbury report states that despite solid performance in many of the businesses of the Agri-Products Group, sales declined to \$568.6 million from \$586.8 million in fiscal 1981, and operating profit declined to \$28.6 million from \$47.7 million. In fiscal 1980, the Agri-Products Group had operating profit of \$71.8 million on net sales of \$544.2 million.

Pillsbury's flour milling business, the report continues, "produced record profits as per capita consumption of flour continued to maintain gains of recent years. Lower raw material costs more than offset modest declines in volume.

Consumer Foods

The Consumer Food Group of Pillsbury, the report notes, posted record sales and operating profit in fiscal 1982 of \$1.64 billion and \$134.8 million, respectively. The performance was led by strong profit gains from dry grocery products and important volume growth in refrigerated foods. While "intense competition" reduced margins in frozen pizza, Pillsbury increased its share of that market.

New products developed in Pillsbury's research and development facilities, the report adds, should increase total sales volume of Consumer Foods by 5% to 10% in fiscal 1983.

International Group

Pillsbury's International Group posted record sales and earnings, which are reported as part of Consumer Foods. The portfolio of businesses include consumer foods in Western Europe, Latin America and Japan. Flour milling in Latin America and the Far East, and worldwide export responsibility for Pillsbury consumer products.

"The creation of the Grupo joint venture from the merger of Pillsbury's Mexican pasta company with the Mexican-owned flour mills dramatically expanded the business base and positioned the company for further growth.

"Record volume growth further solidified Grupo's number one position in the premium segment of the pasta market. Production capacity in both

pasta and flour was significantly increased."

Restaurant Group

Turning to the company's Restaurant Group, the Pillsbury report notes that the group posted a record performance "despite such obstacles as the recession, low consumer disposable income and severe winter weather."

At yearend, Pillsbury operated 3,255 Burger King restaurants; 197 Steak and Ale units, 66 Bennigan's restaurants and 69 Poppin Fresh units.

Stockholders' equity as of May 31, 1982, was \$890 million, equal to \$41.03 per share on the common stock, against \$747.2 million, or \$37.19 per share, a year earlier.

From Catelli Annual Report

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

In Canada, Catelli is the leading producer of pasta, aseptic pudding and spaghetti sauces, and on a regional basis has a significant market share in other product lines. Catelli's products, in addition, include pickles, jams, marmalades, table and maple syrups, ready to serve soups, packaged flour, and other milled products. The Division is also a major supplier to the retail food chains for a variety of custom-packed products.

In New England, soups, high quality processed meats and specialty condiments are sold. Catelli also markets maple syrup products across North America.

Six plants are operated by Catelli in Canada, three in Ontario, two in Quebec and one in Alberta. Three small plants are in operation in the New England states.

Intense Competition

The Canadian grocery products industry did not grow significantly during fiscal 1982 and the industry remained intensely competitive, particularly in Quebec and Ontario. Despite this, Catelli's performance was notably improved due to strong sales for a number of product lines including soups, sauces and flour. Catelli enjoyed solid volume gains, and improved operating efficiencies also contributed to higher earnings. To meet anticipated increased demand for pasta, Catelli began construction of additional capacity at the Montreal plant

which is scheduled to be completed during fiscal 1983. Catelli nationally launched the "Five Roses" brand of unbleached flour during the year, and in early fiscal 1983 "Catelli Plus", an enriched pasta higher in protein than regular pasta was introduced. Consumer response to both products is encouraging.

In New England where Catelli developed a strong regional presence, sales and earnings were improved over fiscal 1981 despite poor market conditions, particularly for specialty meats.

Catelli is in a good position to achieve earnings growth during fiscal 1983 based on its well established and respected line of good value products that tend to retain demand during difficult economic times. Emphasis will be directed towards improving operational performance, both in Canada and New England, and towards developing additional new products to meet changing consumer needs.

Borden Net Rose

Borden Inc., the food and specialty-chemicals concern, said it expects to report that third-quarter net income increased about 2% from a year ago to \$46 million, or \$1.62 a share, from \$45.2 million, or \$1.54 a share.

