

**THE
MACARONI
JOURNAL**

**Volume 47
No. 5**

September, 1965

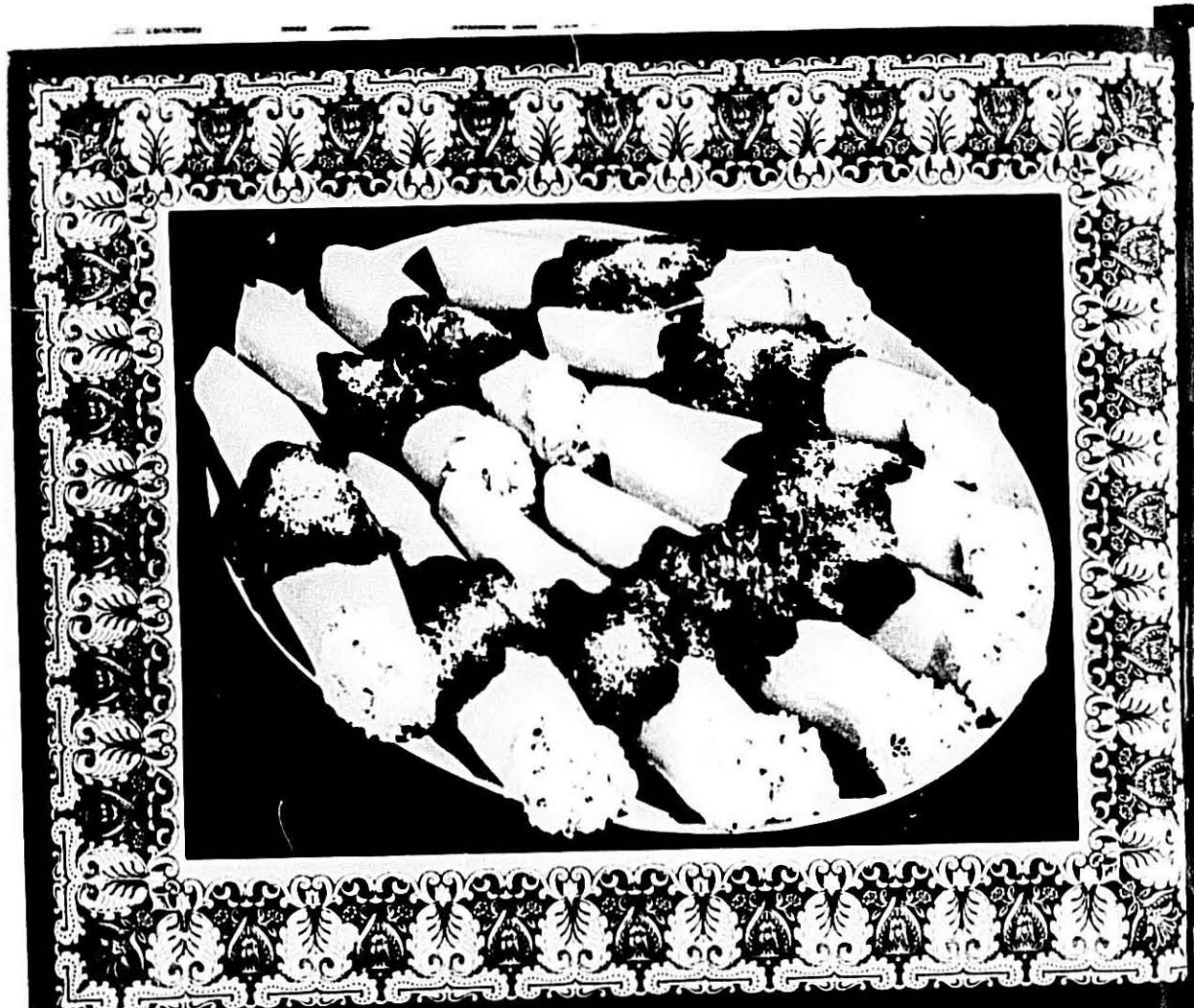
Macaroni Journal



NEW YORK CONVENTION
WAS A WINNER!

SEPTEMBER, 1965





THERE'S MORE TO A PACKAGE THAN A PRETTY PICTURE

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The Macaroni Journal

September
1965
Vol. 47
No. 5

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139 North Ashland Avenue, Palatine, Illinois. Address all correspondence
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P.O. Box 336, Palatine, Illinois, 60067.

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Cover Photo

Spaghetti Chopsticks Champion—Harvey Piper, 77, Police Athletic League member from New York City, won the spaghetti eating, with chopsticks, championship held at the recent "Macaroni Day" at the World's Fair. The special event was a part of the 61st Annual Meeting of the National Macaroni Manufacturers Association in New York. Fred Spadafora, of Chicago, N.M.M.A. president, presents Harvey with a trophy while Mabel Wong, macaroni queen, demonstrates her chopstick technique in the Sun Truck restaurant at the Hong Kong Pavilion. Macaroni is said to have originated in the Orient so the spaghetti chopsticks contest was a logical event.

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THE STORY OF MACARONI



Everything Becomes "Macaroni"

In Paris when you tip a cab driver, he calls it a *pourboire* . . . literally, *in order to drink*. In sunny Naples your cabbie likely will descend from his horse-drawn vehicle, tip his hat and say, "For macaroni"—and chances are he's referring to his horse. For Neapolitan cab drivers often decorate their horse with a feather behind his bridle, a touch they consider "macaroni"—a term adopted from the dish they consider superb or "the most." And just as the food has named the feather, so the feather nicknamed the horse.

And in England about 1770 a group of

men named themselves the Macaroni—after the dish that graced their table at meetings, then little known in England.

And for a time this group dictated the fashion for clothes, music and manners, and nothing was acceptable that was not "macaroni" . . . a flattering tribute to this superb food.

And when Yankee Doodle

stuck a feather in his hat and called it "macaroni", he was repeating a popular expression of his day, now preserved in song. For "That's macaroni" had become a slang phrase about the time of the American Revolution, describing anything exceptionally good—a phrase inspired by the delicious taste of the food itself.



For the finest-tasting macaroni always insist on the consistently high quality of King Midas Durum Products



PEAVEY COMPANY
Flour Mills

New York Convention Was a Winner!

At the Fair

ON Macaroni Day at the New York World's Fair, Sunday, July 11, the National Macaroni Institute was pal to some eight seven-to-eight year old boys from the Police Athletic League Settlement Center.

After a spaghetti-eating contest with chopsticks at the Hong Kong Pavilion at the Fair, presided over by Macaroni Queen Mabel Wong (age 12), the winners were presented loving cups and then asked to repeat the feat for CBS News.

The event took place in the Hong Kong Pavilion to emphasize the Oriental derivation of macaroni when Marco Polo brought spaghetti from China to Italy.

Convention Cruise

In the evening, convention delegates assembled at the 41st Street Pier to take a cruise around Manhattan aboard the Circle Line Yacht XV. There was music and dancing, the Suppliers' Social and Cocktail Party preceding the traditional Rossotti Spaghetti Buffet. In all, it was a festive social occasion to launch a highly successful industry meeting.

First Session

President Fred Spadafora opened the convention with greetings to delegates and guests. Later he was re-elected president along with the re-election of Vice Presidents Robert I. Cowen, Sr., Peter J. Viviano, and Vincent F. La Rosa. New directors elected to the Board included Robert H. Williams of The Creamette Company, Minneapolis; Walter Villame, Jr., Jenny Lee, Inc., St. Paul; and Ernest Scarpelli, Porter-Scarpelli, Portland, Oregon.

Profits Seminar

John D. Corrigan of the Executives Institute was a hit with his practical comments and demonstration on "How

to Get Out of the Cost Price Squeeze on Profits." He said: "To determine the proper interrelationships that must exist for high profits, you need but analyze the three prime factors—price, cost, and sales volume. For instance, costs are only too high when they are higher than they need be for the action that produces profits. If you eliminate a profit-producing activity just to cut costs, you lower or destroy profits." A digest of his comments and the charts used in the seminar appears on page 17.

Second Session

Dr. Kenneth A. Gilles of the North Dakota State University and Ray Wentzel of Doughboy Industries, just returned from a mission to Japan, reported on the potential there for durum. Japanese use of wheat since World War II has skyrocketed, and there is an excellent potential for durum to capture some of this market.

Clifford Pulvermacher and Dr. E. F. Seeborg of the United States Department of Agriculture.

(Continued on page 8)



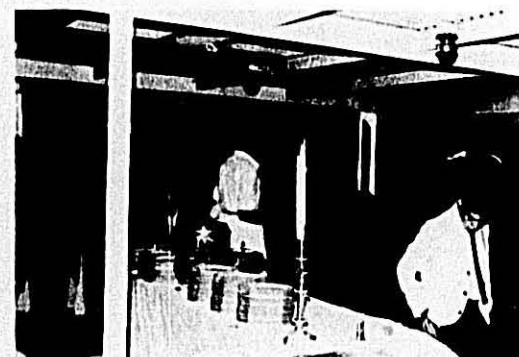
Officers re-elected, stand behind their ladies: left to right, Third Vice-President Vincent F. La Rosa, Second Vice-President Peter J. Viviano, President Fred Spadafora, First Vice-President Robert I. Cowen, Secretary-Treasurer Robert M. Green. The ladies are Kathleen La Rosa, Josephine Viviano, Isabel Spadafora, Ida Cowen, and Fran Green.

Jim Hirsch, Dick Noll, and Pete Cash of the Television Bureau of Advertising presented a dramatic audio-visual on what various associations are doing to improve their industry image and market potential through television advertising.

C. Reese Musgrave of Chain Store Age presented more facts on the Cirrino Report—the yardstick for making space allocation on the basis of movement per lineal foot of package exposure. He then participated in a panel discussion with Louis Campanelli of H. C. Bohack Company and Albert Gitnes of Shop-Rite Supermarkets, moderated by Lloyd E. Skinner of the Skinner Macaroni Company. Using a check list for discussions, they commented frankly on matters ranging from point-of-sale material to private label.



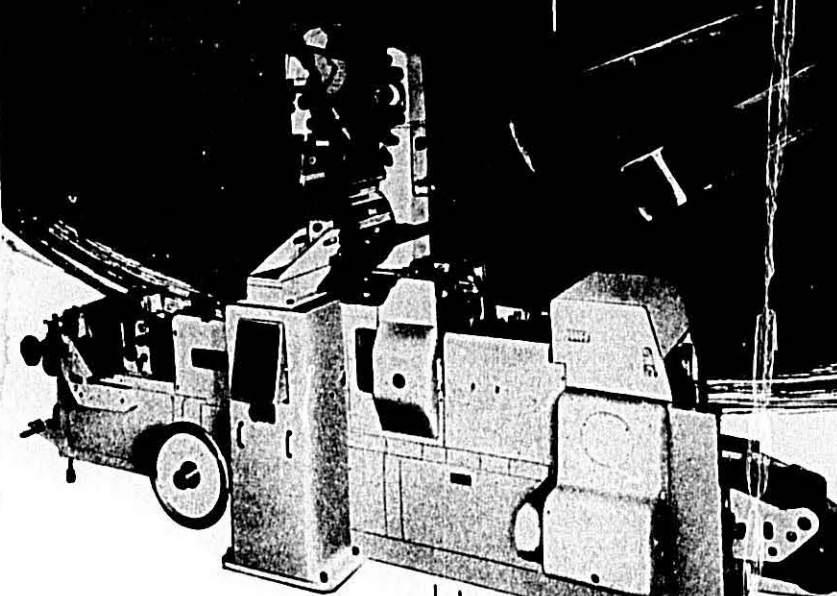
John Zerega, Jr., Betty Rosotti, Kay Zerega and Charles Rosotti at the Traditional Rossotti Buffet.



Buffet was served aboard the Circle Line Yacht XV, following a Suppliers' Social. The group enjoyed the famous New York sky-line.

HESSOTRON-NT*

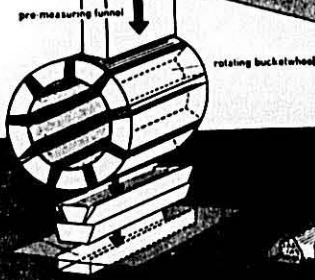
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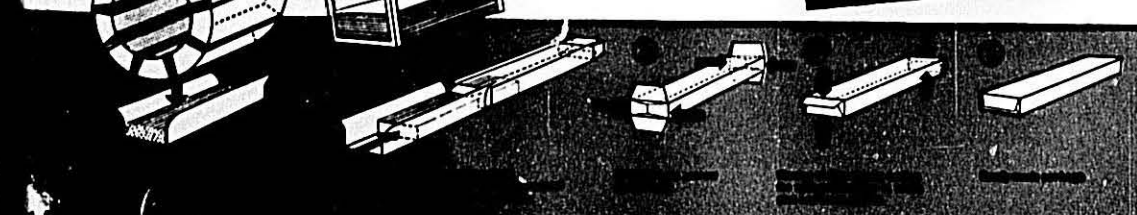
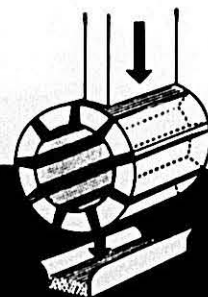
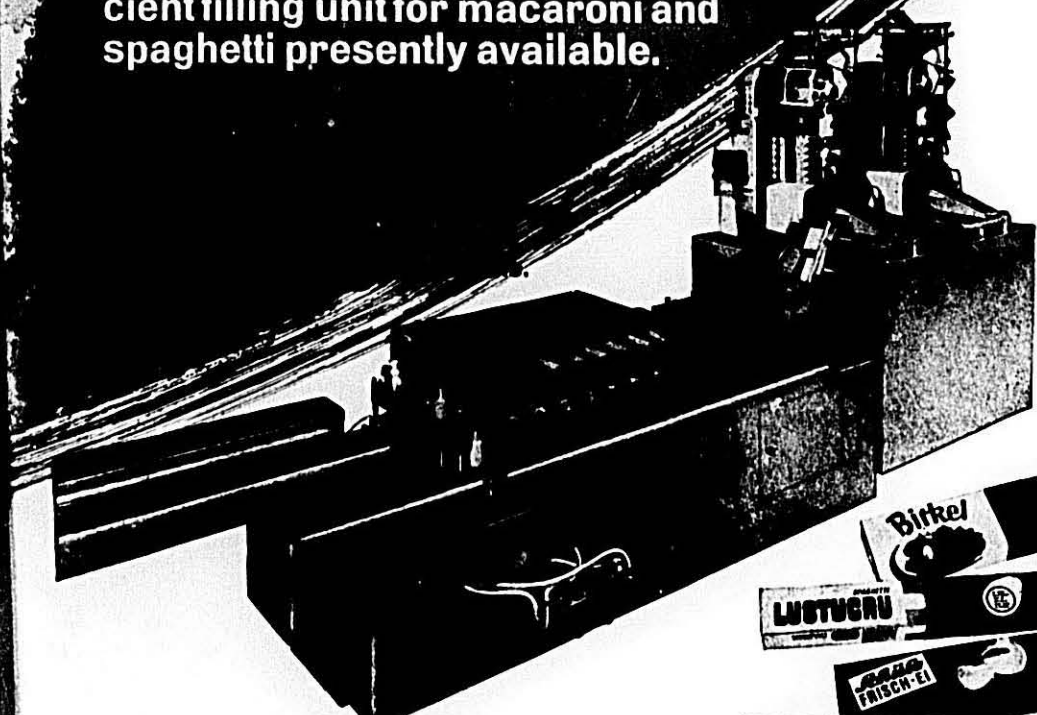
Please feel free to contact us for further specific information on these new designs

one

two

HESSER

HESSOTRON-NT is the most efficient filling unit for macaroni and spaghetti presently available.



FR. HESSER MASCHINENFABRIK AKTIENGESELLSCHAFT · STUTTGART-BAD CANNSTATT · FOUNDED 1861

Convention Was a Winner—

(Continued from page 5)

ment of Agriculture came from Washington to hear the report, and then commented favorably upon it.

Paul Abrahamson, administrator for the North Dakota State Wheat Commission, observed that cooperative market development by the growers, millers, and macaroni manufacturers should continue to maintain the fine results that have been achieved. He said the durum crop should run over 60,000,000 bushels based on present indications. The crop was lush but about two weeks late at the time of the convention.

Don Fletcher of the Crop Quality Council announced that a field trip will be planned for the durum territory at harvest time towards the end of August if there is sufficient interest.

Robert Green, the Association's executive secretary, gave a Report From Washington which appeared on page 30 of the August issue of the Macaroni Journal.

Compliance Suggestions

Suggestions for voluntary compliance programs were offered by C. A. Herrmann, Director, New York District Food and Drug Administration; Eaton E. Smith, Division Chief, Food and Unfair Sales Practices, State of Connecticut; and John F. Madden, Director, Bureau of Weights and Measures, State of New York. It was emphasized that these rules are established to protect the public from the unscrupulous operator who wants to make a fast buck and those who are just careless. The rules and regulations are flexible enough so judgments of administrators will not create hardships. These agencies offer consulting service on labeling, plant improvements, training schools, speakers for meetings, codes of ethics for voluntary compliance.

Product Promotion

Theodore R. Sills, public relations counsel for the National Macaroni Institute, declared the Merchandising Calendar outlining publicity themes on a month-by-month basis shows that the macaroni industry is dynamic and active, that it plans ahead and that the sales of macaroni move related items. In 1966, the macaroni buyer, merchandising head, and president of some 4,000 chain and voluntary organizations will receive four quarterly Macaroni Merchandising Calendars.

Mr. Sills noted that the population explosion would increase the number of consumers in this country by 71,000,000 in 1985. In planning for this tre-



At Roosevelt Raceway, the winner of the Macaroni Handicap is presented a cup by Vincent F. La Rosa (left) and President Fred Spadafora.

mendous growth in the next 10 to 20 years, we must hit hard at the youth market. By selling this rapidly expanding segment of the market, progress achieved since World War II will be maintained.

Tour Plant and Offices

Convention delegates were guests of V. La Rosa & Sons, Inc., at their new executive offices in Westbury on Long Island Monday evening preceding dinner in the Directors' Lounge of the Cloud Casino at Roosevelt Raceway. This was followed by harness-racing. President Fred Spadafora and Vice President Vincent F. La Rosa presented a cup to the winner of the fifth race, called the Macaroni Handicap.

On Tuesday afternoon, a plant tour through the establishment of the C. F. Mueller Company in Jersey City afforded guests a view of one of the most efficient macaroni manufacturing operations in the world.

Suppliers' Social

In the evening a Suppliers' Social was held prior to the Dinner-Dance. Participating firms were as follows:

- Amber Milling Division, GTA, St. Paul Minnesota;
- Ambrette Machinery Corporation, Brooklyn, New York;
- A D M Durum Department, Minneapolis, Minnesota;
- Ballas Egg Products Company, Zanesville, Ohio;
- V. Jas. Benincasa Company, Zanesville, Ohio;
- Braibanti-Lehara Corporation, New York, New York;
- Buhler Corporation, Minneapolis, Minnesota;
- Clermont Machine Company, Inc., Brooklyn, New York;
- DeFrancisci Machine Corporation, Brooklyn, New York;
- Doughboy Industries, Inc., New Richmond, Wisconsin;

Du Pont Film Department, Wilmington, Delaware;

Faust Packaging Corporation, Brooklyn, New York;

Henningsen Foods, Inc., New York, New York;

Hoskins Company, Libertyville, Illinois;

International Milling Company, Minneapolis, Minnesota;

D. Maldari and Sons, Inc., Brooklyn, New York;

North Dakota Mill and Elevator, Grand Forks, North Dakota;

Wm. H. Oldach, Inc., Philadelphia, Pennsylvania;

Peavey Company Flour Mills, Minneapolis, Minnesota;

Rossotti Lithograph Corporation, North Bergen, New Jersey;

Schneider Brothers, Inc., Chicago, Illinois;

Triangle Package Machinery Co., Chicago, Illinois;

United States Printing & Lithograph, New York, New York.

