

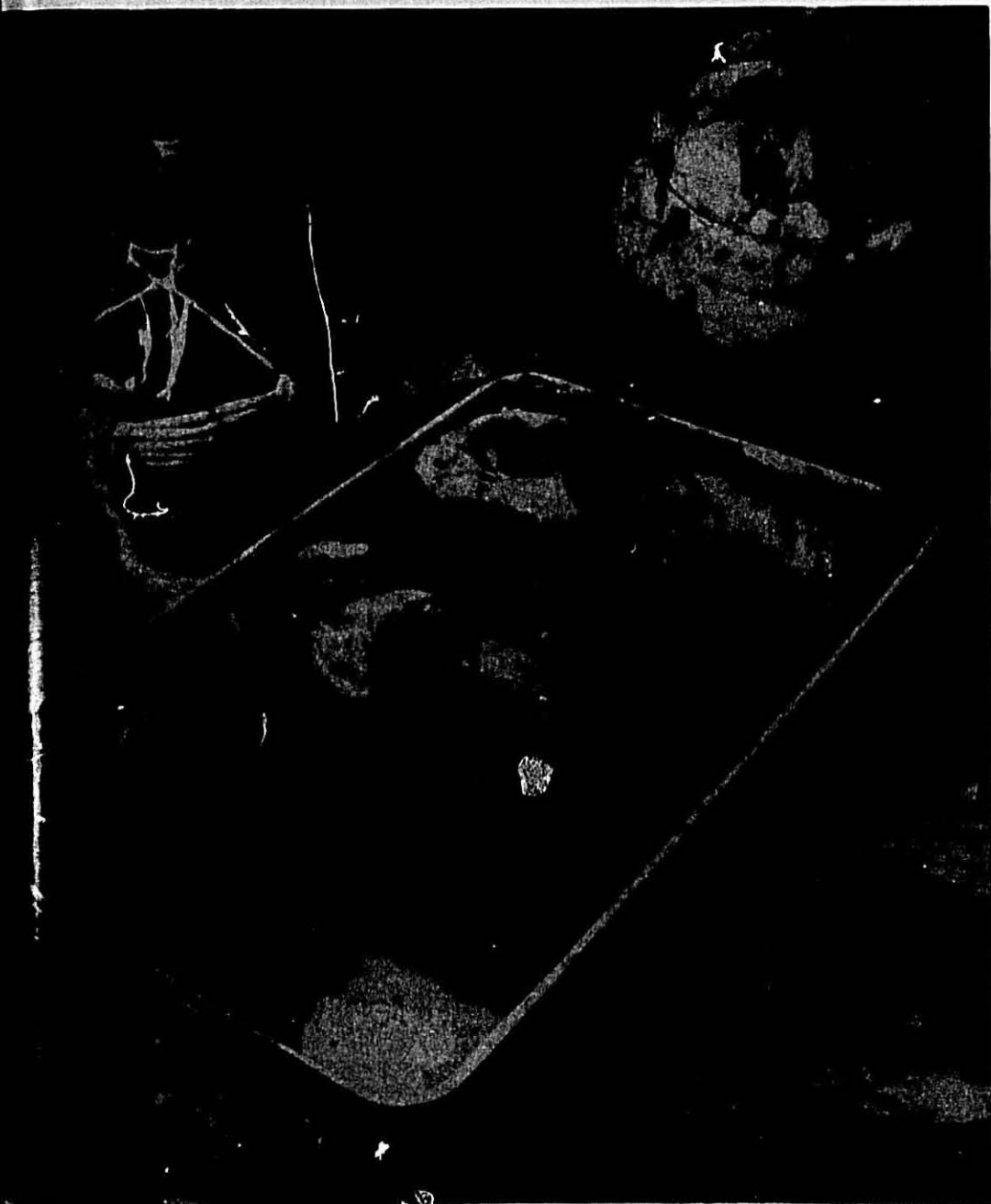
**THE
MACARONI
JOURNAL**

**Volume 55
No. 11**

March, 1974

MARCH, 1974

Macaroni Journal



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The Macaroni Journal

March
1974
Vol. 55
No. 11

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MARCH, 1974

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Editor's Notebook:

The Winter Meeting was well attended, the weather beautiful, and hopes high that there would be enough wheat to meet the high sales expected for macaroni products this year.

The National Macaroni Institute announced that its promotional theme for 1974 would be "More for Your Money with Macaroni!"

Sam and Betty Billuni of San Diego go to Italy in July as Sam won the Pasta Recipe Contest with his Moussaka Romano, a lasagne dish.

Grocers on the panel discussion at Boca Raton said they are giving more space to pasta to handle increased sales.

Growers said they are giving more acreage to durum next spring, but not as much as the government says.

The National Restaurant Association

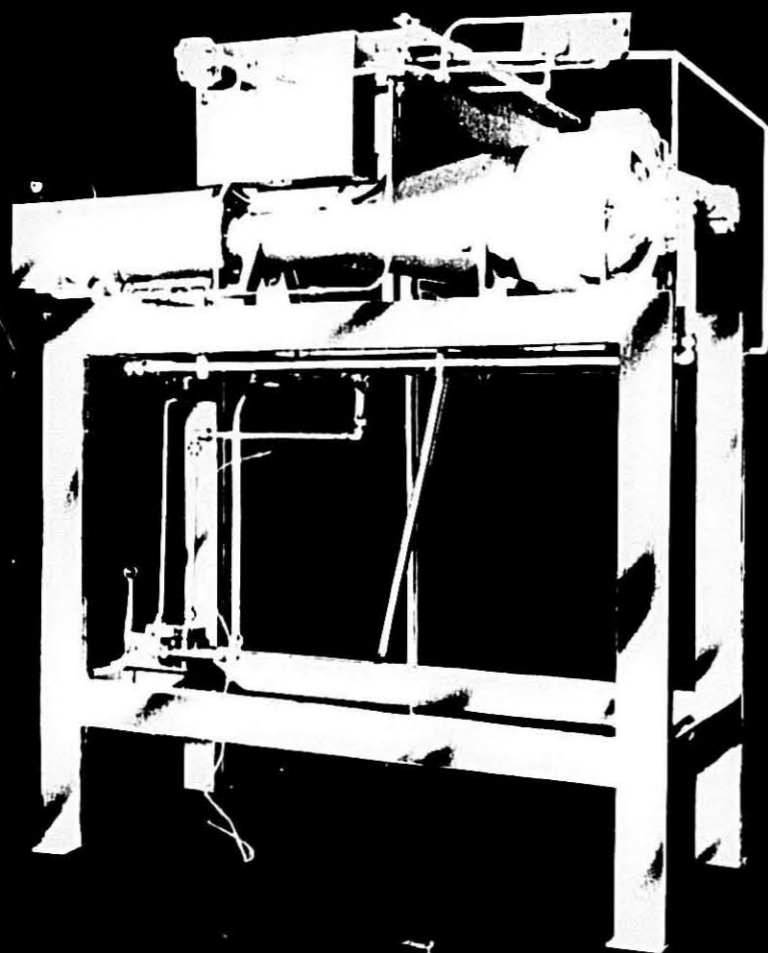
estimates that 37,400 or 11% of nation's eating establishments are "ethnic." Number has doubled in past decade, outstripping all kinds of eateries except hamburger and chicken carry-out stands.

Bad Checks

The typical bad check at a supermarket amounts to \$27.17, says Super Market Institute.

Infernal Combustion

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WINTER MEETING REPORT

THERE was optimism at the Winter Meeting of the National Macaroni Manufacturers Association despite a long agenda of assorted problems. 1974 will be the Year of Pasta! And the beautiful weather compensated for the fact that it was almost impossible to get gas for the rented cars.

President Vincent DeDomenico pointed out that the energy crisis, inflation, and unemployment would give merchandising and sales opportunity to the macaroni industry such as we have never had before. "We have everything going for us!"

Counselor Harold Halfpenny described Washington as a scene of confusion. 1973 will be remembered as the year for shortages—food and fuel particularly. The fuel situation may be the reason for extending wage and price controls which are really profit controls. He pointed to the move for the Consumer Protective Agency as the imposition of another agency upon many agencies and the problems of taxes as major obstacles for the continuation of small family-owned businesses. He urged that the business community express itself more vocally in the halls of Congress as well as to the public.

Martin Coughlin, Chairman of the Transportation Committee, reported that in cooperation with the Grocery Manufacturers of America Railroad Car Committee, a program had been developed that meets the standards of the Food and Drug Administration for storage of food products. Rail carriers in November of 1973 created a new mechanical designation known as an XF Car. This car is similar in design to XM design and has an interior coating to prevent contamination. It will be assigned to the transportation of processed foods only.

Product Promotion

Elinor Ehrman and **John Bohan** of Silla, Inc. gave a product promotional report for the National Macaroni Institute, ranging from a kinescope from the Captain Kangaroo Show of January 18 to a massive presentation of publicity placements in magazines and newspapers, radio and television throughout the past year. Miss Ehrman announced that the theme for 1974 promotions would be "More For Your Money With Macaroni."

John Bohan pointed to NMI advertising in *Progressive Grocer* with the January placement on "Push Pasta For Profit." Similar ads are scheduled for future placement. He also showed the

extensive advertising and merchandising efforts that Hellmann's Mayonnaise will put on a half-dozen pasta recipes with mayonnaise in the next two months.

Contest Winners

Howard Lampman and **Jayne Whelan** of the Durum Wheat Institute presented the winners of the pasta recipe contest. They were: **Simone "Sam" Billuni** of San Diego; **Sister Anna Marie Hair** of St. Coletta School in Jefferson, Wisconsin; and student **James W. Young** of Columbus, Ohio with his instructor, **Chef Caruso**. The three won prizes of \$700 and a trip to Boca Raton. The grand champion is Sam Billuni who will have a two-week epicurean trip to Italy.

Grocers' Panel

The **Grocers' Panel** was moderated by **Mark Singer**, President of National Food Brokers Association in Washington. He urged growth in professionalism in selling and working with the grocery partners in distribution.

Charlie Barton, merchandiser from Schnucks Markets in St. Louis, reported that in their chain the pasta department is being expanded four linear feet. Sales of dry pasta have doubled and dinner growth has been six-fold, although that is leveling off. Private label gets preferred shelf position, a 2-cent price spread, but there must be a balance with the locally advertised brands. Product lines are reviewed weekly and a computer dump-out considered at quarterly meetings.

Jack Hardy, Manager of a Publix Market in Hollywood, says his objective is to provide merchandise customers want and to make a profit. He likes new products and believes all introductions deserve a fair shake on space allotment. Then if a product doesn't sell it loses that space.

Ed Krensek, merchandiser with Jawal Foods in Chicago, reported that in the last few months pasta sales have gone out-of-sight and there is a definite out-of-stock problem. He noted that products adding meat got four extra feet last year, but it went back to dry products this year. He felt that pasta had held the line on prices better than rice or beans.

Paul Bartak of the food brokerage firm of E. Skinner and Company in Chicago, observed that new items are the life blood of the food industry and essential for growth. He described the

broker as a marketing gun and advised manufacturers to load it with good products and hit the target.

Durum Discussion

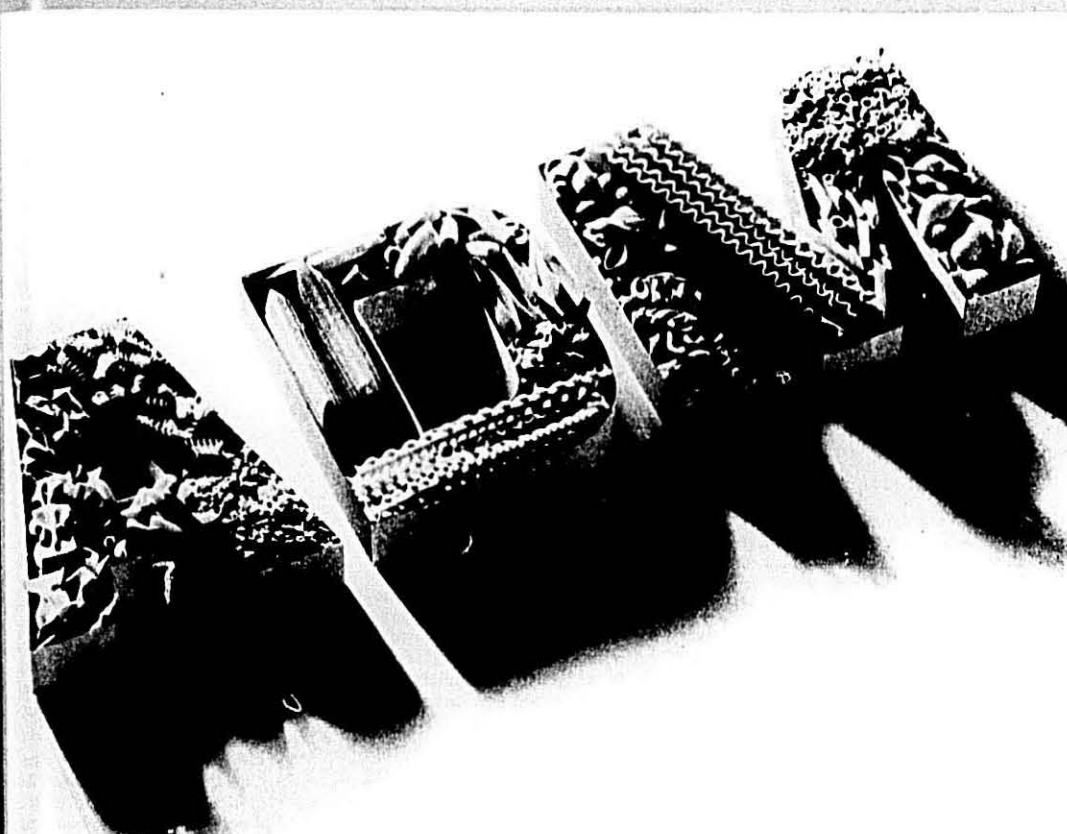
In the final business session on **The Durum Situation**, **Dr. Kenneth A. Gilles**, of North Dakota State University, described in an audio-visual presentation, the development of new techniques and new knowledge created by research. **Dr. Mark A. Smith** of the Crop Quality Council described their work in developing crop potentials and keeping constant check on problems of disease. He extended an invitation to interested members in the industry to see the durum harvest at winter increase plots at Obregon, Mexico some 200 miles south of Tucson during the week of March 20-24.

Exporter

Bill Goodale of Continental Grain Company observed that the world price structure on grains rests on inflation more than anything else at this point in time. "We do not have an oil shortage, a food shortage, a paper shortage, a fertilizer shortage, etc. nearly so much as we have a shortage of fiscal and monetary integrity around the world. In short, our problems in the world are more the cumulative results of inflationary policies than the results of any one specific crisis." He estimated that this crop year there is a hard core of export durum needs of 55-million bushels which cannot be substituted or deferred at this point, no matter what premiums durums have over milling wheat. Much of the balance of predicted sales will be influenced by price differentials between premiums on durum over other milling wheats. He held out little hope of getting Canadian grain because of transportation difficulties, quotas and duties that would put the price out of range.

Millers

Milling representatives including **Bob Howard** of International Multi-mills, **Joe Hale** of A D M Milling Company, and **Mark Heffelfinger** of the Pavey Company, were in agreement that there would be enough durum to meet macaroni industry requirements but there is still grave concern about government statistics and the possibility that if they are more accurate than believed, that there will be a pretty tight situation between the end of the crop year in June until the new crop comes in in September. Estimates of blending were expressed to be ranging between 20 to 30 per cent of industry volume.



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Large Delegation of Growers

A large delegation of growers included Mel Maier of the North Dakota State Wheat Commission and two commission members, Ole Sampson and Norman Weckerly, along with Harold Hofstrand, John Wright and Dick Saunders of the U. S. Durum Growers Association. They were in agreement that there is plenty of wheat in the country with estimates of 20% to 60% of the 1973 crop still available dependent on location. The big problem they see is transportation and the shortage of box cars creating dislocations. They felt that the government's report on planting intentions was overly optimistic and even if it ran as large as predicted that total production would not come up to average because it would entail the use of marginal land.