Eugene J. Sullivan, chairman and chief executive officer, said the increase was due to "strong gains" in Borden's consumer-products division, as well as improvement in international operations, offset in part by a "sharp drop" in pre-tax operating profit from specialty-chemicals business.

Mr. Sullivan told analysts, "We believe we can achieve our goal of about an 8% increase in earnings per share" for the full year. Per-share earnings in the third quarter were up 5% over the prior year, reflecting 1.1 million fewer shares outstanding.

The Borden executive said the outlook for 1983 is "favorable" and he expects a 12% to 15% increase in per-share earnings in 1983. He added that contrary to earlier forecasts, most of the 1983 improvement in Borden's operations probably wouldn't occur until the second half.

Buitoni Television Campaign

The Buitoni Foods Corporation has announced a major television advertising campaign to herald their four boil-in-bag convenience foods: Fettuc-

cine Alfredo, Fettuccine Carbonara, Pasta Primavera, and Tortellini Guido. All of the dishes represent a departure from Buitoni's other frozen entrees, which are packaged with tomato-based sauces. "While many Americans associate pasta with tomato sauce, in Italy the region of the country often determines the type of sauce used," said William P. Smolka, Buitoni Vice President-Marketing Sales. "Buitoni's newest frozen entrees are being introduced so that consumers can buy a fuller range and variety of Italian entrees for in-house consumption, including some previously available only in fine restaurants," explained Smolka.

Compton Advertising Agency

The new commercials, prepared by the Compton advertising agency, will be aired in the New York City and Miami markets. Their theme is: "Now only one company gives you 150 years of Italian know-how in just 15 minutes." Founded in Perugia, Italy in 1827, Buitoni Foods is the only company selling Italian food in the U.S. that can make such a claim based on heritage," said Manus M. Gass, President of Buitoni Foods Corporation.

The commercials commenced on October 4, 1982 and run in regular flights during the heavy buying seasons. They are scheduled for day time, prime time, and early and late fringe programming. The commercials will generate 596 GRPs per month, with a reach of 95% and a frequency of 6.3. It is the most extensive television advertising campaign ever undertaken by Buitoni.

Households reached by the commercials will include those of married, single, working and non-working women.

Account Management Group

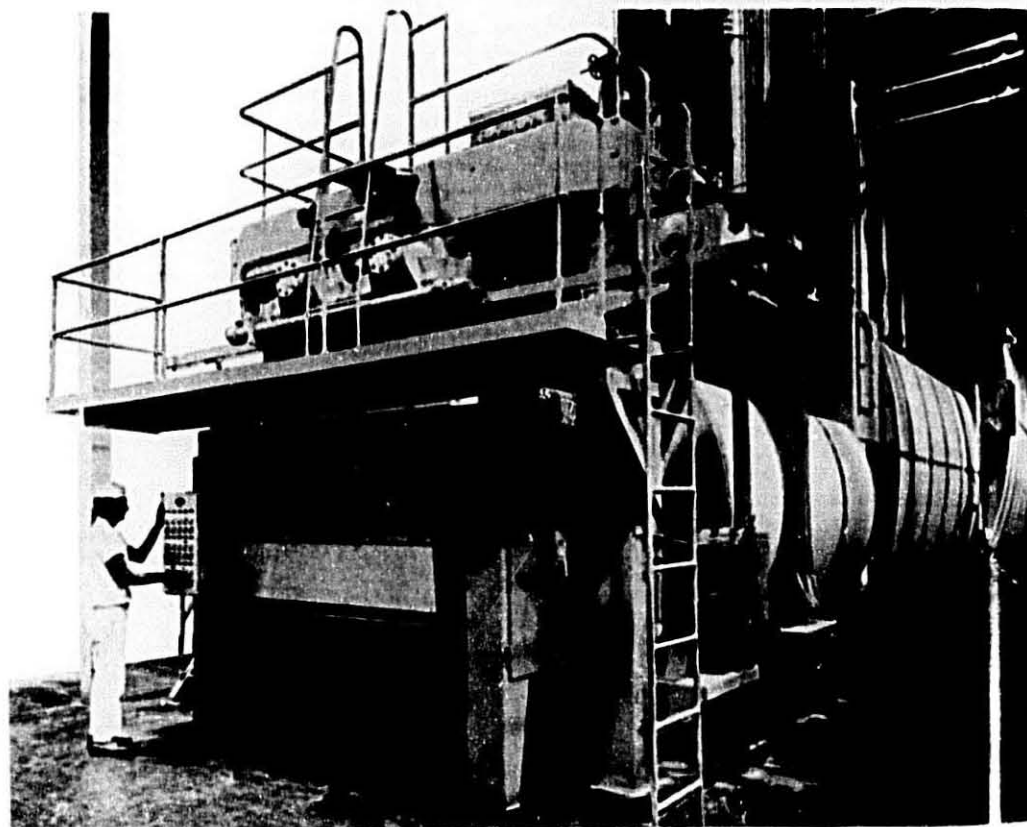
The account management group at Compton included Phil Voss, Jr. (Executive V.P. Account Management), Stu Sharpe (Management Supervisor), Tom Hedrick (Accounts Supervisor), and James Curry (Account Manager).