At the dinner, the newly-elected officers were introduced.

Future Sites

At the Board of Directors meeting the day following, Montreal was selected as the site for the 1968 Annual Meeting. Next year the convention is scheduled for Chicago, and in the following year at Colorado Springs.

FTC Order Noted

In convention assembled, the Executive Secretary reported that the Order of the Federal Trade Commission dated April 30, 1964 had become final through court action. He stated: "It is the purpose of the Association to comply strictly with that Order. While the Board of Directors are of the opinion that it is now (and has for many years) been in compliance with the law, the Board is requesting legal counsel to review all the activities of the Association to make sure that in the future there is no inadvertent failure to comply with the order."

A Great Pasta Dish

Some seven-and-one-half million readers of Look Magazine saw a double-page spread in full color in the August 24 issue. Marilyn Kator Kaytor produced the feature and it was photographed by Ben Somoroff.

Recipes were given for six light, meatless sauces, each a half hour or less in the cooking. They included: Filetto di Pomodoro con Verdura (summer vegetable sauce), Salsa Marinara (Mariner's sauce), Aglio Olio (garlic-oil sauce), Cavolfiore Con Pasta (cauliflower with pasta), Broccoli Con Pasta, and Pesto Alla Genovese (green herb sauce, Genovese style).

THE MACARONI JOURNAL

Report to the National Macaroni Institute

by Theodore R. Sills, public relations counselor.

IN the past two years we have alerted the grocery trade to the promotional themes of the macaroni industry. This has been done through means of calendar brochures to tell them what we are doing every month of the year. The current calendar shows that \$1 worth of macaroni moves \$6.55 worth of related items. This has been a successful promotion as an aid to the retail trade. Therefore, the NMI committee has decided to continue the calendar promotion for 1966.

There are additional reasons that we feel the calendars are important for the industry. It shows that the industry plans ahead and has very definite reasons behind the promotions for the year. And it shows the trade that macaroni moves related items. Thus we think that the calendar is a valuable merchandising aid.

Macaroni Moves Merchandise

Our message proves a point: macaroni is not only profitable and fast turning but it does a tremendous job in moving other highly profitable items. In the past we've sent calendars to the presidents of the chains, the advertising and merchandising managers and to the macaroni buyers. We've covered about 500 of the chains with 10 or more stores and about 700 of the volunteries and the cooperative groups. Then, in addition, the calendar has been supplied to the macaroni companies for the use of their salesmen when they call on the macaroni buyers.

In 1966 we are distributing the calendar in a slightly different way. Instead of one calendar for the entire year, we have broken it up and there will be four quarterly mailings.

Samples Shown

Mr. Sills then showed sample pages of the new calendar. The cover will show a globe illustrating "A World of Sales and Profits." The first inside page will have a layout of a supermarket with footprints showing how macaroni products generate traffic and related item sales. And now last year's figure of \$6.55 changes to \$7.22, based on new surveys of three popular recipes.

The three month illustrations for the four quarterly calendars were then shown with the macaroni, spaghetti and egg noodle dishes and the items going with them. They range from calorie-counted menus to macaroni magic with leftovers; outdoor eating to entertaining.



Theodore R. Sills

What is Ahead?

Now I should like to discuss what, in our opinion, is ahead for the industry. This vitally concerns us all. The present population of the U.S. is 195,000,000. According to the most recent Census Bureau projection in 1975 there will be 226,000,000 Americans, and in 1985 there will be 266,000,000. By 1985 there will be 71,000,000 more Americans than there are today, an increase in population that will be equal to all the people who now live west of the Mississippi River.

Rising Teen-agers

What does this mean to the macaroni industry and to its suppliers? Before we answer that question let us look at some of the figures on population growth. The projection points out that 76 per cent of the increase will be among persons under 35 years of age. In the next ten years our "under 20" population (that is our teenage population and below) will increase by 11.6 million. In the period 1975-1985 it will increase by another 17.6 million. In other words, some 82 per cent of the population increase in the next ten years will be among persons under age 25. This means a sharp increase in the younger workers and in family formation. As you know, the average marriage age of girls is 19.6 and this means that we are going to have a tremendous number of new families and a tremendous number of new consumers.

There are a lot more data on the figuration of our society in the years to come. I won't go into them now but I think that they are important for you to think about. If you will go back to the Market Facts Survey, you will remember they showed that the spaghetti users reached their greatest peak between ages 20 and 35. This is our coming market!

Rising Macaroni Demand

Now let's look at this population increase and let's see precisely what it will mean to our industry:

Population growth from the years 1948 to 1965 showed an increase of 30%. Macaroni consumption in that period increased by 45%. This amounts to an increase of two pounds per capita in a span of 17 years.

Other trends show rice keeping pace with macaroni. Advertising and promotion has boosted per capita consumption 39%. Potatoes declined 3.7% although in the past few years dehydrated and frozen potatoes have reversed the trend. Wheat breakfast cereals show a decrease of 18.7% pointing to the need for wheat people to do a selling job on wheat products.

Here is a startling figure: by 1985, if we maintain the same rate of per capita consumption (roughly about eight pounds per capita) you will be selling approximately 500,000,000 more pounds per year.

With this heavy population growth expected in the next 20 years and especially in the under 35 age group, it would behoove us all as marketers to be sure that we continue to educate the youngsters to eat macaroni products. The Institute is doing that now in its copy, photographs and in our special projects. Everything we are doing is designed to sell the kids on a love for macaroni products. But the important thing is what will you do? What are you doing in your own organizations to promote your products to this growing population and to this tremendous influx of youth that is going to get bigger every year?

Corollary Problems

Now the corollary problems, of course, that have to do with the suppliers, generally are "What are the plans for the next 10 or 20 years for plant expansion, for machinery, for plenty of durum wheat?" This affects

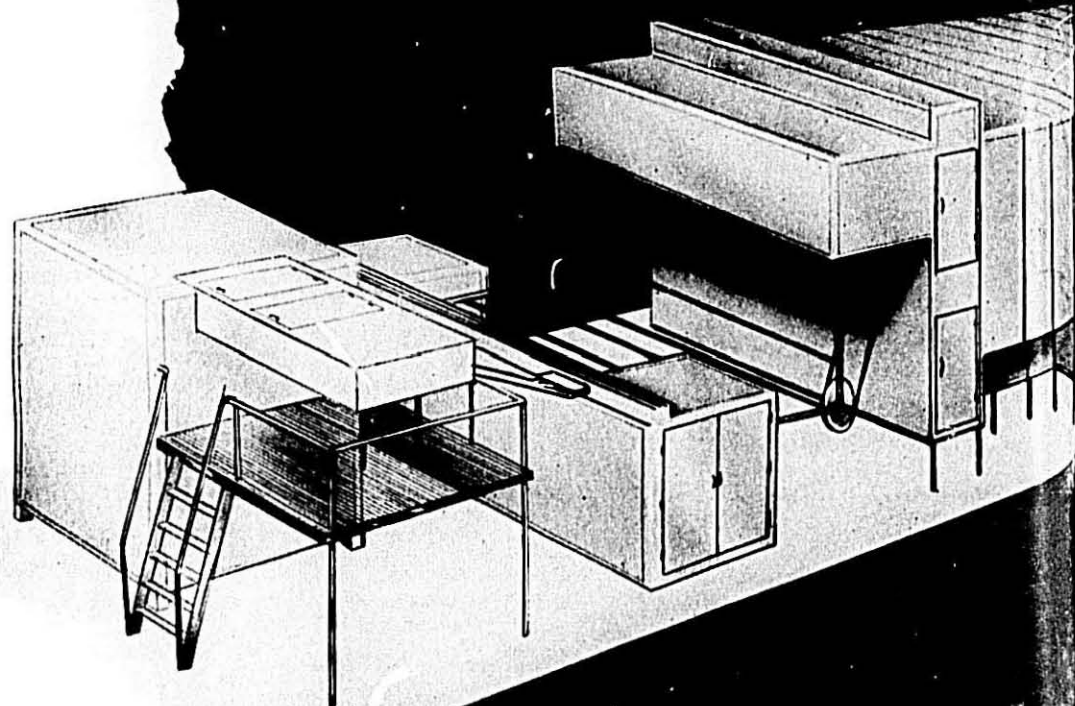
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DEMACO®

offers these

Exclusive

design features

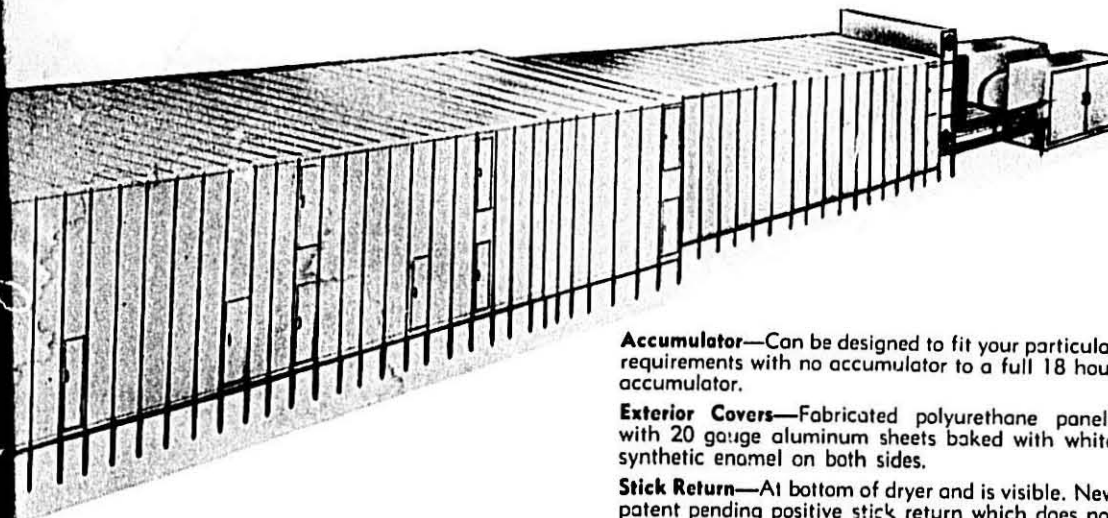
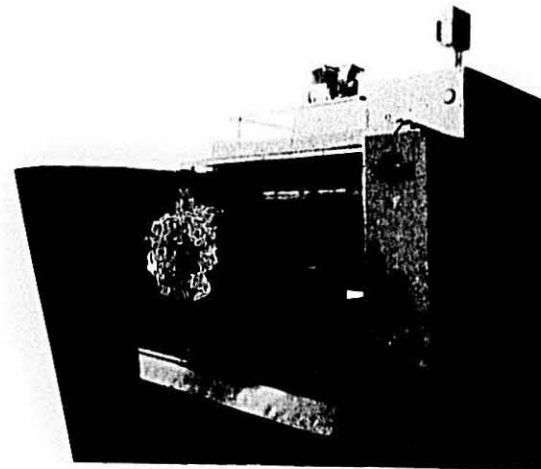


THE PRESS

One (1) Mixer—The famous Demaco "Trade Approved" single mixer with vacuum applied over the entire mixing cycle produces a product with a deep yellow color and extremely smooth.

Semolina and Water Feed—Simple airlock with new proportional water metering device—eliminates all the cumbersome gingerbread feeds.

Die Removal—Simple 4 bolt die removal. Dies can be changed in a few minutes.



THE DRYER

Sanitation—The only dryer that you can walk through to wash clean or vacuum all interior surfaces.

Maintenance—Remember only 1 stick pick up and 1 stick transfer for the entire finish dryer section and accumulator. Heavy extruded aluminum sticks with welded ends.

Accumulator—Can be designed to fit your particular requirements with no accumulator to a full 18 hour accumulator.

Exterior Covers—Fabricated polyurethane panels with 20 gauge aluminum sheets baked with white synthetic enamel on both sides.

Stick Return—At bottom of dryer and is visible. New patent pending positive stick return which does not utilize roller chain.

Temperature and Humidity Controls—Pre dryer and fully controlled finish dryer has 3 zone controls.

Construction—Ruggedness and simplicity of design with component parts supplied by America's top manufacturers. Immediate availability of spare parts—thereby minimizing "downtime". Drying sequence is not controlled by any operator, it is all pre-programmed thus eliminating the human element. Guaranteed 1500 lbs. per hour of dried, ready to pack spaghetti.

DEFRANCISCI MACHINE CORPORATION

46-45 Metropolitan Ave.
Brooklyn, New York 11237

Phone: EVergreen 6-9880

Western Representative: HOSKINS CO., P.O. Box 112, Libertyville, Illinois - Phone 312-362-1031

Ted Sills' Report—

(Continued from page 9)

everybody that has anything to do with the macaroni industry. We aren't at the point where we can live from year to year so we not only have to think in terms of our advertising and promotional plans to sell this tremendously growing market, but we should be thinking of how we are going to be able to put out enough product to supply them. One of the things we have to do is a more concerted effort on the part of the whole industry to capture the youth market.

It would seem to me that our emphasis right now in your public relations program, in all of your own planning, should be to look toward youth for expansion because this will make for our success.

Golden Grain Builds Addition

Construction on the new addition to the Golden Grain Macaroni plant in San Leandro, California was scheduled to begin in July, it was announced by Vincent DeDomenico, general manager of the company, a leading producer of convenience foods and confectionaries.

The new building triples present floor space for a total of 220,000 square feet and will contain enlarged office, shop and warehouse areas. The plant will also have new test kitchens and new chocolate and candy packaging facilities to cope with increased demand for these products.

A large family-owned macaroni company, Golden Grain has grown from annual sales of \$12 million in 1958, when it began national marketing of its Rice-A-Roni, to sales exceeding \$30 million in 1964.

The company now has 21 warehouses spanning the country and plants in Seattle, Chicago, and Manteca, California, as well as San Leandro. Some 70 food brokerage firms help market more than 500 items the company produces.

The Stolte Construction Co. of Oakland, was selected as builder of the new plant from seven companies that had presented bids. Douglas Judd, of Emeryville, California, is consultant engineer for the new project.

Earnings Up

Grocery Store Products Co., recorded earnings of \$452,420 for the six months ended June 30, representing a 4.6 per cent increase over earnings of \$432,510 for the same period last year.

Sales for the first half were \$6,755,265, a gain of 2.2 per cent over sales of \$6,612,101 a year ago.



North Dakota Jaycees served macaroni salad to about 5,000 people at the National Jaycee Convention in Buffalo, New York, in late June. In addition to the macaroni salad which was acclaimed in the local press, the North Dakotans distributed macaroni recipe booklets. The initial effort was so successful that a similar project is being planned for next year's convention in Detroit.

Giola's Glamour Pictorials

Giola Macaroni Co., one of the country's leading macaroni and egg noodle producers, has scored two firsts in pasta packaging: individually designed "glamour" pictorials for each item in the line, and the industry's first reclosable carton.

The comprehensive new design program for the Buffalo-headquartered food company embraces 58 separate items, including six varieties of spaghetti. The new look of Giola was also used as a vehicle to introduce Giola Tri-Oni or triangular spaghetti.

Uniqueness of the new Giola pasta cartons rests on the fact that the "glamour" approach—high-quality, individually developed food shots complete with carefully chosen props—extends throughout the line rather than being limited merely to specialty items. Also, the individual pictorial treatments cover the surface of the carton. The more usual practice in designing pasta packaging is to merely "strip-in" small vignettes of a serving dish.

Basic design strategy of the new Giola packaging is to elevate the prod-

uct category in the mind of the consumer through the use of high-quality photography and full-color pictorials. The result of this design direction, Giola believes, will be boosted impulse sales and a broader acceptance of pasta products—particularly spaghetti and macaroni—among upper-income families. Initial sales figures following the introduction of the new packaging tend to support this view, Giola reports.

The new packaging was designed and produced by Container Corporation of America. In addition to developing the surface design, CCA also created the full-color photography used in the vignettes and devised the easy-opening feature of the new cartons.

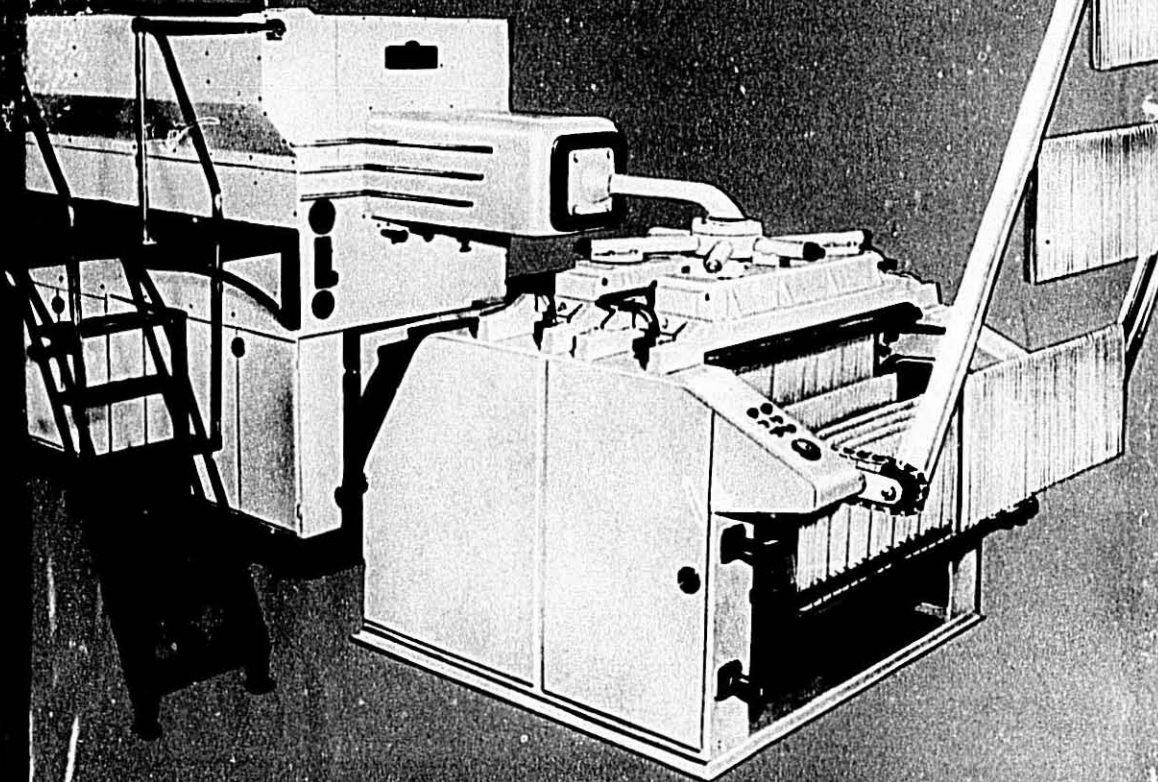
Big Spenders

In 1964 195 companies who sell through grocery outlets each spent more than \$1,000,000 in measured media advertising reports the Food Business magazine. In the list was Golden Grain Macaroni with \$3,353,500 and V. La Rosa & Sons with \$1,631,700. In both instances major expenditures were for television.