Social Side

Golfers, tennis players, and hosts of Suppliers' Socials were recognized at the final dinner party and the Board of Directors the following day voted to return to Boca Raton in the period of February 9-13, 1977. Next year the Winter Meeting will be held at Doral Country Club in Miami.

Host firms of the Suppliers' Socials:
A D M Milling Company
Amber Milling Div. GTA
Armour Food Company
Ballas Frozen Foods
Bralbanti-Werner Lebara
Buhler-Miag, Inc.
Cloudsley Company
ConAgra, Inc.
DeFrancisci Machine Corp.
Diamond International Corp.
Fibreboard Corporation
General Foods-Igheheart Div.
General Mills, Inc.
Henningsen Foods
Hoskins Company
International Multifoods
D. Maldari & Sons, Inc.
Merck & Company
Mira-Pak, Inc.
Monark Egg Corporation
Walt Nisbet Company
North Dakota Mill
Wm. G. Oldach, Inc.
Peavey Co. Flour Mills
Triangle Packaging Machinery
Milton G. Waldbaum Co.

Comments by President Vincent DeDomenico

Welcome to the 1974 Winter Meeting of the National Macaroni Manufacturers Association. This meeting has become a tradition in the industry—we all like the relaxing atmosphere



President Vincent DeDomenico

and climate of Florida, and we all like the opportunity to seek out our friends, competitors and suppliers to discuss subjects of mutual interest.

We are all aware of the energy crisis—it is being drummed into our ears every day by the news media, government agencies, utility and fuel suppliers. It is a crisis! Economists are forecasting dire happenings: unemployment, inflation, you name it.

It reminds me of the story of Rip Van Winkle who fell asleep in 1773 and woke up in 1793. The first thing he did was call his stock broker to check the market. The broker says: "Your IBM is worth \$34,000 per share; your A T & T is \$25,000 per share; your General Motors is \$22,000 per share." While Rip is dancing up and down for joy the telephone operator cuts in to say: "Please deposit \$500 for the next three minutes!" Sounds impossible? At that rate of inflation a bushel of wheat might cost \$6,000 a bushel and a pound of macaroni \$450. Fantastic!

Opportunity!

But it looks like food prices are going to stay under price controls after April—not because the food industry is not doing a good job, but because the cost of raw materials, fuel and services are hitting new highs. For 1973, inflation averaged out between 6 and 7 per cent. In 1974 it may possibly average out between 8 and 10 percent. This will mean a powerful effort by the unions to break the cost-of-living guidelines on wages. Wages have kept ahead of the increased cost of living for years and union bosses are not going to let the trend be reversed.

Now what does that mean to the macaroni industry? It means opportunity! Opportunity to sell more and

more macaroni and noodle products to U. S. homemakers. High meat prices mean increased pasta consumption. Foods that are competitive with macaroni products are now at all time highs: rice, potatoes, peas and beans are all high priced by comparison. If wheat costs continue to rise we can pass along the increased cost. Pasta products are still the best values in the supermarket today!

Experience in West

I recently checked to see what had happened to dry pasta in the seven Western States, which might be a good sample of what happened across the nation. From 1965 to 1969 pasta sales climbed at an annual rate of 4 to 7 per cent. In the years 1970-71-72 dry pasta sales declined at a rate of one per cent annually. This was due to the influx of new dinner mixes and Hamburger Helpers. However, in 1973, inflation pushed up food costs and swung the pendulum back our way. It began with the meat boycott in April and May. Actually, dry pasta sales had started up in the fall of 1972 and continued up a straight line until August-September of 1973. Then sales halted as housewives used up some of the stocks they had hoarded. First quarter sales of 1974 should be the highest in the history of the pasta business.

Now what has happened to other items in the food industry over the past year? Rice, tuna, peanut butter, soups, dry cereal, and cheese are up from 9 to 20 per cent. Canned meats, chili, hash and other items of this type are down from 10 to 20 per cent. Other segments of the food business are relatively flat—with plus or minus 5 per cent or less. Pasta products, by comparison, jumped 10 per cent for all of 1973 but the last six months showed a 20 per cent rate of increase. For 1974 we estimate a consumption rate of about 8.5 to 9 pounds per capita or an average one per week serving. There isn't any reason why we cannot expand the use of pasta products to an average of twice a week per person. We have everything going for us: quality, economy, nutrition, ease of preparation, and best of all—people just like to eat it.

We have an excellent convention program planned for us with promotional activities being featured today. Tomorrow, our friends in the food distribution industry will give us the benefit of their experience, and on the final day the durum growers and millers will tell us about the high price of durum wheat.

Thank you for attending the Winter Meeting.

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Winners In Pasta Recipe Contest

THE top three winners of the Pasta Recipe Contest for Restaurant and Quantity Food Service people and students in Hotel-Restaurant-Institutional training schools have been announced. They are:

"Moussaka Romano," a traditional Greek eggplant with Roman tomato sauce, and lasagne noodles, by Simone "Sam" Billuni, sous chef at the Ten Downing Restaurant in San Diego.

"Mandarin Chicken Salad," by Sister Anna Marie Hair, O.S.F., food service manager at St. Coletta School, Jefferson, Wisconsin.

"Hungarian Fried Noodles and Cabbage Budapest Style," by James W. Young, a student chef at the Columbus Adult Education Center creating an original recipe in a class project.

The top three winners were invited to the mid-winter meeting of the National Macaroni Manufacturers Association, January 30-February 3, for a weekend in Boca Raton, Florida. Each winner, selected from more than 500 entries, also received \$500 cash. In addition, the grand champion to be selected at the convention will win a two-week all-expense Epicurean Tour of Italy for two.

Sponsors of the contest included the National Macaroni Institute, Durum Wheat Institute, North Dakota State Wheat Commission, the National Restaurant Association, National Automati Merchandising Association, and Council Hotel Restaurant and Institution Education (CHRIE).

Judging

The recipes in the Pasta Contest were judged by a committee of six at the facilities of the Durum Wheat Institute. They included: Ms. Loretta Canan, Test Kitchen Supervisor, Chicago Board of Education; Ms. Isabel DuBois, Home Economics Editor, Chicago Daily News; Dr. Maxine Hart, Assistant Executive Director and Director of Education, American Dietetic Association, Chicago; Mr. Bruce Smith, Editorial Director and Vice President, Editorial Development, Food Service Marketing, Chicago; Miss Nancy Snider, Food Editor, Institutions/Volume Feeding Management, Chicago; Chef Louis Szathmary, The Bakery, Chicago. Score cards for editorial judging and for judging the prepared food products were set up. A primary consideration was whether or not the product was adaptable to at least two general types of food service establishments. Then the following factors were scored and characteristics considered:

- (1) **Name of Product:**
Descriptive of the product;
Appropriate for printing on menu.
- (2) **Appearance:**
Is it attractive? Appetizing? Will it please patrons, as well as operators of more than one type of food service operation?
- (3) **Flavor:**
Does it taste good?
Is the combination of ingredients pleasing?
- (4) **Originality:**
New ingredients?
New combination of ingredients?
New method of preparation or service?
- (5) **Practicality:**
Easy to prepare, or does flavor or appearance make up for any extra effort? Suitable in cost, labor and available ingredients for at least 2 general types of food service?
- (6) **Nutritive Value:**
Does the dish make a substantial contribution to good nutrition?

The Winners

Here are the recipes of the winners and background of the final contestants. Simone "Sam" Billuni, sous chef, has been employed at Ten Downing Restaurant in San Diego since the restaurant opened 3½ years ago. Ten Downing's features a daily menu change, which Billuni finds "a challenge to create new dishes, of which 'Moussaka Romano' is one." This creation is offered

weekly on the luncheon menu, served with green salad, a vegetable and hot rolls. He served in the U.S. Army in Europe during World War II, spent 14 months in a German P.O.W. camp and was returned in an exchange of wounded prisoners aboard the S.S. Gripsholm. On that ship he met his wife-to-be, another exchange prisoner who, although an American citizen, spent the war years under German occupation in Holland and was eventually interned in Germany. He and his wife Betty have three children. The 1973 Pasta Recipe Contest is the first contest Billuni has entered—after such urging of friends, family and co-workers. "My awards," he explained, "have been mainly recognition from groups for whom I have prepared dishes, desserts and coordinated breakfasts and dinners on a voluntary basis." He has also served as a judge for a recipe contest sponsored by a local weekly newspaper.

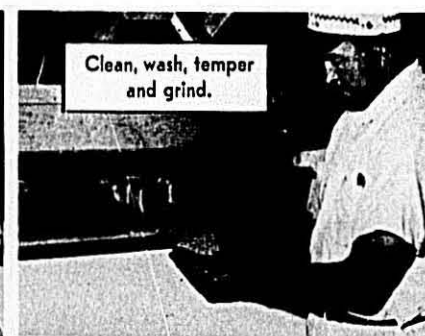
Moussaka Romano (8 to 10 servings)

- 1 pound ground beef
- ½ cup chopped onion
- 2 cans (12 oz. each) tomato paste
- 2 teaspoons salt
- ½ teaspoon pepper
- 1 teaspoon garlic powder
- 1 teaspoon oregano, crushed
- 1 teaspoon sweet basil, crushed
- 4 cups water
- ¼ cup butter

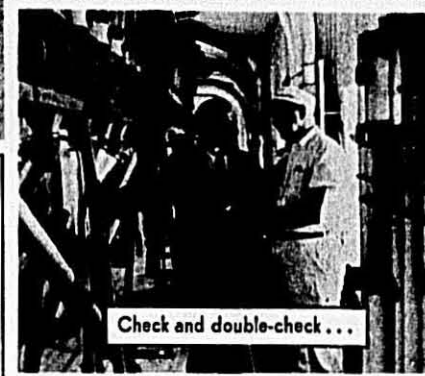
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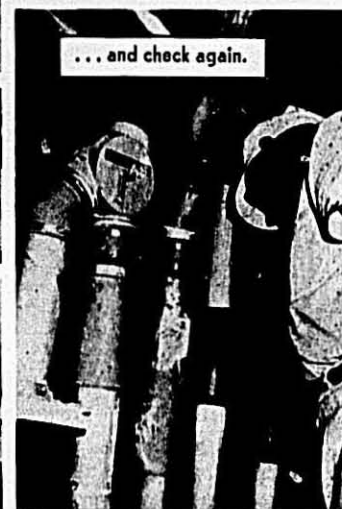
Clean, wash, temper and grind.



Check and double-check . . .



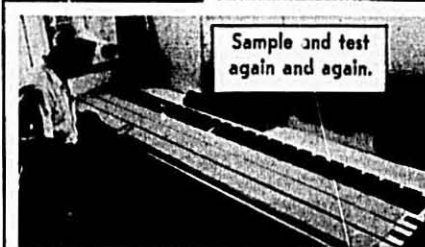
Purify and separate.



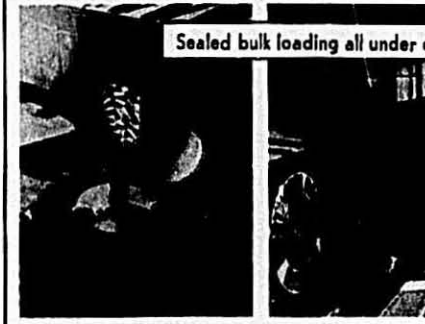
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Pasta Recipe Contest

(Continued from page 10)

- ¼ cup enriched flour
 - ½ teaspoon salt
 - 2 cups milk
 - 1 carton (15 oz.) Ricotta cheese
 - ½ teaspoon ground cinnamon
 - 3 eggs
 - 1 medium eggplant, peeled, sliced ¾-inch thick
- Oil**
- 1 pound enriched durum lasagne noodles
 - ½ cup grated Parmesan cheese

Cooking Instructions

Brown ground beef; add onion and cook 5 minutes. Add tomato paste, 2 teaspoons salt, pepper, garlic powder, oregano and basil. Stir in water; simmer uncovered 1 hour. In medium saucepan melt butter, add flour and ½ teaspoon salt to make a paste. Stir milk in slowly and cook, stirring constantly, until white sauce is thick and smooth. In small bowl, combine white sauce, Ricotta cheese, cinnamon and eggs. Fry eggplant lightly in oil. Cook lasagne in boiling, salted water (1 gallon water plus 2 tablespoons salt) until not quite tender, about 12 minutes. Rinse with cold water; drain. Pat off all excess moisture. Cover bottom of 15½ x 10½ x 2¼-inch pan with ½ of the meat mixture, half of the egg plant, ½ of the Ricotta cheese mixture and ½ of the lasagne noodles. Repeat layers. Dot top with remaining Ricotta cheese mixture. Ladle 1 cup meat mixture around dots of Ricotta mixture, swirl together with a spoon. Sprinkle Parmesan cheese over top. Bake in preheated 350° oven 45 minutes. Allow to set about 10 minutes. Cut in squares and serve with remaining sauce.

Second Place Winner

Sister Anna Marie Halar, O.S.F. is food service manager at St. Coletta School, Jefferson, Wisconsin. Her winning dish, "Mandarin Chicken Salad," is offered once a month to the staff at the school. Assorted crackers, a light dessert (optional) and a beverage is served with the original salad of cubed chicken, seedless grapes, mandarin orange segments and macaroni rings in a salad dressing-whipped cream sauce. The Franciscan sister was born in Farmer, South Dakota where she attended St. Peter's grade school and later completed a course in Dietary Administration for Food Service Managers at The Catholic Hospital Association in St. Louis. Sister Anna Marie has worked in institutional food services since 1940 and has been at the St. Coletta School for seven years.



Mandarin Chicken Salad
(Serves 8)

- 2 cups cooked cubed chicken
 - 1 tablespoon minced onion
 - 1 teaspoon salt
 - 1 cup seedless grapes, halved
 - 1 cup diced celery
 - 1 can (11 oz.) mandarin orange segments, drained
 - 1 cup salad dressing
 - ½ cup slivered almonds
 - 1 tablespoon lemon juice
 - ½ teaspoon grated lemon peel, optional
 - 1 cup (4 oz.) enriched durum macaroni rings
 - 1 cup whipping cream
- Combine chicken, onion and salt; refrigerate several hours. Add grapes, celery, orange segments, salad dressing, almonds, lemon juice and peel to chicken mixture. Cook macaroni rings in boiling salted water (2 quarts plus 1 tablespoon salt) until tender, yet firm, about 5 to 6 minutes. Rinse with cold water; drain. Stir into chicken mixture.



Hungarian Noodles & Cabbage

When ready to serve, whip cream and fold into chicken mixture. Serve on lettuce leaves.

Student Winner

In 1973, for the contest was opened to students (as well as professionals) in the food service industry. A student chef, James W. Young of Marietta, Ohio, turned to Hungarian cuisine to create his original recipe, "Hungarian Fried Noodles and Cabbage Budapest Style." For Young, the Pasta Recipe Contest was a class project at the Columbus Adult Education Center. The students, under the instruction of Chef Louis J. Caruso, studied, researched, created, prepared and evaluated new pasta recipes. In this unusual recipe, the noodles are first cooked in boiling, salted water and then fried in a mixture of butter, onion and garlic. The cabbage is boiled, and then fried in bacon fat. To complete the casserole, all the ingredients are combined and bacon bits sprinkled over the top before it is baked. Mr. Young, age 23, was born in Jacksonville, Ohio. He also attended the Culinary School Tech, receiving a one-year associate degree and hopes to become a chef.