The creative group at Compton included Kurt Willinger (Creative Director), Dick Earle (Deputy Creative Director), Don Walley (Associate Creative Director), and Zoe Urruthia (Copywriter).

The commercial was produced by Carol Perkins and directed by Jim Hinton. It was filmed by and at the Wilson-Griak Studio, Minneapolis, Minnesota.

BUHLER-MIAG LONG GOODS LINES

Performance You Can Depend On!



Long goods line with maximum capacity of 3000 lbs/hr. Line consists of Double Screw Press T130, Spreader TSSA, Dryers TDEC-3/TDCA-4/TDFB-11, Stick Storage TAGB, Cutter TST and Stick Return

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

LONG GOODS DRYERS

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

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

Reliable Performance

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

Efficient Energy-Saving Design

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

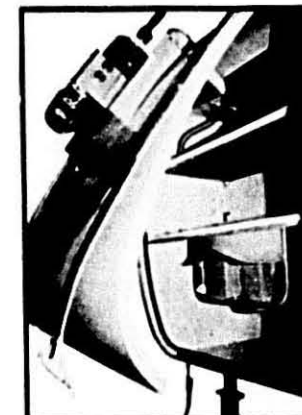
Bacteria Control

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

Total Quality Product

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

Contact us for information on Buhler-Miag Long Goods Lines and other Macaroni Processing Equipment.



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



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



BUHLER-MIAG

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BRAND POWER — 1982

There will be a "major battle of the brands" in the food industry in the next five years, Dr. Michael Kami, a nationally known business consultant, told the opening session of the American Bakers Association convention in October. Dr. Kami said that in a no growth economy consumers with limited budgets will try to cut 10 percent to 20 percent off their food spending. He said that the spending cuts will not be across the board, adding, "this is where the game is going to be." Dr. Kami said the number one and number two brands in a food category will remain and that there will be fast growth of generics and private labels. He said the brands in between "will fall in the crack" as these products may not be good or cheap enough to attract consumers. "You must make a positioning decision about where you are going to be," he said.

Survey figures show 59 percent of female homemakers have tried generics, 32 percent bought them on their last trip to the supermarket. When share of market is combined with private label, off-brand items set all time high for consumer acceptance. Heavy in the north, light in the south and west. Retailers don't necessarily buy the concept as Edgar Walzer, Progressive Grocer editor/publisher says, "If generics are good for what ails the supermarket industry, then amputation is the way to cure a headache."

Progressive Grocer Study

Progressive Grocer Magazine for October, 1982, carries Part I of a major new study on Brand Power - 1982.

Ed Walzer writes: "In essence, name brands with high and consistent quality - the presold products which have made self-service food retailing possible and has served as a driving force in the industry's progress - are being challenged to reconfirm their importance. They face a number of troublesome problems—some old, some new, and some self-made.

"The old problems include overcoming the trade's rooting interest in private labels, resolving buyers' doubts about profitability, justifying line expansion, gaining proper distribution and shelf space, and getting needed merchandising cooperation.