THE MACARONI JOURNAL

QUALITY IS ALWAYS IN STYLE

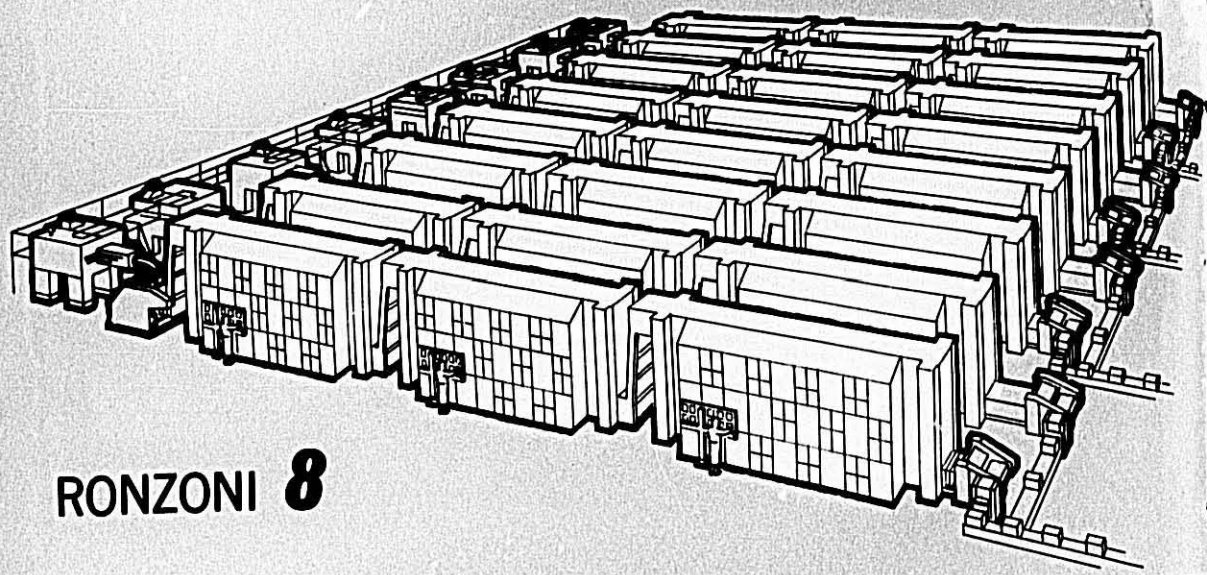


Channel 4 Spreader, 2000 lbs./hr. Spreader

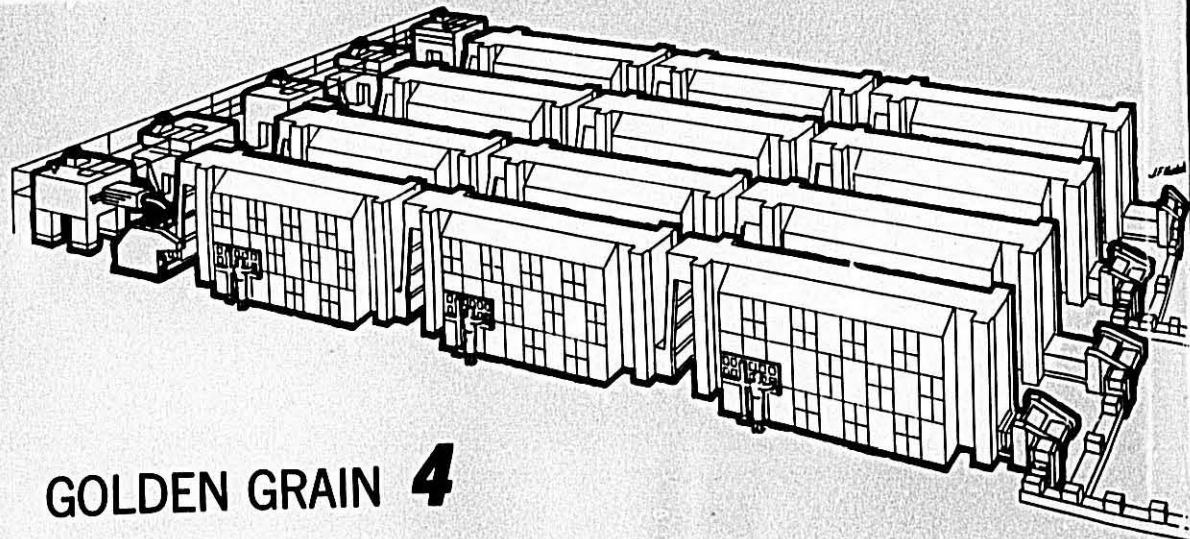
Meets the exacting requirements of particular manufacturers—combines slow extrusion over 4 sticks for a superior quality product, top production and increased volume. Extrudes uniform stick patterns providing maximum firm and an eye appealing product of variable smoothness, color and consistency.

QUALITY IS ALWAYS IN STYLE

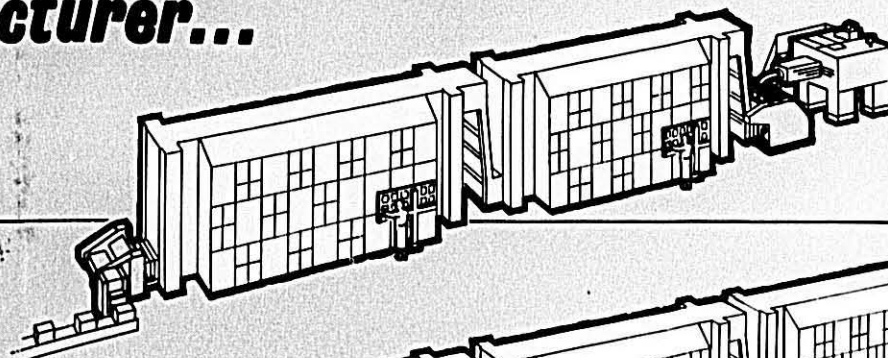
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than any other manufacturer...



RONZONI 8



GOLDEN GRAIN 4



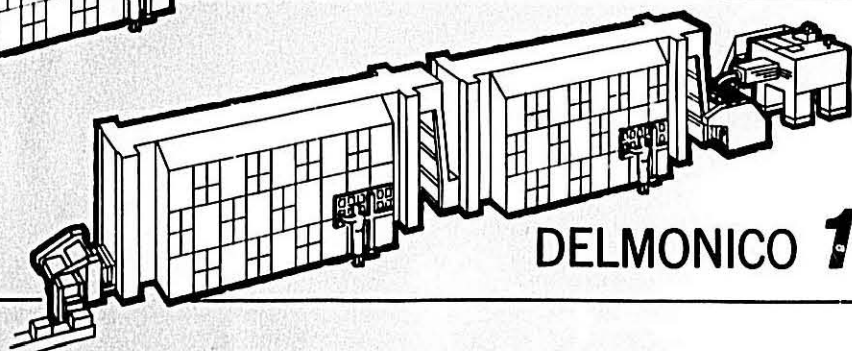
EAGLE 1



ZEREGA 1



BUITONI 1



DELMONICO 1

and each producing from 1,000 to 2,000 lbs/hr

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Clermont dryers permit 2000 lbs./hr. production in 1/3 less space

New advancements in the drying process now gives big production in minimum space as shown in the Delmonico installation inside. Only two units are required—the preliminary and finish dryers. The primer finish dryer has been eliminated.

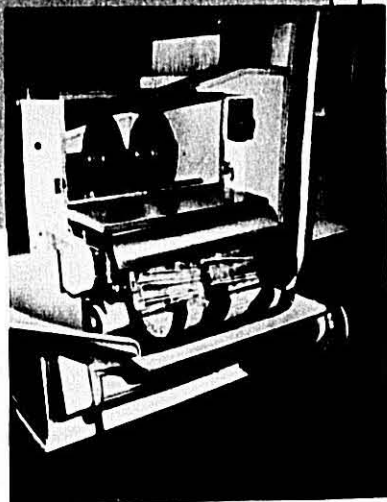
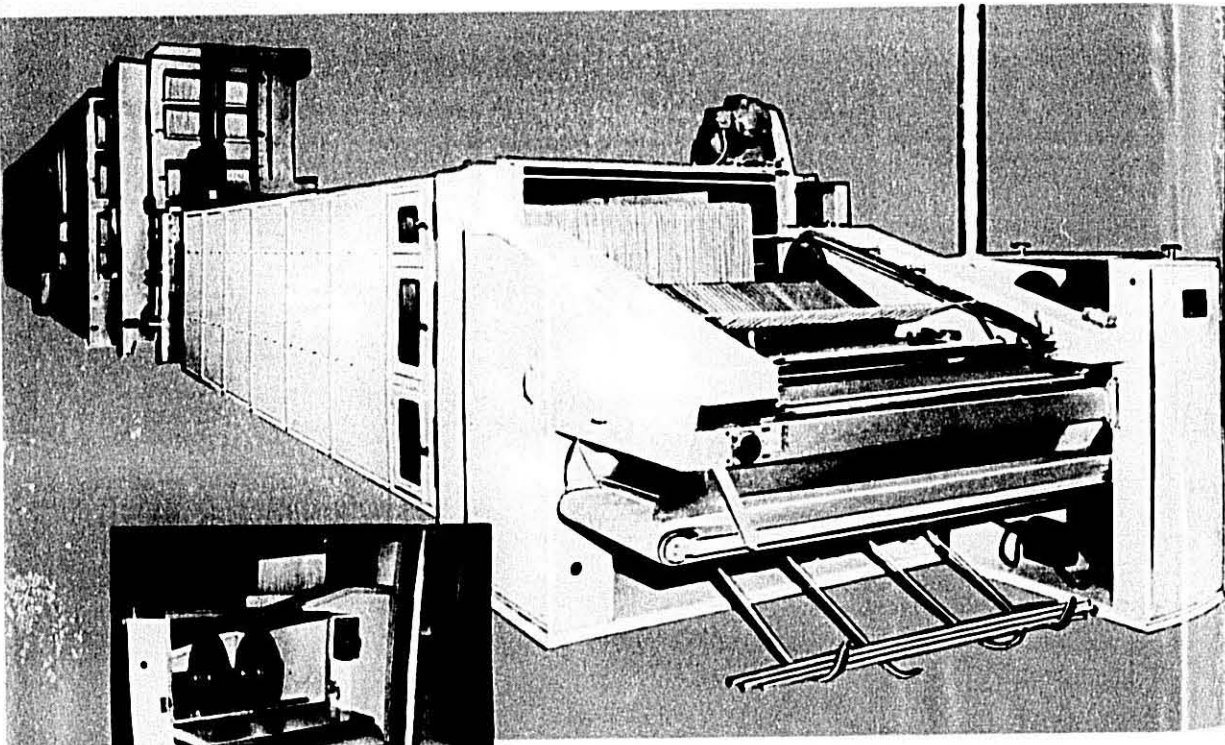
Preliminary and Finish Dryers

Redesigned with many new features, to accept 2000 lbs. per hour. Have five tiers. Give large volume of air on product, at low velocity, to penetrate through the product during entire preliminary drying process. Air intake passes through preheating chambers on both sides, making atmospheric conditions no longer a factor. Stick transporting apparatus, moving from one tier to another, is constructed to prevent sticks from falling. With per-

fect timing, sticks are delivered precisely on successive, or alternate chain links, depending upon which tier is being processed. Each dryer unit has self-control instruments for humidity, temperature and air. Drying cycle through both dryer units is completed in 24 hours, to include three rest periods, delivers a product which is evenly dried, smooth and strong in texture, with eye-appealing bright color.

Cumulator

One shown below is 24 ft. long with two lanes which holds approximately 3000 lbs. One operator can discharge the 3000 lbs. in half an hour and then take care of other duties while it is filling up again. Other Cumulators can be built to accumulate for 8 or 16 hours.



Stick Remover/Cutter with Blower

Works in conjunction with the Finish Dryer or Cumulator in continuous operation and functions so smoothly that product breakage and waste are completely eliminated. Equipped with three split blades which simultaneously cut off heads and ends of product and also cuts product in half. The blades are adjustable and constructed so that either one, two or all three can be removed.

Cut off ends and crooks are broken into pasta sized pieces in a cross-screw conveyor which feeds directly to a blower, and then blown to a storage tank before being pulverized.

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How to Increase Profits or To Get Out of the Cost-Price Squeeze

by John D. Corrigan, president, The Executives Institute.



John D. Corrigan

PROFIT is the result of a long chain of interrelated activities, functions, and skills. For every activity in your company there is a corresponding cost factor with the skill factor determining whether costs are in their proper relationship with the other two prime factors for profit making.

To determine the proper interrelationships that must exist for high profits, you need but analyze the three prime factors—price, costs, and sales volume. For instance, costs are only too high when they are higher than they need be for the action that produces profits. If you eliminate a profit-producing activity just to cut costs, you lower or destroy profits.

There are two methods in common use to determine proper relationships. One is the use of a series of economic ratios. The interpretation of ratios can be difficult if you are unfamiliar with them.

Break-even Chart

The other method is to use a break-even chart which gives you a complete pictorial presentation of your business at a glance. It gives you the relationships and interrelationships of your three prime factors in profit making—price, costs, and sales volume. You can draw a break-even chart in a few minutes' time for your company, a department, or a product to determine if it is profitable or unprofitable. This simple procedure, as well as how to analyze this chart and determine the effects of any proposed action, can be accomplished in the time it takes to draw a straight line on a piece of graph paper consisting of large squares subdivided into ten small squares.

Take last month's or last year's profit and loss statement. Plot total sales across the top of the graph paper using round figures. Let us say, for example, the total sales take up six large squares on the graph paper. Divide total sales by six then, which will give you the value of each large square on the graph paper. Divide this figure by ten and you have the value of each small square on the graph paper.

Put your scale along the left-hand vertical line. The right-hand vertical line on the graph is equal to Figure 1, your total sales. Determine profit before taxes, and subtract from total sales according to the scale. See Figure 2 and you have total cost on the graph.

Variable Costs

Determine variable costs, which are all costs that are a direct per cent of sales, such as material, direct labor, commissions, etc. If you use direct cost-

ing, the direct costs are your variable costs. The balance is your constant costs. The right-hand column on the graph paper now looks like Figure 3 and the chart as Figure 4.

Draw a line parallel to the base line, as shown in Figure 5. Now draw the total cost line as is shown in Figure 6. You have just drawn a break-even chart of your business. Study Figure 7 and compare with your own.

Figure Your Percentage

What per cent of total costs is variable in your company? Example: Suppose this figure is 60%. (This per cent varies with every company.) Then you have 40% as the amount of constant costs plus profits before taxes. Since constant costs are paid off at your break-even point, you will make 40 cents in profits for every dollar in sales above your break-even point. Note Figure 8 with figures on the right. Break-even point is \$1,600,000. At \$2,000,000 in sales, profits are \$160,000 or 8%. Sales are \$400,000 above the break-even point. \$400,000 times 40 cents equals \$160,000. Add another \$400,000 in sales, and profits double.

Changing the Point

Suppose you decide to spend \$2,400 on a sales training program to increase profits. \$2,400 divided by 40 cents equals \$6,000. All you need in added sales is \$6,000, and every dollar added above this figure produces 40 cents in added profits.

Suppose you decide to cut prices 10%. You can tell what will happen in the time it takes to draw another straight line through Figure 8. Profit value ratio has changed from 40% to 33% with a 10% cut in price. Sales

Total Sales

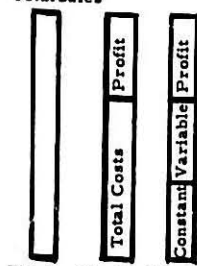


Fig. 1 Fig. 2 Fig. 3

Total Costs

Profit

Constant Variable Profit

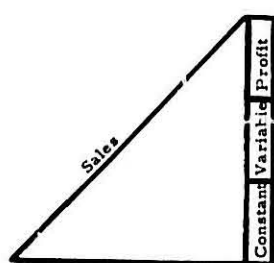


Figure 4

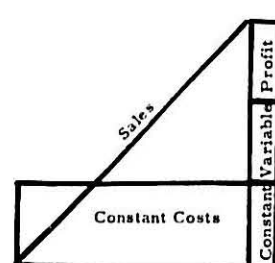


Figure 5

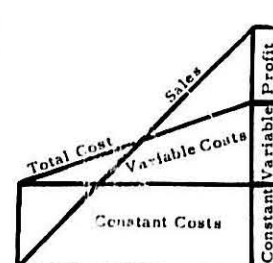


Figure 6

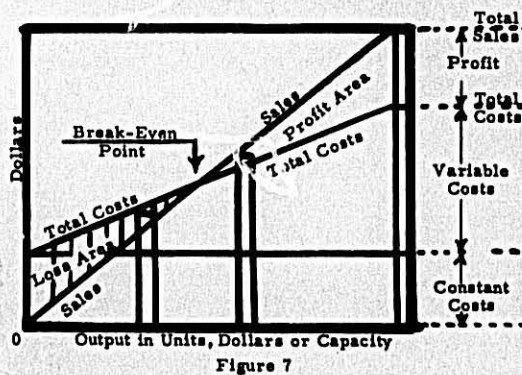


Figure 7

and profits figures would then change as follows:

Sales	Profits	Per Cent
\$2,880,000	\$320,000	11
2,400,000	190,000	8
1,920,000	Break-even	0
1,600,000	-106,666	-6.6

Note the Change!

Note how the break-even point jumped, the profit area diminished, and the profit ratio is smaller. This same thing will happen with an increase in costs without an increase in price. In both cases, you are in a cost-price squeeze on profits.

Generally, you can increase constant costs with new equipment or automation that reduces variable costs, lowers the break-even point, and gives you a healthy profit area. When you increase sales volume by making your selling efforts more effective, your profits increase at a very fast rate. This rate is the profit value of your sales dollars, which was 40% in the example used in Figure 8.

A break-even chart causes you to keep all factors in proper perspective. It is a planning tool, not just a picture of your business.

Reducing Unit Costs

But how can you increase your profits? One sure way is by reducing unit costs. Lawrence Appley, president of the American Management Association, has stated: "The one great crying need of all management in the United States today is to lower unit costs. Why?" He then discussed foreign competition from the Common Market and Japan . . . "producing . . . at lower costs than we can achieve . . . higher quality. . . We are (in a) . . . profitless economy . . . managers at all levels must accept the responsibility for cost control. . . There can be no delay nor compromise. . . Cost consciousness, cost reduction, cost controls are not the result of wishful thinking . . . must

give primary attention to the reduction of unit costs if this nation and the civilization it represents are to survive." These are harsh, meaningful words from a man recognized as America's leading authority on management. And they should be heeded.

Costing Often Misunderstood

The subject of costing is the most misunderstood subject at the top level in management. Only about 10% of these individuals have a basic knowledge of costs. And this is a conservative figure based on over 30 years as a consultant conducting profit-making seminars for executives.

Costing is number one among the 10 most common mistakes resulting from faulty thinking. The chief reason is, that although many executives do understand the break-even chart (see Figure 8), they do not realize when dealing with unit costs that the variable costs shown in Figure 8 become constant, and the constant costs become variable.

You prove this by dividing the number of units into total costs. You will get a curve as shown in Figure 9. Note the variable cost is \$2.40 per pair or unit and is a straight horizontal line. Since the price is \$4 per unit, the break-even point is shown on both charts at 400 thousand units.

As volume increases, unit cost decreases. Or you can lower your unit

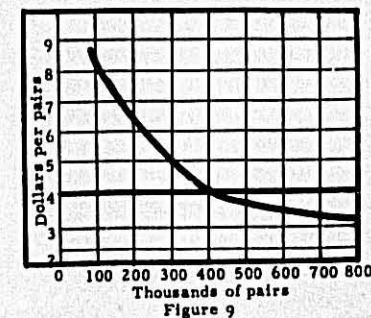


Figure 9

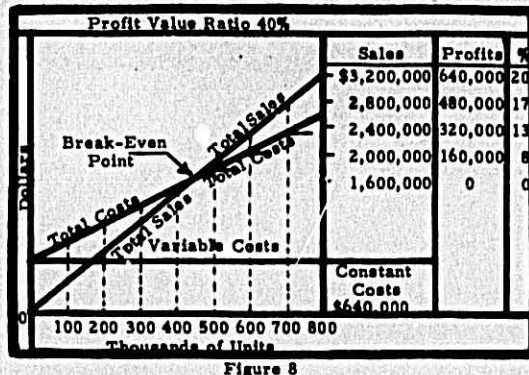


Figure 8

cost by making your selling more effective.

