

**THE
MACARONI
JOURNAL**

**Volume 60
No. 7**

November, 1978

Macaroni Journal

233990

NOVEMBER, 1978



Washington Meeting

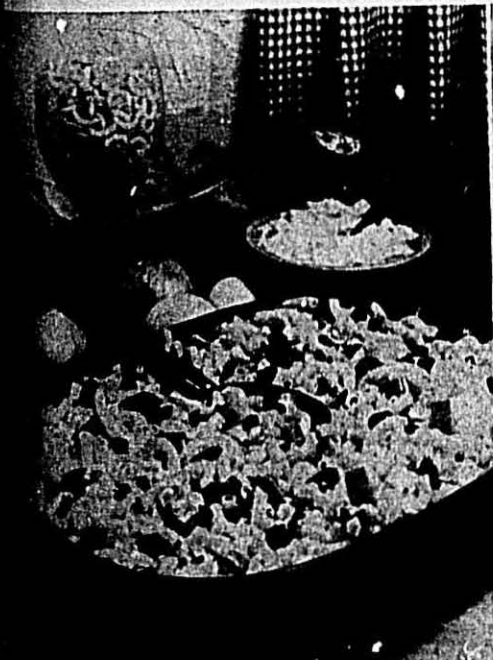


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Nissin Noodles

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In This Issue:

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Nissin Noodles

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Electric Time



... Government ...
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They Are Not Noodles

... They are not noodles ...
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 ... Nissin ...
 ... the noodle ...

Twelfth Annual New York Press Party

Paul Vermeylen, president, National Macaroni Institute, welcomed guests attending the twelfth annual Macaroni Family Reunion. In addressing the group, Mr. Vermeylen pointed out the convenience of cooking with pasta noting that the recipes selected for the Reunion luncheon were adaptable to "Quarter-of-an-Hour" menus when prepared with modern kitchen appliances such as food processors and microwave ovens.

The menu to which he referred featured three pasta specialties. Spaghetti a la Salsa Pommarola dressed spaghetti with a tomato sauce lightly seasoned with onion, garlic and fresh basil leaves. Baked Ziti Pescatore was a medley of pasta and seafood. The ziti, tossed with butter and parsley, then baked with mussels, shrimp and clams was blended with only enough onion, garlic, oregano and dry white wine to accept the flavors of the fish and pasta. Fettucine Con Salsa Ciacciaro combined noodles with prosciutto, mushrooms, petit pois and Parmesan cheese.

Each of the dishes, prepared traditionally for the luncheon, has been adapted by National Macaroni Institute home economists for fifteen minute menus. Food processors and microwave ovens make the transition possible. Also included are conventional cooking directions for those with more time to spare.

To complete the menus, follow the pattern as enjoyed by members of the press and macaroni manufacturers at Tiro A Segno, the private club renowned for Italian cuisine, on MacDougal Street in Greenwich Village.

Select the pasta entree. As the pasta cooks, toss greens for a first course salad. Offer fresh fruits and cookies for dessert.

MENU

Green Salad—Oil Vinegar Dressing

•

Spaghetti a la Salsa Pommarola

Baked Ziti Pescatore

Fettucine Con Salsa Ciacciaro

•

Fresh Fruits

•

Assorted Cookies

•

Expresso

•

WINES

Ruffino Chianti
Ruffino Soave

Spaghetti a la Salsa Pommarola (Makes 6 servings)

12 ounces spaghetti*

Salt

4 quarts boiling water

1 small onion, quartered

2 cloves garlic

¼ cup olive or salad oil

2 fresh basil leaves

2 pounds ripe plum tomatoes, peeled

if desired or 1 can (35 ounces)

plum tomatoes**

Small basil leaves for garnish

Gradually add spaghetti and 1½

tablespoons salt to rapidly boiling

water so that water continues to boil.

Cook uncovered, stirring occasionally,

until tender. Drain in colander.

While spaghetti is cooking, process,

until finely chopped, onion and garlic

with cutting blade in food processor.

Transfer to 3-quart microwave-proof

casserole. Cover and microwave 4

minutes, stirring after 2 minutes.

Process tomatoes until finely chopped

in food processor. Add to casserole.

Cover and microwave 10 minutes,

stirring after 5 minutes. Meanwhile,

process basil leaves until coarsely

chopped in food processor. Stir in

chopped basil leaves, ¾ teaspoon salt

and pepper into tomato mixture. Serve

over spaghetti. Garnish with fresh

basil leaves.

Conventional method: Chop toma-

atoes in electric blender or put through

food mill. Chop onion and garlic. In

medium saucepan, saute onion and

garlic in oil 2 minutes, stirring often.

Add tomatoes. Simmer, uncovered, 30

minutes. Stir in chopped basil, salt

and pepper. Serve as above.

*Thin spaghetti may be used, if

desired.

** Drain canned tomatoes. Use only

½ cup tomato liquid.

Baked Ziti Pescatore

(Makes 6 servings)

8 ounces ziti (about 3 cups)

Salt

3 quarts boiling water

1 tablespoon butter or margarine

8 sprigs parsley

1 small onion

1 large clove garlic
2 tablespoons olive or salad oil
½ pound shrimp, shelled and cleaned
1 cup shucked clams
2 pounds mussels, shucked
½ cup dry white wine
¼ teaspoon oregano
Dash pepper

Gradually add ziti and 1 tablespoon salt to rapidly boiling water so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander. Return to cooking pot. Toss with butter. While ziti is cooking, process, until chopped, parsley with cutting blade in food processor. Reserve. Add onion and garlic to food processor. Process until chopped. Combine onion, garlic and oil in 3-quart microwave-proof casserole. Cover and microwave 2 minutes, stirring after 1 minute. Process shrimp and clams until chopped in food processor. Add to onion mixture with mussels, wine, oregano, pepper and ¼ teaspoon salt. Cover and microwave 4 minutes, stirring after 2 minutes. Stir in parsley. Add ziti; toss well. Cover and microwave 5 minutes, turning dish after 3 minutes.

Conventional method: Chop parsley, onion and garlic. Chop shrimp and clams. In large skillet, saute onion and garlic in oil until tender. Add shrimp, clams, mussels, wine and seasonings. Cook until shrimp turns pink. Combine seafood mixture, cooked ziti and parsley in 3-quart casserole; toss well. Cover and bake in 350° F. oven 15 minutes.

Fettucine Con Salsa Ciacciaro (Makes 8 servings)

1 pound fettucine or medium egg

noodles (about 4 cups)

2 tablespoons salt

4 to 6 quarts boiling water

½ ounce Parmesan cheese

¼ pound prosciutto

¼ pound mushrooms

½ cup butter or margarine

1 can (8½ ounces) petit pois, drained

4 egg yolks, beaten

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

While fettucine is cooking, process, until ground, cheese with cutting blade in food processor. Reserve. Add prosciutto and mushrooms. Process until chopped. Transfer to 3-quart microwave-proof casserole. Add butter. Cover and microwave 2 minutes, stirring after 1 minute. Add fettucine and peas; toss gently. Add egg yolks and cheese; toss until well mixed. Cover and microwave 5 minutes, turning casserole after 2 minutes.

Conventional method: Chop prosciutto and mushrooms. Melt butter in large skillet; saute prosciutto and mushrooms 3 minutes. Transfer to 3-quart casserole with fettucine and peas; toss gently. Add egg yolks and cheese; toss until well mixed. Cover and bake in 350° F. oven 20 minutes.

Note: Prosciutto may be omitted; increase mushrooms to ½ pound.

Wines

Wines served at the twelfth annual Macaroni Family Reunion were Ruffino Chianti Classico and Soave Classico Superiore. The Ruffino Chianti Classico is produced from select grapes grown in the Chianti Classico area of Tuscany which impart this wine's typical fruity and robust aroma, ruby red color and dry, well-balanced taste. Its sleek new proprietary all-glass Florentine bottle finally provides the wine the classic image it deserves. The label proudly carries the official "Denominazione d'Origine Controllata" designation—the Italian government's guarantee this wine is true Chianti Classico. Ruffino Chianti Classico should be served at cool room temperature with hearty meats and cheese.