The new problems stem mainly from financial and psychological develop-

ments. The advent of generics is symptomatic. Consumers seem more inclined to trade down and less disposed to be persuaded by conventional advertising. Their value standards and buying motives are said to be in transition, to the possible detriment of established name brands. Grocers, for their part, are tightening their inventory policies, pruning marginal items, and pressing for better terms of sale.

"The self-made problems are rooted in the manufacturers' marketing policies. In particular, seesaw prices caused by rampant dealing have upset the trade and, according to some critics, confused the consumer. There are complaints, too, about manufacturers' 'inflexibility' on financial and logistical issues.

"Despite these problems, SAMI reports that manufacturer-promoted items (usually, if somewhat imprecisely, called 'national brands') have lost only a single share point overall since the mid-'70's. There has been some erosion during the last two or three years, but their traditional position in the industry certainly hasn't crumbled. As a matter of fact, in the food portion of the grocery category, national brands have slipped less than a half share point since 1975 — and are actually ahead of their 1972 rating.

They have gained ground over the past half-dozen years in such product classes as coffee, candy, canned fruit and salad dressings and mayonnaise. Losses have come in sugar, pickles and relishes, pet food, and canned vegetables."

Wetterau Analysis

Analysis of data produced by Wetterau's computers for 28 product classes (not necessarily representative of the total product mix) yields provocative findings:

- Private label items carry the highest going-in gross margins in the majority of cases. Generics come next, and national brands trail badly.
- In dollar sales per linear foot of shelf space, national brands spread eagle the field.
- In gross profit dollars per linear foot of shelf space, national brands and private labels are virtually tied while generics make a poor showing.

• Generics lead the greatest number of categories in dollar return on inventory. Private labels are not far behind, and national brands are last.

If nothing else, this mixed pattern indicates why the profitability issue is so hard to settle.

Under the circumstances, it is remarkable that the basic position of national brands has changed so little. They have been severely tested by inflation, recession, consumer uneasiness, and trade churning — yet they continue to be, indisputably, the mainstays of the industry.

Macaroni Products

In the dry grocery category macaroni products, with 80 percent in national brands, 15.4 percent in private label and 4.6 percent in generic, shows a decline of private label of 2.1 percent since 1975 and 2.5 percent for national brands in the same period.

Conventional Advertising

Even though consumers are less disposed to be persuaded by conventional advertising (one of the "new problems" alluded to earlier), research by the Economic Research Service, U.S. Department of Agriculture, indicates that sales for all brands in a particular product class may increase when manufacturers of any of the products advertise.

Advertising also has a cumulative impact on consumer purchases, ERS says. Product classes that are heavily advertised by brand manufacturers generally get a bigger share of the consumer dollar than less heavily promoted product classes.

Advertising and promotion have two main impacts on consumers: (1) they increase consumer food costs by about 4 cents for every dollar spent; (2) they influence food consumption patterns — the specific brands of food, the types of food, and the total amount of food purchased.

There are skeptics among economists, however, who doubt that brand advertising can affect purchases of the overall group of broad classes of closely substitutable products. John Kenneth Galbraith is one who said: "If advertising affects the distribution of demand between sellers of a particular product, it must also be supposed that it affects the distribution between products."

(Continued on page 32)

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★ ★ TO PACKAGING

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Brand Power — 1982

(Continued from page 30)

On the other hand, a recent review of the literature on advertising concludes that the relationship between advertising can do little to counteract the decline of a market, but it probably accelerates market growth only in the presence of other growth-inducing features.

Impact of Promotion

The impact of promotion on food purchases is significant because it can influence what products grocers will stock on their shelves, what products manufacturers will process, and what commodities farmers will produce.

It is significant, ERS says, that while there are four distinct groups - farmers, manufacturers, retailers, and consumers - composing the food production-distribution system, almost all food advertising and promotion is generated by food manufacturers and retailers. And, manufacturers account for two-thirds of the sales promotion aimed at the at-home foods market.

Historically nearly all food industry advertising and promotion is intended to influence consumers to make choices of what to buy or where to shop. There is virtually no advertising designed to increase total food consumption, or to influence consumer choices between food and nonfood items. Moreover, there is very little advertising that promotes broad classes of food such as dairy, meat, and produce.