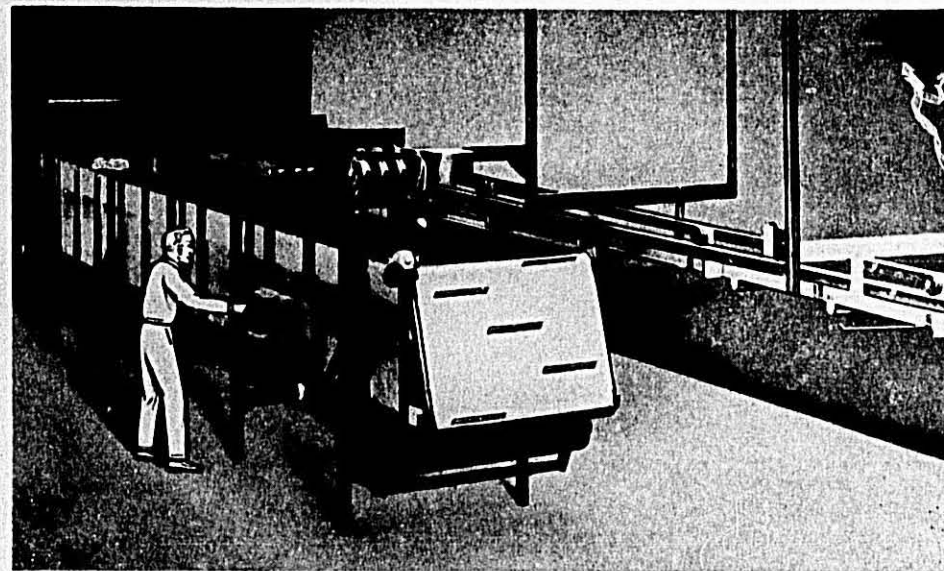
The president of a company, graduate of the business school of a leading university, told me when I went into his company as a consultant, that he knew little about selling but he was sure of his costs. He was operating at 40% of capacity and was in the red. He wanted, and of course needed, more sales volume. For a five year period he had refused to sell his closest friend and his roommate when he was in college an item at the same price that this friend was buying from his competitor at 96 cents. His costs were \$1.03 on the item, and he wanted 10 cents profit. This was a big order for this small plant, as it would cause him to operate at 80% of capacity.

The break-even and unit costs charts proved conclusively that he would make over \$50,000 a month profit instead of operating at a loss if he took that additional business at 60 cents. He almost cried when he multiplied this profit by 12, then 5 to see how much he had lost during the last five years because he did not understand that a relationship exists between price, cost, and sales volume. I personally would have cried over a \$3,000,000 loss in profits.

Cost Reduction

You can also lower costs by cost reduction through eliminating waste, and by not hitting the panic button. Every action, every activity, every move in a business costs money. If you eliminate a profit-making activity, you lower profits. You do not save money with this type of cost reduction. For instance, if you need a million dollars a year in advertising during good times to produce income, you certainly need that amount and more during tough times to prevent a loss of sales volume. The same thing can be said about sales training and many other activities.

(Continued on page 22)



TRACE-A-VEYOR®

THE Combined **"S"** Surge + Storage System

for NOODLES & SPECIAL "PASTA"

TRACE-A-VEYOR (Between Dryer and Packaging)

- Automatically compensates for all fluctuations between Dryer and Packaging.
- Stores product when packaging is halted.
- Receives and discharges simultaneously.
- Eliminates: Storing in Tote Boxes • Breakage • Handling • Waste.
- Thinks and Acts without attendance.

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Flour fed to cyclo-mixer by precision control resulting in a uniform and constant feed.

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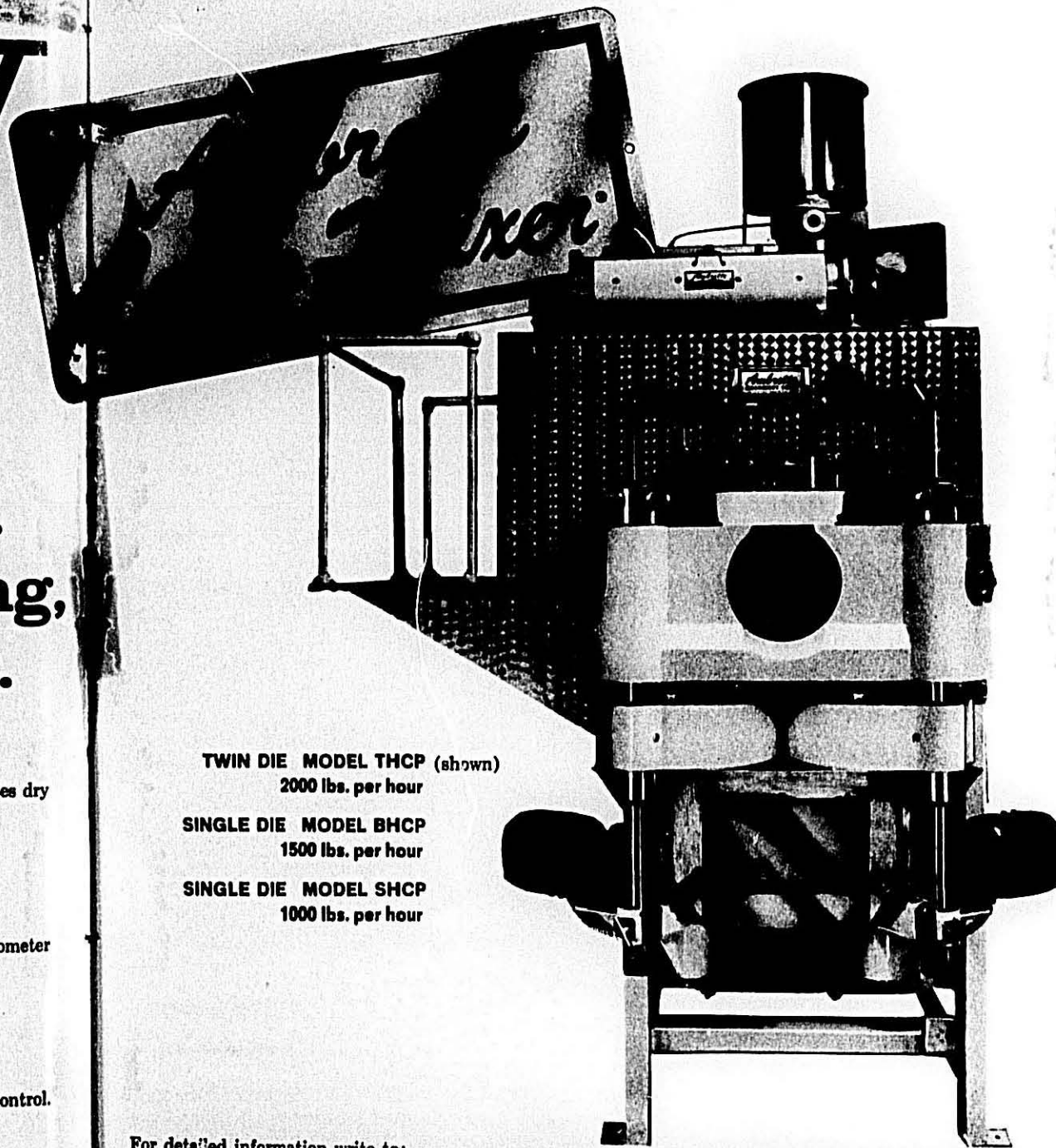
Independent direct motor drive to cutting shaft. Wide range of cutting speeds through electronic control. Elimination of pulleys, belts and varidrive motors.

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High production screw with low speed. Anti-frictional metal liner in screw housing for long wear and low friction.



TWIN DIE MODEL THCP (shown)
2000 lbs. per hour

SINGLE DIE MODEL BHCP
1500 lbs. per hour

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1000 lbs. per hour

For detailed information write to:

AMBRETTE MACHINERY CORPORATION

How to Increase Profits

(Continued from page 18)

solution is to make them more effective per dollar spent. Or, let's say, to get more for your investment in advertising, sales training, etc. This cost improvement will result in profit improvement.

Value Analysis

General Electric, caught in the cost-price squeeze on profits, added a new dimension to cost reduction — called "value analysis." It started with value buying and extended itself to all departments—sales, shipping, engineering, production, etc., that share responsibility for value. Suppliers' salesmen were invited to participate. There are a lot of excellent engineers, chemists, and other technical men who sell. In fact, most are better technical men than they are salesmen, because their companies have failed to train them in the techniques of persuasion—the basic science of selling. GE knew this and trained their purchasing agents in how to harness this source of knowledge for cost reductions.

Dean Ammer, executive editor of Purchasing Magazine, is recognized as the leading authority on "value analysis" today. He saw the yearly savings it brings GE, which runs into millions. Through his efforts countless other companies are enjoying savings that run into hundreds of millions of dollars per year.

Profit Analysis

Dun & Bradstreet have been publishing economic ratios by industries for more than 30 years. These ratios show, according to my analysis, that 75% of all companies are not making sufficient profits. My experiences in over 200 different industries point out that the prime reason is that most executives will not face up to their problems and solve them. They hope the problems will go away; but they become bigger and bigger until they force action. This causes many executives to panic.

But that 25%—God bless them—they are the executives that have made America strong. However, the socialistic concepts unqualifiedly promoted by theorists in power can easily destroy them by eliminating profits. When this happens, our nation and our civilization are also destroyed.

Since the nation's economy is but the sum total of the economic situation in each company, every executive can contribute to a strong, healthy nation by making his own company strong. You are not expected to do more than this, and you certainly shouldn't do less.

Sales Trends

A survey of 12,945 supermarkets by Chain Store Age reveals that macaroni products with 0.48 per cent, continued to increase in percentage of total store sales in 1964, up from 0.42 in 1963. Average gross margin remained the same: 24 per cent.

Macaroni, with 28.2 per cent, was the leading item in percentage of department sales, and increased 1.9 percentage points over 1963's figure. Spaghetti and noodles were reported to have dropped 3 per cent in department sales.

Dinners continued to increase in percentage of total department sales, from third to second place, with 26 per cent of total department sales—a jump of 4.8 percentage points.

More Items

The typical supermarket carried six more items, sizes and brands in 1964, for an average of 85. Five new items appeared among the dinners. Mid-Atlantic states led with assortments totaling 107.

In the Supermarket Sales Manual, illustrations showed a massive and display of macaroni, spaghetti and tomato sauce used to kick off a grand opening sale in an Eastern supermarket. In another picture, macaroni and cheese and spaghetti dinners were the main features of a gondola end promotion. Tomato sauce and processed cheese were tied-in for extra sales.

Several varieties of macaroni dinners displayed in portable dump carts offered multiple selections for customers. Point-of-purchase material suggested Lenten casseroles which could be used in making the dinners.

Another illustration showed a display of deal packs of macaroni and spaghetti on a gondola end. Extra sales sparked profits; extra produce satisfied customer demands.

H. J. Heinz Co. Reports

In their joint message in the company's annual report, Chairman Henry J. Heinz II and President Frank Armour, Jr. of the H. J. Heinz Co. said that last year's record ketchup sales were achieved in the face of unusually heavy competitive advertising and promotion.

Changing marketing and distribution techniques throughout the world have brought a substantial change in marketing practice and increased outlays in marketing expenditures in most of the company's international affiliates, they added.

Despite these pressures, they continued, all affiliated companies reported sales gains during fiscal 1965 over

the previous fiscal year. Heinz showed a 6.4% increase in consolidated net sales and a 14.8% increase in consolidated net income over the previous year's record highs.

Besides ketchup, more vinegar and pickles carrying the Heinz label are sold in the United States than any other brand. In Great Britain, Heinz baked beans, baby foods, canned spaghetti, soups, ketchup, salad cream and puddings hold commanding positions in United Kingdom food stores. In Canada last year spaghetti sauce with meat, with mushrooms, and meatless were introduced. Heinz has operations in Australia, Holland, Italy, Japan, Mexico and Venezuela.

Canadian Combination

A plan to combine the operations and businesses of Stange Canada, Ltd. and Lawry's Foods of Canada Ltd. was jointly announced by Bruce L. Durling, President of Stange Co. and Richard N. Frank, President of Lawry's Foods, Inc., of Los Angeles.

Since 1952, Stange has operated a Toronto plant producing spices and seasonings for the Canadian food processing industry, and since 1950, Lawry's has distributed a line of specialty food products in Canada featuring "Lawry's Seasoned Salt," "Lawry's Seasoned Pepper" and other products in the convenience food field including seasoning mixes and salad dressings.

The operating plan for the new Canadian business involves a joint venture permitting each company to continue its individual manufacturing and marketing programs to existing industrial and consumer markets. An expanded organizational structure will enable Stange and Lawry's to significantly increase their marketing plans, product development work, and provide for additional research to better serve the growing market of the Canadian food industry. The two company presidents emphasized that no changes in personnel or basic operating principles were contemplated in the new corporate program.

Architectural plans call for a 50 per cent expansion of existing manufacturing, research, and administrative facilities with a completion date scheduled for early March.

Canned Spaghetti

Canned spaghetti and macaroni with 16.2 per cent of total canned meat department sales were dominant items in a survey of 12,945 supermarkets by Chain Store Age. But they slipped from 0.89 per cent of total store sales in 1963 to 0.85 in 1964. Average gross margin rose from 23.3 per cent to 23.6.



The cafeteria and school market will grow and grow and grow for you
(if you feed it its own special kind of spaghetti)

MYVAPLEX Type 600 Concentrated Glyceryl Monostearate is all it takes. The addition of 1.5% to your regular product keeps it just as appetizing in the steam table as it is moments out of the boiling water in the home. Food service managers can make sure they won't run out, yet be protected against waste.

So schools, hospitals, industrial plants, and other volume feeding establishments can serve spaghetti much more often than they do now. Your market broadens.

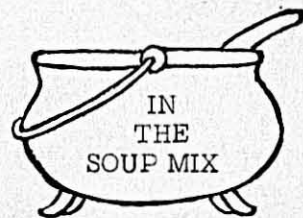
MYVAPLEX Concentrate has no effect on flavor. And it meets

the requirements of U. S. Food and Drug Definitions and Standards of Identity for Macaroni and Noodle Products, as amended.

To find out more about the advantages and economic effects of MYVAPLEX Concentrated Glyceryl Monostearate, get in touch with Distillation Products Industries, Rochester, N. Y. 14603. Sales offices: New York and Chicago • Distributors: West Coast—W. M. Gillies, Inc.; in Canada—Distillation Products Industries Division of Canadian Kodak Sales Limited, Toronto.



Distillation Products Industries is a division of Eastman Kodak Company



Soup, Soap, and Salvation

The Salvation Army is celebrating its hundredth anniversary of its founding.

A century ago they were known as the "Soup, Soap and Salvation" Army.

Today, on a much more complex scale, modern facilities provide food and shelter for many thousands daily. Residences for young business women and for older women with limited incomes; shelters and rehabilitation centers for the homeless and other unfortunates; summer camps for children and senior citizens—all these programs have put the Salvation Army squarely in the business of volume feeding.

For example, in the year 1963, Salvation Army Social Service Centers across the nation served 10,246,310 meals to residents and transients. Each of their Evangeline Residences for young business women housed an average of 350 women, and two or three meals were served daily. In the same year, summer camps offered country vacations to 53,954 children and senior citizens. In addition, hot meals were served to 561,581 children in settlements, day nurseries and foster homes under Salvation Army auspices.

One reason why Salvation Army facilities can continue to function is the generosity of food suppliers across the nation, many of whom contribute high quality foodstuffs to Salvation Army installations on a regular basis.

Soup Kitchen Rack

Portion-pack soups are now being displayed in the new soup kitchen rack developed by Sav-Ree-Pak. The attractively designed rack holds 90 individual packets of soups and is ideal for restaurants, luncheonettes, catering wagons, diners and coffee shops.

The Sav-Ree-Pak line offers eight varieties of soups with a homemade flavor at 15 cents a bowl. Easy to use and easy to serve, the portion-packs virtually eliminate all sanitation problems. Specially selected ingredients for the variety of mixtures are taste-blended into hermetically-sealed aluminum foil containers to insure absolute cleanliness.

With the pre-measured portion-packs, the product offered the customer is consistently uniform in aroma, flavor, nutrients, texture and color of food. Management can be assured of complete portion control, too, insuring accurate inventory control, with absolutely no waste, thus keeping costs down.

How is it served? Just add the contents of an individual portion-pack to hot water, and in seconds you have a cup of flavorful, nourishing soup, with no muss, no fuss. Convenient and quick to serve, the portion-pack soups need no refrigeration, are easy to store, and there are no cooking utensils to wash or break.

Cook Quick

The Wall Street Journal reports an outpouring of new convenience foods:

General Foods has introduced flat, fruit-filled pastries, that can be quickly heated in a pop-up toaster. Libby markets frozen sliced tomatoes, and General Mills introduces ready-to-spread canned cake frostings in some markets. Semi-solid margarine in a plastic, squeeze-type container is tested in Florida by Fricks' Food of Cedartown, Georgia.

New freeze-dried products which require no refrigeration, little space, and can be quickly reconstituted with water, are pushed by Borden and others. Campbell Soups, Swanson Division, tests a new line of "a la carte specialties" in plastic food pouches that can be popped into boiling water for a quick meal.

General Foods' president, C. W. Cook, says housewives "see added values in convenience foods and are willing to pay for the difference." Total annual sales of quick preparation foods are roughly guessed at \$10,000,000 by the Grocery Manufacturers of America.



A Matter of Taste. Henry W. Gadsder, president of Merck & Co., Inc., greets Mr. and Mrs. Frank Cosby of Plainfield, New Jersey, at taste-testing booth at the chemical and pharmaceutical company's annual meeting in Rahway, N.J. Visitors were offered samples of bouillon with and without "Mertaste," the company's new flavoring agent, a partial or complete replacement for beef extract in soups and gravies. In this test, there was no beef extract at all in the Mertaste-enhanced bouillon; but most tasters preferred it over the other.

Agglomerated Onion

Pre-Pared Solu-rated onion is a patented product of Gentry. They claim it is easier to handle and pour than powdered or granulated onion because its pouring characteristics are similar to granulated sugar. Solu-rated onion goes into aqueous suspension faster, they say, because its tiny particles have been agglomerated.

Soup Dip

I. J. Grass Noodle Co., subsidiary of Hygrade Food Products Corp., promoted a tie-in for potato chips with its onion soup mix. Each soup envelope contained a coupon worth five cents toward the purchase of chips. A red sticker on the face of the package identified the promotion. Grass prepared a shipper which converted into a 48 envelope display for shelves. Special display allowances were offered.

Irradiated Foods

A new report from the Department of Commerce on the "current status and commercial prospects for radiation preservation of food" estimates that the market for irradiation equipment will top \$20 million a year by 1980. By that time some seventeen different types of food, worth perhaps \$4 billion, will be preserved by radiation.

The U. S. Army is already using irradiated wheat, potatoes, and canned bacon. France is studying possibilities of short-term preservation of African produce. The Business & Defense Services Administration lists poultry, fish, shellfish, strawberries, ham, dehydrated vegetables, and egg products as among those that might be susceptible to preservation by radiation - either from an isotope gamma-ray source or an electron accelerator.

Leading packagers prove Du Pont "K" 207 is the most durable cellophane.

Two years of on-the-market sales experience by leading packagers in all areas of the U. S. A. offers you positive proof of the superior durability of "K" 207. This on-the-market experience, including two winters in the country's coldest climates, has proven that, gauge for gauge, "K" 207 is the most durable cellophane you can buy.

And "K" 207 gives you the same sparkling clarity, the same low water-vapor permeability, the same excellent machinability, sealability and printability as all other "K" cellophanes.

For proven durability in your cellophane bags, join the packaging leaders. Upgrade with "K" 207, available in 140, 195 and 210 gauges. For information and samples, see your Du Pont Authorized Converter or Du Pont representative.