The most choice grapes from the beautiful ironstone area around Lake Garda give Ruffino Soave Classico its fresh, dry and delicate taste. The well-balanced and charming wine is best served chilled in light dishes, cold plates and seafood.

The wines are imported by Schiefelin & Co., New York, NY.

The National Macaroni Institute

The National Macaroni Institute was established 30 years ago as the educational and informational arm of the National Macaroni Manufacturers Association. The Association was



New Macaroni Association Officers admire new industry cookbook. Paul Vermeylen of Fair Lawn, New Jersey, second from left, begins his 2-year term as president of the National Macaroni Manufacturers Association with the launch of the new industry cook booklet, "America Entertains At Home . . . with Pasta". Happily savoring the featured pasta entrees are, left to right, first vice president, Lester Thurston of Jersey City, New Jersey, outgoing president Lawrence Williams of Minneapolis; and second vice president Joseph Viviano of Lebanon, Pennsylvania. The new booklet, highlighting convenience menus that can be prepared in a quarter-of-an-hour is a major industry promotional vehicle for the coming year.

founded by a handful of men in 1904 who met to discuss manufacturing and marketing problems in the growing pasta business.

The purpose of the National Macaroni Institute is to educate consumers and opinion leaders to the good taste, nutrition and versatility of macaroni products. Millions are exposed each year to the advantages of pasta in newspapers, magazines, on television and radio shows and through movies, pamphlets and other collateral materials.

The \$800 million a year industry produces better than 1.8 billion pounds of macaroni annually. Only Italy, birthplace of pasta, produces more macaroni products.

There are literally hundreds of macaroni shapes and sizes of pasta, but the big three are elbow macaroni, which accounts for 30-35 percent; spaghetti, 40 percent; and egg noodles, 20 percent.

The first commercial macaroni plant in the United States was founded about 1848 located in the shadow of the old Brooklyn bridge in New York. Today there are an estimated ninety companies operating coast to coast.

Current president of the National Macaroni Institute is Paul A. Ver-

mylen, of Fair Lawn, New Jersey, President of A. Zerega's Sons, Inc. Executive secretary of the group since 1948 is Robert M. Green, headquartered in Palatine, Illinois.

New Recipe Booklet

"America Entertains At Home . . . with Pasta" is an invitation to enjoy meals at home which are fun, fast and easy. "Quarter-of-an-Hour" menus featuring pasta entrees are geared to the use of time-saving appliances . . . microwave ovens, food processors, blenders . . . for the time-conscious cook who prefers eating at home as a happy alternative to eating out. Conventional directions are included for those with more time to spare in the kitchen.

The booklet presents thirteen menus as guides to at-home meals which save time and money. Pasta favorites . . . Macaroni and Cheese, Spaghetti with Meat Sauce, Lasagne, Linguine with Parsley Pesto Sauce . . . are offered along with an appealing range of soups, salads and casseroles.

One of our fifteen menus goes together this way. As the macaroni cooks and Macaroni and Cheese Casseroles microwave, bananas and apples are

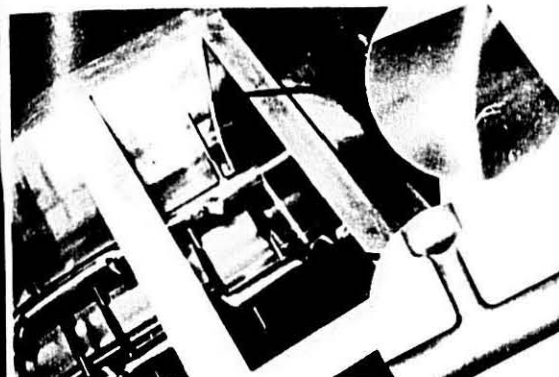
(Continued on page 8)



The only continuous macaroni mixer U.S.D.A APPROVED for use in meat and poultry plants under federal inspection

The United States Department of Agriculture, Consumer and Marketing Service, Protection Programs, Equipment Group has approved use of DEMACO Extruders

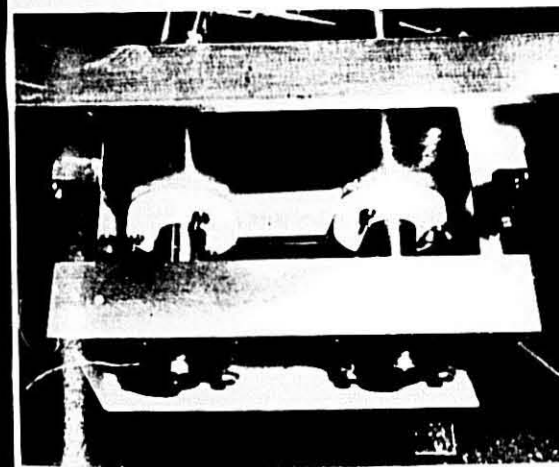
in Federally Inspected Meat and Poultry Plants. Each DEMACO Extruder so approved has the Continuous Macaroni Mixer shown here.



BACTERIA PROOF!

The DEMACO Mixer (shown on the left) has all welded and ground smooth stainless steel construction which eliminates any cracks and crevices which could harbor bacteria.

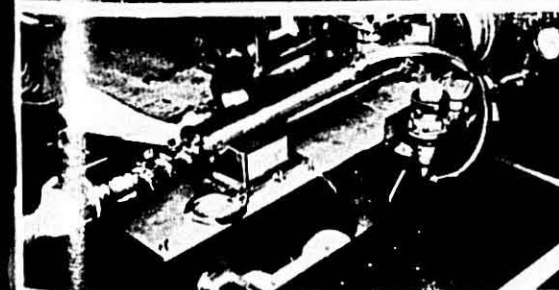
Mixer paddles are welded to the shafts with joints ground smooth as above, to eliminate probable trouble spots. Bearings and the gear box are located well away from the product zone.



OIL LEAK-PROOF!

The mixer shafts come through the stainless mixer end-plates. Delrin spacers seal the product zone. The mixer shafts continue into the gear box, where conventional packings are used.

There is sufficient space between the delrin spacers and the gear box to allow for ready cleaning. The delrin spacers prevent any seepage of gear box oil into the product zone.



EASY TO CLEAN!

Thumb screw construction allows the airlock to be easily dismantled for rapid cleaning. Using a small special wrench and removing thumb screws makes cleaning the Pre-mixer a simple task. The all-stainless, no-crease mixer basin lets you clean with liquids without fear of rust.

Want more details? Contact **DE FRANCISCI MACHINE CORP.**
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Nissin Noodles

(Continued from page 3)

There are Japanese spaghetti products on the market too: Sanwa Foods' Spaghetti-to-go and Suddenly Spaghetti. These come in four flavored sauce mixes: meat, meatless, cheese, and mushrooms, with thermal bowl. General Mills, Nestle and Lipton have similar products on the market.

There is obviously a double standard for standards of identity if the Food & Drug Administration allows these products to be called "noodles and spaghetti." When the Standards Committee of the National Macaroni Manufacturers Association took the matter up with FDA they were told that Oriental Noodles had been permitted as an exception to the Macaroni Standards of Identity since 1948 but must be qualified as Oriental in the same size type as the word "Noodles." The Japanese products are not doing this in the trade-names. FDA also said it would look into the spaghetti labeling.

The Food & Drug Administration, Department of Agriculture and Federal Trade Commission are holding hearings around the country on consumer concerns about food labeling. It was suggested that this would be a good forum to call attention to the mislabeled Oriental Noodles. The Standards Committee choose not to do this as it would antagonize the agencies. The alternatives are to continue negotiations in the hopes of a favorable ruling, challenge the current policy in court, or accept the application of a double-standard for the name of noodles.

The Editor

New Recipe Booklet

(Continued from page 5)

sliced for a first course fruit cup. Frozen mixed vegetables are heated as an accompaniment for the casseroles. Chocolate cake, purchased at the supermarket, is offered for dessert.