Hungarian Fried Noodles and Cabbage Budapest Style

(6 servings)

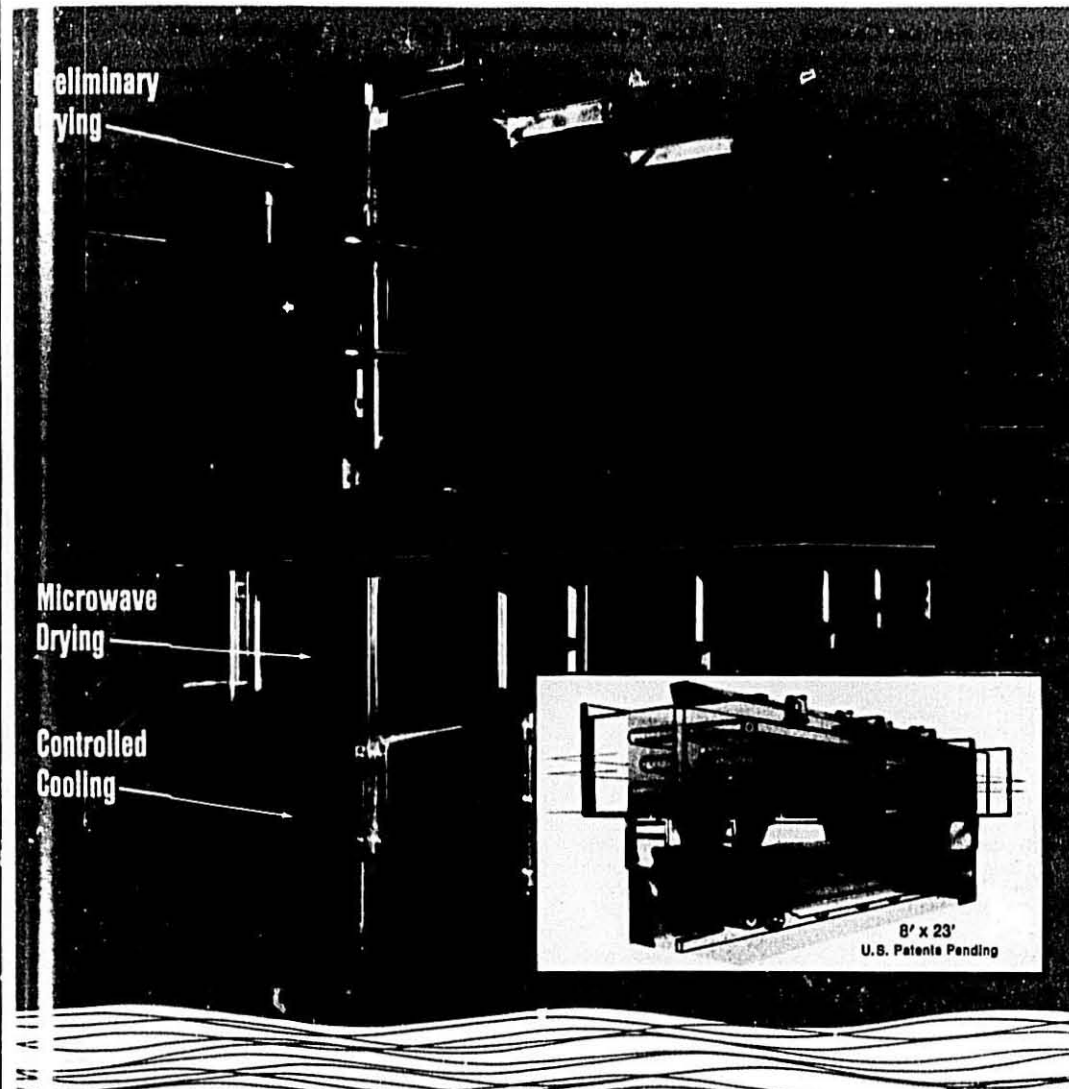
- 1 pound enriched durum medium noodles
- ½ cup butter
- 1 cup minced onion
- 1 garlic clove, crushed
- 1 medium head of cabbage, shredded
- 10 slices bacon, diced
- 2 cups large curd cottage cheese
- 1 cup dairy sour cream
- ½ teaspoon salt
- ¼ teaspoon pepper

1 tablespoon caraway seed, optional

Cook noodles in boiling salted water (2 quarts water plus 1 tablespoon salt) until not quite tender, about 2 to 3 minutes; drain. Melt butter in large skillet and saute onion and garlic until tender. Add the noodles to butter mixture. Fry slowly for 5 minutes, tossing the noodles. Boil cabbage in salted water until tender; drain well. In separate pan, fry bacon until crisp. Remove bacon pieces; drain. Fry cabbage in bacon fat. Add cottage cheese, sour cream, salt, pepper and caraway seed to the cabbage mixture; mix well. Combine noodles and cabbage in 2-quart baking dish. Sprinkle bacon pieces over top. Bake in preheated 300° oven for 20 minutes.

(Continued on page 14)

THE MACARONI JOURNAL



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Pasta Recipe Contest
(Continued from page 12)

Other Winners:

- "Pasta al Fresco"
Mr. Alfred D. Pellegrini
Owner-Chef
Alfred's Victorian Restaurant, Inc.
Middletown, Pennsylvania
- "Linguini and Eggplant aux Provence"
Mrs. Barbara Ann Dudley
Administrative Dietitian
Independence Sanitarium and Hospital
Independence, Missouri
- "Pasta Kubla Khan"
Mr. Williams Kekaa Boyd
General Manager, Food Services
Mannings' Kaiser Center
Oakland, California
- "Giardino con Farfallette"
Mrs. Mildred B. Tunnell
Dietitian
Southern Methodist University
Food Service
Dallas, Texas
- "Lemon-Clam Spaghetti"
Mr. Maurice Jean Marcel Belanger
Student—Hotel and Restaurant Dept.
City College of San Francisco
San Francisco, California
- "Hunter's Stew"
Miss Terry Lee Sargent
Senior—Food Education and
Service Training
Issaquah High School
Renton, Washington
- "Chicken Kirschner"
Mrs. Kassie Anne Kirschner
Public Relations Coordinator
E. Persons, Ltd.
Rockville, Maryland
- "Baked Cinnamon Lamb with
Macaroni au Gratin"
Mr. John Carroll
Apprentice Chef
Kernwood Restaurant
Lynnfield, Massachusetts
- "Rickshaw Salad"
Mr. James Best
Marketing Manager
Mannings, Inc.
San Francisco, California

Restaurant Prices to Rise

The National Restaurant Association said that restaurant food prices, from September 1972 to September 1973, increased 9.5%, compared to at-home or supermarket food prices, which jumped 21.5%. Richard J. Harman, president of the NRA, said that national sales for the food-away-from-home market were expected to grow at a rate of 8.5% in 1974, with a real, versus inflationary, growth of about 2.5%. In 1973, he said, the industry had a 10% sales gain, with about 2.8% real growth.

More Canadians Eating Out

In a recent speech to a Davenport, Ont., group, Canadian Minister of Agriculture Eugene F. Whalen said, "... more and more Canadians are buying their food at restaurants, hamburger stands, fish and chip take-out shops and fried chicken outlets. Consumers have clearly shown the food industry that they will either get their convenience at the supermarket shelf, or they will buy it at the restaurant and take-out stands." His remarks were part of a discussion of how Canadian consumers were seeking more convenience foods, even though many do not know the actual cost of such products.

New Canadian Food Labeling Law Changes Proposed

To bring the Food and Drug Regulations into conformity with the Consumer Packaging and Labeling Regulations, the Canadian Department of Consumer and Corporate Affairs has proposed the following changes which would affect the foodservice packer and distributor. All prepackaged foods, with some exceptions, would be labeled with a complete list of ingredients. Ingredients would be described by their common names, except for such things as artificial flavors, coloring, vegetable oil, etc., which would be given by the "class" name. With supermarkets competing more and more with restaurants and take-out shops by selling meat and poultry broiled or roasted on premises, one provision is aimed directly at the food store. "Prepackaged products; meat and meat by-products that are barbecued, roasted or broiled on the retail premises; poultry, poultry meat and poultry meat by-products that are barbecued, roasted or broiled on the retail premises" must be labeled with net weight and the name of the product. The regulation on labeling on-premise prepared foods does NOT apply to restaurants or take-out shops, such as fish and chip or chicken stands.

Fast Food Switch

As fast-food franchisers eat into food store sales, at least one major chain has decided to try some fast-food operations of its own. After a successful test in Florida, 7-Eleven—the huge convenience store subsidiary of Southland Corp.—is now adding broad fast-food menus at 464 of its convenience stores in Texas and New Mexico and eventually plans to include all of the company's 4,600 outlets. Depending on local tastes, the menu may include every-

thing from fish and chips to Mexican dishes.

FTC Wants Mandatory Ad Listing of Nutrients

The Federal Trade Commission is preparing a broad information-disclosure program, providing for the listing of nutrients in food advertising and the cost in energy consumption for other products.

The program will require the disclosure of material facts, such as comparative pricing for many other products. Among the products expected to be affected are cosmetics, food, appliances, consumer electronics and furniture.

Joan Bernstein, deputy director, FTC Office of Consumer Protection, discussed the program in a speech. She said we are moving "toward making specific mandatory requirements for a variety of products, either by case or trade regulation rule."

"If there is an area of the very highest priority in the bureau, I would say it is in the area of nutrition," she continued. "The FDA has embarked on a historic nutritional labeling program. The bureau's program will be very carefully geared to that program, in the sense that the agreement which has been reached on what information should appear on the label, what can be validated scientifically and what will be most useful on labeling has been made by another agency." FDA requires a listing only if nutritional claims are made on the labels.

Data Requirement

Mrs. Bernstein added, "we would build upon that information and initially require some of that information in advertising."

She noted that the energy crisis will also produce a new high-level priority in the Bureau of Consumer Protection. The bureau plans to expand the program it worked out with the Environmental Protection Agency, which requires the publication of the gas mileage of cars.

"We will continue to work closely with EPA on this program and, as rapidly as possible, will consider requirements for similar kinds of information involving the uses of energy in connection with other kinds of products. Both the cost and the amount of energy would be the type of information we would seek to require, to allow consumers to make choices not only on an economic level but also to provide them with a measure for conserving energy."

Informed sources said product lines that probably would be affected by the

energy rule are home appliances and consumer electronic items.

Cases where affirmative disclosure of a material fact is the logical remedy will be assigned the highest priority.

Mrs. Bernstein said that while she could not discuss cases not yet submitted to the commission. "They will not substantially vary from the approach which the commission took in the proposed order against the analgesics manufacturers. Those orders require the aspirin manufacturers to disclose the specific amounts of aspirin and caffeine in their products."

Food Value of Macaroni Products

The attached information regarding nutritional analysis of macaroni products is based upon approval obtained from the Food and Drug Administration as the base upon which claims may be formulated in accord with nutrition labeling. It is the result of a meeting in March by members of the Standards and Nutrition Committee of the National Macaroni Manufacturers Association with representatives of the Food and Drug Administration in Washington, D.C.

Protein

Macaroni products are valuable providers of protein. They have a good distribution of the essential amino acids which are necessary for optimum health and growth in humans. These are: Threonine, IsoLeucine, Leucine, Methionine, Phenylalanine and Valine. Macaroni products also contain some Lysine and Tryptophane. Fortunately, macaroni products are usually served with meat, poultry, seafood, cheese or eggs which complement the protein value of the macaroni. Analysis of macaroni products shows the following:

Protein content	
Macaroni and Spaghetti	12.5% to 13%
Egg noodles	13% to 13.5%

B Vitamins and Iron

American macaroni products directed to the consumer market are enriched. The level is high enough to insure that 4 ounces of cooked macaroni will provide the following proportions of the U.S. recommended daily allowances for adults:

% U.S. Recommended Daily Allowance	
Protein	10
Thiamine	15
Riboflavin	10
Niacin	10
Iron	10

Carbohydrates

Macaroni products supply, through carbohydrate content, energy for growth and vigorous activity of children. Their energy-giving quality is also important to adults. The caloric value of 4 ounces cooked macaroni products is as follows:

	Calories
Macaroni	210
Spaghetti	210
Egg Noodles	220

Sodium

Macaroni products are low sodium foods. Analysis of 4 ounces cooked products shows average sodium content as follows:

Macaroni and Spaghetti	0.60 mg.
Egg Noodles	1.80 mg.

Fat

In view of present concern with cholesterol, it is fortunate that macaroni products are low fat foods. Average fat content is as follows:

Macaroni and Spaghetti	1.4%
Egg Noodles	4.5%

Digestibility

Macaroni products are digested at a moderate rate and thus provide not only energy, but satiety which prevents the return of hunger too soon after a meal. Thus, they are suitable for the normal diet from childhood to old age. Nutritionists determine coefficient of digestibility from the relation between the nutrients in food consumed and the nutrients excreted. That macaroni products are highly digestible is shown by the following figures:

Nutrient in Macaroni Products	of Digestibility Coefficient
Carbohydrates	98%
Protein	85%
Fat	90%

Proper Cooking

Pasta devotees know that proper cooking is the key to success in serving pasta. Proper procedure calls for one tablespoon of salt per three quarts of water for eight ounces of spaghetti, egg noodles or elbow macaroni. The pasta is added gradually to rapidly boiling water so the water continues to boil. Then, cook uncovered, stirring occasionally, until tender. Drain in colander.

Some Sauce for the Pasta

How do you make your spaghetti sauce? Do you simmer it for hours or

have a special quick-cooking recipe? Or do you like its flavor even better the day after it's cooked?

However you make that special tomato sauce—for spaghetti, lasagna, ravioli, or your favorite pasta dish, you might find it useful to check this information from the U.S. Department of Agriculture on the differences between canned tomato sauce puree, and paste.

All are made from the pulp and juice of red ripe tomatoes. The pulp and juice are cooked in equipment especially designed to remove some of the water and concentrate the product. The more water that is removed, the more concentrated the product is, and the more it costs per ounce—but the less you need to use.

Paste

Tomato paste is the most concentrated of the three products, and salt is usually the only seasoning added to it. You must add water to make your sauce, and, of course, whatever seasonings you like.

Puree

Tomato puree is less concentrated than tomato paste, and salt is the only seasoning allowed according to Food and Drug Administration regulations. Unless the label says otherwise, you can use tomato puree without added water.

Sauce

Tomato sauce is the least concentrated of the three. It is flavored with sugar, salt, vinegar, and spices. Makers of tomato sauce add differing amounts of spices or seasonings, so check the label to see what the sauce contains. Different manufacturers use different seasonings, and sometimes onions and mushrooms are added, so you have a ready-made sauce—no need to add your own seasonings unless you want to.

The U.S. Department of Agriculture has established standards of quality for all three of these products, and makers of tomato sauce, puree, and paste may use U.S. grade standards as guides to quality. The best quality products—U.S. Grade A or Fancy—are made from the best fresh tomatoes. These products are bright red, thick but smooth, have a rich tomato flavor, and few if any dark specs or large pieces of seeds or skin. Lower qualities don't look or taste quite as good, but they are thrifty buys. You will probably find two levels of quality of these products to choose from.

**10
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Will There Be Enough Wheat?

IN a highly publicized press conference in Washington in early January the American Bakers Association issued a statement calling for immediate restrictions on wheat exports. Mr. Bill O. Mead, Chairman of the Association, based the appeal on their claim that the United States would run out of wheat by spring and that if there were no export curbs, bread prices might rise to \$1.00 per loaf, a statement which Mr. Mead appeared subsequently to regret having made. Questioning by reporters at the conference indicated, however, that apparently not many of those present were convinced by the arguments; in fact, the presentation left many questions unanswered. Chief among these was how the bakers could have possibly estimated that bread prices could rise to \$1.00 per loaf, even if wheat prices were to rise to double current quotations. Reporters pointed out that the cost of wheat in a loaf is now no more than 12 cents (actually it is estimated at no more than 4.8 cents in a one-pound loaf), and even if this were to double, a 12 cent increase in current prices would fall far short of \$1.00. The Bakers Association refused to consider the fact that by June 30, 1974, there will be approximately 300 million bushels of 1974 crop wheat available for delivery against 1973 crop domestic and export business. The bakers claimed they had been warning the USDA of wheat shortages for more than a year. In response to questions as to why they had not then covered their requirements, they stated they were unable to obtain flour from millers for more than 30 days in advance, a comment which must have been displeasing to millers. Millers have claimed they cannot purchase wheat far in advance because the bakers are unwilling to book flour purchases in advance. There was a strong feeling after the conference that the Bakers' Association had actually prejudiced its own position in the industry, among producers, grain dealers, the milling industry and the Department of Agriculture. A widespread opinion was that the Bakers' Association was obviously attempting to build a case for a bread price increase, the need for which they would then attempt to attribute to the USDA's handling of the wheat situation.