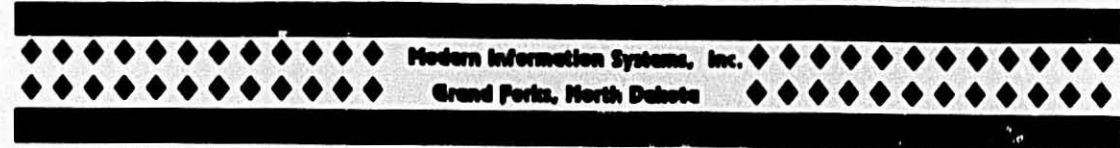
*Du Pont's registered trademark for its polymer-coated cellophane.



Better Things for Better Living... through Chemistry



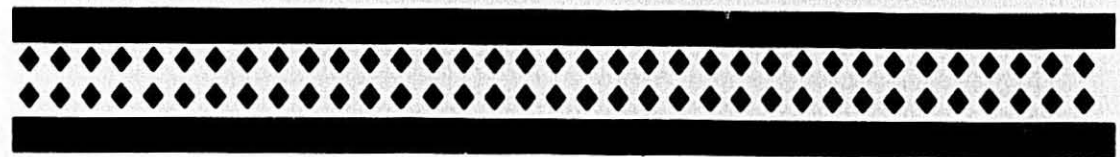
Inn Maid Products, Inc., of Millersburg, Ohio, uses "K" 207, the most durable cellophane.



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Pgs. 26 & 27



THE GROCERS' VIEWPOINT

A panel discussion at the convention moderated by Lloyd E. Skinner,
 Panelists: Louis Campanelli, Assistant Head Buyer, H. C. Bohack Company;
 Albert Gitnes, General Manager, Shop Rite Supermarkets;
 C. Reese Musgrave, National Advertising Manager, Chain Store Age.

Highlights follow:

Skinner: What is the formula for the Cifrino Space Report?

Musgrave: The concept is fairly simple. It may be applied to any size of operation but averaging it to a \$40,000-a-week store makes it easier. Taken into consideration is the gross margin on the product and the number of cases sold. This gives total yield. Subtracted from this are two things: First, the handling costs of the merchandise itself (this is a figure determined by time and motion study in the warehouse and in the store to determine exactly how much it costs to order the product, warehouse it, put it on the shelf, and price mark it.) Then we have what is known as a space-cost which is the cost to keep the product on the shelf. This is the contribution to corporate overhead. With these two costs taken from the gross yield, you then divide the dollars and cents by the number of square feet of exposure area that the product takes on a shelf. This is not cubic but square. And you come up with the yield per square foot of exposure area; the average being 51¢ in the dry grocery department. This is basically how the formula is derived.

Question: Why didn't you use the cube instead of the square feet of shelf exposure?

Musgrave: The General Foods and McKinsey study did use cubic feet. However the depth of shelves vary greatly from store to store so Paul Cifrino said "I'm interested basically in what my customer sees as she goes down the aisle—the billboard effect of the product." This is an arbitrary thing but it can be easily converted to cubic feet.

Work in Stores

Skinner: Let's ask Mr. Campanelli to say a word about "Salesmen's work at headquarters and in stores."

Campanelli: One of the main problems at headquarters with merchandise that is delivered direct to stores is not having enough information on the movement of the particular items. For instance, how well does No. 8 spaghetti sell compared to No. 35 elbow macaroni? What store sells more of what type of spaghetti as compared to another store in macaroni and noodles?



Lloyd E. Skinner

Now when we don't have enough information on the movement on merchandise, we're in the blind. We just don't know the advantages of giving more room, promoting a product more, or the overall benefit of the line's movement. You come in and tell us that the product's going fine—we have to see figures. If there are ways in your book-keeping or billing that you can supply us with this information, it will help you in the long run because we don't know how good your products really are. This is a basic problem in direct distribution.

Out of Stock

Skinner: The next point for discussion is out-of-stock conditions. In the country outside of the east there is not so much of this direct delivery. Therefore information is available to the wholesaler or to the chain headquarters on movement. In the east one of the reasons I believe manufacturers like to deliver to the retail store is to control out-of-stock conditions. Would you comment, please.

Campanelli: Here again we can't properly tell our stores how much space to give a particular product. In New York we have about 75 or 80 different varieties of spaghetti, macaroni and noodles. Now we may go into a store and see two rows on an item that doesn't move and one row of an item that really sells.

We cannot guide our stores and tell them how much space to allocate to a particular number if we don't know the movement of it. And this is probably why there is so much out-of-stock of the popular brands.

Private Label

Skinner: I would like to have Al Gitnes tell about his opinions on the subject of manufacturers' brands and distributor brands.

Gitnes: We at Shop Rite have approximately 5,500 to 6,000 items on the shelves. We have about 700 private label brands. We don't go out of our way to promote our private label any more than we promote a national manufacturer's label. It is our attitude that the customer dictates the choice. The question is sometimes asked: "What is the future of distributor's brands against manufacturer's brands?" In our opinion if you run a private brand of decent quality, priced properly, and it is successful, you're going to increase sales. If you don't, it suffers and you delete it.

Another question asked is about the limitations of the private label category. We don't feel that there are any limitations. Where you have a product that has a highly volatile movement, you have room for a private label if the customer indicates that she wants it.

Skinner: Some stores that have distributor's brands give considerably more shelf space to them than they do to the name brands. Isn't this so?

Gitnes: Happily my company avoids this practice. Once again we take the position that the customer dictates the choice. The amount of volume done on a product dictates the amount of shelf space.

Standard Invoice Form

Skinner: A standard invoice form has been developed by the Grocery Manufacturers of America in cooperation with the distributive trade associations. Would you gentlemen like to say something about this?

Gitnes: All good supermarket businesses are highly computerized. Therefore, it would seem to me that many of the computer card forms can be used and pre-exchanged. For instance, checks can be typical IBM cards and processed that way. With all of the



Reese Musgrave



Albert Gitnes



Louis Campanelli

new reading systems that are coming of age, standard billing forms, standard order forms will find a place.

Campanelli: We get so many different sizes, shapes and types of bills from different people that it costs us a lot of money to get them paid and processed properly. Since practically all chains and cooperatives have computer systems, it would be to our advantage and yours if you also went into some type of a computer system in the processing of bills.

Musgrave: Several weeks ago I attended the National Association of Food Chain controller's clinic. One of the topics for discussion was the simple fact that the technology of the grocery industry is becoming more and more sophisticated. With this increase in computerization, the standard invoice is going to be of paramount importance in the opinion of the National Association of Food Chains in the not too distant future. I think that the manufacturer who realizes this can be in step with these dynamic changes in the industry and will be ahead in the long run.

Pallets

Skinner: The grocery industry is working on unitized loads and palletization. Will you comment on this?

Campanelli: Here again is the case of saving money somewhere along the line. Palletizing saves time in receiving, saves time in putting the merchandise where it belongs, and keeps the merchandise fresh. You can get it in quicker; you can get it out quicker. We can set up appointment systems where your trucks don't have to wait to be unloaded. Where it used to take maybe three or four hours to unload a truck, it now may take a half hour. It saves you money as well as us. Our buyers now order some items by the pallet size.

Procter and Gamble has prepared a study on the clamp truck to show that

different warehouses have different sized pallets. Why don't they standardize?

Gitnes: This is a moot subject. Many people are working very hard on this. For instance, Kellogg's, General Foods, Del Monte, Stokely — and others are working toward pallet standardization.

You folks must not think that palletizing is limited to the manufacturer. The day is not too far in front of us, perhaps within the year, when many supermarkets will be receiving their goods completely palletized.

Musgrave: That's a good point. As a matter of fact there are several chains now that are shipping dry grocery items on pallets directly to the stores. Here again the Grocery Manufacturers of America has had a standing committee working to make recommendations on pallet sizes.

Gitnes: I would like to tell you what happens at a store when you can palletize. A normal situation might be that you would have three men in a trailer and three or four men in the store unloading a trailer with perhaps 1200 cases. Really moving they might unload that trailer maybe in an hour and a half. If you have a palletized trailer, one man with mechanical equipment can unload and spot that trailer in about 20 minutes.

Skinner: There are two sizes of pallets: 32 by 40, and 40 by 48. The 40 by 48 size is generally recommended. There are some warehouses, new ones unfortunately, that are only set up for 32 by 40 with a rack and this is causing a problem.

There's unitized loading in addition to just loading on pallets. The canners had a larger size, the 54 inch pallet, and they've gone down to the recommended 40 by 48 pallet.

Procter and Gamble has prepared a study on the clamp truck to show that

distributors can use this method on 73 per cent of all the items they handle. A clamp truck just comes in sideways and squeezes the load. It picks it right up without anything underneath it.

Product Presentation

Mr. Campanelli, many times a manufacturer feels that he doesn't get fair treatment with buying committee decisions. He feels that he made a good presentation to the buyer but the buyer has a number of other items when he goes to the committee and doesn't present his story with the same enthusiasm. Would you comment on that.

Campanelli: If a buyer feels that an item is right for his company, then most times that item will be approved. Let's go back to the salesman making the presentation: if that presentation is made properly, with all the facts on advertising, promotion, the type of item, who carries it, has it been test-marketed, if all this information is given to a buyer, he will relate it to the committee. But if the salesman comes in and merely says, "This is the greatest item in the world," but no further information to go on, he's not going to sell that product.

Gitnes: I sit on a buying committee and I know that most buyers are really on a spot when they make a presentation to a buying committee. The worst thing that can happen to a buyer is to have the committee either discontinue an item or not accept a presentation. In our presentation of the product to the buying committee, we have to have our best foot forward.

Musgrave: We recently concluded a study that indicated that approximately 50 per cent of the presentations on items or promotions had incomplete information, were not specific enough, or did not give all the details necessary enough for the buying committee to

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render a proper decision. This is the responsibility of your sales organization.

Plugging Promotions

Skinner: Here is a question that sometimes bothers the manufacturer. Let's say that he has local tv and newspaper advertising to promote the item he is asking you to buy. He gives the information to you but he knows that you have a promotional manager in your organization. He sometimes feels that he would like to go in and see that promotional manager and present the promotion on the product to him. Do you allow this?

Campanelli: We certainly do allow it. We want you to speak with as many people as you feel you have to. I want to emphasize that the term "buyer" is rapidly becoming "buyer merchandiser." Buyers nowadays have more to do with the sales program and promotions of their company. If you present him with full information on your promotion, he can do a much better job of presenting it to the sales promotion manager than you possibly can because he can tie in a group of items that he may be working on at that particular time.

Point-of-Sale Material

Skinner: We all know that there's been a great deal of waste in the manufacturers' point-of-sale material both by distributors and by their own salesmen who order out too much and let it sit in the car. I know that in the east it's much harder to get out point-of-sale material but I don't think it's impossible.

Gilnes: Chances are I'm going to throw everybody for a loop. Perhaps the best situation would be for 90 per cent of the money spent by the national manufacturers for point-of-sale material to be used to reduce the cost of goods to the supermarket operator so that he in turn can reduce the cost to the consumer.

Skinner: As I said, in the east it's more difficult to get this material up. We have found that a carefully planned promotion that takes into consideration the distributor's problems can effectively be used in the store to help him merchandise to the consumer. I admit that there's a lot of room for improvement in many programs of this type.

Musgrave: I would like to say this about point-of-purchase display material: well conceived promotional material has a good chance of being used providing it has a broad spectrum of

application. If you will look at the successful promotions that are run on a year-to-year basis—such as Kimberly-Clark during the sneezing season; Del Monte Roundup Time; Budweiser Pick-a-Pair promotion, etc.; this display material can be used to sell a great many products—it can be coordinated with an entire store promotional activity. Now this type of thing makes good sense and will be used by many chains. For example they will not sell just macaroni or just one particular brand of macaroni, but they can tie-in a promotion for selling cheeses and many other varieties of products. It will give a store-wide type of an effect. This type of display material will be used by the supermarket.

Campanelli: Two manufacturers may come in to see us. One tells us he has advertising material available. The other fellow comes in and has 50 cents a case available. You know who I'm going to promote.

Off-Label Deals

Skinner: Do many macaroni manufacturers use off-label deals? The type printed on the packages?

Campanelli: There are not enough of them. But we would like to have enough time before you come out with your deal-pack so that we can reduce our regular pack inventory. Every store wants to get the deal-pack out first so that means we're tying up our regular stock. In our set-up, as soon as the deal pack is put into our IBM system, it immediately takes the place of the regular pack so any regular stock in the warehouse stays there while the deal is on. If you tell us a couple of weeks beforehand that you are coming out with a deal-pack we will then run down our inventory so that we won't be (1) tying up too much money in our warehouse and (2) making sure that the merchandise is always fresh. If you ever come to the point where you can say "We're giving you deal-packs and will pick up your regular stock," that would be the greatest.

Gilnes: An interesting experiment is going on where the Burry Biscuit Division of the Quaker Oats Company recently started to have cents-off deals. They sent their retail force into all stores to sticker-up existing stock and to give a credit for inventory on hand which gets everybody off to the same start at the same time. Once again, I don't think we can reiterate too strongly the fact that sufficient notice be given to the distributor so that he can manage his inventory properly.

Thanks to All

Skinner: I want to thank the panel for a very fine job. They have answered

some of the questions bothering manufacturers and have given us new ideas to take home and apply to our problems.

Who Buys Cents-off Deals?

Coupons, cents off labels and retailer's price specials are being seen more and more in super markets today. Someone must be taking advantage of these deals because they seem very successful. Who is this deal buyer? What type of a consumer is she?

This Week Magazine commissioned Market Research Corporation of America to find out the answers to these questions and to analyze deal purchases.

Three product classes — light duty liquid detergents, regular coffee and margarine — were closely studied because they are classes that are heavy in manufacturer and retailer dealing. They also reflect characteristics that are typical of deals in all grocery commodity groups.

Deal-buyers were classified into three groups according to their deal-proneness. Sixty-one per cent of all households are light deal-buyers; 22 per cent are heavy deal-buyers; and 17 per cent heavy deal-buyers account for only 1/5 of all households, they account for 3/5 of all deal volume. Light deal-buyers representing about 60 per cent of the total households accounted for only 14 per cent of the total deal volume.

The study showed that heavy deal-buyers were less loyal to stores. They shopped at 6.5 different stores compared with the light deal buyers who shop at only 4 stores. Also the expenditure per store is only \$11.94 for heavy buyers against \$15.31 for light buyers; but this is due to the fact that heavy deal-buyers shop at more stores.

It was shown that it is to the grocery operator's advantage to get the heavy deal-buyers into their stores. The study showed that overall prices are the most important attraction. Meat and produce specials, instituted by the operator, are the next most important price motivators. One-third of the heavy deal-buyers will switch stores to save money on produce and 26 per cent will switch stores because of meat deals, especially on steak.

As a result of this study, it was reported that it is advantageous for retailers to participate in manufacturer deals and also to inaugurate some deals of his own. Also retailers should not neglect the heavy deal-buyer for even though they comprise only 1/5 of the market, they account for 3/5 of the deal volume and spend more in aggregate than those less inclined to take advantage of deals.

Changes in the Supermarket

Racks of frozen foods, prepackaged produce, special-cut meats, convenience foods and fancy baked goods are the visible signs of dramatic changes in the supermarket industry.

These are the fraction of the iceberg that shows. Hidden from the customer's view are fundamental changes in supermarket merchandising and management. These are also, however, some of the more obvious things behind the sharply increased interest of the federal government in the business. The National Commission on Food Marketing was created by Congress to conduct a major study of the structure of the food industry.

Slender Margins

At the first hearings, which were on retail food gross margins, the Commission reported that in 1964 about one-fifth of the sale price of food was required to cover the cost of retailing. These costs have increased by about four per cent of sales in the last 10 years, according to the Commission. Meanwhile, as prices to the consumer have risen, prices to the farmer have declined. The Commission wants to know why. Are the increased retailing costs due to additional services? If so, how desirable are they? Are they the result of promotion or other costs of competition—trading stamps, for example? Do they mean retailers are earning more than before—possibly too much?

The supermarket industry reacted to the hearing by disclosing hitherto confidential figures on operating costs and profits. The industry says the Commission will find the new services desirable and that it won't find that food retailing profits are too high.

In fact, the slender margin of profit on food and groceries is at the root of the revolutionary changes in the supermarket business. (Average industry net earnings in 1964 were 1.055 per cent of sales.)

In days not so long ago, supermarkets saw volume as the chief source of profits. They sought it by rapid store expansion, heavy advertising and such customer lures as trading stamps. But now, according to executives of the Supermarket Institute, expansion is leveling and trading stamps are losing their competitive edge. The result is that supermarket operators have found they must take a cold, careful look at their own operations, if they hope to expand their profits.

This means the industry as a whole is now emphasizing two things:



(1) It is offering more non-grocery and non-food items, where the profit margin is higher. This includes diversification into drugs, cosmetics, hardware and variety-store merchandise.

(2) It is applying modern methods of merchandising and business management to its operations on a broad front. Thus:

- Prepacked produce, from the supermarket operator's point-of-view, is a way of reducing spoilage.
- Special-cut meats are a customer service that will help retain customer loyalty and battle the competition, too.
- Market research on a given neighborhood determines the selection of convenience foods and fancy baked goods on that area's supermarket shelves.

Market Research

Although some of the big chains have long researched local consumer markets, many more big and small operators have recently adopted the practice.

On a broader basis the industry is also turning to research. For example, the Super Market Institute, based in Chicago, has asked Booz, Allen & Hamilton, management consultants, to undertake a study of meat merchandising, a phase of the business in which the profits are exceptionally low. Booz, Allen is using many of the same operations research

techniques in the study as were used in evaluating the missile system for the Polaris submarine. The study will be the most elaborate ever done on a phase of supermarket operations. Among other things, it will attempt to determine what practices exist simply because of tradition. Preliminary results are due early next year.

Shrinkage

Supermarket operators are also turning to the problem of "shrinkage" and trying to solve it by tighter controls and more sophisticated management. Curtailing shrinkage can have a real impact on profits. Shrinkage is a grab-bag term that covers all lost merchandise, whether through sloppy handling, theft, bad bookkeeping, spoilage or cash register error. It accounts for a larger percentage of each sales dollar than profits.

To put just one kind of shrinkage into perspective, an SMI official told this story: If a \$10 order goes through a checkout stand and one 10-cent can of food slips through untallied, loss of that 10 cents wipes out the profit the store would have realized on the whole order.

Another example of the industry's concern with improving supermarket merchandising and management is the Super Market Institute itself and subjects covered at its recent convention. SMI, with 823 member companies that

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do about 80 per cent of the industry's dollar volume, is not a trade association, its staff members say. It does not lobby. Rather, the institute was organized to provide a forum where members can educate each other on supermarket operating techniques.

The Dynamics of Brand Competition

The role of the manufacturer as the innovator and developer of new products, the values and advantages of product differentiation and the benefits from developing a strong position for manufacturers' brands were emphasized during a panel discussion at the GMA mid-year meeting.

At the session chaired by A. N. McFarlane of Corn Products Company, four professors from the Graduate School of Business Administration, Harvard University, discussed the subject: "The Dynamics of Brand Competition." Panel members were: Dr. Ray Goldberg, Assistant Professor of Business Administration; Dr. Clark L. Wilson, Visiting Ford Professor; Dr. Neil H. Borden, Professor of Marketing and Advertising Emeritus; Dr. Henry B. Arthur, Moffett Professor of Agriculture and Business. Moderator of the panel was Dr. Jesse W. Markham, professor of Economics, Princeton University.

Noticeable Difference

Emphasizing the role of the manufacturer as the innovator and developer of new and improved products, the panel pointed out that the manufacturer's objective is to sell the consumer. To be successful a new product must have a "just noticeable difference" to the homemaker, not just to the experts. It was pointed out that today's homemakers have more disposable income to spend, are better educated and are more venturesome and more interested in trying new products.

The degree of product differentiation differs with the nature of the product, panel participants said. For most manufacturers, both pride and profit lead them to a conviction that they must offer something superior, or at least different. The manufacturer's success, it was pointed out, will depend in considerable part upon how far he can succeed in having his product chosen by consumers on the basis of quality, convenience, special service and special appeals.