There are sections on Cooking Tips, Buying Appliances and a Pasta Update furnishing information regarding pasta nutrition, purchasing, storage and serving.

It is hoped "America Entertains At Home . . . with Pasta" will inspire you to prepare more pasta meals in your own kitchen, and adapt favorite recipes to the age of appliance cookery.

Copies of the booklet are available by sending 55 cents for each to cover postage and handling to: The Macaroni Journal, P.O. Box 336, Palatine, IL 60067.



Rice-A-Roni, star performer in retail grocery stores across the country, is celebrating its 20th Anniversary. What began two decades ago in San Francisco as an Italian family dinner dish has grown to become a big favorite with homemakers everywhere. Rice-A-Roni is the leader in its product category. Today, on this happy anniversary, shoppers are buying more Rice-A-Roni than all other rice mixes combined.

Lite-Lunch

Thomas J. Lipton, Inc., Englewood Cliffs, N.J., is joining the instant hot-meal field with national introduction of Lite-Lunch. Retailing at about 63¢, the 4-oz. boxed product contains two envelopes, each of which makes one cup of instant lunch when boiling water is added. Flavors are beef, chicken, oriental style, stockpot vegetable, macaroni and cheese, Italian style and a la king. TV spots, radio, ads in womens and dual magazines, and P-O-P materials will support the introduction.

More Mueller Advertising

The quarterly report of Foremost-McKesson, Inc. for the three months ended June 30, the first quarter of fiscal 1979, observed that "the Food Group's results matched last year's solid performance in spite of increased expenditures for market expansions for its pasta, yogurt products and other product development." Foremost's pasta operations are led by the C. F. Mueller Co.

First quarter earnings of Foremost totaled \$13,161,000, equal to 91¢ a share on the common stock against \$8,877,000, or 64¢. Net sales were \$819,401,000, compared with \$715,800,000.

Pasta Sale in Australia

Summer Hill, N.S.W., Australia—Allied Mills, the Australian milling and baking company, has acquired 50% of Pasta Foods, a leading producer of spaghetti and related products. In a transaction valued at \$91.5 million, Allied Mills brought the shares of Pasta Foods previously held by Dalton Bros.

Besides its interests in milling and baking, Allied Mills is a leader in the fats and oil business and has a stake in the grocery and meat trade.

In proposing that servings of bread be set on a weekly requirement basis rather than a daily requirement, U.S.-D.A. last year pointed out that this would provide added flexibility in menu planning. In the interim rule, the Department notes that concern has been expressed that the provision will allow schools to provide the total weekly requirement in two or three days instead of being distributed throughout the week.

"This provision," the notice says, "remains unchanged in interim regulations and a final division on the feasibility and acceptability of this provision will be based on evaluation of results from field testing of the interim regulations."

Spaghetti Sauce Plant

Lee Industries, Inc., Philadelphia, Pa., has been awarded a contract in excess of \$300,000 by Aunt Millie's of Hawthorne, N.Y. to design and install a new processing system at its New Congers, N.Y. plant. The system will include three (3) 1,000 gallon cook tanks, a 2,000 gallon slurry tank, scrubber, CIP system, instrumentation and controls, and all piping, valves, etc.

The new system will be designed to process Aunt Millie's spaghetti sauce and mustard, and is scheduled to be on stream early in 1979. The plant layout and controls will be sized and equipped so that additional vessels can be easily added at nominal expense as production requirements dictate.

FIGHT 'EM - OR JOIN 'EM

There are none so blind as those who will not see . . . throughout the nation . . . in small communities, and in our largest cities . . . everywhere pasta plants are being gobbled up by foreign giants or American conglomerates!

You know it! — You see it! You read about it in the papers! Wherever there is a macaroni company with potential . . . that is the yardstick — potential sales is where the big boys are ferreting out the situation . . . whether to buy out the local plant and by marketing methods and popular profitable products build the latent dollar income . . . or invade from adjacent territory and seize sales from the supplier who is unaware of his market's full sales possibilities.

We have helped our friends in the business BOTH WAYS. Where a family wanted to retire, we have secured a buyer and secured the top sales dollar. Where an owner was prepared to drive his business, we have brought in marketing expertise, analysis of the territory, recommended wanted products, and supplied advertising and promotional know-how . . . all to capitalize on the capital that is waiting to be brought to the surface. Where advisable, we have directed the present personnel or brought in new blood where needed.

We are proud of the reputation that Rossotti has in maintaining sacred all the confidences that have been placed in us over the years.

We would be glad to discuss any of these situations any time in complete confidence and without any obligation whatsoever.

Charles C. Rossotti, President

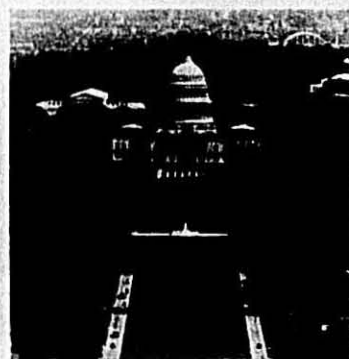
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WASHINGTON MEETING



Briefing Session

More than forty macaroni manufacturers and suppliers attended the Washington Meeting in mid-September. It started out with a briefing session at the U.S. Chamber of Commerce. Jim Morris, senior economist, described President Carter's goals as cutting unemployment from 6.6 percent in 1977 to a long term 4.5 percent; reduction of the rate of inflation to 4 percent; a balanced budget by 1980; reform of government agencies; reform of the income tax laws. The President's dilemmas—he is a populist with conservative-fiscal policies which make for apparent inconsistencies, and these inconsistencies have led to his decline of popularity in the public opinion polls.

Ken Simonson, tax economist, reviewed the struggle in putting capital gains taxes back to the 1969 level of 25 percent. Senator Long, Chairman of the Senate Finance Committee, is trying to draft legislation that will avoid a White House veto. The timetable is up in the air, and Congressional adjournment is scheduled for about October 15, so representatives can campaign for reelection.

David Shapiro, labor relations attorney, described a national study commission with eight commissioners having three years to study minimum wages. Administration spokesmen have come out for a moratorium on the increase of minimum wage next year and support a youth differential of 85 percent of the prevailing rate for 18-24 year olds.

Chris Waisanen, labor relations attorney, declared OSHA is the most

hated bureau in Washington. When Dr. Bingham took over it was stated there would be revision for common sense methods. "We're still waiting for this to happen."

Dorann Gunderson, associate director, governmental and political participation programs, reported there would not be too many changes in the next Congress. Party labels are becoming less important. A conservative coalition is becoming a nationwide trend. Corporation and trade association political action committees have grown fourfold in the last four years and have a war chest of \$18 million for the coming election. At long last they may be giving organized labor a run for their money.

Luncheon on the Hill

Congressman Jack Kemp from the 38th Congressional District of New York State spoke after luncheon in the Rayburn House Office Building, explaining his philosophy as contained in the Roth-Kemp Bill to cut taxes over a three-year period by a third, to award risk taking, and job formation to curb the two problems of unemployment and inflation. He clearly described how the two are not opposites today, but they must be met head-on by the same principles that made the American economy the envy of the world through free enterprise.

Afternoon Program

In an afternoon session Rep. John LaFalce from the 38th Congressional District of New York State and Chairman of the Small Business sub-committee on product liability insurance, reported that premiums are outrageously and unfairly high and require a change in the tort laws. He charged that the insurance industry is guilty of panic pricing and over-reserving, and that self insurance by companies affected is not deductible. Counselor Harold Halpenny is keeping close tabs on this area of legislation, and we will keep you informed of developments in the bulletins.