Growers Contentment

Grower organizations point out that the bakers were ignoring production figures which disproved their claim the U.S. would run out of wheat. Great

Plains Wheat, Inc. said that although an embargo on exports would provide a windfall for the bakers it would destroy the wheat producers' incentive to produce for the domestic and export markets. A shrinking agriculture and the loss of trade would, in the long-term, harm both the entire breadstuffs industry and U.S. consumers. Great Plains Wheat also indicated that statements such as those issued by the Bakers' Association created panic in the world market, encouraging other buyers to rush to the United States for additional supplies, creating still further shortages.

National Wheat Growers Meet

As a part of their annual meeting in Omaha, the National Association of Wheat Growers called producers, millers and end-product manufacturers into conference on common problems.

Representatives of the American Bakers Association, the Independent Bakers Association, the Millers' National Federation and the National Macaroni Manufacturers Association met with state and national officers of producer groups to discuss problems and programs of mutual interest. The growers identified their chief concerns as those relating to energy; fertilizer; transportation; and the effect the estimated two billion bushel 1974 crop might have on wheat prices.

The supply-demand situation of wheat in relation to the cost and availability of end-product emerged as the over-riding topic of discussion. The chairman of the MNF Agriculture Committee, Allan Mactier, spoke for millers. Mr. Steve Vesecky represented the ABA; Mr. George Rosenthal the IBA; Mr. Robert M. Green provided the viewpoint of macaroni manufacturers. Mr. Wayne Allen, Chairman, Wheat and Wheat Foods Foundation, presided.

In discussing the serious transportation problem, it was proposed that the three segments of the combined industry form a committee to call on Interstate Commerce Commission officials to ask for additional boxcars and hoppers to help relieve the situation.

Drexel Burnham & Co. comment:

The Administration and the Department of Agriculture are using all means to attempt to maintain an adequate wheat balance until the new crop is harvested next summer. Such measures as urging foreign deferral of export shipments has achieved some degree of success with perhaps up to 50

million bushels possibly being postponed until after July 1st. However, millers and bakers are still uncovered for some old crop positions and new export business continues at an unprecedented pace. The Japanese have bought tremendous quantities of hard, soft and spring wheat varieties and took Canadian and Australian wheat also. Israel, Sudan, Greece, Turkey, Colombia, Cyprus, Brazil, and Egypt comprise a list of additional buyers, either actual or potential, with South American countries turning to us as Argentine offers are lacking. Our government's removal of the import quotas could affect the shipment of probably less than one million bushels and even that quantity is doubtful as Canada and others have no remaining exportable surplus.

Tight Situation

Therefore, the situation is going to be very tight until new crops are harvested. The Department of Agriculture's former projected wheat carry-over statistic of 210 million bushels would be further pared without additional action. As a matter of fact, unless export embargoes are finally resorted to, the ending supply June 30th could be under 50 million bushels. This has pushed wheat prices to new historic highs and farmer selling is extremely limited probably because farmers do not hold a very large percentage of their 1973 harvest anymore. Estimates indicate that less than 10 per cent of last year's crop still remains in farmers hands in the five major Southwestern producing states. Spring wheat is more plentiful and will be substituted specially for bakery and family flours where possible.

New Grain Demand

Concerning U.S. foodstuffs, new grain demand, especially for wheat, points toward a possible 1.4 million bushel total export commitment and knowing that there is no way the U.S. can ship that much, millers can only look toward some sort of an allotment system for foreign users. Other solutions, including shipment deferrals, are superficial and neglect domestic problems. Among these are the failure of wheat users to cover sufficient needs to permit normal milling and baking over the last several months of the 1973-74 period. Even raising prices cannot solve the real shortage of raw materials that exists.

Looking farther ahead, a U.S. crop of over 2 billion bushels of wheat should be harvested this year with other countries responding to higher prices by planting and growing larger totals. In the U.S., this amount would reflect an increase of about 16% over last summer and could help restore reserves especially if world totals increase proportionately. Domestic and foreign users took nearly 2 billion bushels of wheat during the marketing year that ended last June 30 and the disappearance would be almost that large this season if amounts are available. Domestic and foreign consumption in the 1974-75 period might crop to about 1.7 billion bushels, assuming exportable surpluses accrue in other lands. Our country produces only about 12% of the world's total wheat output but we only use some 6% including quantities in the feed category. That makes production in other parts of the world so important.

There is a hopeful point that Agriculture Department officials say is often overlooked: The low leftover forecasts for the end of the June 30 crop year don't take into account the first trickling of wheat from 1974's winter wheat crop. Harvesting in Texas, Oklahoma, parts of Kansas and Colorado usually begins in late May. "We could have as much as 300 million bushels from the new crop by June 30," Assistant Agriculture Secretary Richard Bell says. "The crunch will be March through the first half of May, then we'll have made it," he adds.

Indeed, everyone from high government official to the smallest baker is placing great hope on the expected huge wheat crop of 1974. Doane's Agricultural Services, Inc., a St. Louis farm-management concern, predicts that with good weather the U.S. could produce nearly two billion bushels of wheat during 1974, up more than 15% from 1973 output. That would be sufficient to wipe out any question of shortage and lower the price considerably, Doane's experts figure.

"In contrast to futures quotes of new-crop wheat at \$4.50 to \$5 a bushel, our estimate, given the current supply and demand outlook for 1974-75 is for \$3.50 wheat at harvest," a Doane's spokesman says.

Durum Commitments

Statistical Reporting Service data as of Dec. 30 showed commitments of durum for export in 1973-74 season at 80 million bushels, as compared with USDA estimate of 79 million bushels as available for export and carryover. Commitments included shipments to Dec. 30 of 24.5 million bushels and un-

delivered sales aggregating 55.5 million bushels.



Planting Intentions

Planting intentions are up strongly based on a Jan. 1 survey in 35 grain belt states. Corn acreage is expected to be up 10%.

Intended plantings of durum at 4,500,000 acres is up 47%. Other spring wheat at 14,600,000 acres is up 14%.

Agriculture Department officials caution that the fertilizer shortage or any bad weather would cut back the figures sharply. "Remember, these figures are based on ideal conditions and circumstances," an official observed.

Common Market Changes

The Great Plains Wheat office in Rotterdam reports efforts at streamlining EEC's Agricultural Policy by increasing target prices to growers by 2% to help do away with regionally differentiated prices. A special subsidy for durum is to be replaced with an 8% increase in price. Price increases have been proposed at 4% for barley, 6% for corn, 8% for pork and 10% for beef. The Community is planning to move toward a better balance in production, increasing production of meats for which they will have to use more of their grains.

Italy Buys French Wheat

Great Plains Wheat reports trade contacts indicate a large movement of French wheat to Italy, possibly as much as 1.6 million tons. Much of this will go into pasta, one of the critical food items in Italy. Increased prices are contributing to an inflationary rate of approximately 15%.

Meat Prices Continue Up

Meat prices will continue to rise as livestock growers remain hesitant about selling their cattle, Agriculture Department figures indicate.

These figures show that cattle and calves on feed for slaughter in the 23 livestock-growing states Jan. 1 totaled 13.1 million head, down 6% from a year earlier. This is the first such reduction in nearly three years.

Farm Plenty Is Over

The era of plenty in agricultural and petroleum products is over for the foreseeable future, delegates were told at the Supermarket Institute Midwinter Executive Conference.

Dr. George Mehren, general manager, Associated Milk Producers, San Antonio, and formerly Assistant Secretary of Agriculture, told the group that tight supply was inevitable in a number of products. Even with bumper crops, the razor-thin carryover of grains and oilseeds makes pricing and supply for world needs a volatile subject. He noted that the United States and Canada cannot and will not be the granary reserve for the rest of the world. The U.S. reserve buffer is gone.

John G. Buckley, vice-president, Northeast Petroleum Industries, Boston, painted a grim picture of the outlook for any relief of the energy problems for the immediate future, even after the Arab embargo is lifted.

Schnittker Blast

John A. Schnittker, president, Schnittker Associates, and former Undersecretary of Agriculture, blasted the Administration's record on food and food prices by saying: "It did worse than nothing, and often the wrong thing. Controlling prices, but not at the farm level, was used as an excuse to say controls cannot work."

Discussing the wheat situation, Mr. Schnittker saw the possibility of some sort of export control. "Supplies are heavily committed for export. Russia and other countries have been asked to hold back on delivery dates. This might help. But Mr. Butz admits the possibility that we might need controls. I am convinced the Government is ready to accept wheat at up to \$12 a bushel, if it can be done without a political approach to the President. But it might decide it cannot afford higher domestic prices politically."

The Tariff Commission was to report by February 15 on removing wheat import quotas, Schnittker said. This could result in bringing 20-30 million bushels from Canada, if needed. The 1974 crop probably will be a record one, but basic supplies will still be tight, he said, pointing out that the futures market price for the new crop is almost as high as for present supplies.

Management

... Scientific and technical ability alone are insufficient for translating discovery into wealth or a better life ... the key to improved national performance is improved management in the broadest possible sense.

—J. A. Cade

Peavey doesn't quit working until dinner is served.



When the durum wheat is still growing in the North Country, Peavey goes to work. Checking field samples for quality and anticipated yield. Then, we collect and move the harvest through grain elevators and carriers to the mills. Not just flour mills. Durum mills.

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Our Technical Center continues to look for ways to make our products perform a little better. And to make our systems work a little faster. You've got a good thing going in King Midas Semolina and Durum flour. Because we don't stop working until dinner's on the table.

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New Records for General Mills

Sales and earnings for General Mills, Inc., for the second quarter of the 1974 fiscal year, the 13 weeks ended Nov. 25, established new records for any comparable period in the company's history, Chairman James P. McFarland said.

He cited continued strong demand in virtually all areas, which enabled most of the company's major activities to show good profit progress during the quarter. Largest dollar increases were in craft, game and toy operations, which showed an earnings gain of 40%, and by combined flour milling operations and Gorton's seafood lines, two areas which were particularly affected by government controls a year earlier.

For the 26 weeks ended Nov. 25, 1973, General Mills' sales aggregated \$1,019,408,000, compared with \$844,958,000 in the previous year. Net earnings in the six months totaled \$43,984,000, equal to \$1.86 a share on the common stock, against \$37,907,000, or \$1.62 a share, in the prior year. First half sales and earnings are nearly the same as full year totals in fiscal 1970.

Mr. McFarland, in remarks prepared for delivery to a meeting of the San Francisco Society of Financial Analysts, observed that the second quarter earnings gain was attained in face of an after-tax loss of \$1.4 million on the sale of the company's 50% interest in Fontini Levisima, an Italian soft drink subsidiary and a near \$3 million increase in net interest expense as compared to last year.

Favorable Trend To Continue

Looking to the future Mr. McFarland said that General Mills management expects generally favorable trends to continue barring unforeseen problems related to energy shortages. He said this means the company expects to achieve its objective for the full fiscal year.

Mr. McFarland expressed confidence that the balanced mix of food, consumer non-foods and specialty chemical businesses has the collective strength to provide continued progress in the period beyond, in line with the stated goal of achieving long-term earnings per share growth at a compound annual rate in excess of 10%.

He also expressed confidence that the company could operate effectively in the economic climate ahead as generally foreseen by economists and surmised that a shift toward more "home-oriented" activities might benefit many of the company's businesses.



James P. McFarland

H. Brewster Atwater, Jr., executive vice-president, Consumer Food Group, said that many of the company's food lines are still benefitting from some of the structural shifts in demands caused by the consumer's search for best food values. In response to demand in one area—for protein foods—Mr. Atwater said the company has substantially increased production capacity for expanded products made by the company-patented Protein II process and plans a threefold expansion of capacity for spun products.

General Mills Canada, Ltd. Reports

In the first annual report made by the company in its 20 years since it started operations in Canada in 1954, General Mills Canada, Ltd. announced sales of \$53,053,000 and net earnings of \$1,944,000 for the 52-week period ended April 29, 1973. While indicating that comparable data was not available for the previous year, Chairman John D. Herrick said the results represent new records for consolidated General Mills activities in Canada.

Export Sales Up

Herrick further noted that export sales were boosted to over \$6,000,000 in the past year. He said provision was made for payment of over \$2,000,000 in income taxes and that the company contributed an additional \$850,000 in other taxes.

At the same time, Herrick announced that \$4,500,000 in additional capital has been authorized for expanding the Canadian activities during the present fiscal year.

The company's Canadian activities include the Agincourt Food Division, Agincourt, Ontario; Blue Water Sea

Foods Division, Montreal, Quebec; Gorton-Pew Division, Magdalen Islands, Quebec; Grocery Products Division, Rexdale, Ontario; Lancia-Bravo Foods Division, Toronto, Ontario; and Pauser Brothers and Impressions Division, Concord, Ontario.

Great Growth

In August, 1954, with 85 employees, General Mills Canada, Ltd. began producing cake and baking mixes and cereals. Today it also makes and markets spaghetti and noodle products, sauces, canned vegetables, frozen seafoods, packaged dinners, fabricated meat cuts and specialties such as pickles, olives and fruit drinks. In addition, it markets a variety of games, toys and painting sets. Its employees now number over 1,500.

Mr. Herrick said that "the past development of the company is but a prelude to the future. The future looks bright—bright enough to prompt our company's continued expansion."

Executive Changes at Peavey

Rober C. Greene, president of The Colorado Milling & Elevator Co., Denver, has been named an executive vice-president of Peavey Co., parent firm to C.M.&E. It was announced by Fredric H. Corrigan, Peavey president.

Also named an executive vice-president was William G. Stocks, who has been vice-president of finance and treasurer of Peavey.

Charles B. Green, executive vice-president, has been named executive committee chairman.

Roger Greene will move to Minneapolis in his new position. Announcements will be made soon on filling the vacancies created by the promotions of Mr. Greene and Mr. Stocks, according to Mr. Corrigan.

Fabricated 'Cheese'

Manufacturers of pasta dishes, pizzas, and other foods that contain hard Italian grating cheese (parmesan and romano) can save over one-third of their ingredient costs for these flavorful cheeses without loss of flavor or function.

The fabricated product contains approximately 18% natural aged parmesan carefully selected for rich, fully developed flavor. Other ingredients include cereal flours, domestic fats, dairy ingredients and selected imitation flavors.

Fat content of the fabricated "cheese" is somewhat lower than natural parmesan.