Unique Characteristics

Manufacturers do not have to depend upon pure price competition for their survival. They hesitate to do so because this is the easiest thing for someone else to duplicate the panel pointed out.

Product differentiation rests upon many factors, all of which come into focus in the consumer's mind. Some factors are very feeble and excite only momentary interest; others are very solid and hard to copy. The latter are the ones that really count the panel said.

Any unique characteristic that contributes to the attainment of differentiation for the manufacturer's own brand, including even his firm's name as the producer is a part of the total image of his branded product. Even if it costs the manufacturer extra to do so, he should avoid using the same formula and specifications, the same material and tolerance in a product put out under another firm's name, the panel stated.

Manufacturers were urged to maintain their efforts to differentiate their products in order to keep them preferred in the list of brands stocked on grocery shelves. This, it was noted, involves many things, including developing and maintaining physical and chemical characteristics that satisfy consumer desires, upgrading and improving quality, developing and maintaining taste appeal, and a continuing program of research and development.

Unified Operation

In developing and introducing a new product, the importance of a unified system throughout the manufacturer's operation was stressed. Research, marketing creativity, advertising, and sales should be coordinated with the sales people knowing the full story of product development so that they can present the story effectively to the retail buyer.

In competing for the consumer's food dollar, manufacturers have the advantage of talking directly to consumers through a number of media, which helps consumers identify and buy the product from the grocery shelf. Skillful advertising can be an important factor in building a brand image and reputation, the panel noted.

Private Label

Private labels are not innovators panel members pointed out. Manufacturers new and improved products are of great importance to the mass distributor and in recent years have come

to provide an increasing share of his sales. New products are a basis of profit for both manufacturer and distributor.

In summing up the discussion, Mr. McFarlane stressed the importance of manufacturers using all the resources in their chain of command. Communication throughout the chain of command leads to understanding and ultimately to "harmonizing" throughout the manufacturing process, he noted.

Teamwork for Growth

Setting sound, attainable goals, achieving efficient teamwork, and disseminating complete information to the management team are keys to developing effective management in today's business world was concluded at the GMA mid-year meeting.

Top management specialists and a panel of presidents of food manufacturers and distributors discussed the concept of management in today's changing world and how to insure effective management at all levels of company operations.

Tests of Management

Lee S. Bickmore, president of National Biscuit Company and chairman of the GMA Board of Directors, said there were three tests of successful managements: (1) achieving satisfactory return on investment; (2) obtaining an expanding share of the market; and (3) insuring the continuity of successful management.

Effective in the Market

J. Keith Loudon, president, "President's Professional Association" and vice president, American Management Association, told the meeting that the major discipline which judges the effectiveness of management is the market place.

"Management's response to customer desires and increasing pressure can quickly be noted in the market place, which becomes a critical judge of management's effectiveness. There is no fairer, nor quicker judgement exercised than that practiced by the consumer," he said.

The winds of change are blowing, he said. To be masters of change, effective management must be the master rather than the victim of its environment. Effective management creates a future and does not wait for it. It acts rather than reacts, he added.

Management must operate through people and to be successful it must place each member of an organization in a position to perform at his maximum effectiveness. To do this each

member of an organization must be provided with all the information essential to his successfully practicing the "three selfs", self-supervision, self-control, and self-appraisal, Mr. Loudon said.

Dual Explosion

The world is experiencing two great explosions — the technological explosion and the human explosion, he stated.

"This is not news to people in the food business. You are experiencing it just as are others. From the farm to the table, there have been massive and important changes in the food industry. The critical question is, how effectively will you manage these changes to your benefit and not to your harm?" he said.

"Management's job is to see that these great technical developments of the current age are utilized to the welfare of mankind and to see that man himself is utilized to his own welfare. This is no job for an amateur. It requires a pro. An effective management is just another term for professional management," he added.

Noting that making a profit today is more difficult than it ever has been, he said that profit is an honorable thing and not a dirty word. "Without profit our way of life would grind to a halt. It provides better services and products for the consumer, income for vendors, wages and benefits for employees, salaries and incentives for management, dividends for the stockholder, taxes for government, support for community services, charity for the needy and retained earnings for the perpetuation of business. All profit does is improve the standards of living and welfare of the world. And the more profit there is, the more there is for all," he stated.

Team Operation

Don G. Mitchell, chairman, General Time Corporation, and chairman, American Management Association, stressed the importance of teamwork in developing effective management.

There is more than one possible solution to almost every management problem and one must be flexible in the application of management principles, he pointed out.

Everyone in management is on two teams. On one team they report to the team leader or supervisor. On the other, they are the leader or supervisor, he said.

Mr. Mitchell stressed the importance of each leader knowing his team's goals. He must be able to convince his team that they are worthwhile and attainable.

He pointed out the importance of letting decisions be made at the level or by the management man who is supposed to make them. That level is where all the facts come together so that a decision can be made.

Panelists

Panel members noted that improved communications with government are increasingly important today and pointed out the desirability of top management devoting more time in this area.

Panel members included: Robert Cullum, chairman of the board, Tom Thumb Super Markets; Ralph A. Hart, president, Heublein, Inc.; Wesby R. Parker, president and chairman of the board, Dr. Pepper Company; R. D. Stuart, Jr., president, The Quaker Oats Company and T. A. Von der Ahe, president, Von's Grocery Company.

Pre-Planning Ads

At SMI Charles Cullum, president, Tom Thumb Stores, Dallas, cited the kind of information his firm requires of department heads who take part in making up weekly ads.

They must know what items they would like to feature; the anticipated number of units expected to be sold; total amount of the anticipated mark-down; whether the proposed specials can be expected to meet the goals of the retailer in terms of sales and profits; and they should be able to give an accounting of previous weeks' ad performance.

Pre-planning was also stressed by David L. Sipes, Sipes Food Markets, Tulsa. He said his firm plans and develops its advertising about three months in advance.

White Space and Art

Sipes, which uses an advertising agency in preparing its ads, believes that white space, art work and photos help make exciting ads.

Mrs. Avram Goldberg, Stop & Shop, Boston, said her firm develops its advertising on a general plan set up a year in advance. The ads are laid out more specifically for every quarter, she said.

The chain runs planning sessions which are participated in by key people from every department. While the ads are prepared well in advance, there is allowance for flexibility to meet unexpected competitive challenges.

M. J. McMahon, Red Owl Stores, Minneapolis, said his firm stresses promotional plans for individual stores that might need help. Ad programs at Red Owl are subject to veto by the retail operations end of the firm, he said.

Laurence J. Taylor, vice-president, Hillsdale College, Hillsdale, Michigan, laid out the ground-rules for achieving effective participation in ad planning sessions.

- Participants must have a focus.
- They must be given a clearly defined objective—clearly communicated.
- Responsibilities must be clearly defined.
- They must be able to listen as well as speak.
- They must have the ability to work under pressure without losing sight of the objective.
- They must be able to look at all problems in terms of the original focus.

Foreign Foods Popular

Oriental foods are second to Italian foods in popularity according to a survey conducted for La Choy Food Products "and may soon replace the hot dog in popularity, if they haven't already."

William G. Karnes, a company official, also forecast a boom in Mexican, Hungarian, and Greek dishes as well as tropical treats. This ties in with the desire for new flavor combinations and fuller appreciation of gourmet products. As a result, says Karnes, a steady rise in imported foods is likely.

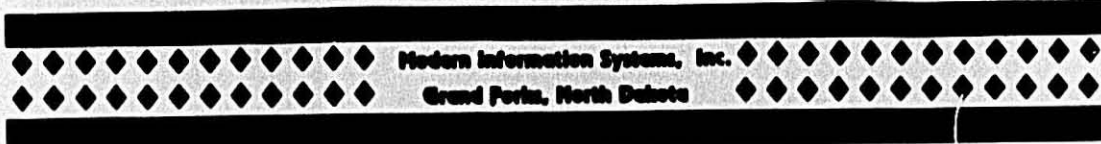
"But this is a two-way street," he added. "We believe the potential for marketing American-type specialty products, especially snack foods, barely has been tapped in Europe. And when refrigeration becomes more common, sales of such products as ice cream and frozen deserts overseas should soar."

The two most popular items on exhibition at a recent London food fair were Chinese foods and pizza.

Freight Rates

The National Classification Board of the American Trucking Associations, Inc. issued in its July Docket No. 119, Subject 10, provisions for increasing freight rates on merchandise less than 12 pounds per cubic foot, from Class 60 to 85. Hearings were to be held in July, but prompt communications from the National Macaroni Manufacturers Association and individual macaroni manufacturers have postponed these hearings until September.

In order to present a case, the Association is making a survey of the product lines of macaroni-noodle manufacturers to determine the packs produced, dimensions of shipping case, gross weight of each case, weight per cubic foot, value per case, and mileage radius of normal markets.

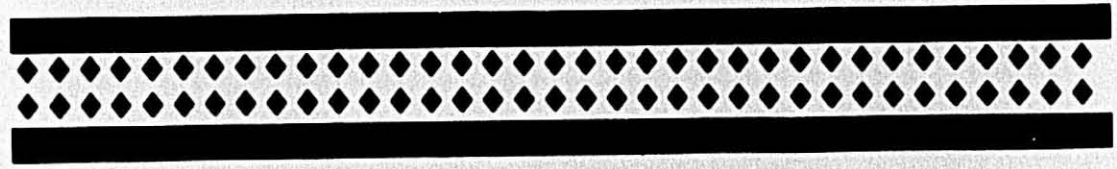


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George N. Kahn

SMOOTH SELLING[®]

By George N. Kahn

PLAYING THE SHORT GAME

This is No. 12 of 24 sales training articles.

40, and 51 yards. At the same time, I worked on the finer points of the swing—proper balance, keeping my head down and my eye on the ball. I was not concerned with distance but only with a good swing. In a few months my game improved tremendously. I became known as a deadly man in the short game.

There is an important lesson for salesmen here. You must develop the fine points and techniques of selling before you can climb into the higher income bracket. Some of you may say: "I got paid on orders only. Never mind the fine stuff."

The fine stuff is the essence of your selling. Without it, you are a mere visitor in a prospect's office. Your sales talk and presentation should be tailored to the buyer and to his needs. To paraphrase that golf pro: A big order is one that got in the way of a perfect salesman.

The sale isn't assured just because you brought a body and a pencil into a prospect's office. He isn't that impressed by your appearance, however pleasing it might be. You have to sell him, and the only way to do this is by expertly and knowledgeably bringing him to the buying point—by arousing his interest to fever pitch. He must be apprised of all the benefits of your product or service.

How do you accomplish this? A step at a time. Short swings. A well-organized presentation covers each point in turn, each time making sure the prospect understands you. Try and get his signature on an order blank without groundwork and you'll lose him—perhaps forever.

Facts—Not Fast Talk

A smoke screen of fast talk and in-temperate boasting will never disguise a weak sales talk. Give the prospect facts and more facts. And do it in stages. Keep your eye on the main chance, of course, but don't let it blind you to the necessary steps to victory.

Al Ludlowe, a swimming pool salesman, is one of the biggest earners in his line because of his through, analytic approach to his job. He has

studied landscaping and architecture and can discuss them fluently with prospects conscious of aesthetics. He has delved so deeply into the problems of health, sanitation and safety that he could qualify as an expert. And he can render an estimate almost to the dime.

In his interview, Al covers each subject at a time. He sits down with the prospects and outlines in detail every aspect of owning a pool. His approach isn't hard sell or soft sell. It's simply intelligent. As a result, his customers are his salesmen. "All this may take weeks," Al told me. "But I'm not selling popcorn. A pool is a big purchase, and the prospect has every right to be fully informed of all the facts."

Voice Control

The "practice swings" of a salesman should include voice control. This is one of the fine points of selling mentioned a moment ago. Train your voice so that it helps you make the sale. The man who constantly yells in the prospect's ear accomplishes as little as the salesman whose voice never rises above a monotone. A great criminal lawyer I once heard could play on a jury like a violin because he knew the power of a controlled voice. He began his remarks with a whisper that reached a roar at the proper moment.

Here are some points to remember in voice communication:

1. Speak clearly and distinctly. The most exciting message in the world will be meaningless if your listener can't understand it.
2. Don't make speeches to prospects. Rather, talk to him as a counselor and friend. Keep your voice warm and friendly. Bombast won't sell your product.
3. Talk at a fairly rapid clip, but not too fast for the prospect. Pause every few moments to see if he is keeping up with you.
4. Get some variety in your tone. Don't drone on at the same level. This will induce sleep, not buying.
5. Be authoritative. If you are selling, sell with firmness and conviction in your voice. Nothing is easier to spot than insincerity and

lack of belief in a salesman's presentation.

When You Don't Know—Ask

A salesman, no matter how well prepared, cannot know everything when he calls on a prospect. Another of the fine points of selling is to learn to probe the buyer for any information essential to getting the order. This way, the seller can discover what the prospect's needs are and what are his likes and dislikes.

Besides, the buyer will appreciate being allowed to get these things off his chest. These questions also give the salesman a chance to slip over some of his main selling points. Sooner or later the prospect will pose a query that will give the salesman a chance to really drive home his main argument. Don't worry if the conversation occasionally gets sidetracked. An informal chat about trivial things may have dividends not immediately apparent, but nevertheless real. These discussions establish an intimacy, a rapport with the prospect that may otherwise take years to create.

Jerry Gibbs, a machine tool salesman, once took a sales trainee along on a selling trip. In one office, the young man was dismayed by a seemingly endless chat Jerry had with a prospect about water skiing. Both were enthusiasts.

As they were driving away two hours later, the trainee was asked if he had any questions. "Just one," the new man said, "what was the point of that bull session with the guy back there? He didn't give you an order."

"That's right," Jerry agreed, "but there is one thing you don't know. That man is one of my biggest customers—about \$50,000 a year. When he feels like talking, I talk. He's liable to call me on Monday and give me a whopping order. He's like that." The trainee did not realize that Jerry had developed the art of conversation to a fine art—one that made him a top earner.

Many Chances for Artistry

I've noted the acquisition of some of the finer points of selling, but actually there are many more. I mean step-by-step ways to improve yourself and become a polished salesman. There is appearance, for example. Clothes may not make the salesman, but they go a long way to creating a good impression on the buyer. Take pride in your apparel and wear clothes that will enhance you and your firm.

The proper handling of a demonstration is another skill that aids your cause. A few practice sessions at your

home will do wonders to iron out the wrinkles in your demonstration.

Managing your schedule and book-keeping are still other techniques that will keep you ahead in the selling game. So is a complete knowledge of your product.

To make the golf analogy again, these are "short shots in golf." But they are vital if you ever hope to be a successful salesman. Pick up these arts and you can join the big producers. A short game will win for you in the long haul.

Try this little exercise to see if you are learning selling's fine points to prepare yourself for top earnings. A score of seven "yes" answers will be fairly substantial evidence that you are not stagnating:

YES NO

1. Do you see selling as a learning process? — —
2. Do you believe the really top salesmen honestly deserve their reward? — —
3. Can you learn from a prospect who turns you down? — —
4. Do you ever evaluate your performance after you have seen a prospect? — —
5. If the evaluation is unfavorable to you, do you do something about it? — —
6. Have you learned something new about selling in the last two weeks? — —
7. Are you conscious of your voice during your sales talk? — —
8. Are you conscious of your appearance all the time? — —
9. Do you feel failure in selling is more than "bad luck" most of the time? — —
10. Are you keeping a progress chart on yourself? — —

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Bonner F. Geddie

REPRINTS FOR YOUR SALESMEN

Many sales and management executives are ordering reprints of this series of articles for distribution to their salesmen. These will be attractively reproduced in a 4 page format, three hole punched to fit a standard (8 1/2 x 11) binder—each reprint will include the self-evaluation quiz.

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Skinner Sales Supervisor

Bonner F. Geddie has been appointed Southwestern State Sales Supervisor of Skinner Macaroni Company, Omaha. He will headquarter in Dallas at 7048 Arboreal Drive.

W. E. (Bill) Clark, Vice President—Sales, in making the announcement, said Geddie will supervise sales activities on Skinner macaroni products in Oklahoma, Texas, New Mexico, Arizona, and California. He will work with food brokers and Skinner sales representatives.

Geddie formerly was with Consumer Products Company, Division of Union Carbide. He is a native of Dallas.

SOME salesmen are so dazzled by success stories that they confuse wishing for success itself. If they aren't making \$100,000 in their first year of selling, they consider themselves failures. Their idea of success is the big jump—the overnight transformation into a big ticket man.

Now there is nothing wrong with the success story. It's part of the American tradition. Furthermore, the success is generally merited. Chances are good that a \$100,000 a year salesman is worth every penny he makes.

What the wishful thinkers fail to grasp is how the successful man got that way. The top producer is a man who has learned his craft in stages, who through the years carefully built up his reputation and customers, and who, day-by-day, developed the fine points of selling. No miracle was involved. The same road is open to anyone who will concentrate on perfecting his techniques to a razor-fine edge.

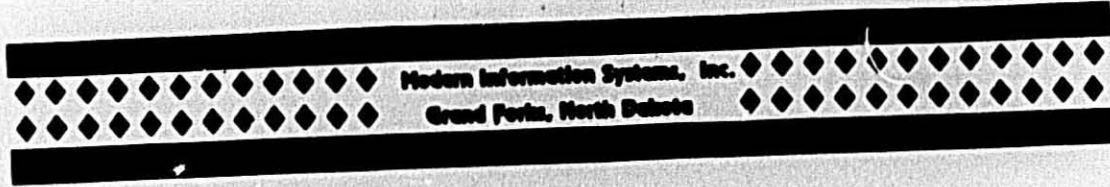
Golf Lesson

When I first started playing golf, my objective was to try and knock the cover off the ball. I took mighty swings, but it was largely wasted effort; the ball usually landed in the rough. I concentrated strictly on the 250 yard drive. Nothing else would do.

One day in the clubhouse I casually picked up a book written by a famous golf pro. One thing he said caught my eye: "A well-hit golf ball is one that got in the way of a perfect swing."

Form and discipline, not brute strength, was the mark of a good golfer, he explained further. He added that if a player hit a ball 50 yards right down the middle, he would accomplish his purpose.

I was dubious but I gave the idea a try. I focused on the short shots—30,

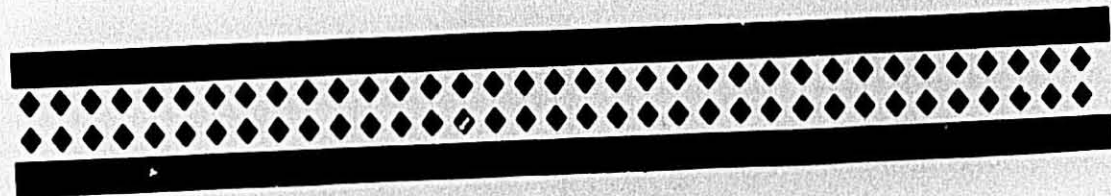


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Pgs. 42 & 43



International Meeting

The program for an international Seminar of Macaroni Manufacturers to be held in conjunction with the IPACK-IMA Exhibition in Milan for the 15th and 16th of September has been released.

The meeting will be held in the Sala Cicogna, which is located in the exhibition quarter of the IPACK-IMA, Piazza Carlo Magno.

On Wednesday, September 15, the proceedings will begin at 9:30 a.m. with an address by Dr. Ing. G. M. Braibanti, with reports on the exposition. There will be a luncheon recess from 1:00 to 3:00 p.m., and then the proceedings will continue until 6:00 p.m. The same schedule will apply to Thursday, September 16, plus a dinner planned for all members of the meeting with their ladies on the invitation of the Associazione Italiana fra gli Industriali Pastificatori and IPACK-IMA.