Dr. Sandy Miller, director of the Bureau of Food, Federal Food & Drug Administration from the University of Rutgers, stated that agencies such as his in Washington have an enormous responsibility and ac-

countability. And, he added, there is an agency philosophy that says, "If you don't do anything, you won't get into trouble." Dr. Miller observed that pasta most closely matches the McGovern formula for nutrition, but the problem of food industry today is that nobody trusts anybody anymore, and tight regulations mean all products will be the same—killing innovation. The adversarial relationship between agencies and industry should cease, and industry should support research necessary to help the Bureau of Foods guarantee a wholesome supply for the American public. He noted that the food industry has few friends in Congress and is factionalized in its dealings with agencies. He also noted that pasta products are excellent carriers of nutrition, and that the labeling approach listing all ingredients is coming down the pike.

Dr. Edward Schuh, deputy assistant secretary of agriculture for international affairs and commodity programs, said wheat stocks will increase by 4 million tons outside the United States. U.S. stocks will decline, and the improved world outlook will cut exports.

Evening Reception

The noon luncheon and the evening reception attracted members of Congress and their aides and proved to be a very worthwhile effort.

Representative Jack Kemp

Congressman Jack Kemp from the 38th District of New York is a member of the Appropriations Committee and the Subcommittee on Defense and the District of Columbia. He has been on the Education and Labor Committee and task forces on Revenue Sharing, Drug Abuse and Privacy.

In a hard hitting presentation after lunch at the Rayburn House Office Building, he said:

"June 6 was the day more than 70% of the California voters said ENOUGH!

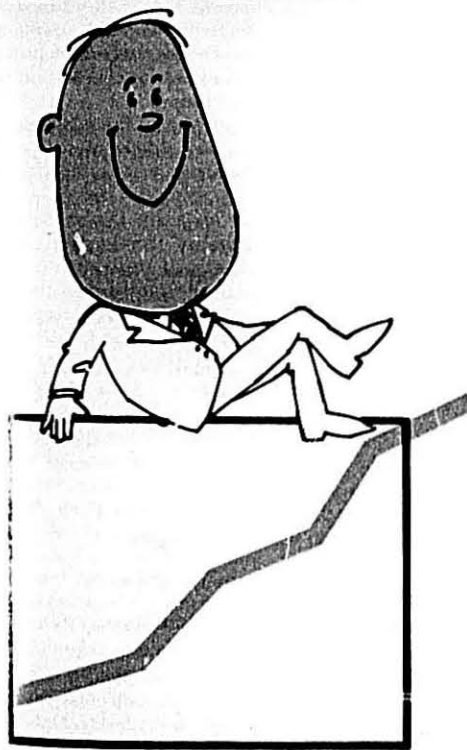
"Enough taxes, enough waste, enough bureaucracy.

"More and more state governments are following California's lead. But now it's time what's happening is

(Continued on page 12)

THE MACARONI JOURNAL

If you want sales, call the durum people.



When you start with the best in durum, you'll find your sales curve going up. There is a difference, and you and your customers will be able to taste the difference. If your label goes on a product, you want to be able to take pride in it. That's why you will want to start with the best: Durakota No. 1 Semolina, Perfecto Durum Granular or Excello Fancy Durum Patent Flour. Then sit back and watch your sales curve go up!

the durum people

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Representative Jack Kemp

(Continued from page 10)

state capitals across the country should happen in Washington, D.C. "I'm sponsoring a bill to cut your federal income tax rate by 33% over a three year period. In each of the next three years, you would pay about 10% less to the federal government.

"Today, a family making \$20,000 pays about \$2,480 in federal tax. Under my bill, they would pay only \$1,650, or a savings of over \$800. That's \$800 less for Washington and \$800 more for housing, education, recreation, investments or savings.

"If this is such a great idea, why hadn't it already become law?

"Because Jimmy Carter and his Democrat-controlled Congress are fighting it tooth and nail. They claim it's unnecessary: it will put a lot of bureaucrats out of work.

"My republican colleagues in Congress have joined me in this battle. But unless we elect more Republicans this year who will join us in this fight for a 30% tax rate cut, all may be lost.

"Support the commonsense, responsible candidates who will lead the fight to reduce government waste and cut tax rates. A change of only 12 votes would have passed my bill in the House of Representatives on its first try. The groundswell for less taxes and less government is not a fluke, but is real."

Lead Tax Revolt

Business people should become the leaders of the growing national taxpayers revolt, directing it against government overspending and over-regulation, U.S. Rep. Philip M. Crane, District 12, Illinois.

"As members of the business community, you are in a unique position to disseminate this message," Crane said.

The first announced Republican presidential candidate for 1980, Crane received a standing ovation after addressing 100 business leaders attending his annual business conference.

"Proposition 13 is like the 2-by-4 applied to the head of a mule to get its attention. But even in Washington, D.C., it would appear that they are getting some kind of message," Crane said.

The message is that government is hurting Americans by overspending



Congressman Jack Kemp

and then taking more and more of their income through taxes or the increased costs of government over-regulation of industry, Crane said.

Over-regulation is costing Americans \$150 billion a year, the equivalent of all the money paid in federal income taxes, Crane said.

"We are in very serious trouble today. We have become confused. I think our leaders are more confused than our people," Crane said.

Government officials have come to believe government can solve America's problems through regulation, Crane said.

"The thing we have to acknowledge is a little humility about government. The assumption in government now is that anyone in the private sector is crooked or vile. We're operating on the assumption that you're all mean, spiteful, vicious people," Crane said.

Inflation's Cause

Government deficit spending can be pointed to as the cause of the nation's current inflation spiral, Crane said.

The government must expand the nation's money supply to pay for its spending and "inflation, by a historic definition is nothing more than an expansion of the money supply," he said.

"Voters are sick and tired of inflation. They are being wiped out by inflation," Crane said.

Inflation not only means higher prices, it also means higher tax payments as people are pushed into higher and higher tax brackets as their wages increase, he said.

Discussing the possibility business may receive some tax breaks from Congress, Crane said, "You're still

going to end up paying more tax at the end of this year than you did at the beginning."

Government, at all levels, now takes 46 percent of the nation's economic output, Crane said. "When government is taking better than 50 percent we can no longer agree that we are a free people," he said.

Mr. Crane attended the NAWMA reception in Washington.

Stem Governmental Regulations, Wholesalers Told

The political climate today is conducive to controlling government regulations, a senior editor for Time magazine told the opening session of the National-American Wholesale Grocers' Association's Midyear Executive Conference. Marshall Loeb termed this an important step in reducing the rate of inflation and increasing productivity. He also maintained that mandatory wage and price controls would not be enacted in the foreseeable future.

A speaker for the industry at the same session, James D. Sweeney, NAWGA chairman and president of Waples Platter Cos., Fort Worth, was not optimistic about inflation and productivity. Nor was he convinced that wage-price controls would not be enacted, despite "the dismal failure" of the most recent experience with them.

A third speaker, Earl Butts, former Secretary of Agriculture, issued attacks on wholesalers as "middle men" and urged the industry to take a more positive stand in relation to the public. Richard Katzev, chairman of Fleming Foods, Topsham, Me., was chairman of the session and moderator of a panel discussion among the speakers.

Inflationary Economy

Sweeney referred to "our emerging insoluble inflationary economy" as the most important long-range problem facing the industry. Since there is no relief from inflation in sight, he said, "no ready solution to offer. We can only prepare ourselves as best we can for the inevitable demagogues and, perhaps most dangerous of all, the political backlash that is almost certain to come."

The most serious immediate problem that must be faced is accelerating labor costs, in his opinion. The labor market's nature of wholesaling requires a continuous increase in productivity. But this is becoming harder to achieve, Sweeney said.

Unlike past decades, most productivity advances in recent years have tended to be "in small increments," he said. There is a great opportunity for higher productivity in warehouse mechanization and in automation of warehousing functions, but Sweeney doesn't see this becoming a major factor for some time.

He conceded there is an inevitable move toward a mechanized industry, but said, "For most of us, the more sophisticated mechanization techniques still remain some years ahead. ... Many of us are going to look very carefully at the options before dumping the kind of capital required into extensive automation. During that interim period, almost our sole resource for the critically needed productivity will be better performance by our personnel. There is no other way."