The effectiveness of brand advertising in either maintaining or increasing a brand's market share is a long-recognized industry tenet. It was substantiated by a study in Europe that concluded that when media advertising was increased by 10 percent, sales, on the average, increased by 2.9 percent. Similar findings have resulted from studies in the U.S. for beer and cigarettes.

USDA Study

A USDA study of manufacturers' shipments in 71 product categories shows that advertising and promotion not only influence brand preference, but also enhance consumption of entire categories of foods.

Moreover, a comparison of the advertising to sales (A/S) ratio to changes in the relative market share of food shipments reveals:

• Food industries with higher brand A/S ratios either tended to maintain or to increase their shares of

the total value of the food market. The converse appeared to be true for foods whose A/S ratios were below the average.

• The food industries with the highest A/S ratio also tended to be those with the most highly processed and highly packaged foods.

• The average A/S ratio for all 71 product classes was 1.2 percent, but macaroni, spaghetti, and noodles were one of 20 foods that had ratios at least twice as high as the average. The A/S ratio for macaroni, spaghetti, and noodles - number 16 on the list - was 2.83. Its percentage of 1977 portion of total shipments in 1977 was .53, up from .40 in 1967.

Changes in Consumption

This type of analysis can establish an association, but not whether advertising causes growth or vice versa. Changes in the consumption of a particular product are influenced not only by advertising and other kinds of consumer information, but also by such factors as changes in relative prices and income, race, family size, and tastes of households. Advertising may influence tastes or activate dormant desires. In either case, it will likely influence the price that consumers are willing to pay.

American per capita food consumption is one of the highest in the world, and, other than for low-income consumers, income increases should not increase total quantity of food consumed at home. Due to changes in the "quality" of foods or in the mix of foods purchases, real expenditures on food increased slightly, but much less than the increase in disposable personal income.

Despite an increase in promotional effort and other causal factors which could have led to increased food consumption, there was little growth between 1967 and 1977. Advertising may have increased demand for food over what it would have been in the absence of advertising.

Supermarket Promotions Decline

The use of supermarket promotions was down 20% in the first half of 1982 from last year, although the number of promotions available was up 50%, because inventive promotions were not being introduced, said Robert W. Herron, executive vice president of Weston/Herron Promotions, Westport, Conn.

"When an industry declines 21% in one year, it needs something new that (supermarket) operators can see," said Herron. He was speaking at the retail marketing conference of the Association of Retail Marketing Services, formerly the Trading Stamp Institute of America.

The retail food industry's profitability has been related directly to promotions and not to discounting or price cutting, Herron added. Few supermarket operators, he said, can live with discounting.

In 1971-72, virtually all food retailers dropped games and trading stamps, and they all claimed to go discount. By 1975 they had started promoting again, and for the next two or three years games made a comeback because they are the most efficient traffic builders, Herron contended.

The 0.5% of sales that represents the cost of promotion translates into 3¢ a transaction, he said. If the food store operator offered his customers 3¢ in place of a promotion, Herron said, it is unlikely that would draw shoppers back to the store.

Supermarket operators often will say "no" to a promotion the first time they are approached, but Herron recommended promotion developers not take the first "no" as final.

Healthiest When Promoting

Many retailers do not like promotions because they are buyers, rather than sellers, Herron contended. For many buyers, promotions are a gimmick, he added. "The food industry has been the healthiest when it has been promoting . . . Promotion and the food industry get together only when good promotion specialists get together with (supermarket) operators."

Dishware was the largest continuity category of 1981, with more than 150 dishware programs used, Herron said. The same number is expected to run this year, he added.

To illustrate the success of dishware as a continuity item, Herron said one Jewel Food Store two years ago sold \$40,000 worth of dishware in a 13-week promotion. He added that this pace could not be kept up for a year without promotion.

It is doubtful operators will go looking for a promotion, he said. "You have got to go to them." Yet he said suppliers of promotions should not resent a retailer trying to get the best possible deal.