Papers to be Presented

Among the reports to be given are the following:

"Macaroni Industry and Its Problems" by Dr. Pasquale Barracano of Rome;

"Crossing for the Betterment of Durum Wheats" by Prof. Cirillo Mallani, Rome;

"Raw Materials" by Dr. Lorenzo Moro, Chiavenna;

"Macaroni in a Changing Market" by Robert M. Green, Palatine, Illinois, U.S.A.;

"Planning of Modern Macaroni Factories" by Ing. Aldo Martinetti, Milan;

"Automation in the Macaroni Industry for Improved Quality and Reduction of Cost" by William Berger, Minneapolis, U.S.A.;

"Quality Evaluation of Macaroni Products" by Prof. Giuseppe Fabiani, Rome;

"Analytical Methods for the Determination of Tender Wheat's Presence in Macaroni Products" by Ing. D. Rafael Garcia Faure, Madrid, Spain;

"New Methods in Macaroni Products Evaluation" by Dr. Adolf Holliger, Uzwil, Switzerland;

"Research on the Ravages of Macaroni: Most Recent Results" by Dr. Gino Dal Monte, Rome;

"Activity of the Swiss School of the Macaroni Products Industry" by Dr. Charles Hummel, St. Gallen, Switzerland;

"The British Pasta Market" by Dr. M. C. Schaul, London, England;

"Pasta Products and Semolina Industry as Affected by the Common Market" by Verband der Teigwarenindustrie, Stuttgart, Germany.

The program may be expanded if other papers are received meanwhile. During the proceedings of the Seminar, there will be simultaneous translations into Italian, English, French and German.

Plant Tours

On Friday, September 17, Braibanti & Company has invited the delegates to visit a modern macaroni plant in Corticella, the machine works of Zamboni in Bologna, and the Fava mills in Cento, near Ferrara.

American delegates plan to visit Switzerland and tour thorough Italy for a total period of three weeks.

Roche Chemical Division

Hoffmann-La Roche Inc. has announced the formation of the Roche Chemical Division, according to Barclay E. Mackinnon, Vice President and General Manager. Mr. Mackinnon stated that "The reorganization will enable the company to more effectively service customers in all areas and better utilize total corporate facilities."

John H. Kelly has been appointed General Sales Manager of the new division. Reporting to him will be Harry O. Sark, Assistant to the General Sales Manager; Edmund L. MacDonald, Sales Manager of Fine Chemicals to the pharmaceutical and food industries; Clifford A. Scott, Director of Sales, Agricultural and Animal Health Products; and Fred F. Rusterholz, Sales Manager, Aromatics.



Vanishing Landmark—The old and the new is vividly depicted here with the old Mifflin school, a 100-year-old landmark, recently demolished by San Giorgio Macaroni of Lebanon, Pennsylvania. The firm purchased the school for use as its general offices following a fire that destroyed its plant and offices in 1960. The entrance to San Giorgio's new general office building next to the school is at the right. The former school site will now be used for additional parking space and landscaped.



Roland S. Blumer

Triangle Sales Executive

Roland S. Blumer has been named field sales manager for Triangle Package Machinery Company of Chicago, it was announced by Walter P. Muskat, vice president—sales.

He will be responsible for the direction of the entire field sales organization, and will headquarter at Triangle's main office in Chicago.

Muskat also announced the appointment of Eldon Kiehler as western district manager and Jack Marlowe as sales engineer for the eastern district.

With many years packaging experience on the West Coast, Kiehler will be in charge of sales and service activities of the West Coast area. He will operate out of the district office at 4715 Crenshaw Blvd., Los Angeles.

Marlowe will be serving Triangle customers in upstate New York, New Jersey, and Pennsylvania. He will headquarter at 1922 Raymond Commerce Bldg., Newark, New Jersey, along with Triangle's eastern district manager, Don Thom.

Wallace & Tiernan in Canada

Canadian-manufactured Novadelox started coming off Wallace & Tiernan's production lines in June. Low-ash Novadelox, the widely-used flour bleaching agent, will be produced at W&T's expanded Fort Erie, Ontario, plant where previously other flour additives have been produced.

The expanded Canadian plant was designed so that the market demand among Canadian mills could be met by a product made entirely in Canada.

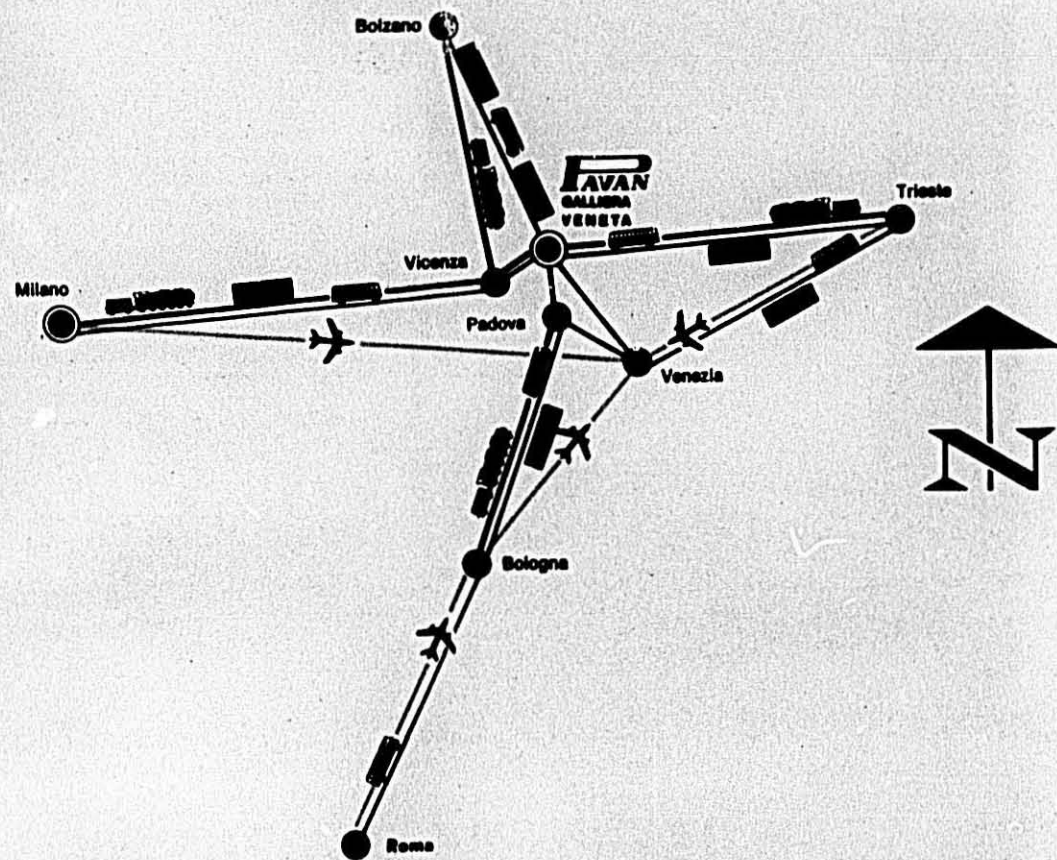
Wallace & Tiernan is a leading supplier of flour additives, and "N-Richment-A", for enrichment of flour and macaroni products.

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AND **AVAN**, ITS NEIGHBOUR, IS EQUALLY UNIQUE

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Suggestions for Voluntary Compliance

by Esten E. Smith, Division Chief, Connecticut Department of Consumer Protection

THE problems of a regulatory agency and those of your industry are mutual, in that they are primarily due to one very important segment of our population—the "Consumer". I believe you will agree that the "Consumer" has become during the past three or four years a much more important person than ever before. For many, many years the Consumer was the "forgotten man", but recently, more than ever, he has been placed in the spotlight. He is being wooed, talked about, written about, and is what you would call, if you were in show business, the "Star".

This special interest in the Consumer reached a place in President Lyndon Johnson's Message to Congress last February, in which he said—"The Consumer is moving forward! We cannot rest content until he is in the front row." He emphasized, however, that this should not mean that the consumer should displace the interests of the producer, but should gain equal rank and representation with that interest.

Department for Consumer

We may ask ourselves, "Who is this Consumer that everybody is talking about?" The answer to that is, briefly—"He is a man who will spend over a quarter of a million dollars in his lifetime." Therefore, I believe you will agree he is a very important fellow.

We in Connecticut believe that we have a very unique department in the Department of Consumer Protection. At least, we are the only state to have an agency by that name. Previous to 1959, the department was known as the "Food and Drug Commission", and a special Act by the 1959 Connecticut Legislature created the new department, which administers a wide variety of legislation designed for the protection of Connecticut consumers.

The Department of Consumer Protection enforces the laws pertaining to the manufacture and sale of foods, drugs and cosmetics, and hazardous substances, to assure that they are manufactured and sold under sanitary conditions, and properly packaged, labeled, honestly advertised, and of proper quality. The testing of scales, and other weights and measures devices, and the enforcement of the Unfair Sales Practices Act, also come within the jurisdiction of this department.

In addition, we are responsible for the inspection and licensing of slaugh-



Esten E. Smith

terhouses, the inspection of Kosher products, and eggs, potatoes and apples, and inspection of pharmacies and pharmacists, and curiously, the supervision of boxing and wrestling in Connecticut.

Recent actions of the department which made the national news media concerned the "banana deal" which many of you may have read about in your newspapers, concerning an auto dealer's advertisement offering a car for "so many bananas".

Connecticut operates under the Uniform Food, Drug & Cosmetic Act, which among other things prohibits the sale of foods which are either adulterated, misbranded or advertised in a false or misleading manner.

Need for Uniformity

I would just like to say a few words concerning "uniformity". We here in Connecticut are a great believer in the necessity for uniformity of laws of all types by ten various states. I don't think there is any need for me to point out the real need for uniformity among the various states in their food and drug laws, and weights and measures laws. Every food manufacturer is very familiar with the difficulties and added costs of having to pack and label one way in one state and differently in other states.

Uniformity in these laws among the states will facilitate the movements of goods in interstate commerce, will lead to less duplication in operation, and the savings in turn will be passed on to the

consumer in lower prices. I would like to point out the opportunity there is present today to promote such uniformity to encourage all concerned to lend a strong hand support to the current movement to promote this uniformity among the states.

Before the legislatures of the various states met this year, there were 27 states that had their model state weights and measures law, 32 states that had the uniform state food and drug law. That means that 23 states did not have the model state weights and measures law, and 18 states did not have the uniform state food and drug law. You can do your industry a service, as well as consumers, in promoting these uniform laws, in my opinion.

We in Connecticut, in an effort to fill a void in our present Connecticut Weights and Measures laws, introduced in our recent Legislature a portion of the model state law on weights and measures, but unfortunately, the bill failed to pass. We are hoping for better luck next time.

You are all aware of the Hart Truth in Packaging Bill and the impact it will have on your industry if it is enacted. I'm not going to go into the pros and cons of this bill; I believe that all will admit that there have been and there are abuses in the marketplace in packaging methods.

Commendation

I would like to take this opportunity to commend your industry in the voluntary steps that have been taken to improve the packaging of your products in the area of fill of container and quantity statements on labels. There has, in my opinion, been a great improvement.

I would also like to say that you should be commended also for your industry's decision to pasteurize egg noodle products in order to eliminate Salmonella. This is another example of voluntary compliance, and certainly is in the interest of the consumer and industry.

Although we regulatory agencies are primarily devoted to protecting the consumer, I feel that it is our function not so much to punish an offender, as to help him correct undesirable or inadequate practices. In order to achieve all this, it is absolutely necessary that there be such a relationship between the regulatory agency and industry so as to make for voluntary compliance.

Voluntary Compliance—

(Continued from page 47)

How do we go about achieving voluntary compliance in the food industry in Connecticut?

(1) By having an "open door" in our office at all times, so that industry may come to us with their problems concerning labeling of products, improvements in their plants, et cetera. We make it known that we are always ready and available to review proposed labels, look at blueprints, and give what advice we can in order to assist those in the food industry.

(2) By co-sponsoring training schools among various segments of the food industry, such as the Connecticut Bakers' Association, the Connecticut Bottlers Association, and others, where our inspectors and sanitation people and industry can go to school together in order to promote compliance.

(3) By being always willing to furnish speakers from our department to groups of all types and industry on matters of mutual interest, such as, statutes and regulations, and talks on sanitation practices in the food industry.

An example of this mutual cooperation can be related as follows.—When the Federal standards were being promulgated for frozen desserts, Connecticut found itself in the position of being slightly out of line with these proposed standards. Meetings were held with industry prior to public hearings in order to get their views regarding the standards to be adopted. This has been our policy in Connecticut over the years, and has worked very well. I believe that you can accomplish a great deal more by the voluntary compliance method than you can by the big stick.

Agency Assistance

May I suggest to you that, no matter what state you operate in, if you have a new product, a new label, whereby there may be any question regarding same, you contact the Food and Drug Administration or your state agency who enforce the food laws. I believe you'll eliminate a lot of grief by following this policy. You will find that all of these agencies are more than willing to help. You must remember that it is your responsibility to comply with the laws and that the regulatory agencies are anxious to help in order to achieve compliance. You have a good record in complying with the law, and various agencies can assist you in maintaining this record.

A fine example of cooperative effort is the educational program of the

Cereal Institute and the Food and Drug Administration, held to acquaint inspectors with processing and control methods in the manufacture of cereal products, sponsored by the cereal industry. Another example is the National Canners Association schools that have been conducted, to which regulatory people have been invited. All this helps for voluntary compliance by industry.

The Department of Consumer Protection has in Connecticut sponsored voluntary industry "Codes of Ethics", which has been very successful in promoting voluntary compliance. An example was the publishing of a "Baker's Dozen" Sanitation Code, which was published jointly by the Connecticut Bakers Association and the Connecticut Association of Milk and Food Sanitarians, which was posted in practically every bakery in Connecticut. This sort of thing cannot help but be a factor in better compliance with statutes affecting that industry.

Remember, voluntary compliance is less costly in money, time and energy for all concerned.

Increased Inspections

In 1960, the Federal Food and Drug Administration operated on a budget of \$13,800, with 479 field inspectors and 267 laboratory technicians. In 1965, the budget had increased to \$15,352,000; field inspectors were up to 970, and laboratory technicians to 707.

Promising Prospects

Crops throughout the Dakotas, west central Minnesota, the Red River Valley, northeastern Montana, and the



Donald G. Fletcher

Canadian Prairie Provinces are in excellent condition, according to Donald G. Fletcher, president, Crop Quality Council, Minneapolis. A Council survey along a 4,000 mile route through the Upper Midwest involving the actual examination of hundreds of fields has just been completed.

Cool, wet weather during the spring delayed seeding of crops over wide areas. Abundant moisture and moderate temperatures have slowed crop development in practically all areas of the Dakotas, Minnesota and eastern Montana. The small grain crop ranges from a week to ten days late in northern South Dakota and west central Minnesota to 2-3 weeks late in northeastern Montana, northern North Dakota, and parts of the Red River Valley.

Moisture Adequate

Moisture is adequate in virtually all areas and yield prospects range from good to excellent. With much of the small grain crop beginning to fill, temperatures will be very important in determining final yields. High temperatures during the critical filling period could materially reduce yields and test weights, Fletcher said.

Rust Prevalent

Wheat stem rust is causing substantial damage to susceptible winter wheats in Nebraska and in South Dakota. Yields and test weights will be reduced substantially by stem rust in many fields in these areas.

Stem rust resistant spring wheat and durum varieties occupy the bulk of the Upper Midwest wheat acreage and no losses should occur to these wheats. Justin, Selkirk, Pembina, Crim, and Chris spring wheats, and the durums, Wells and Lakota, are all resistant to the rust races damaging winter wheats, Fletcher said. Stem rust is present on the older spring wheat variety, Lee, still grown on a limited acreage in South Dakota, southwestern North Dakota, and eastern Montana, and losses are likely on this variety. Wheat leaf rust is widely distributed on both winter and spring wheats, and is causing leaves to yellow and die prematurely.

Great Plains Chairman

Andrew Brakke of Presho, South Dakota has been re-elected to a second year term as chairman of the board of directors of Great Plains Wheat, Inc., a market development agency made up of wheat producer organizations of five midwest states.

The newly created Oklahoma Wheat Commission was admitted to membership. Other members include the North Dakota Wheat Commission and similar groups in Kansas, Colorado, and South Dakota.



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The Durum Potential in Japan

Report by Raymond R. Wentzel and Dr. Kenneth A. Gilles



Raymond R. Wentzel

RAYMOND R. Wentzel, vice president of milling for Doughboy Industries, Inc., New Richmond, Wis., and Dr. Kenneth A. Gilles, chairman, Department of Cereal Technology at North Dakota State University, Fargo, went to Japan during late June assisting the government with a major food production program involving a shipment of North Dakota durum wheat to be used there.

They assisted the Japanese Food Agency in testing the milling quality of the shipment. Mr. Wentzel assisted the Japanese millers and technicians in using current milling techniques. Dr. Gilles assisted with testing and quality control, working with the food agency, millers and cereal chemists. Last year Dr. Gilles was a member of a durum wheat trade team which toured Western Europe.

Long Range Program

The project in Japan is the result of a long range program launched several years ago by organizations representing durum growers, millers and others in the industry. Studies have since disclosed that Japan is a good market for wheat from the Upper Midwest, and that the consumption of macaroni, spaghetti and noodle products is on the increase in Japan.

Coordinator of the group was Paul E. R. Abrahamson, administrator of the North Dakota State Wheat Commission. The wheat producer organizations backing the effort were Western Wheat Associates, Portland; Great Plains Wheat, Inc., Kansas City; and the U. S. Durum Growers Association.

The Foreign Agricultural Service, USDA, Washington, confirmed approval

of the two-man team. The cargo of durum wheat was shipped to Japan May 1 from West Coast ports in Washington.

The durum wheat industry has acclaimed movement of the grain to Japan as the first step toward "paving the way for the opening of new markets in the Far East" for grain from the Upper Midwest. And it has come statistics to support its enthusiasm.

Macaroni Consumption Rising

Reports compiled since the project was started with a study of the market possibilities show significant gains in the consumption of macaroni, spaghetti and noodles in Japan. As people in the U. S. were eating sukiyaki, fish and other exotic Japanese dishes, the Orientals were turning to spaghetti and meat balls, and a wide variety of macaroni and noodle dishes.

In 1954, for example, production totaled 4,260,060 pounds, and every year since there have been gains. In 1963, the total was 93,161,250 pounds and there was a further gain last year. Of the total production in 1963, the Japanese shipped 264,000 pounds of durum products to Okinawa, Hong Kong and Singapore. These areas are considered potential market for the future. The import of semolina flour for macaroni, spaghetti and noodles produced in Japan during 1962 total 363,825 pounds. In 1963 the total was 370,440 pounds.

Up until now, the Japanese have blended flour with a limited amount of imported semolina to make their macaroni, spaghetti and noodles. The new, all-durum product is expected to bring a further increase in consumption.

This increased consumption, say sponsors of the project, is due to the Westernization of Japan's food life. There has been a decided change in eating habits and the standard of living, stimulated by Japan's rapid economic growth.

In 1963, Japanese consumers spent \$33 billion, an increase of 15.3% over the previous year. In 1964 there was an increase of 11.7% and this year, it is estimated the total will reach \$37 billion, a 76% increase in five years.

Asiatic Affluence

With wages rising an average of 10% yearly, the Japanese are the best fed, best clothed and healthiest consumers in Asia, the only Asians with enough weekly pay left over to have some fun



Dr. Kenneth A. Gilles

in their leisure time. Their fun includes eating spaghetti, macaroni and noodle dishes at their favorite restaurants or at home.

Spaghetti, recent studies disclosed, takes about 70% of the market. More than a dozen different types of macaroni and spaghetti are produced.

Modern Processing

Processing equipment now used in Japan is mostly from Italy and Switzerland. A semolina mill was constructed in Nagoya last year and two others were completed this spring in the Tokyo area. But operations were on a limited scale before these modern plants were built and equipped.

Dr. Gilles and Mr. Wentzel showed colored slides of their trip to the macaroni convention. These included scenes of milling, macaroni manufacture, the beautiful landscape, the interesting cities, and the energetic people of Japan.