Another inflationary factor, Sweeney said, is "the inevitable and impending extraordinary increases in transportation costs." Regardless of what action Congress takes on the energy bill, the present "artificially low" fuel costs are sure to rise, he said. Pending legislation on truck sizes and Interstate Commerce Commission regulations on drivers' hours and demurrage also could have a major cost impact.

The Labor Picture

In discussing the labor picture, Loeb noted that unions are in a "tough mood" because their size is declining in relation to the total labor force. As a result, he said, labor is losing its power in Washington despite the big Democratic majorities in both Houses of Congress. There is a possibility that the minimum wage increase, due to go into effect in January, will be postponed, in his opinion.

"It's a tough time for labor to be in a tough mood," Loeb said. "There are many important contracts to be negotiated in 1979, starting with the Teamsters union. Should there be strikes in important sectors, the important questions are whether the Adminis-

tration will "cave in, as it did with the coal strike, or hang tough—and how management will behave."

In the past, management also "gave in too easily," theorizing that high-cost contracts could be passed along in the form of price increases, Loeb said. "But there may be a different scenario next year from management and the White House."

To combat inflation, he said, the Administration is considering three steps: Wage and price standards, backed by arm-twisting; a declaration that anyone wishing to bid on a government contract must meet the standards, and a carrot-and-stick tax incentive program for wages and prices.

All of these can have a big impact on productivity, according to Loeb. Productivity has been low because of government regulations, labor resistance to new techniques and insufficient management stress. But the root causes are a low rate of capital investment, a high rate of taxation, oppressive regulations and the high inflation rate.

However, these are problems now recognized universally throughout our society, he said, even by the most liberal politicians. The tax thrust now is on growth and capital formation, rather than egalitarian taxation, he said. There will almost certainly be a reduction in the capital gains tax and, possibly, a reduction in the corporate tax rate.

To Curb Regulation

There also is an almost universal reaction against excessive regulation, Loeb said. "Regulation today is a dirty word; it's hard to get any new regulation put on the books." He suggested that industry take six steps to help curb regulation:

1. Hold it off by being "good citizens" in such areas as hiring and safety practices, pension plans and elimination of pollution.

2. Don't run to Washington every time there is a problem; this leads to new regulations.

3. Don't fight attempts to deregulate. Many businesses do this sub rosa, as a means of holding down intense competition.

4. Support people trying to push deregulation.

5. Demand an economic impact statement for every new rule and regulation.

6. Join with natural allies (minority groups) in fighting regulation. Minority groups realize that inflation, caused in part by regulation, hits the poor hardest. The big alliance in the 1980s will be between leaders of industry and minority groups.

To Curb Inflation

To curb inflation, Loeb called for a reduced Federal budget curbing regulation, restraining Social Security benefits, limiting Federal pay increases, cutting local taxes, holding down local and state pay increases, chopping farm subsidies and controls, repealing inflationary special-interest laws and postponing minimum wage increases.

During the question-and-answer session, Butz and Loeb said they were convinced that mandatory price and wage controls are not around the corner. Sweeney said he could not be so confident, quoting an article in the Wall Street Journal on their inevitability, written by Herbert Stein, former chairman of the President's Council of Economic Advisors.

They Mint Well

Washington's deficit spenders Put on quite a show for the nation. While claiming they're trying to find the cause

Of our number one problem: inflation. Long-suffering taxpayers, meanwhile, Can only pay up while they cuss, And hope Congress, some day, will wake up and say, "Inflation's chief cause is us!"

—George O. Ludcke

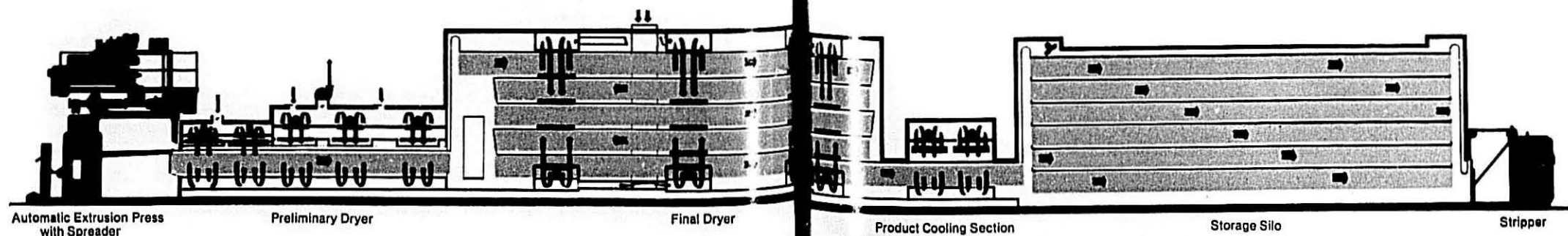
FMI Inflation Information

Food Marketing Institute, whose 900 company members operate 24,000 grocery stores, has developed a campaign to advise consumers how to spend their dollars during this inflationary period. Three informational pamphlets do the job: "21 Ways to Stretch Your Food Dollar"; "Pinching Pennies to Save Dollars"; "Pennywise Ideas for Saving Money at the Supermarket."

While the industry continues working to control operating expenses to exert downward pressure on food

(Continued on page 18)

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Product Liability:

An Examination of Alternative Remedies

from the Association Department, U.S. Chamber of Commerce

The product liability crisis was first apparent to many businesses in 1975, when there was an acute increase in product liability insurance premiums. Continuing escalation of premium costs has had a negative, ripple impact on the economy, causing increases in unemployment and consumer prices, and reducing the productivity of businesses most affected by the product liability problem.

Federal tort reform is a plausible but remote possibility. This remedy suffers from the fact that tort law is common law and has historically been adjudicated at the state level. Federal tort reform is a complex issue—one in which many federal legislators hesitated to become involved. All parties concerned with the product liability issue admit that federal tort reform would unify the various state laws and allow for a return to rationality and equality in the treatment of product liability cases. Nonetheless, such an overall solution is not possible in the near term.

The viability of reform through federalization of worker compensation systems currently requires a clear signal from the Congress that this remedy will be an appropriate solution for product liability concerns. The worker compensation system has been under jurisdiction of the states, based upon absolute liability by the employer to curtail both litigation and the resources expended in an area wrought with voluminous litigation. If federal worker compensation standards are enacted, the general feeling is that employers will realize increased worker compensation insurance premiums and perhaps no great relief from third party litigation.

The doctrine of comparative fault, applicable here, would result in all parties to litigation having their culpability assessed with a concurrent allocation of damages imposed.

Proposed Tax-Related Solutions

The product liability issue today appears to meet historical standards

that warrant utilization of the tax code to effect social change. It requires change that our system of government at the moment finds difficult to achieve. The product liability dilemma affects the entire economy, with severe impact on our productive capabilities. Remedies have not been forthcoming that are sufficient to ameliorate the crisis; for short-term relief, the tax code is a tool that can ease the burden on those businesses most acutely affected.

To this end, numerous bills have been introduced urging enactment of the tax reserving approach to absorb product liability losses. More than 100 congressional representatives have either sponsored or co-sponsored one form or another of a tax reserving bill. There have been several initiatives introduced in both houses of Congress on his question: hearings before subcommittees on the Senate Finance Committee and the House Ways and Means Committees are likely in the near future.

Short-Term

There are two federal tax approaches offered as short-term remedies to soften the impact of losses attributed to product liability:

The most popular suggestion is a pre-tax reserve fund or trust arrangement. Objective standards would be used to determine the amount that could be contributed, and penalties would be imposed for illegal uses of the fund. The Department of Commerce's Office of Product Liability estimates that 40 percent of all small businesses could benefit from this type of tax remedy.

The Joint Committee on Taxation estimates a potential revenue impact of from \$800 million to a low of \$134 million for these remedies during a five-year period.