(Continued on page 24)

THE MACARONI JOURNAL

ASEECO CONVEYING SYSTEMS



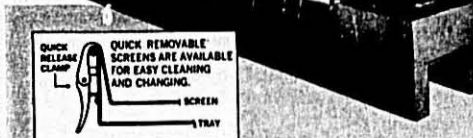
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BELT CONVEYORS

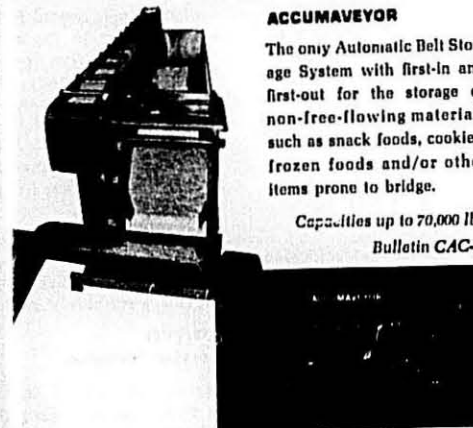
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VIBRATING CONVEYORS

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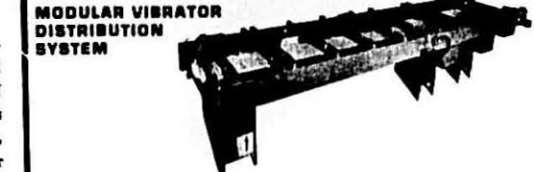
BULK STORAGE AND MODULAR DISTRIBUTION SYSTEMS



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Any line can be extended to service additional points. No return runs. Compact, self-cleaning. Write for Bulletin CMV-10

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Fabricated Cheese

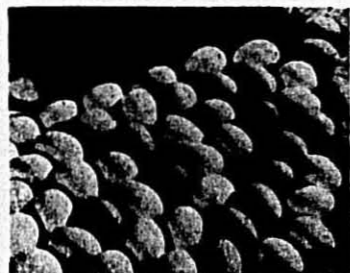
(Continued from page 22)

san or romano. Formulated as a pound-for-pound replacement, basis flavor impact, the fabricated model looks and pours much like parmesan.

Applications for the product include pizzas—frozen, refrigerated, and made at the pizzeria; pasta dishes of all types; veal dishes; poultry products, especially those in sauces; snacks; croutons; salad dressings; and seasoning blends.

The cheese-containing product is carefully controlled microbiologically—specifications call for less than 25,000 total plate count and salmonella negative.

Specifications and additional information are offered by International Venture Research, a Division of Peavey Company, Eleven Peavey Road, Chaska, Minnesota 55318.



Egg Processing

A total of 36.5 million dozen shell eggs were broken during the period November 11 through December 8, 1973 under the USDA's Egg Products Inspection Act—up 8 per cent from the corresponding four weeks of last year. Breaking was up 20 per cent in the North Central Region and 11 per cent in the West. The quantity broken was down 8 per cent in both the North and South Atlantic Regions. Eggs broken in the South Central region were about the same as the 4-week period of last year.

During the four weeks, 55 million pounds of liquid egg items were used in processing—up 8 per cent from the same period last year. Ingredients added in processing totaled 3.2 million pounds, 68 per cent more than a year ago.

Frozen Down—Dried Up

Liquid egg products (including ingredients added) produced for immediate consumption and for processing totaled 19.1 million pounds during the 4-week period—up 16 per cent from the same period last year. Products produced for immediate consumption totaled 8.7 million pounds, compared with 8.1 million a year earlier. Those produced for processing totaled 10.4 million pounds, compared with 8.4 million last year. Frozen egg products amounted to 20.5 million pounds, 4 per cent less than last year. Dried egg production was 5.3 million pounds, 47 per cent more than in the 4-week period a year ago.

Cumulated totals July through December 8, 1973 and percentage decreases from the corresponding 1972 period are as follows: Shell eggs broken, 255 million dozen, 4 per cent; liquid egg used in processing, 374 million pounds, 4 per cent; liquid products for immediate consumption and processing 119 million pounds, 2 per cent; and dried products produced, 31.5 million pounds, 7 per cent. Frozen products produced, at 158 million pounds, were up 1 per cent from last year.

Supermarket Image Improves

Supermarkets are no longer the consumers favorite whipping boy—his dubious honor now goes to the petroleum industry, the President and the Government at large. But unless the supermarket industry continues its strong efforts, a new escalation of prices, expected to come, could put supermarkets back in the doghouse. Daniel Yankelovich, Market Researcher, told Supermarket Institute's Mid-Winter Executive Conference.

"Middleman" Still Blamed

On the matter of blame for high prices, the public apparently has divorced the supermarket from the "middleman." Only 9% of those questioned blamed the retailer (compared with 52% laying it to the President and others in Government; 28% on the middleman, processor or wholesaler; 11% on unions; 7% on farmers, and 5% on the public itself.)

On the credibility side, only 39% of those responding said they feel that big business strikes a fair balance between profits and public responsibility. (In the mid '60's, a similar question brought forth a 70% favorable response.) On the same question in the 1973 survey, food processors garnered a 34% positive answer; gas utilities, 45; department stores, 45; supermarkets, 54; discount stores, 69; and farmers, 75.

UPC

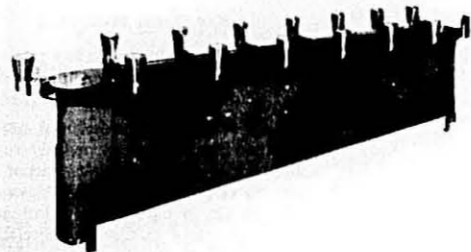
Mr. Yankelovich predicted an erosion of consumer confidence in the supermarket when the Universal Product Code becomes a fact in the store. Since clear marking of prices is considered a strong plus by many consumers, when it disappears from the package in favor of the symbol there may be resentment, he indicated. "The consumer may feel resentment that the store is neglecting the consumer for the computer," he said.

Of those asked, 64% felt supermarkets were making a great deal of money, while only 38% realized that most supermarkets were barely getting by.

More Men Shopping

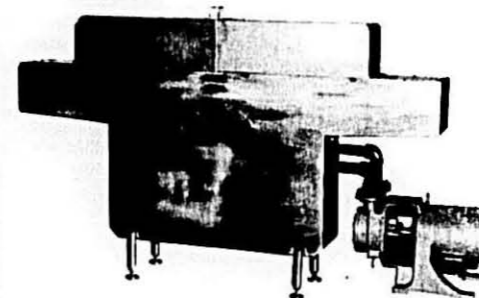
Inflation has caused men to take a larger role in food shopping. They responded that 40% of them shopped with their wives in the week prior to the study; 23% had shopped alone in the supermarket that week. Interestingly, 12% help with the cooking; 10% help with cleaning or the laundry; 18% do the family budget, and 6% help plan meals.

rotary D-15 PACKAGER



If you need packaging efficiency . . . You need our ROTARY D-15 automatic conveyor packager. ROTARY D-15 does your packaging jobs quickly, efficiently, inexpensively and automatically. A simple way to pack food products, hardware, toys, assembly of mechanical and electrical components. Can be used to automate welding and soldering lines.

die washer



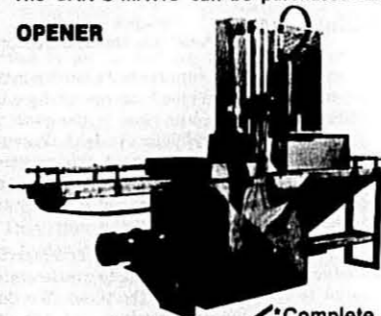
All stainless steel construction. 12 high pressure jets washing the die from both sides and ends at the same time, greatly reduces the washing time. The unit will wash either long or round dies . . . Supplied with a high pressure turbine pump.

can-o-matic

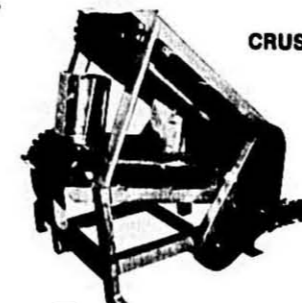
- COMPLETELY AUTOMATIC SYSTEM THAT SAVES UP TO 3 MEN (PAYS FOR ITSELF IN 1 YEAR)
- Can be designed to open liquid or dry products, keeping sanitation in mind.
- Washes, opens, rinses, crushes - 25 cans per minute.
- Adjusts to any size can - including 5 kilo cans.
- Stainless steel construction.

The CAN-O-MATIC can be purchased completely or separately.

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Stand can be made of mild steel, Galvanized steel. Can be completely made of mild steel, Galvanized steel.

Additional conveyors are available in various sizes (to your specifications).

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Marketing Research Helps Cut Costs

Marketing research can help companies cut costs in an economy characterized by growing scarcities, according to an article in the current issue of

Marketing Today.

The article says that, given the conditions being brought on by material shortages, alert managements must start thinking about "negative" marketing efforts that deal with situations where supply exceeds demand.

Marketing Today is the newsletter of Elrick & Lavidge, Inc., Chicago and San Francisco marketing research firm. The article was written by Charles D. McBride, E&L vice president.

McBride said areas in which marketing research can measure the impact of marketing efforts in an economy of scarcity include:

- **Distribution.** If customers or dealers are put on allocation, do they understand that it is done in a way that is as fair as possible? And does the allocation maximize profits in both the short and longer term?

- **Consumer studies.** How are consumers reacting to changing conditions? And what new business opportunities may emerge in this time of rapid change?

- **Advertising research.** In a scarcity economy, can advertising meet such objectives as building corporate image, educating consumers on how to use products more efficiently, or encouraging consumers to defer some purchases until the supply-demand balance improves?

- **Product evaluation.** How do consumers react to new or redesigned products made necessary by material shortages?

- **Packaging.** Will consumers accept simplified but possibly less convenient packaging which may be required by shortages of packaging materials?

- **Personal selling.** In evaluating sales force effectiveness, E&L has found cases where telephone selling can be substituted for personal visits, resulting in substantial savings in selling cost.

"It may seem overly pessimistic to be discussing such things, and it certainly goes against the normally bullish grain of most marketing people," McBride observed.

"But clearly, one measure of the professionalism of marketing and marketing research managers will be their ability to adapt to and cope with extraordinary circumstances should they arise."

"Information Lag"

Another article in **Marketing Today** notes that in times of sudden shifts in the availability of supplies, managers of consumer products companies can reduce their information "time lag" by using retailer dealer panels.

The article stresses that if managers of consumer products companies selling through independent dealers use their shipments records to indicate current sales trends, they face an "information lag" which represents a significant risk.

The article added that E&L has set up panels of retail dealers in a number of product categories. These panels are interviewed regularly, providing a continuing picture of dealer sales, inventories and dealers' expectations of future consumer demand.

Free copies of **Marketing Today** are available from Elrick & Lavidge, Inc., 10 S. Riverside Plaza, Chicago, Ill. 60606, or Elrick & Lavidge, 850 California St., San Francisco, California 94108.

Curb Misdirected Advertising

"Prime time television advertising is waste, not only costing many United States companies thousands of unnecessary dollars, but it is misdirected and ineffective when you compare it to the results we are getting from Direct and Key Outlet Marketing," said Alvin Elcoff, President of A. Elcoff & Company, \$30 million Chicago ad agency.

And the food industry expended more than \$500,000 in television advertising dollars during 1972, compared to a total advertising expenditure of over \$700,000 for the industry class. This was compiled and published by Leading National Advertisers, Inc.

"Sales Resistance" Theory

"Our 'sales resistance' theory has revolutionized advertising via the television medium and drastically cut costs," added Elcoff.

He went on to explain that in Direct Marketing on television the viewer is asked to call a particular number or send money to a local address. This concept of direct response is relatively

simple. The television commercial has a maximum of two minutes to reveal the product message, explain how it can help the viewer and tell him why you should buy it. Then you ask for the order and, according to Elcoff, the direct marketing commercials must evoke an immediate response.

Key Outlet Marketing

The Elcoff Agency also has pioneered a successful marketing technique called Key Outlet Marketing.

"In this type of marketing" said Elcoff, "the retail chain is merely substituted for the post office. Instead of saying, 'to order call RA 6-9300,' we tell viewers 'Go to a particular retail store.' The store name in the commercial not only stimulates in-store traffic, it sells tremendous volumes of merchandise."

According to the agency's 'sales resistance' theory, there are certain times of the day when people are sold.

"The hour before you go to bed in the evening, the hour after you get up in the morning and on weekends" said Elcoff "are the times when you're more relaxed and/or tired and have the least outside distractions. This is when you're more susceptible to be motivated by a straight-forward product presentation.

"If you're watching your favorite prime-time television show, your mind is obviously more alert. When a commercial breaks up the continuity of that program, you automatically develop a very negative subconscious reaction to the product being advertised.

Penetrate the Subconscious

"Our commercials must penetrate the subconscious," continued Elcoff, "therefore we buy time in the early morning hours and late at night. Viewer resistance is down and the commercial is often as entertaining as the program, therefore, you're not upset by the product message.

"In presenting our commercials, it is our intention not to waste time, so we come right to the point. We don't burlesque the product nor take up time with chorus lines and sight gags. This serves two purposes: It keeps the costs down (Elcoff produced commercials averaging about \$4,000 each) and it sells merchandise. We set forth the problem, tell our viewers how to solve it with our client's product and where to buy the product. There's no doubt that the straight-forward approach stimulates immediate sales."

According to Elcoff, recall does have a place within commercials that motivate and many times his agency selects talent or writes a specific highly recall-

able act into the commercial to accomplish this purpose.

The majority of our commercials are so fundamental and effective that we have experienced an unbelievable ninety per cent success factor with new product introductions compared to an industry average of five per cent," Elcoff concluded.

Implications of Massive Majority

"For the first time in American history, a society has developed in which the massive majority of its citizens has achieved middle-class status."

That is the thrust of a report that Ben J. Wattenberg, author, consultant, and former assistant to President Lyndon B. Johnson, presented at the Annual Meeting of the National Association of Food Chains in Washington, D.C.

Entitled "The Massive Majority Middle Class—and What It Thinks," the new report was commissioned by Family Circle to give retailing and manufacturing executives an updated and documented analysis of the burgeoning middle class and its implications for American business.

Defining the new middle class, Mr. Wattenberg stated: "The middle-class family tends to have relatively few children, owns its own air-conditioned home (probably in the suburbs), takes vacations, sends its children to college, and owns a car or two, as well as a dazzling array of labor-saving devices."

Earlier Report

Referring to an earlier report, "The Birth Dearth and What It Means," made two years ago at the 1971 NAFC Meeting, Wattenberg pointed out: "That paper showed that in the first half of 1971 fertility rates in America, already declining, had fallen still further, and that there were good reasons to expect that the fertility rate would continue to decline."

Since that report, also commissioned by Family Circle, fertility rates have indeed declined—even faster than imagined. In January, according to the new report, the Supreme Court ruled to legalize abortions, a ruling likely to drop fertility rates still lower.

In short, the era of the two-child family is here, and the business implications are immense. Low fertility is not only an attribute of "middle-classitude." It is also an initiator of middle-class life. Smaller families mean more money per family and therefore an increased incidence of families in the middle-class. A family with four children won't be able to make middle-

class ends meet on \$10,000 a year. But a two-child family may indeed be able to live according to middle-class standards with a \$10,000 income.

Comparing 1960 & 1970

Comparing the results of the 1960 and 1970 Census, the sort of jobs that have increased most in number are those traditionally accepted as "middle-class." Today there are more "professionals," technical and clerical workers. There are fewer unskilled manual and domestic workers and fewer poor farmers.

Black Americans too are sharing in this new prosperity. As Wattenberg stated, "While it must be emphatically clear that blacks are still scandalously behind whites, black progress over the last dozen years has been notable and a catching up has been taking place. For example, in 1960 43% of blacks in the labor force held the so called "good" (middle-class) jobs. By 1970 that rate had climbed to 60%. (The white rate is 81%)."

Area of Education

In the important area of education, in the five years from 1967 to 1972, the number of black students in college went up 97%, while the white increase was 26%. The drop-out rate from high school for blacks fell from 57% in 1963 to 39% in 1967, and to 27% in 1972.

In 1950, the ratio of black income to white was 54%. By 1970, it was 64%. In 1972, the figure plateaued, and dipped slightly, to 62%. The percentage of blacks earning more than \$10,000 a year (in constant 1971 dollars) went from 3% in 1951 to 30% in 1971. Outside of the South 40% of black families earned more than \$10,000 in 1971. Again, outside the South, black family income was 69% of white income.

While black families are still, unhappily, behind whites in every field, they have been closing the gap in many areas (education, occupation, income) that traditionally characterize "middle-class."

Excerpts

Here are a few other excerpts from Mr. Wattenberg's provocative report:

Women's Liberation: Americans heartily endorse many of the precepts put forward by Women's Lib. They believe that women are discriminated against in business, they believe in equal pay for equal work, birth control, divorce, sex education and the opportunity to "speak up." At the same time, there are also potent disagreements with many other Lib notions. They don't like "Ms.," and think the diminishment of a husband's role in the

family is bad. They feel that, all things considered, being a woman in America is not a bad deal.