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(See instruction on reverse)

Supermarket Promotions

(Continued from page 32)

The first consideration in planning a promotion is to determine whether the consumer wants the item being promoted. One of the all-time winners was the Sesame Street book continuity. On the other hand, Herron said, people do not specifically shop a supermarket for dishware or even glassware. But when it is tied in with a promotion and displayed in a manner similar to a department store's, consumer reaction is different.

Herron stressed that continuities and game promoters cannot overlook food retailing because of its tremendous volume. "Do you know how much 0.5% of \$200 billion is?" he asked. "Anything will sell in a food store. You really have to work hard to produce a turkey."

The average transaction drops 5-10% in a game promotion, largely because shoppers come to the store more frequently than they normally would, to get more tickets.

Supermarkets resist untried promotions, he said, "but then, supermarkets resist everything." He said operators like responsible ideas and are interested in incentives.

You cannot build customer loyalty with games or other promotions, Herron contended. "The real key (to building a loyal following) is a good operation."

Promotions Vital to Restaurants

While there were opposite views on when and how to promote, the consensus of speakers at the first annual conference on promotion of the National Restaurant Association was that promotion is vital to a restaurant's survival.

The real reason for promotion is "to please customers and make a profit," said R. Gerald Gelinus, senior vice president, Far West Services, La Jolla, CA, which operates 200 coffee shops and 100 dinner houses. Some examples of promotion that please customers but do not add profit, he explained, are happy-hour giveaways, entertainment and in-store anniversaries.

On the other hand some that add profit but do not please are "bait and switch, or selling up to a larger selection the customer did not want," he added.

He cited as an example a promotion that Far West had tried, offering a 6 oz. hamburger in addition to a 4 oz., but failed because the service people did not push it since they didn't think the customers wanted the larger one.

But in another case, he continued, the chain had an "early bird" price offer promotion, "Prime Cut \$7.95" in one of the dinner house units where customer count was down. There was some trade down but the unit did build its elderly customer count. For this type of promotion the food cost was 43 percent but there was a 2 to 3 percent incremental sales increase, he added.

Another promotion, "Berried Treasures" began with the opening of the strawberry season to increase dessert sales, and the chain calculate that a 0.5 per cent increase was needed to break even but the result was a 2 percent gain in sales, he told the seminar attendees.

Gelinus said that if a promotion just broke even according to your predetermined plans, "it is important to check your figures for the following weeks because there could be a drop in customers, which would really tell you if you broke even or not."

For Family Restaurant

In a promotion for a family or dinner house restaurant, Gelinus felt that a promotion should: 1) be family oriented 2) have a limited time offer, 3) be fun and involvement for customers; 4) be fun for the staff; 5) advertised in the mass media, and 6) have more illustrations than copy.

"Four cents out of every dollar should be spent on customers," said Don Smith, dean of Michigan State University's School of Hotel, Restaurant and Institutional Management. An advocate of promoting when sales are down or on slow nights, Smith suggested "promoting on the floor of the restaurant by giving the customers there something extra at no cost."

Some other points, Smith stressed were: instant greeting at door of all customers and seating them within 60 seconds if possible; instant food on the table such as bread, crackers, popcorn, etc., and liquor order served within five minutes. "Never give the customer a food menu until after the pre-dinner drink is served," he advised, because the goal should be to sell \$1 worth of beverage for every \$2 of food.

Brokers Hear Sales Tips

At the recent National Food Brokers Association Management Conference Dr. Wendell Earle, Professor of Marketing Emeritus, Cornell University, spoke on "Opportunities During the 1980's." His assessment was that the 1980's will be a growth period but not on a business as usual basis. Changes throughout the food distribution system will provide both new opportunities and new problems. The seven keys to survival and success are:

1. Develop the ability for strategic planning for your organization;
2. Organize internally so that priorities for the business can be established and maintained on a continuing basis;
3. Upgrade the personnel within the organization to meet the changing needs of principals and customers;
4. Organize the flow of data required to run the business through the latest technology available;
5. Increase understanding in your organization of the flow of data coming from electronic checkouts and be prepared to put it to work for your principals;
6. Manage your business for the long run with a diversification of accounts;
7. Develop a hot line network of other non-competing brokers for the purpose of exchanging information at the top management or owner level.