The administration's proposal for a 10-year loss carryback amendment to the Internal Revenue Code is appraised as providing only partial relief to businesses most severely affected by product liability insurance

affordability and availability problems. This program would allow businesses to apply for a refund of income taxes paid during the preceding 10 years, if in the year in which the business files for the refund it experiences a net loss attributable to product liability claims or related costs. The revenue impact of the administration's proposal is not currently known, but is expected to be quite a bit less than estimates for the use of a reserve fund or trust.

Most proponents of these tax initiatives recognize the shortcomings of each. Consequently, the business community would be best served by enactment of a combination tax remedy embracing a reserve fund and use of the loss carryback extension.

The National Chamber does not support either of these initiatives, but views the parameters of the Commerce Department legislation as potentially supportable.

State Level Actions

Thus far 13 states have enacted some form of product liability reform legislation (Utah, Colorado, Oregon, Arizona, Georgia, Indiana, Kentucky, Minnesota, Nebraska, New Hampshire, Rhode Island, South Dakota and Tennessee). Legislation pending in Florida and Missouri; a liability bill has been vetoed in Connecticut.

There are two major difficulties with treating the product crisis at the state level. First, there are 51 jurisdictions, all having sovereignty over their respective systems. This has resulted in 51 different state tort laws, which create many problems for companies that do business in more than one state. Moreover, this lack of uniformity and uncertainty in the state tort system does not permit manufacturers any predictability regarding the probable outcome of litigation or of laws and legal doctrines applied in product liability cases. So, although 13 states have provided some relief, clear, uniform and unambiguous tort reform is still far from being realized.

(Continued on page 18)

THE MACARONI JOURNAL

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NOVEMBER, 1978

Product Liability

(Continued from page 16)

In most instances, product liability bills passed by the states have been either statutes of repose or statutes of limitation. The National Chamber, at its February 1978 board of directors meeting, adopted five state tort reform provisions. They are: a statute of repose, which establishes a time period within which a plaintiff must bring a product liability suit; a subsequent alteration and modification rule, which would give manufacturers a defense if a product was altered after it left his plant; a collateral source rule, which allows the jury to have full knowledge of all income to be received by a plaintiff above and beyond what is asked for in his complaint; a state of the art provision, which allows a defendant an opportunity to base his defense on utilization of current technology at the time the product was manufactured; and a duty to warn provision, which requires notification of obvious hazards associated with a particular product.

The National Chamber Foundation has undertaken a study of the product liability issue, which an objective of uncovering practical solutions that the business community can apply to resolve some of its difficulties. The study is expected to be concluded within 18 months, at a cost of approximately \$150,000.

The National Chamber, through its Panel on Product Liability, has developed product liability information kits that will be available early in 1979. Three separate kits are planned: general information on the product liability issue, a state testimony package, and a small business manufacturers kit. Further details will be provided when the kits are available.

This report was prepared by Otis L. Lee, Jr., National Chamber staff executive for the Product Liability Panel.

FMI Inflation Information

(Continued from page 13)

costs, consumers can help themselves by following suggestions detailed in the FMI Inflation Information package.

Crop Quality Council announces the 45th Annual Crop Production Conference at the Leamington Hotel, Minneapolis, Nov. 7-8.

Costs in Labeling

Editorial in *Milling & Baking News*, September 12, 1978

To the surprise of the half-dozen breadstuffs representatives attending the joint food labeling hearings of Food and Drug Administration, the Federal Trade Commission and the Department of Agriculture got off to a rather quiet start recently in Wichita, Kansas. While that city in the heart of the hard winter wheat belt is not exactly a hotbed of consumer activists, few if any of the food industry observers monitoring the hearing expected that a reasoned atmosphere would prevail. Yet, it did.

Consumer Awareness

The most telling aspect of the two-day hearing was the realization that consumers are quite aware that placing new labeling requirements, or restrictions, on food processors will most likely result in food price increases. To many, that concern over food prices equals or exceeds their demands for more label information. "Please think about what your regulations are going to cost us," said one housewife. "I am for economy," said another. "If a preservative is not harmful, at this point I would accept it rather than a higher price." This expression of sensitivity to food prices was largely prompted by fact sheets mailed by F.D.A. to prospective witnesses which explained that labeling changes may necessitate an increase in food prices.

Few Surprises

Otherwise, there were few surprises from the testimony by 100 consumers, focusing on additional label information on sugars, salt, potassium, cholesterol and vegetable oils. If there was a common thread it was that most consumers were sincere and that almost as many were confused—by current labeling as well as by what they were suggesting.

Several food industry observers attending the Wichita hearing viewed the consumer input as significant in that it was the first of five such hearings and that it, along with the hearing next week in Little Rock, probably represented sentiments typical of American consumers. At the same time, concern rules that later hearings in Washington, San Francisco and

Boston may not transmit the same message to the three agencies charged with regulating all food labeling and marketing. Thus, milling and baking must continue to monitor the hearings closely, with the thought constantly in mind that presenting the cost/benefit considerations remains more important than worry about the distorted, disparaging comments that are sure to come.

Negativism of Nutritionism

"Nutritionism," an offspring of consumerism, is "growing like a weed" and is a negative force that has to be dealt with by the food industry in a positive way, Robert O. Aders, president and chief executive officer of Food Marketing Institute, told members of the Eastern Frosted Food Association.

He said the consumer movement had reached its high point during the first months of the Carter Administration, when consumerist after consumerist was offered a position in Government—more than 100 in the past two years.

"But the movement may have come to a standstill as consumerist-turned-bureaucrats discovered what we have all known—that it's easier to stand aside and criticize than to change things from within. And Congress, for reasons of its own, has started dragging its feet on consumer legislation." As a result, the movement may have changed its direction, or at least its strategy, for the next few months, Aders said.

"Consumerism itself may be receding; only time will tell. But its offspring, nutritionism, is growing like a weed."


Run the Gauntlet

Anything offered for consumption by a human being now must run the gauntlet of nutritionism, he said, adding that nutrition used to be thought of in simple terms, as a balanced diet. But nutritionism now asks, "Is it fat? Is it sweet? Is it salty? Is it natural or artificial? Does it have bulk? Does it have additives or preservatives?"

Aders said the problem is that nutrition means different things to different people, and there are legitimate nutrition needs and medical problems.

(Continued on page 22)

THE MACARONI JOURNAL






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Nutritionism

(Continued from page 18)

Aders described supermarket operators as unique, in that they have no axe to grind regarding any particular product.

"It's not our role to censure products or to tell our customers how to eat, and we don't want it to be. However, we will be happy to pass on to customers, and I think we should, all legitimate information about nutrition we have. We owe them that, but let them make the choice."

The self-appointed and self-righteous individuals who would impose their own arbitrary standards on everyone are the ones he knocks, Aders said. In too many instances, they are less interested in what the consumer wants than in what they think is good for the consumer. Instead of representing a constituency, they are trying to "save" a stayed congregation, he said.

He added that he thought the term "junk food" should be changed to "fun food" and that it has its place in the American diet, in proper perspective, if that is what the consumer wants.

Nutrition Conference

Food is too important to permit each separate part of the food system to operate without regard to the "national food objective," Agriculture Secretary Bob Bergland said in a speech prepared for delivery at the Conference on Nutrition and the American Food System, Part II, held in Washington recently.

Other government representatives at the conference included Carol Tucker Foreman, Assistant Secretary of Agriculture for Food and Consumer Services, and Peter G. Bourne, Special Assistant to the President for Health Issues. The conference was sponsored by Community Nutrition Institute in cooperation with Food Marketing Institute and Family Circle Magazine.

Food Objective Defined

Bergland defined the national food objective as "constant, adequate supplies of good nutritional food for everyone in our nation and for those who buy and need our food abroad." Everyone from farmer to consumer must be involved, he said. "A con-

sumer-be-damned food policy is a luxury no single operator in the food system can afford."

If the farmer, food broker, transporter, packer and processor, wholesaler and retailer "all assume their proper responsibilities to supply adequate and safe nutritional food, and if they exercise restraints on price add-ons at each step of the way, then the whole food system can continue to operate on a free enterprise, competitive and innovative basis."