Environment: Many Quality-of-Life activists feel we have bartered our souls for a mess of smokestacks, solid wastes, cars, highways. They believe in zero production growth as well as zero population growth. But when the chips are down, Americans (although accepting the general precepts of the movement) are simply not anti-materialistic. A nation so hell-bent on acquiring second cars, washers, dryers, college educations and more money, would not seem to be a prime candidate for movements that condemn materialism! Americans may be persuaded to drive their cars at a thrifty 50 instead of a greedy 70. They may even be convinced that the demise of the one-way bottle and the pop-top can will save the environment. They may be trained to turn out the lights and insulate their homes. But that is a very different notion from the one that says materialism is inherently senseless and/or evil. Americans understand that air conditioners, washers, dryers, and second cars, are machines that make life better, that show success not failure, that are better than what they replace—like dish-washing by hand, fans, clothespins, brooms, etc.

If you want to find out just how materialistic Americans really are, try taking these Massive Middle Class Majority accoutrements from them.

Violence and the Baby Boom. In 1972, fully 59% of arrests for violent crimes were recorded for persons under 25. And the single peak year of violent criminality is age 18. Suppose one then recalls that, because of the post-war Baby Boom there is a striking rise in the numbers of young men at precisely the time when crime "exploded" in America. Suppose one also recalls that the Baby Boom peaked in 1957, and that in 1975—roughly one year from now!—those peak-year babies will be 18 years old and beginning on the statistical downslope of violent crime. And suppose, finally, that each year after 1975 the proportion of prime-crime youth will decline a little, as we follow the slope of American demographics from the mountains of Baby Boom to the Valleys of Birth Dearth. However, changing demographic patterns are only one cause of the crime increase. But these patterns do mean that as each year passes the pressure will be a little less. And as the tide of crime recedes, the city areas may come to be more liveable, and the long awaited revitalization of the central city may really begin to happen.

How About the American Consumer?

At the Southern California Grocers Association Rules and Regulations Seminar, Denny Bracken, staff announcer and news reporter for KNX Radio and the radio voice for Alpha Beta commercials, was the guest luncheon speaker. Here are excerpts from his remarks.

"One area where no one has leveled any criticism is on the head of the American consumer. That's where much of the blame really belongs.

"It's a constant surprise and shock to me and terribly frustrating to Alpha Beta to discover that half of the women who shop in the supermarket aisles don't really give a damn about the prices. They are not budget conscious. They are too busy being inconvenienced. They buy what's easiest for them to prepare. Let the old man worry about the bill. They may go home and complain about the prices and tell dad they need an extra ten dollars a week. What else is he going to do but dig. Seventy per cent of the men feeding families today have never driven a shopping cart and have no desire to do so. They echo what their wives tell them.

Convenience Is A Cost Factor

"Convenience is a cost factor. The American consumer today wants convenience. There's a demand that you have to supply. New equipment had to be developed. Frozen, freeze-dried, canned, concentrated, sugar-free, diabetic, low-cal, no-cal, low-fat, fat-free, these are food terms of the 70's.

Fancier foods cost money to produce, package, store, deliver. They cost more and the consumer must pay more. Somebody else has cleaned, packaged, prepared, even precooked the meal. All the consumer has to do is heat it. And then she has the nerve to complain because food costs more.

"Somehow, the American consumer's values have gotten a little mixed up. I can't understand why a family will refuse to buy steak because it's two dollars a pound but won't bat an eyelash at serving a four-dollar bottle of wine with a spaghetti dinner!

"The man of the house will tell his wife they've got to start cutting food costs—but don't forget to pick up a carton of cigarettes, a couple of six packs and a bottle of Scotch at the store. They curse the middle man while they load \$40 worth of groceries into a \$8,000 car that gets only 10 miles to the gallon and costs 20 cents a mile to drive.

"They gripe that beef jerky has gone up two cents a jar as they prepare to journey off into the desert in a \$20,000 camper. . . . Moan and groan over ten dollars worth of meat they are placing in a \$300 freezer; or five dollars worth of produce in a \$500 refrigerator that resides in a \$40,000 home.

"The fact of the matter is . . . food is our best buy today. It costs less of a wage earner's dollar to eat today than in the history of this country. Food here costs the average citizen less of his income than anywhere else in the world. Somebody ought to impress that fact on the consumer!

"Today, with the exception of those in the ghetto of poverty, the American consumer is living it up as they eat. Food is a necessity. The reason so many people complain about the price of food today is because necessity is getting into the way of luxury.

"People will spend \$30 to go out to dinner and then expect to feed the family at home the rest of the week for the same amount. . . .

"More booze than milk is consumed in many American households today. Yes, something has to be done about rising food prices, but what they are doing is imposing controls on the innocent and hoping the guilty will change their ways.

"Anyone who can afford a boat or a camper or a second TV set can afford the luxury that they demand of the food industry today. It is just that they don't want to pay for it. . . .

"Convenience and quality, these are the two key factors, cost factors, in the food industry today. Almost all other factors are related to them. Convenience and quality are consumer demands and convenience and quality are what the consumer gets. But that is what she's going to have to pay for and it's the best bargain in America today. It is time somebody stood up and impressed that fact on the American consumer. She has never had it so good in her pantry. . . .

If Nader Can, I Can

"It is only since Ralph Nader grabbed a few headlines that a whole lot of consumers have said, 'Gee I guess maybe we had better holler.' I think deep in her heart the American consumer really knows that they have a good thing going. But if somebody is going to stand up and holler about food prices, why not? . . .



"What the food industry can do to counterpoint is a sensitive and diplomatic issue. It's a business of intense rivalry and competition—among markets as well as manufacturers.

"The FTC is making all kinds of ballyhoo about truth in advertising. Who's digging into the truth about the FTC?

"Congressmen are making pledges about controlling the food industry. Who's pledging to control the congressmen?

"There's a line we used to tag off the Alpha Beta commercials awhile ago that I'd like to paraphrase as a tag line here. 'Folks you can trust to take good care of you.'

"You are the only folks you can trust to take good care of you and to look out for your industry.

"Good luck. Anything I can do to help, just ask. I'm one of the farly."

Timely Tips For Pasta Lovers

Here are a few suggestions to add variety to pasta enjoyment.

- Finely chopped pimiento and parsley enhance baked macaroni and cheese with a flavor and color.

- A liberal amount of freshly chopped parsley is great in white clam sauce for spaghetti.

- Buttered noodles dotted with poppyseeds and chopped chives are a tasty accompaniment with meat and seafood entrees.

- As a change of pace, use a blend of grated Romano and Parmesan cheese as a spaghetti topping.

APRIL 22-23 — SEMINAR ON PACKAGING pointers on methods, materials and machines.

How does your package rate?

- As a container?
- As a salesman?
- Display well?
- Eye-catching?
- Invite handling?
- Look like good value?
- Easy to price mark?
- Do you picture the product?

Are product name, brand name easy to identify?

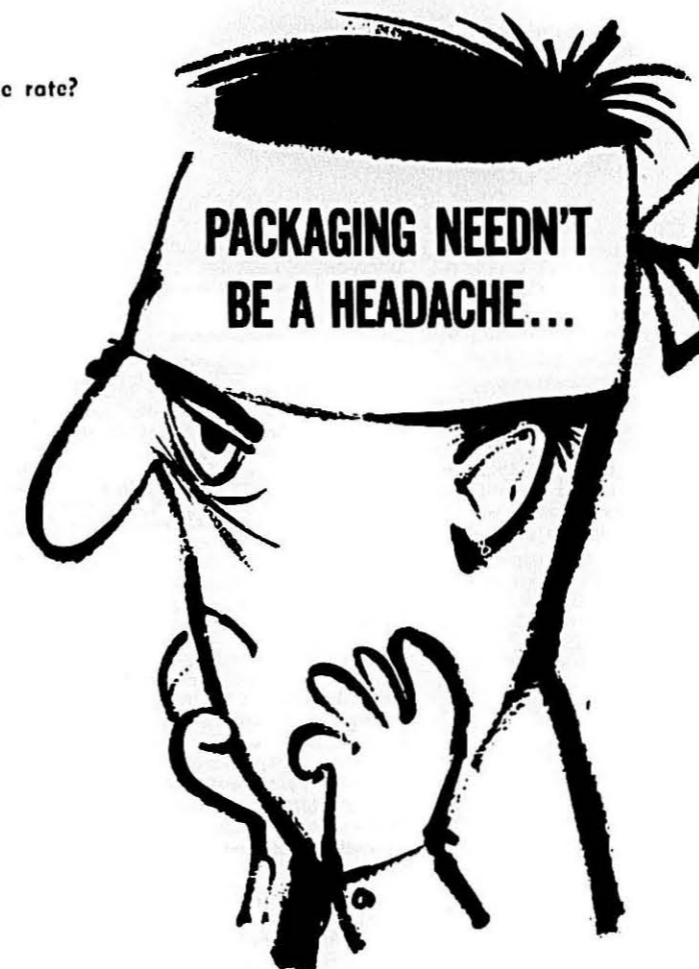
Have you given complete directions, suggested uses?

Is your package easy to open, close, store?

Bring your questions to a panel of experts.

At Hotel St. Moritz On-the-Park, 50 Central Park South, New York City close to the Coliseum, site of the Packaging Show, April 22-23.

Reservations for rooms and seminars through National Macaroni Manufacturers Association P. O. Box 336, Palatine, Illinois 60067



17th Annual Educational Conference

by James J. Winston, Director of Research

ON December 11-12, 1973, the Food & Drug Administration and the Drug Law Institute held its 17th Annual Educational Conference in Washington, D.C.

New FDA Commissioner

This year's meeting presented Dr. Alexander M. Schmidt, new Commissioner of the Food & Drug Administration, who in his presentation stressed communication as the basis of regulation. Commissioner Schmidt reviewed some of the activities and the thinking of the FDA and said the following:

One of the most important inducements for me to accept this job as Commissioner was the strong support the Agency obviously has within the Administration and in Congress. A more than doubled budget in the past four years is rather substantial proof of this, as is the increased number of positions allotted.

But I'm sure that what you want to know is, "Now that I've got the job, what am I going to do with it?"

To start with, I operate from the premise that FDA is a scientifically oriented regulatory Agency with a single mandate: **consumer protection.**

To serve this mandate properly, the FDA must continue to broaden its base of expertise and advice upon which major regulatory programs are built. This expertise and this advice must be brought to bear across the boundaries of bureaucracy and across the barriers which separate the public and private sectors.

I consider it foolish to imagine that rational and effective regulations can come from an FDA isolated from those it regulates. Those regulated have important views as well as expertise, and they must be heard.

At the same time, the consumer must be heard. He must know why and how and if we are acting in his best interest. And if he is to know, the consumer must have the same opportunity as industry to participate in regulatory decision-making.

In support of this view, I accept as a priority our efforts now underway to set specific guidelines for an "open door" policy, under the Freedom of Information Act.

In talking about the need for outside advisors, in committing the Agency to consultation with industry and consumers, and in fostering an "open door" policy in general, I am, of course, talking about communication.



James J. Winston

Communication

And communication really, is the major theme I want to follow here today. I am delighted that the same theme runs through so many of the workshops for the convention.

Webster defines communication quite simply as the "interchange of thoughts or opinions." But in practice, we too often make communication sound far more complicated. While I admire the practice of communicating, I find unpleasant the jargon we use in describing it.

For example, we in government often say "data exchange" when we mean communication with physicians or other scientists; we reduce the term to "public information" when we mean communication with consumers; we call it "liaison" when we communicate with other government agencies, and—God forgive us—we usually refer to communications with industry as "a dialogue."

But whether what we do involves an exchange of data upon which to judge a new drug application or develop drug labeling; whether we hold a press conference to explain nitrite uses in processed meats, or issue a new regulatory proposal for bottled water, or even participate in a convention such as this one—what we are seeking to do is to communicate.

Only when we fail to communicate with a desired effect do adversary terms like "compliance, enforcement and prosecution" come into play.

As I've indicated, I am a strong advocate of advisory committees, as a method of communication. And I am

pleased today to report our progress with a program still mostly in the planning stage when presented to you last year. Today, the FDA has fourteen standing advisory committees attached to the drug review process. This number will increase to 18 by July. And this compares to only one such committee existing in 1970.

Codifying Procedures

One of the most ambitious projects which will foster good communication has taken form in Peter Hutt's office. He's overseeing a truly massive and unique codification of all FDA procedures. The first section is now under review by our Policy Committee. When completed, we will have produced a "how-to" guide on every possible procedure from the establishment and conduct of advisory committees to filing of citizen petitions, to dissemination of draft regulations. I believe that, this will be a very significant document, and when published, will be concrete proof of our commitment to an open Agency.

We think the approach is the only way to go and I might suggest that the concept applies not only to our business at FDA but to yours as well.

As industry moves from natural to fabricated foods, the consumer will find less value in ingredient labeling, and will look as never before for the kind of information to be given by nutritional labeling and quality guidelines. He will learn to read information panels, and learn about the identification of imitation products, common and usual names and the listing of incidental additives. He will become familiar with dietary supplement definitions based on the U.S. RDA.

The FDA has carried the ball in developing sound programs to guide industry in communicating this kind of information to the consumer. As a result, more than 20 separate orders now constitute our food labeling initiatives.

The program looks good on paper. But the final test will come when industry has provided the new information, and consumers have learned to use it.

Teaching the Consumer

Teaching the consumer is a joint responsibility involving FDA and the food industry. And there is cause for optimism. In very major ways, the food industry is demonstrating a willingness to accept its part of this responsibility. The FDA will accept its share, as well. Early next spring the Agency,

Save, America.

Unless we conserve gasoline on a voluntary basis, we're going to have compulsory rationing. Which most people want to avoid.

The better gasoline-saving option is a voluntary effort. A pitch-in-together, national effort. An effort that's very possible.

But it doesn't mean just driving a few miles an hour more slowly.

And not just walking a little more often. And not just setting up a car pool of three people in a station wagon that holds six.

It does mean a national effort by every American and every American business to slash gasoline consumption by 25%.

How? Take a look at the lists and you'll get a few practical examples.

How you can save gasoline.

1. Determine your current weekly use of gasoline. Divide that by four. That's how many gallons you'll want to save each week.

2. Don't drive two days a week. Take mass transit. Or if you must drive don't go it alone. Set up a car pool. If you already have one, enlarge it.

3. Drive efficiently. Slow down. Cut sudden starts and stops. And try not to idle for more than three minutes.

4. Make sure your car is in top mechanical shape. Have your engine tuned and have it retuned regularly.

5. Make sure your tires are properly inflated.

6. Cut down on "family business trips." Plan your trips. Consolidate lots of errands into one trip.

7. When possible, use the phone to conduct family business.

8. Use your imagination. Devise your own plan to save 25%.

How your business can save gasoline.

1. Determine your current weekly use of gasoline. Divide that by four. That's how many gallons you'll want to save each week.

2. Reduce your use of fleet vehicles by 25%.

3. Get in a car pool yourself and encourage your employees to do the same. Computers are a big help in setting up a large company's car pool system. Some banks and other firms are donating computer time. Ask.

4. Make sure your vehicles run efficiently. Get them tuned and keep them tuned. Make sure all the tires are properly inflated.

5. Make sure your vehicles are slowing down. And not making sudden stops and starts. And not idling for a long time.

6. Conduct as much business as possible by phone. Personal contact is essential. But your customers will appreciate your trying to save gas. It's their gas, too.

7. Try to cut down on wholesale and retail deliveries. Encourage your customers to take packages with them. Delivery is an essential service. But these days it can be a luxury.

8. Use your imagination. Devise your own plan to save 25%. Involve your employees in your firm's efforts.

9. Help your community and industry to do their part. Cooperate with your local and state chamber of commerce and your

trade and professional association in implementing this campaign.