Principal's Expectations

Following Dr. Earle's remarks, Carl Stinnett, Vice President-Sales, The Clorox Company, discussed "What Principals Expect from Brokers in Today's and Future Business Environments."

"I see two major needs that will be of critical importance to sales organizations in the future . . . first, sales people who are prepared, able, trained, and willing to use the new technology to sell more productively . . . and the use of that new technology to reduce food broker administrative costs."

He continued: "I'm convinced that in-store scanning and the Uniform Communications System will affect sales operations in several important ways during the next two to five years. By 1985 more than 10,000 stores, representing more than 50 percent of total volume will have scanners. By

(Continued on page 39)

FAMILY BUSINESS COLUMN

by Frank M. Butrick, Akron, Ohio

Part VII — The Son-in-Law As Successor

Often a successful businessman has no sons—or none who are interested in the business—but a daughter has provided a son-in-law who is active in the firm and appears capable of operating it successfully in the future. What problems or potential problems does relying upon a son-in-law entail? Is this as good an arrangement as passing the firm to a son, even if he is disinterested? It would appear that trusting daughters to select husbands suitable for the eventual presidency is hazardous at best. Apparently this is not in the girl's mind when she goes out husband hunting. Here is how it works in practice:

Case History No. 1

Very successful pasta manufacturer; president (now 53) is the son of the founder. There are two sons: one is 26 with artistic leanings (?) and has lost himself in the California beachboy community. The other, 29, spent four years in the Navy, returned to work in the family business for a year, then went to college and is now in a theological seminary. Presumably, both of these sons are lost to the firm. The president's right-hand man is his son-in-law, a 27-year-old college dropout who came to work for the business, where he met and married the president's daughter. He is an intent young man, quick to learn, and constantly at work to improve the company's volume and profits.

Not much doubt here about who looks the best. However, there are valid reasons for the president to hold off his selection a few more years. First, at 26, the beach-comber son, has stretched his adolescence to the limit. He may indeed be lost, but also he could wake up one day, discover himself grown up, and be ready to go to work. Should he then rejoin the family business, he would be an unknown quantity who must be gauged.

Secondly, the other son, in the ministry; this calling requires a persuasive leader of people. So does a business.

If the older son decides the ministry is not his calling, he also could return to the family firm. The possibility of the two sons, returning is heightened by the father himself, who has now mellowed into a likeable fatherly person, while a decade ago he was a stern, dictatorial, preoccupied man with no time for his sons. In short, these two boys left home to escape their father—and time could reunite them. Third, the only daughter is a singularly unattractive girl with her father's earlier overbearing manner, and she and her husband are in constant conflict. Perhaps this marriage was made not in heaven, but in opportunism. If the son-in-law gains control of the firm their marriage may have served its purpose and wind up with divorce. A nasty situation with potential for rapid change; quite wisely the president is waiting for the future to develop a clearer picture.

Case History No. 2

A commercial bakery with sales of nearly \$4 million. The founder, now deceased, had no sons, but two daughters. Both married young men who were given jobs in the company. Now in their 50's, under the father, the two sons-in-law worked well together; one became VP sales and the other general manager. But within a year of the founder's passing the two sold the firm to a conglomerate. Both invested their half of the very generous sales price in highly speculative real-estate ventures and both have lost heavily. A year ago the president (former GM) divorced his wife and married his secretary. Six months ago, under pressure from the group VP of the parent firm, he fired his brother-in-law.

One wonders if the founder could not have read these two young men accurately, years ago. Had he done so, he could have sold the business himself and directed the disposition of the funds as he saw fit. He could hardly have done worse by his wife and daughters: In under five years his sons-in-law have dissipated the majority of his estate.

Case History No. 3

A substantial grocery distributor, founder in his early 50's. A very competent son-in-law is VP and carries much of the administrative work load. The company is profitable and has enjoyed steady (if conservative) growth for many years. The founder's only son worked for his father during his teen years but the two fell out and the son joined a competitor. Later he started his own business but, undercapitalized and over eager, it went under. He has recently rejoined his father, as an ordinary employee. Despite the obvious unfairness to the hard-working son-in-law, the son is almost certain to wind up owning and running the family business.