Bergland said, "the time is long past when we can merely concern ourselves with the production of food and its automatic delivery to the consumer. Necessity demands that we have a national food policy."

USDA Broadens Perspectives

In response to a changing climate, USDA has been in the process of broadening its perspective, said Bergland. This trend was arrested temporarily during former President Nixon's second term. To get food, nutrition and consumer protection programs working again, a number of important steps have been taken to strengthen and streamline the agency's operation, aimed at implementing a balanced food and nutrition policy. Every decision, administrative step and proposed regulation, he added, is made with regard to its effect on every part of the food system.

"We do not propose regulations on food safety and consumer protection set by law merely as an administrative exercise, or to harass industry to stifle competition," Bergland said. "We are not out to reform the food industry. All we ask is that it be responsive to new consumer needs and demands."

USDA is attempting to formulate a policy that recognizes the link between nutrition, food consumption, and processing, and agricultural production. Over the years, Bergland said, Congress has given USDA a basic set of statutory authorities to administer a nutrition policy.

Ms. Foreman said the government should not wait to act until it has absolute answers to questions about nutrition issues. "Absolute certainty is hard to come by," she said, after citing the example of the debate still going on over the Senate Select Committee on Nutrition's dietary goals, released over a year ago.

Let People Decide

For instance, she said, "If it can be agreed that reducing the level of animal fat is not harmful, and there exists some evidence that high levels are harmful, why not just say that straight out?" People are intelligent; they can make decisions, and they deserve the right to do so, she said.

Ms. Foreman said FDA, USDA and FTC would hold public hearings over the next few months on labeling. She feels the weight expressed on the packages of meat and poultry should be, within a very small tolerance, the accurate drained weight at retail. "It seems such a basic piece of information that I am astounded it could be an issue. But it is."

Ms. Foreman said despite the opposition of the meat and poultry industries, they have the capacity to comply with the new regulations. She noted that in California, where accurate weight regulations are similar to the ones USDA now is proposing, state inspectors found a 98% compliance rate in meat and poultry weight labeling.

She said she also favors percentage ingredient labeling. "I think it is substantially more informative than just order of predominance and, if certain tolerances for range are permitted, should not be difficult to achieve." USDA, she said, has begun requiring percentage ingredient labeling for many items it purchases for the child nutrition programs. "No one seems to have been seriously inconvenienced by it."

Opposes Banning

Foreman also is opposed to banning foods from the marketplace so long as they are safe, meet some basic level of quality and are accurately and completely labeled.

Bourne called for a cohesive, overall government policy on nutrition and health. However, the consensus for establishing comprehensive dietary goals does not yet exist, he said. The private sector's role in shaping nutrition policy and determining corrective action is critical.

There currently is no mechanism, he said, for reviewing and coordinating the nutritional aspects of programs, including the regulation of food advertising by FTC and FCC and a food labeling and food safety in FDA and USDA. "The absence of

such a mechanism presents problems with serious implications for health policy."

For instance, food advertising on television of "highly sugared products" directed at children has aroused public concern. We need guidelines for responsible food advertising which would take into account nutritional and ethical concerns as well as the legitimate business interests of food producers and marketers."

Teach Nutrition Information

Nutrition information could more effectively be conveyed through education rather than advertising, said Nicholas Rudd, vice president of Young & Rubicam, advertising agency. Rudd was responding to a policy paper on labels presented by Marsha Cohen, assistant professor at Hastings College of Law, University of California.

"Television ads," said Rudd, "are not appropriate to convey complex nutritional information. In addition, Cohen assumes that once consumers receive nutritional information, this will change their behavior, but this is not true. Consumers do not always act rationally. If they did, we would have one model car and no one would smoke."

Successful advertising, he said, appeals to consumers' needs or desires. But most consumers are not concerned about nutrition when they buy food. Therefore, food advertising based on nutrition does not motivate them to buy.

Alan MacDonald, president of Stouffer Foods, said it is the shopper, and not someone else, who controls the label. In this relatively freemarket, if the label does not tell her what she wants, if she does not like the product she simply does not buy it again.

American consumers are the best educated and most discerning in the world, and should not be talked down to, he said.

What You Eat Is What You Know

Of the four basic considerations in food choices: work involved in preparation, taste, cost and health (nutrition), the latter is seen by consumers as the most important, according to current research studies reported in

"Progress thru Research," publication of the General Mills technical center.

Dr. A. Elizabeth Sloan, Manager, Nutrition Education and Communication Services, and G. Burton Brown, Director of Marketing Research analyzed a body of consumer surveys and concluded that today's consumer has two major areas of concern: the nutrition in food and the technology involved in the processing of food.

Within the nutrition category, six major issues have been identified. These are (1) general nutrition, (2) protein, vitamins and minerals, (3) carbohydrates, (4) nutrition labeling, (5) calories and weight control, (6) fat and cholesterol.

In the technology category are additives and food processing.

Consumers believe that processing removes some of the nutrients in foods. Most consumers think that food made from scratch is more nourishing than pre-packaged or ready-to-serve types of food.

All in all, most of the respondents feel comfortable with the general nutrition they are serving their family.

• Protein, vitamins and minerals turned out to be the "good guy" nutrients.

• Carbohydrates are not so highly regarded.

• Most consumers are aware of nutrition labeling, interested in and—to some extent—using nutrition labels.

• Fat in food is a subject taken seriously by nearly all respondents.

In general, consumers are most knowledgeable regarding:

• Food handling and storage.

• Recognition of "Basic 4" food groupings.

• Functions of nutrients in the milk and meat groups.

Less Well Informed About

Consumers are less well-informed about:

• The functions of nutrition in the fruit/vegetable, cereal/bread groups.

Why do so many people follow the "Basic 4" in principle but fail to eat the necessary number of servings in the fruit/vegetable, bread/cereal and milk groups? No one really knows. It is suspected that part of the answer is they they simply don't know what the suggested levels are.

Dr. Sloan says: "We have not reached about half the consumers in a meaningful way. They understand

the "Basic 4" concept, but in qualitative rather than quantitative terms. There is a need to communicate that grain products are not only a source of starch and calories—a negative message that consumers know all too well—but also that breads and cereals are good sources of iron, B vitamins and other key ingredients."

Dr. Sloan's Suggestions

Dr. Sloan suggests:

(1) More research on the relationship among nutrition knowledge, attitudes and practices to aid in further development of programs and techniques to teach nutrition more effectively.

(2) We need to identify the provocative motivators and use them in nutrition education to improve diets—beauty, health, weight control—whatever they are.

(3) Let's develop an eating guide which accommodates our changing lifestyles and food patterns.

(4) Let's educate consumers to improve their diets rather than try to legislate changes.

(5) We need to take the fear out of food by emphasizing the positive benefits of foods which should be consumed regularly.

(6) Let's develop dietary goals and a national nutrition policy on which the majority of responsible nutrition scientists can agree.

(7) We need to develop a unified nutrition education program in which industry, government, academia, and consumer groups work together in a spirit of cooperation.