Any or all of these steps can help conserve gasoline. But we all have to start now.

While we still have it to save.

Save, America. Save 25%



Chamber of Commerce of the United States.

Washington, D. C. 20006

A Federation of Chambers of Commerce, trade and professional associations, business firms and individuals dedicated to strengthening the competitive enterprise system of the free world.

with professional help, will launch the first part of a nationwide campaign of consumer education on the uses and the usefulness of the new labeling.

The food labeling program is among the most important priorities on my personal list. Within the years immediately ahead, we will devote whatever resources are possible to make this program work. We invite an equal commitment from industry.

HACCP

Mr. Joseph P. Hile, Executive Director of Regional Operations of the FDA emphasized hazardous analysis, critical control points and cooperative quality assurance, as follows:

FDA is currently using a variety of inspectional approaches as part of its national program. In some instances, the approach is still at the discretion of the local field manager. In others, like HACCP, the Agency is using a uniform approach nationwide to cover a given industry where a general set of problems has emerged and which require FDA attention.

"HACCP" is defined as hazard analysis critical control point investigation technique. "Critical" in this sense denotes a point where lack of control may present a potential danger to health in the product.

There is nothing mysterious about what FDA is doing in the HACCP program. We have combined several inspectional techniques with some new specialized training in a way we believe will best serve the needs of the agency. The inspection technique can be simply divided into three parts: The first part consists of a traditional inspection of the plant covering the processing of the day together with a flow charting of the process and the identification of the critical control points in that process; The second part is to determine the extent of the firm's own quality control program covering these critical points; and the third part is to document the extent to which the firm is adhering to its own quality control program. The approach is designed to give FDA an insight into how the firm is running 365 days a year, particularly when an inspector is not there. It is designed to rather precisely identify the potential problems associated with the product and it provides a clear definition of what needs to be done to correct objectionable conditions and procedures.

Analysis

While we view the technique as an investigational tool, it is of significant value to the firms for their own use as well. It stimulates a firm to analyze its own process from a systems viewpoint.

Plant management can identify potential trouble spots themselves and correct them, and they can verify the adequacy of their own internal quality control system, or develop one if none exists.

Obviously, HACCP inspections take a longer than usual time and require that many of the plant's management representatives and their records be available to our inspectors. For this reason, the agency has started each inspection by inviting the plant management to participate in a pre-inspection conference. During this conference, the objectives of the program are discussed, and the persons and records that the FDA would like to have available are identified. The inspection itself is then initiated at a predetermined time. Let me mention here that although the unannounced inspection, and its obvious value to FDA, continues to be the primary approach used by the agency, HACCP inspections do not require the surprise element to be effective. The inspection will be made by a single inspector or a team of two or more inspectors, depending upon the complexity and/or size of the plant.

Low Acid Canned Food

As most of you know, the first application of the HACCP approach has been with the low acid canned food industry. Here the low acid canned food Good Manufacturing Practices are the guide to the inspector. A total of 206 of these inspections have been made within the last year or so. In general, the inspections have been well received by the industry. A number of firms have commented directly that they have been greatly assisted by the inspection. Key control problems which they have missed through their own inspection program have been identified and corrected. Some firms had no real quality control program until after FDA had made its HACCP inspection and identified their crucial needs. Unfortunately, a small minority of firms have refused access to their records. As you know, they do not have to provide these records—but it is a shame—such a refusal deprives the firm of an opportunity to have possible trouble spots identified by a fresh, objective observer.

The HACCP approach is proving most beneficial to FDA and ultimately to the consumer. It is much more important for FDA to prevent the production and distribution of violative products than to find them in channels of commerce and then have to precipitate their removal. The HACCP approach is allowing us to do this more effectively than ever before. A number

of firms have actually ceased operations as a result of these inspections until major equipment improvements have been made and meaningful plant quality control procedures have been instituted.

Equally important to FDA is the fact that the agency can better predict the quality of the plant's production in the future and evaluate the acceptability of products already on the market as a result of the HACCP approach.

In Summary

In closing let me summarize by saying that the HACCP inspectional approach is based upon a specialized inspection of an establishment's control of its processes, rather than merely inspecting the operation of the processes on the day of the inspection. The HACCP inspectors analyze the production processes in a plant and identify the points critical to the safety of the product. They determine the ability of the processors' quality control system. The inspectors review past performance of the plant by examining quality control records as well as by observing the plant in operation. Management is then informed of the critical points not being controlled, and FDA asks for a confirmation that deficiencies will be corrected.

It is important to remember that the HACCP is an inspection technique applicable to any one of FDA's different program areas, and is designed to be preventative in nature. Later this year we will begin inspection of plants packing selected frozen foods, and 50 additional inspectors will be trained in the HACCP procedures.

It is reasonable for you to believe that the national HACCP inspection approach is here to stay as a part of the FDA program. We are convinced it should stay because of its value to the consumer, this value arising as a result of FDA's being able to provide greater assurances that the consumer is receiving the highest quality products possible.

FDA looks forward to the continued support of the regulated industry in helping make the HACCP work.

Change

At times the avalanche of change may threaten older landmarks and we must be vigilant that some universal insights—those invariant insights that can be as vital to our future as they have been for our past—are not obliterated with the obsolete.

—Caryl P. Haskins

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H. Geddes Stanway

Skinner Macaroni Officials

William A. Henry has been elected President and Chief Operating Officer of Skinner Macaroni Company. The election was announced by Lloyd E. Skinner, Chairman of the Board, Chief Executive Officer and Treasurer.

Mr. Henry, who was Executive Vice President, succeeds H. Geddes Stanway, who was elected Vice Chairman of the Board.

Mr. Henry joined the company in 1970 as Vice President-Marketing, Assistant to the President and a member of the board of directors. He was elected Executive Vice President in 1971.

Prior to joining Skinner, he spent 28 years with Durkee Famous Foods, Cleveland, Ohio, in a number of executive positions and was Vice President-Marketing of the Consumer Foods Group at the time of his relocation to Omaha.

He is a member of the National Marketing Committee of the Grocery Manufacturers of America (GMA) and was formerly chairman of the smaller manufacturers group of GMA. He is a member of the President's Council of Brandeis University, Waltham, Mass. and a member of the board of directors of Junior Achievement of Omaha.

Mr. Stanway joined Skinner Macaroni Company in 1953. After three years as Vice President in charge of production, he was elected Executive Vice President and a member of the board of directors.

He became President in 1971 when Lloyd E. Skinner, who had been President since 1950, was elected board chairman. Mr. Stanway is past president of Rotary Club of Omaha.

The Skinner Macaroni Company, founded in 1911, today distributes its products in 30 states and has annual volume in the \$20 million range.

Ingredient Labeling in California

California has amended its Food, Drug and Cosmetic Act to require ingredient declarations on all food items composed of two or more ingredients. The amendment becomes effective on July 8, 1974. After that date, most processed food products, even standardized products will be required to bear an ingredient statement.

Questions concerning the labeling of particular products should be directed to the Food and Drug Section, State Department of Health, 714 P Street, Sacramento, California 95814.



William A. Henry

Chunky Soups

Campbell Soups distributed 18,000,000 Main Dish Budget Booklets featuring Chunky Soups in the February Readers' Digest. Recipes call for ingredients such as rice, noodles, macaroni, tuna fish, etc.

Related item merchandising opportunities were called to the attention of the trade in Supermarket News.

Superoni

Prince Macaroni Manufacturing Co., Lowell, Mass., is introducing Superoni, a protein-fortified elbow macaroni and thin spaghetti. The product contains 70 per cent more protein than regular spaghetti and macaroni. Introductory offers to retailers include a 69-in-tall 10-case floor display with a colorful header card in comic-strip style. The product will be marketed in New England and Chicago in February, supported by an eight-week radio campaign. The 60-second spots will feature the voice of Jackson Beck, the original Superman voice on the 1930s and 40s radio program, saying, "It's a Protein! It's a Superoni!"

Chef Boy-ar-dee Advertising

Chef Boy-ar-dee kicks off a new print campaign for its canned ravioli with a four-color page ad in February Family Circle, Good Housekeeping, Ebony, True Story, True Confessions and Lady's Circle. Copy says: "You don't have to be a kid to love it. We sell so many of these tasty little meat pies, something tells us kids aren't the only ones eating them. Chef Boy-ar-dee Ravioli—delicious, convenient, and inexpensive. Serve them for lunch or dinner, for the whole family."

More Coupons

U.S. advertisers issued a record 27.6 billion cents-off coupons during 1973, according to the Nielsen Clearing House (leading processor of redeemed coupons for retail stores and manufacturers of consumer products).

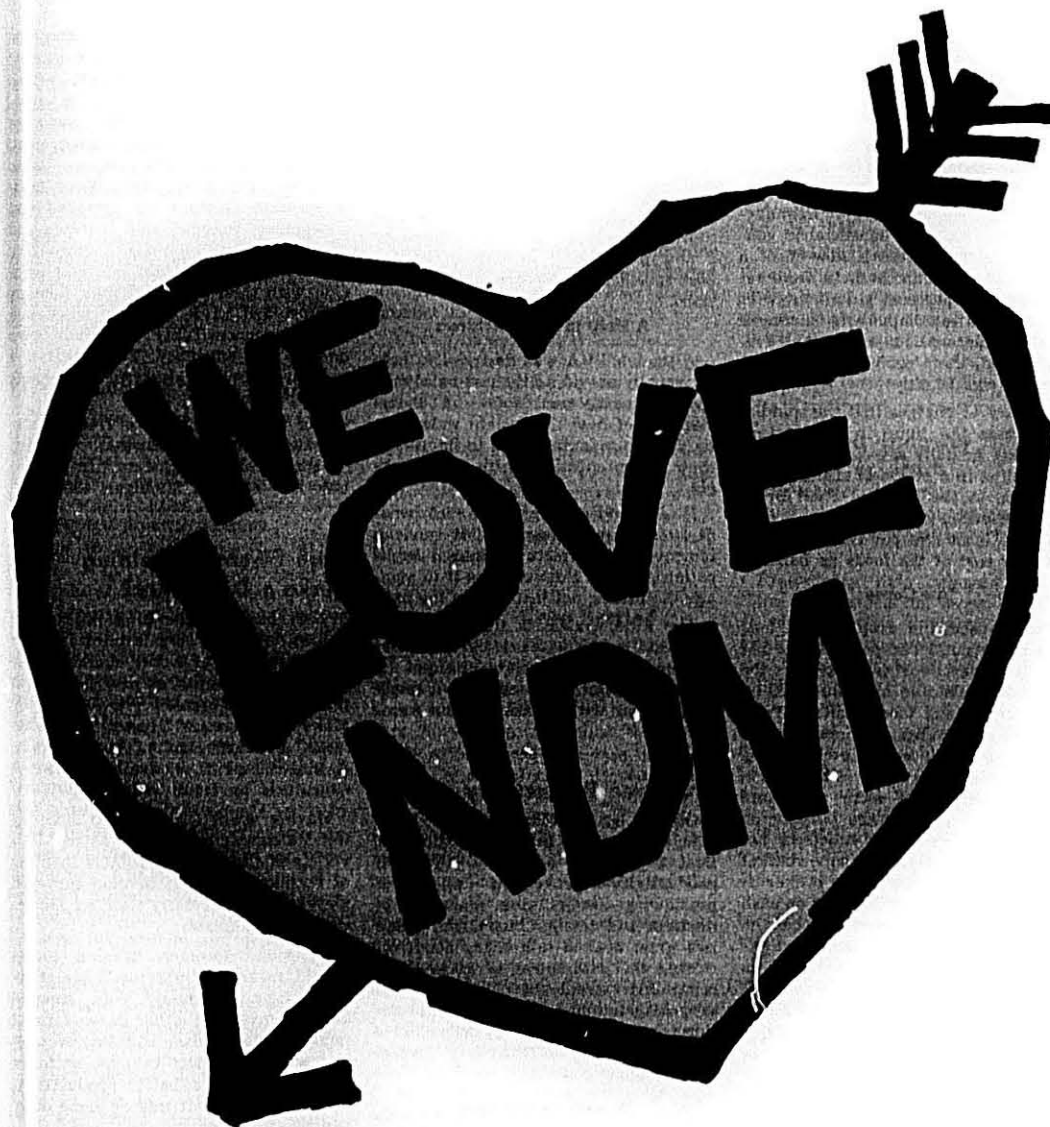
This record figure represents an increase of 4.6 billion over 1972 when 23.4 coupons were distributed. As a further comparison, 20.3 billion coupons were distributed in 1971 and 16.4 billion distributed in 1970. These estimates include all regular cents-off coupons issued by manufacturers, but exclude in-ad coupons circulated in retailer newspaper advertising.

As they have in the past, newspapers continue to account for about half of all cents-off coupons distributed in the country. Magazine coupons indicate a slight increase while Sunday supplement coupons show a small decrease. A comparison of coupon distributions by media for 1972 and 1973 is shown below:

% of Coupons Distributed	1972	1973
Newspapers	51.3%	50.7%
Sunday Supplement	19.6%	17.8%
Magazines	15.9%	17.7%
Direct Mail	5.9%	6.9%
In/On Pack	7.3%	6.9%

Soup-Mein Coupon

New 1974 entry into the food field is an Oriental Style Noodle Soup marketed by Golden Grain. Brand named Soup-Mein it is being introduced during the winter and spring months in 22 daily newspapers with multiple scheduled ads featuring a 5¢-off store redeemable coupon. Marketing area is the Bay Area, Northern California and Reno.



Love Story

We get letters. People like you write to say how much they like our durum products. They can always be sure of the same consistent high quality, time after time. Our new, modern milling facilities have quality control that is beyond compare. When you want the finest macaroni products, you start with Durakota No. 1 Semolina, Perfecto Durum Granular or Excello Fancy Durum

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Brokers Plan to Check Profit Margin Slide

Because of the favorable cost ratio their services generate, food brokers now handle more than 53 per cent of all food manufacturer sales to retail outlets.

However, this system that manufacturers have found so beneficial in controlling distribution costs now faces a serious threat. While brokers were registering a 50 per cent growth in sales volume with accompanying increases in earned commissions in a recent five-year period, their profit margins were dropping significantly.

Contrary to charges that the middleman causes the jump in food prices, the broker actually saw his profit margins decline in a period of rising prices. According to the National Food Brokers Association, the use of a broker shaves at least five per cent from the consumer cost of the foods he handles.

The Cause

What caused the drop in the food brokers' margins? The prime factor has been the general cost increase plus the increased demand on his time made by his principals and food retailers. Principals are requesting considerably more varied marketing and merchandising services than previously. Meanwhile, broker salesmen are more and more being pressed into service performing shelf stocking and other functions because of the shortage of supermarket personnel. As a result, the broker is spending much more of his time on each of the products he represents than he did in the past. It is this increased expenditure of time (much of which is uncompensated for) that has shrunk the broker's profit margin drastically.

As this situation was developing, NFBA took action and commissioned an on-going program designed to improve its members' work efficiency by giving them more professional management tools.

First step in this program was a background study of the industry which led first to the development of an accounting-oriented system to help brokers set up financial and control techniques, and then to the just-completed third phase.

Principal Value Analysis

Called Principal Value Analysis(TM), this phase was developed for NFBA by Herron-Kienzle Associates, Westport, Connecticut.

PVA provides the broker a detailed assessment of the impact of individual principals on his operations. It does so by measuring all the work the broker organization performs in servicing its

principals; then isolating precise reasons for discrepancies between income from principals and the broker's efforts to earn it; and finally—for the first time—developing a dollar value for each component of the broker's total service, from warehouse to store shelf.

In addition, PVA provides guidelines which enable a broker to evaluate more precisely the potential offered by a new principal or product as well as cost specifics of new product introductions.

A Help to Manufacturers

Although PVA was designed to help brokers by providing them more sophisticated management tools, an understanding of how the system works can be vital to manufacturers in improving their communications with their brokers.