For better or worse, a business is almost invariably passed to a son, rather than through a daughter to a son-in-law, regardless of any differential in ability between the two men. This son's experience has cooled his flamboyance but not his ambition, so he will probably do well as president. He will breathe new spirit into the firm, and probably achieve sales and profit growth which the son-in-law—long tutored in the hyper-conservative style of the founder—could never accomplish. But it will be at the expense of the son-in-law. It could create a strain on the family, if the son and his brother-in-law do not work well together. Despite all this, the founder will make the only choice which is consistent with our present concepts of family, succession, and inheritance.

A son-in-law appears to be a risky choice for successor. If there are no sons at all, and if an only daughter's marriage seems happy, and if close bonds of personal friendship grow between the father and son-in-law so that he has been accepted, treated (and has responded) as a son—then there is probably no likelihood of a divorce in the future and therefore no problem.

But if there are other daughters, with only one son-in-law in the firm, the other daughters will certainly expect

Family Business Column

to share equally in the estate. The company may have to be sold or heavily indebted in order to accomplish this. Alternatively, the ownership could be spread among them—but this merely fragments ownership and overly dilutes the next president's authority. If more than one son-in-law is in the firm, the selection of a successor may set off violent squabbles. In such cases, the business should probably be sold by the founder, well before his own retirement, so that he can enjoy the money.

When there are both sons and sons-in-law, the situation becomes vastly more complex. People change with the years. Disinterested sons have the habit of becoming very much interested after they have knocked about the world for a few years and begun to grow up. Even if sons do remain disinterested, the knotty problem of how to handle the company from an estate standpoint remains. Passing control of the business through a daughter to a worthy son-in-law and then excluding other descendants is both impractical and unfair. If attempted, it will probably blow the family apart. Yet if the ownership is split up among all the children, it will probably destroy the company. There seems to be no easy answer—except that bypassing the son in favor of a son-in-law is fraught with great danger and that in the absence of sons, selecting one deserving son-in-law may create endless problems if there is more than one daughter.

If forced to choose, probably most men could agree that solidity of the family bonds is more important than continuity of the firm. Therefore, if a family squabble seems unavoidable, the owner/manager should sell out, well before his retirement. The funds could be set up in trust for the daughters and disinterested sons. A favored, hard-working son-in-law could probably narrow against that trust and then with the father's active assistance start up a new business of his own. Otherwise, the problem has no good solution—only a number of bad ones.

This article is condensed from a chapter in the author's book, "The Family In Business", to be released by the IBI Press, Box 159, Akron, OH 44309.

DECEMBER, 1982

Macaroni Journal will be printing key chapters from the book, the first ever devoted exclusively to the personal relationships within the privately-owned business, during the forthcoming months. For information on the book, contact the publisher directly.

Frank Butrick has, for over two decades, been a leading consultant, convention speaker and author on the family-owned business. He has written hundreds of magazine articles through the years and his concepts have been incorporated in numerous books. He averages nearly 50 convention appearances a year, and is active as a consultant, serving business owners all over America. If you have a situation upon which you would like Mr. Butrick's comments or advice, you may contact him through Macaroni Journal, or by writing the IBI Press in Akron, or calling him at 216/253-1757. There is no cost or obligation—but if you write, be patient. His heavy travel schedule precludes quick replies to his correspondence.

Brokers Hear Sales Tips

(Continued from page 37)

that time, UCS will be handling a high percentage of order and invoice transactions. Will we still need sales people? Can't they be replaced by computer generated data and electronic mail?"

"My answer," said Mr. Stinnett, "is that we will need more, better, and smarter sales people willing to work harder. Computers cannot handle broker or direct retail distribution, in-store presence, or trade support. Only personal, individual sales efforts can do that today and in the future."

How to Select Food Brokers

A new, revised edition of the popular NFBA publication, "How To Select Food Brokers" has been published and is available to the industry.

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The booklet offers information on considerations such as Analyzing Your Needs in the Market; Analyzing Your

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