Japanese Agreement

Lawry's Foods and Morinaga Confectionery Co. of Japan have signed an agreement for marketing and manufacturing of Lawry's seasoned salt and pepper in Japan.

Morinaga is a manufacturer of western-type convenience foods, chocolates, caramels and other candies. Lawry's produces seasoning salt and pepper and distributes a line of salad dressings and cooking seasonings.

National Macaroni Week
October 14-23

THE MACARONI JOURNAL

JACOBS-WINSTON LABORATORIES, Inc.

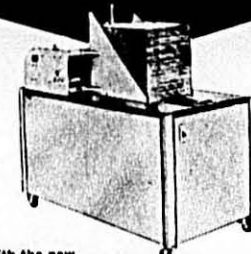
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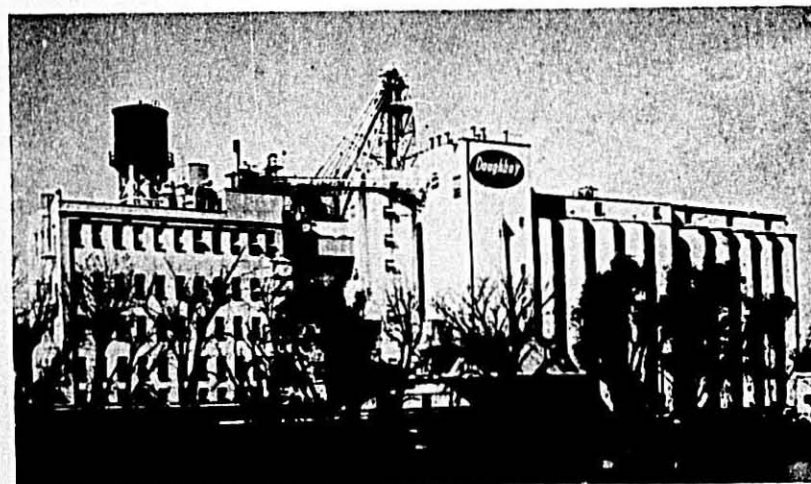
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Millgrind in July Was Up

The durum millgrind in July was unexpectedly good and shipping directions brisk. Good macaroni business was attributed in part to high meat prices. A flurry of orders were reported in mid-month as protection on advancing markets for July-August. New crop durum was late and many users will need supplies before harvest.

A car of new crop durum came to market from South Dakota on July 30 and was quoted in Minneapolis at \$1.60 per bushel.

The North Dakota Report for the end of July stated that crops were relatively free of disease and insects. Development continues to vary widely and is later than usual. Soil moisture conditions are the best since 1962 and with that exception the best in the past decade.

Screen Durum For Export

Modification of the Wheat Export Program (GR 345) to permit exporters to ship "custom-screened" durum wheat desired by foreign millers was announced by the Department of Agriculture.

Under the program, designed to expand foreign sales, exporters must export both the "screened" durum wheat and the screenings on the same vessel. This is required by the fact that the subsidy payment will be based on the lesser of (1) the net quantity of durum wheat subjected to the screening process (less any dockage reflected on inspection certificates issued before screening), or (2) the net quantity of screened durum wheat and screenings resulting from the screening process (less any dockage reflected on the inspection certificates).

At Terminal Elevator

The screening process must be performed at the terminal elevator from which exportation will be made.

The Department of Agriculture said: "Under the Official Grain Standards, export shipment of wheat can — and normally does — contain damaged kernels, foreign material and shrunken or broken kernels, within limits prescribed for the trade. The entire quantity shipped, including the damaged kernels, foreign material and shrunken or broken kernels, is eligible for export subsidy under the payment-in-kind program.

"When a 'screened' wheat sale is made, the subsidy costs would be the same as for a given quantity of un-screened wheat. However, in the case of 'screened' wheat sales, the entire quantity to be shipped is stowed aboard

ship so that the screened portion is in one hold and the screenings are in another."

Details of the modification to permit screened durum sales abroad were published in the Federal Register of July 15.

Durum exports in the crop year 1964-65 totaled 7,715,000 bushels, compared to the previous year's total of 23,871,000. The big difference was the Russian wheat deal consummated in January of 1964.

Durum Stocks

Durum wheat stocks on July 1 totaled 66,500,000 bushels, 62 per cent above a year earlier. Farm stocks at 19,000,000 bushels were ten times greater than the small July 1, 1964 holdings. Off-farm stocks, at 47,500,000 bushels, were 21 per cent larger. July 1 stocks indicated a disappearance during the crop year ended June 30, 1965 of 40,200,000 bushels, compared with previous crop year disappearance of 56,200,000 bushels. Part of the large disappearance in 1964 was the sale of some 20,000,000 bushels to Russia in export trade.

Wheat Commission Organizes

Tom Ridley, a wheat farmer from Langdon, North Dakota was elected chairman of the State Wheat Commission. James Ole Sampson of Lawton was named vice-chairman.

Other members include M. H. Gifford of Gardner, Lloyd Jones of Palermo, Robert Huffman of Regent, Floyd Poyzer of Amenla, and Steve Reimers of Carrington. Paul E. R. Abrahamson and Melvin G. Maier were appointed administrator and assistant administrator, respectively.

Firm Egg Price:

While egg prices advanced in July, liquid yields were dropping, so the cost of liquid advanced materially. This was expected during the summer because of the short output of egg type chicks during the spring months. Farm flocks and small producers were mostly forced out of business during late winter and early spring market declines, and it was these flocks that produced a large percentage of the eggs for breaking.

The U. S. Cold Storage Report for July 1 shows the following:

	1965	1964
Cases of Shell Eggs	536,000	201,000
Pounds of Frozen Egg Whites	15,558,000	23,815,000
Pounds of Frozen Whole Eggs	44,166,000	52,029,000
Pounds of Frozen Egg Yolk	23,463,000	27,880,000
Frozen Unclassified	1,900,000	1,300,000
Total Frozen Egg Products	84,548,000	105,648,000

Pasteurization for Eggs

As of June 1, 1965, new regulations were placed into effect by the U. S. Department of Agriculture covering all egg breaking plants operating under continuous USDA inspection. These regulations do not cover plants not under continuous USDA inspection and whether or not a plant goes under such inspection is optional.

The new regulations state that all liquid egg products, other than egg whites, must be pasteurized at a temperature of 140° Fahrenheit for a period of at least 3½ minutes. These include all liquid, whether it is destined to be frozen, dried or used as liquid. Products which are pasteurized do not (by USDA regulations) have to be tested for salmonella.

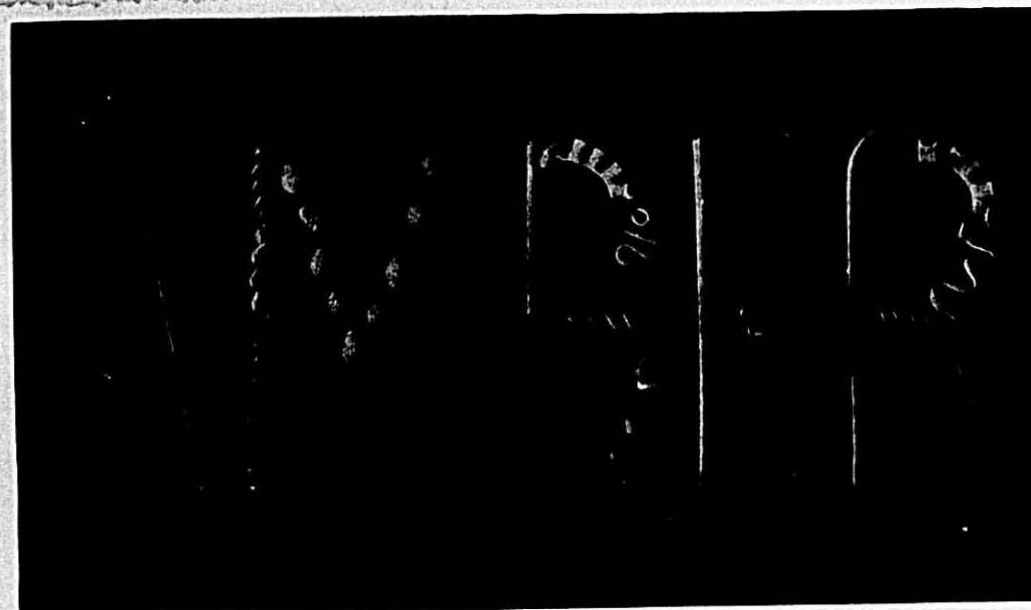
If the liquid eggs are not pasteurized, then the liquid, frozen or dried products resulting must be tested for salmonella and found negative before they can be shipped from the USDA plant.

As of January 1, 1966, all egg products except egg whites must be pasteurized if produced in USDA plants. Egg whites may be pasteurized and shipped without testing as well. However, if they are not pasteurized the liquid, frozen or dried albumen produced from these egg whites must be tested and found salmonella negative before they can be shipped.

As of June 1, 1966, all egg products (whites, whole eggs, yolks or blends) must be pasteurized when produced in USDA inspected plants. While USDA regulations will then no longer require testing for salmonella, Food & Drug Administration will continue to call for salmonella negative products before shipment since the possibility of cross contamination of pasteurized egg products still exists.

FDA still takes the position that any salmonella in a product adulterates it and makes it subject to seizure.

Based on this report, egg whites and whole eggs should be firm for some time. The large supply of shell eggs will be a damper on the table egg market as they have to be moved between now and the end of the year. There has to be an adjustment between storage shell eggs and the fresh egg markets in the near future.



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Nationally-famed macaroni manufacturers have long preferred these superior Amber products because of their consistently uniform amber color, uniform granulation and uniform high quality.

Because of our unique affiliations and connections throughout the durum wheat growing areas, Amber is able to supply the finest durum wheat products available anywhere.

We are prepared to meet your orders — prepared to ship every order when promised. And because of our rigid laboratory controls, highly skilled milling personnel and modern milling methods, you can be sure of consistent Amber quality. Be sure — specify AMBER.



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In-Plant Boxmaking System

A new and unique system for the economical production of custom-size corrugated boxes and inner packing is now offered for lease by Huntingdon Industries, Inc., Bethayres, Pa.

The Huntingdon XPEDITER is a novel, efficient and versatile slotting and scoring machine that, with a paper cutter, comprises a complete custom packaging system.

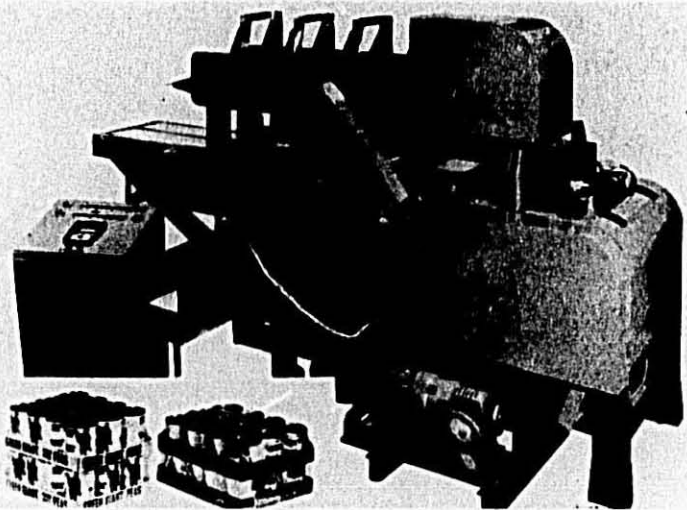
From flat sheets or tubes of corrugated, it will make all styles of boxes including regular slotted, overlap slotted, and half slotted containers; trays; two-piece telescopes; one-piece folders and five-panel folders, as well as a variety of scored and folded inner packing.

Reduce Inventory

By using the XPEDITER to make their own containers, manufacturers can reduce inventory to a few sizes of tubes and sheets. This also saves warehouse space, since the tubes and sheets require less storage room than boxes. Shipping costs are lowered when boxes are made to fit the product. A better fit also offers more protection during shipping and storage. Less packing material is required and packing time reduced.



In top photo, operator of Huntingdon Industries XPEDITER has placed tube of corrugated in position for slotting and scoring. Foot is ready to depress pedal to lower and raise electrically operated slotting and scoring head. In bottom photo, guard is raised to show X-shape slotting and scoring head, guides, scoring rules and slotter. Handwheel at front of machine adjusts two control guides to settings determined by metered rules.



Hayssen Shrink-Case Wrapper (Series 1000 Model 155-D)

These advantages make the Huntingdon XPEDITER particularly economical for a shipper of many sizes of products including machinery parts, drugs, stone, clay and glass items, electrical components and appliances, paper products, fabricated metal products, textiles, chemicals and chemical products.

Containers may be formed from sheets or tubes of A-, B-, C- or E-flute and double wall. Tubes are scored, corrugated sheets folded to meet in the center and joined by tape, glue or stitches.

Quick Make-Ready

A handwheel at the front of the machine adjusts two control guides to settings determined by metered rules. This adjustment, a matter of seconds, is the only "make-ready" required, and governs all dimensions of the container accurately. No tools are needed.

Under actual plant conditions, boxes have been made with the XPEDITER at the rate of 180 to 300 per hour, according to their size. The average employee, male or female, requires about two days training to become proficient in operation of the machine. The XPEDITER is uniquely adapted to the needs of manufacturers whose packaging involves containers of varying dimensions and styles, in relatively small quantities.

Minimum Space

The XPEDITER occupies only 13 square feet of floor space and weighs 1500 pounds. It is portable, equipped with heavy duty rubber wheels with locking devices, and can be plugged into any 115-volt electrical outlet. Designed with a minimum of moving parts, the machine is powered by a

single-phase, ¾ H.P. motor. A safety guard over the top of the machine protects the operator at all times.

Shrink-Case Wrapper

A new Hayssen heavy-duty model wrapping machine has been installed in the nation's first fully automatic "shrink-case" line now in operation in the Green Giant Company's Ripon, Wisconsin plant. The machine, which automatically overwraps two 12-can tray packs with Reynolon PVC shrink film, is a Series 1000 Model 155-HD. It currently is wrapping two different size cases of 24 cans each at a speed of 25 per minute.

After wrapping Reynolon, the machine discharges the cases through a shrink tunnel where the film is drawn tight, completing the new high strength shipper.

The rigidity of the "shrink-case" allows them to be palletized higher. Easier handling is provided by openings on each and which allow the case to actually be lifted by gripping the high strength film through these openings.

Acceptance at the supermarket level is reported to be enthusiastic. The tray packs make for easier opening with less chance of damage to labels. Shelf stocking and display building are easier. Product identification in storerooms and stock control is simplified with the clear see-through bundles.

More information on this automatic shrink-case wrapping machine may be obtained from the Hayssen Manufacturing Company of Sheboygan, Wisconsin.

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WAY BACK WHEN

40 Years Ago

- A campaign to make Friday—Macaroni Day was launched at the macaroni convention and picked up by the newspapers around the countries.
- At the convention, imports and tariff needs were discussed. Manufacturers on the coast complained about ruinous competition by importers. Dr. Le Clerc of the Department of Agriculture was asked why more reliable statistics on macaroni production could not be obtained. He answered by emphasizing the need of supplying prompt and accurate information by macaroni manufacturers in their census reports.
- Standards were discussed and the matter of discarding color hit a popular chord.

30 Years Ago

- M. J. Donna editorialized against rocking the boat observing that the macaroni business was a frail craft, greatly over-manned, and heavily laden. Because of tough business conditions a question was raised if cheaper flour macaroni would entirely displace the better semolina grades.
- The durum crop was estimated at 40,000,000 bushels compared with 16,472,000 the previous year. World stocks were expected to be lower.
- Fred Waring, popular radio broadcaster on the Ford Hour was reported favoring a dish of veal and macaroni. Ethel Merman had a favorite recipe for baked macaroni au gratin.
- The NRA had been declared unconstitutional and attorney Benjamin A. Javits spoke on industrial self-rule at a New York meeting.

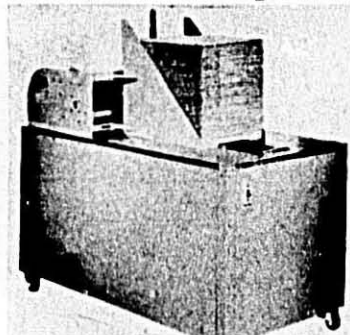
20 Years Ago

- Macaroni and noodle products were not rationed during the war but with the war's end there was concern as to what would happen when food rationing regulations were ended.
- Betty Crocker was promoting Harvest Macaroni Ring on 38 stations of the NBC network radio.
- Durum production was indicated at about 32,000,000 bushels making the crop equal to the previous year despite reduced acreage.
- The durum millers established the Durum Wheat Institute as an educational division of the Millers' National Federation. Mary Jane Albright was named to carry on the activity.

10 Years Ago

- The convention in Coronado condemned the use of statements on macaroni labels on advertising such as "low calories—high protein—lower in calories and higher in protein—starch reduced."
- Dr. Franklin C. Bing presented a report on nutritional values of prepared macaroni dishes.
- Giuseppe Prezzolini wrote a book "Spaghetti Dinner," published by Abelard-Schuman of New York, covering legends, recipes of famous people and nationalities.
- Macaroni and noodle manufacturers teamed up with canned meat packers for an Easy Summer Serving drive June 15-July 31. It beat the heat.
- Emil Spadafora and Bob Green were on Pacific Panorama, popular west coast tv show.

Carton/Multiwall Bag Printer



Carton-Multiwall Bag Printer
Marks Machinery Company, Bellmore, Long Island, New York, announces that you can now print complete corrugated cartons, multiwall

bags, boards or even sheet metal right in your own plant with the new Model #600B Flexographic Carton-Multiwall Bag Printer. The machine will print on all four sides of cartons in a single run on an area up to 36 inches long by 32 inches wide, or it can be modified to accommodate any size carton or multiwall bag required.

In addition to exclusive automatic rapid feed system which facilitates up to 3,000 carton imprints per hour, the Model #600B utilizes inexpensive rubber type or plates for quick and simple imprint change. Not only does rubber type eliminate the necessity of make-ready, but this system provides clear, crisp, smudgeproof imprints on virtually any printing surface.

The portable printer can be operated by a minimal skill operator, and entire imprinter can be easily and quickly transferred from one department to another without having to shift personnel, transfer stacks of cartons, change production systems, or install new electrical wiring systems.

By eliminating large inventories of preprinted cartons and the chance of packaging obsolescence, the Model #600B cuts the high cost of labor where hand stenciling has been formerly used and produces commercial quality imprints at heretofore unknown speed or low cost on all carton and/or multiwall bags.

Marks features an 8 mm. film illustrating the set-up and operation of the Model #600B.

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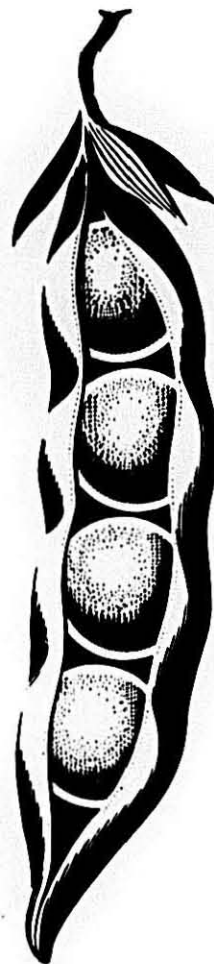
Don Stevens Is Dead

Don A. Stevens, retired vice president and director of General Mills, Inc. and a leader in the flour milling industry for many years, died July 16 after an extended illness. He was 62.

Born in Devils Lake, North Dakota, he continued to own extensive wheat farming properties.

His career with General Mills and its predecessor, Washburn Crosby Company, extended over more than 40 years, mainly in grain and flour activities.

His most notable service to the milling industry was in the chairmanship of the Millers' National Federation Committee on Agriculture from its formation in 1950 until 1957.



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Likewise, we're proud of the ingredients we supply you and take every

precaution to see that they're the finest milled. Our success, like yours, is measured by the degree of customer satisfaction your macaroni products deliver.

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