Broker and principal will each benefit from increased productivity and an improved profit picture through application of PVA. Both can use it to manage the future, not just review the past.

The PVA system is the result of a year and a half of work by a team at Herron-Kienzle Associates headed by Robert W. Herron, president, in close cooperation with NFBA and its members.

Employee Productivity

Offered by the Manufacturers' Institute, three current reports provide practical suggestions and a do-it-yourself productivity-improvement plan for presidents, owners, and managers of medium and smaller businesses. There is a great deal of talk today about restoring the willingness to work, about rebuilding employee attitudes—but very little actual how-to-do-it information is available, and what does exist is applicable only to the very largest businesses.

Worker Indifference

Yet the problem of low employee productivity, of worker indifference or even antagonism toward their employer, is as real—and expensive—in the small firm as in the large, and is widespread in businesses of every kind and size. Last fall the Manufacturers' Institute launched an intensive study of the subject, seeking out businesses where management had deliberately created or restored positive employee attitudes toward their work and their employer. Firms were found where unions had been voted out and where unions had lost elections or employees had refused an election. Successful turnaround situations were analyzed and studies made of significant scrap-reduction programs. From this was

developed a step-by-step program, applicable to any medium or smaller firm in almost any business, which can be used to establish a positive, cooperative climate for teamwork between employees and management, with less scrap, absenteeism, labor turnover, and inefficiency. When communication barriers are removed and antagonism reduced, and irritants and petty injustices eliminated, employees find the company's best interests coincide with their own and they take an interest and pride in their work and assume responsibility for their own quality and efficiency. The result is a happier, more productive, and much more profitable business.

The three reports are free to any president, owner/manager, or top executive. Manufacturers' Institute—Box 228—Oxford, Michigan 48051.

Does Foremen Training Make a Difference?

With business spending millions of dollars on supervisory training in order to improve operations, does anyone examine the results? A new survey entitled, "Does Foremen Training Really Make a Difference?" has just been released by Professor A. A. Imberman. A single reprint is available free to executives by letter request.

Having spent 21 years in directing the Management Seminar at the University of Chicago and Illinois Institute of Technology, Dr. Imberman surveyed the various supervisory training courses used by businesses.

"A sound foremen training course should make a difference," his study emphasizes. "It should show measurable improvement either in the form of reduced absenteeism and turnover or less waste, or fewer returns, or fewer quality rejects, or better productivity, or a lower accident rate or some other benefit."

"Many foremen training courses are too general and do not use actual examples or cases from a supervisor's own plant or office. Such courses lead to no performance improvement. Unless the course is intimately related to the working environment of the supervisor's particular plant or office, it will be ineffective."

"Typically, we found, if companies invested \$10,000 in a new piece of equipment, they would expect certain measurable benefits from that investment. But they will invest \$10,000 in supervisory training and not expect any measurable results to flow from that training effort. This is a mistake in personnel policy."

Dr. Imberman's study covers the typical supervisory training courses used in manufacturing (assembly fabrication as well as processing), wholesaling, retailing, and service (banks, insurance and hospitals). Charts show results some companies have been able to achieve with closely monitored foremen training.

Single reprints of the summary report are available free to any executive by request to: Dr. A. A. Imberman, Imberman and DeForest, 209 S. LaSalle St., Chicago, IL 60604.

Private Label Buying Increases

Private-label buying increased in the last quarter of 1972 compared to the 1971 quarter, according to a study focused on household shopping behavior, with relation to private label and branded grocery products.

Using 10 product categories, \$170.3 million or 13.2 per cent was spent on private-label brands in the last quarter of 1972, compared to \$158.8 million or 12.9 per cent for the same quarter the year before. More than 1.2 billion retail dollars was spent for the categories in the final quarters of both years, the study stated.

Commissioned by Woman's Day magazine and conducted by Marketing Research Corp. of America, the study used a representative sample of 7,500 homes regarding 10 product categories: Coffee, canned juice, fruit spreads, margarine, frozen fruit concentrate, packaged dinners, laundry brighteners, canned or packaged rice dishes, dry dog food and mayonnaise and salad dressing.

Of all U.S. households, 39.7 million or 61.1 per cent bought private label, reflecting a 1.6 million or 1 per cent increase.

A slight decline, 38.4 per cent compared to 39.6 per cent the previous year, was found among those households buying only national brands. An increase of 5 per cent in the total amount of money spent for branded and private-label products was noted, although expenditures for private-label alone increased 7 per cent.

More Households

While the total of U.S. households increased 2 per cent from 1971 to 1972, the study pointed out that households buying private labels in any of the 10 categories rose 4 per cent.

The study broke down the 61.1 per cent of private-label buyers into three groups: Heavy (7.6 per cent), medium (24.4 per cent) and light or occasional (49.1 per cent). The breakdown varied minutely from the year before.

Each group accounted for one-third of the amount spent on private-label products. However, heavy buyers spent 60.2 per cent of their dollars on private label, while the medium group spent 33.4 per cent and the light buyers spent 9.6 per cent. Again, the difference between the comparative periods remained virtually unchanged.

Results showed most households concentrate their buying of both branded and private-label items to four to eight product categories.

When private label is considered by itself, more than 60 per cent of the private-label buying homes buy largely in one (37.9 per cent) or two (26.1 per cent) categories.

In a question dealing with consumer promotion response, it was shown that households purchasing private label are somewhat more prone to buy promotions than households buying only branded items.

Topco Court Case Settled

Because of the possible application of the Department of Justice case against Topco Associates, Inc., many institutional buying groups and their members have been watching the court battle with interest. The case is finally settled by a trial court decree. Topco can establish a partial territorial integrity, but cannot protect or establish territorial exclusivity for any of its members. It can: 1) designate areas of prime responsibility; 2) designate the location of the place or places of business for which a trademark license is issued—but cannot withhold or withdraw such a license in order to create or protect territorial exclusivity for a member; 3) can determine warehouse locations to which it ships product, providing the determinations are based solely on sound business considerations; 4) can terminate membership of any organization which does not adequately promote the sale of its products; and 5) can formulate agreements for reasonable compensation for good will developed by a member firm in a geographic area in which another member firm begins to sell Topco products ("pass-overs").

Backhauling Approved

The Federal Trade Commission in a new advisory opinion will allow manufacturers to offer their customers two prices: either an F.O.B. dock price or a zone-delivered price. The two-price system, of course, would have to be offered to all qualified customers.

Such a system would permit supermarkets with their own trucks to make

pickups at a manufacturer's plant or a regional distribution point. Under FTC policy, such backhauling is illegal because the commission has ruled it discriminates against customers that don't have their own trucks.

The commission action will supersede FTC advisory opinion No. 147, issued Oct. 24, 1967.

In addition to declaring backhauling illegal, that opinion upheld the legality of the zoned-price system. Under that system, manufacturers and warehouse distributors charged the same prices to customers closer to the distribution facility than customers farther away.

Corrugated Industry Posts 7.1% Gain

Shipments of corrugated boxes in 1973 totaled 227 billion square feet, a 7.1 per cent increase over 1972's 212 billion.

Preliminary data released by the Fibre Box Association showed that use of the industry's products is closely following the long-term growth forecast for the decade of the '70's.

Shipments in 1970 were down 0.4 per cent, in 1971 up 3.8 per cent, and in 1972 up 10.5 per cent. Projected growth for 1974, under the shadow of fuel shortages for users as well as makers of boxes, may be as low as 1.5 per cent.

West Coast shipments showed the greatest 1973 gains, up 9.5 per cent. The region's share of national shipments increased almost a third of a per cent, to 14½, continuing another long-term trend.

The tremendous surge of shipments in the first half of the year brought new volume records in June of 1973. In the past, new records have most frequently been set in the fall, coinciding with the harvesting and processing of food crops.

The slowing rate of economic growth in the second half of the year resulted, for the first time, in first-half corrugated shipments exceeding the second half.

The industry's 1973 shipment growth exceeded the paper mills' production gains, resulting in tight inventories. Of the 62 million tons of all types of paper and paperboard produced last year, 17 million tons were containerboard for domestic usage, primarily for corrugated boxes. This is a 6.3 per cent production gain.

Box plants utilized 18.3 million tons, 7.5 per cent more than in 1972.

Inventory tonnage remained virtually unchanged but, with higher average weekly usage, the weeks-of-supply equivalent is down.

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- 49% stock ownership in Porter-Scarpelli Macaroni Company, Portland, Oregon. Porter-Scarpelli Macaroni Company is engaged in the manufacture and sale of dry pasta products primarily in the State of Oregon.

These sales are pursuant to Federal Trade Commission Divestiture Order. If interested in either or both of these companies write to:

Macaroni Journal
P. O. Box 336
Palatine, Ill. 60067

Kraft Dinner Recall

Kraft Foods said it recovered most of the 2.2 million packages of macaroni-and-cheese dinners ordered recalled by the Food & Drug Administration. Contamination from salmonella was feared.

Most of the product was found in warehouses. A Kraft spokesman said the contamination is believed to have come from drying equipment in the company's Springfield, Mo. plant.



St. Moritz Hotel, New York City

Packaging Seminar

The National Macaroni Manufacturers Association is holding a Packaging Seminar at the St. Moritz Hotel, 50 Central Park South, New York City, on April 22-23, in conjunction with the Packaging Show. The hotel is only a short distance from the Coliseum.

The 43rd National Packaging Exposition sponsored by the American Management Association and the Society of Packaging and Handling Engineers will have the theme "Packaging in a Shortage Crisis."

This year's Exposition is called the "Answer Show," reflecting its emphasis on providing new approaches to packaging in a shortage crisis. Exhibitors are being mobilized to act as Answer Men on questions of dealing with shortages of their products and services.

The NMMA sessions Monday and Tuesday will review package design with Universal Product Code and Nutritional Labeling, materials, machines and methods.

On Tuesday evening, April 23, a dinner party is being planned at the Rife Club to honor Charles C. Rossotti, dean of macaroni packaging suppliers.

Plant Engineering & Maintenance Show

A special session on "What the Plant Engineer Can Do to Encourage Energy Savings" has been added to the program for the National Plant Engineering & Maintenance Conference, it was announced by Clapp & Pollak, Inc., the New York exposition management firm.

The conference and the National Plant Engineering & Maintenance Show take place at the Cleveland Con-

vention Center, Mar. 18-21, 1974. Both, held first in Cleveland in 1950, will be observing their 25th Jubilee in '74.

Speakers for the special session will be announced later. The special session will take place Monday, the opening day, and will run concurrently with three other sessions. These will follow immediately after the opening plenary session Monday morning, also devoted to the energy crisis. Charles J. Meehan, corporate vice-president for research and engineering, Rockwell International, El Segundo, Calif., will speak on "Conserving Energy: Corporate Challenge and Response."

Session on OSHA

For the first time, a second plenary session will be held. This will take place Tuesday morning when a panel of three will discuss "OSHA: Achieving Successful Plant Compliance." The panelists include Kenneth Bowman, area director, Occupational Health & Safety Administration, U.S. Dept. of Labor, Cleveland; Clarence L. Soullard, Jr., manager of safety and industrial hygiene, The Budd Co., Troy, Mich., and William R. Mille, manager, corporate safety and workmen's compensation administration, Goodyear Tire & Rubber Co., Akron, Ohio.

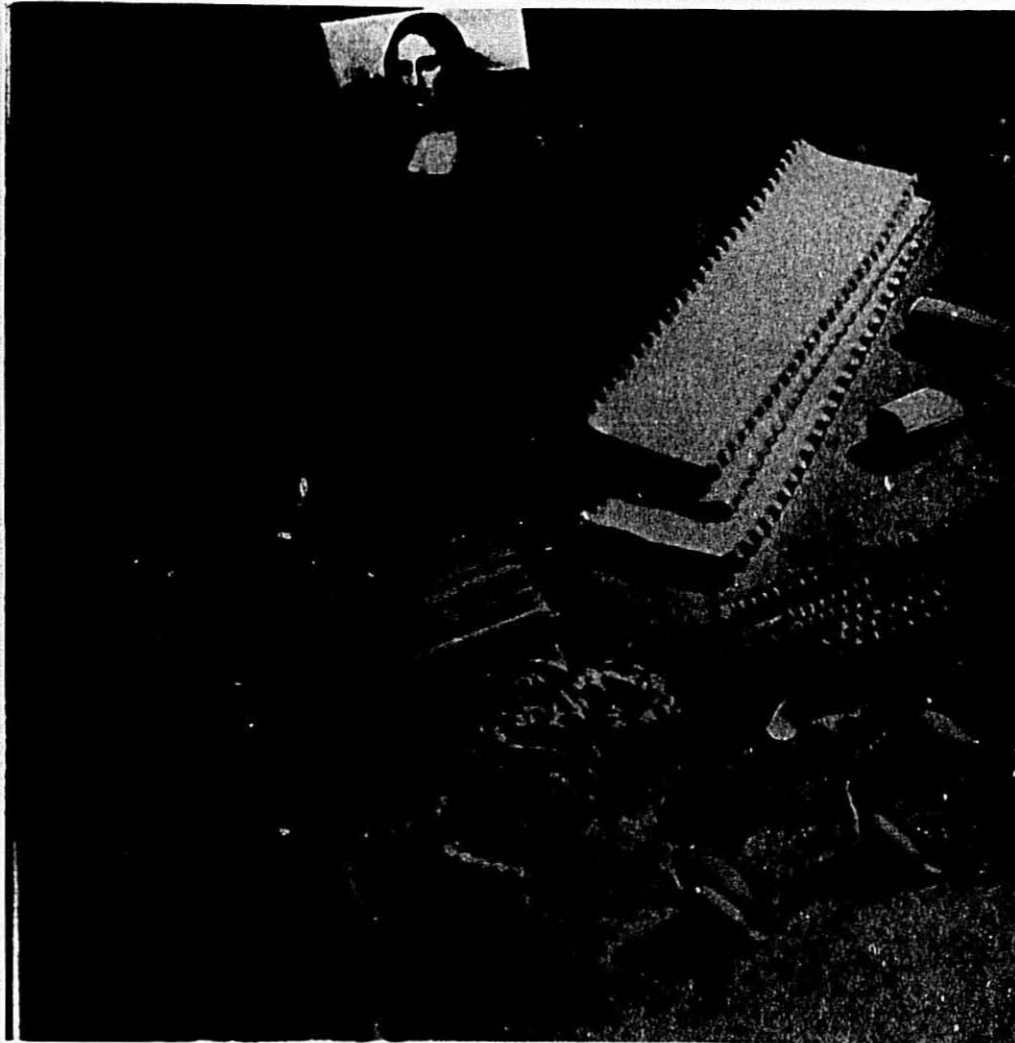
The show will mark its 25th year by moving to first place among annual industrial expositions. Many hundreds of companies will participate as exhibitors to demonstrate equipment and products designed to keep factories running at maximum speed and lowest cost. Many of these demonstrations will be oriented toward the two pressing problems facing plant engineers today, energy and OSHA.

Workshops

In addition to the show and conference, there will be two all-day Supplementary Workshop Seminars on Thursday, Mar. 21. One will consider "OSHA: Engineering and Management of Plant Safety." The other will discuss "Savings: Maintenance, Replacement, Lubrication."

About 21,000 executives are expected to attend, including about 3,200 who will register for the conference. The conference is one of the largest engineering gatherings of the year. Over the 24-hour period, a total of 434,602 have registered for the show.

A "Visitors Guide" has been published which lists program topics, names of exhibiting companies, types of products to be demonstrated, hotel information and similar details. It is available without charge from Clapp & Pollak, Inc., 245 Park Ave., New York, N.Y. 10017.



LITTLE MASTERPIECES

Macaroni, spaghetti, vermicelli, lasagne, ziti, shells, linguine, mafalde, tripolini, orzo—and many, many more.

They're all pasta—they're all different—and they're all masterpieces made by artists with a true love for and dedication to their profession.

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