Hypertension Diet Cookbook

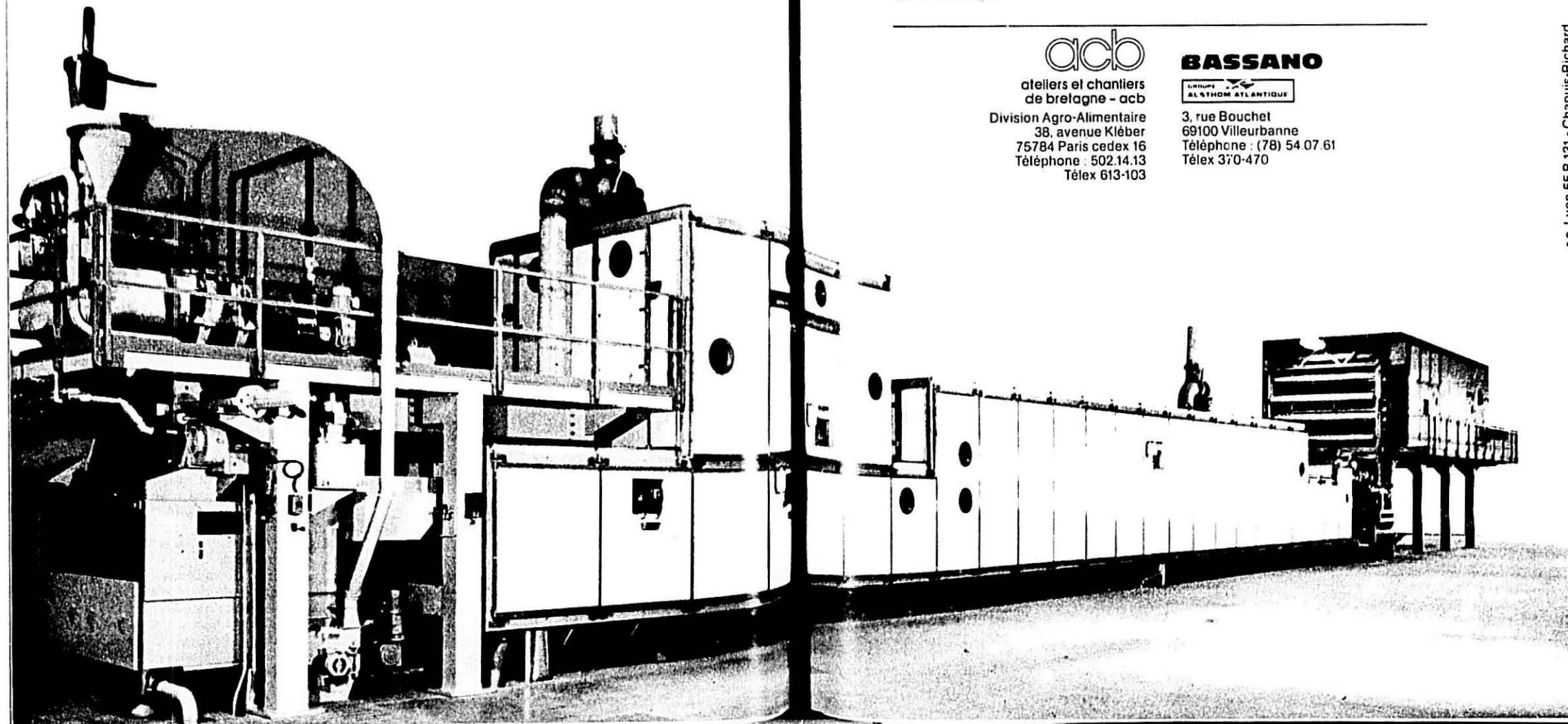
It is a modest estimate that between 30 to 35 million Americans of all ages suffer from hypertension, also known as high blood pressure. These dramatic figures rank the disorder as the most common chronic disease in the country today.

Known as the "Silent Killer" because of a lack of symptoms in its early stages, hypertension, left untreated, is the leading cause of heart disease, stroke and kidney failure. But thanks to the new appreciation of the therapeutic role of nutrition and of modern drugs, hypertension can be controlled and its dreadful consequences prevented. Medical authorities agree that diet or the combination

(Continued on page 26)

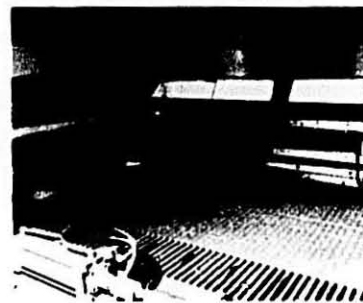
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Hypertension Diet Cook Book

(Continued from page 23)

of diet and drug therapy is the best approach to hypertension treatment.

Early detection, followed possibly by drug therapy, but most certainly, by a permanent change in eating habits, is essential for controlling high blood pressure, say Joyce Daly Margie, M.S. and James C. Hunt, M.D. Chairman of the Department of Medicine at Mayo Clinic, authors of *Living with High Blood Pressure—The Hypertension Diet Cookbook* from HLS Press, Inc. In this comprehensive guide to cooking and eating they present a practical application of the physician's advice on modifying the diet—lowering sodium, cholesterol, and if necessary, caloric consumption.

"Dietary change is the cornerstone of safe, effective, long term blood pressure control," states Dr. Robert I. Levy, Director of the National Heart, Lung and Blood Institute, in his preface to *Living with High Blood Pressure*.

"Not only will weight reduction and/or salt restriction (alone or in combination) result in normalization of blood pressure in some individuals, but when normalization requires the addition of drugs, attention to diet may reduce the amount and strength of required medication," he continues.

Nutritional Guidelines

What does this mean to the dieter? Specifically, by following the nutritional guidelines in *Living with High Blood Pressure*, one can realize a significant savings of the cost of high blood pressure drugs as well as a lowered risk of side effects often caused by those drugs.

Margie and Hunt, who were also primary authors of the *Mayo Clinic Renal Cookbook*, translate Dr. Levy's recommendations into several hundred interesting recipes to prove that low-sodium, calorie-conscious diets needn't be bland or monotonous. Designed for flavor appeal and healthfulness, each recipe is explained in terms of its nutritive content in a useful appendix. Besides listing the sodium and caloric content of each dish, the authors provide information on potassium, important for hypertension patients who take diuretics, and on cholesterol. Limiting fats and cholesterol is vital, they note, because

of the high risk of atherosclerosis, or hardening of the arteries, among persons with high blood pressure.

Planned as an aid for the hypertensive person, *Living with High Blood Pressure*, a publication known by physicians, takes a family approach to hypertension management. Since the children of persons with high blood pressure are at greater risk of developing the disease than those without a family history of it, a cautious family diet may be helpful in minimizing the likelihood of future problems.

In addition to recipes, nutritive analyses and menu plans geared to various prescribed levels of sodium and caloric intake, the book offers a lucid explanation of the nature of hypertension, its treatment and the importance of nutrition in effective control. Tips on seasoning with herbs, how to order foods away from home and where to find special dietary products are also included.

Joyce Daly Margie, a nutritionist, is editor of *Dialogues in Nutrition* and was formerly a research nutritionist with the Department of Nutrition and Nephrology at the Mayo Clinic, Rochester, Minnesota. Dr. James C. Hunt is professor and chairman of the Department of Medicine at the Mayo Clinic and Mayo Medical School. He is past president of the National Kidney Foundation.

Living with High Blood Pressure—The Hypertension Diet Cookbook is the only publication of its kind on the market today. It is available only from the publisher, HLS Press, Inc. It may be obtained by sending a check or money order for \$12.95 to HLS Press, Inc., 1455 Broad Street, Bloomfield, New Jersey 07003. Residents of New Jersey should add 65 cents for state sales tax.

Rapidly Rising Hospital Feeding Costs

Hospital feeding costs per patient per day are expected to continue to rise sharply through 1990, according to Frost & Sullivan, Inc., the New York-based market research organization. In a new 155-page study on Business Opportunities in Hospital Feeding Operations, F&S finds, "any viable solution requires dramatic re-vamping of allied hospital systems,

equipment, methods and labor requirements. The onus must therefore be placed on systems upgrading and economic improvements in order to bring in new commercial opportunities.

The report forecasts that hospital feeding costs per patient per day—averaging \$16.09 in 1975—will rise to \$22.57 by 1980 and close to \$50.00 by 1990, based on the following factors:

- Rapidly rising costs for hospital care, especially in non-Federal, short-term hospitals where costs are likely to soar from \$55-billion in 1976 to \$220-billion by 1986.

- Rapidly rising hospital fees—almost double the inflation rate—plus excessive labor costs, rapidly accelerating physician charges, and increases in the cost of high technology.

- Efforts by Federal and State governments to control the forementioned, while reducing bed capacity in a move to improve occupancy rates.

Other factors are the serious need for greater business-oriented decisions to guide hospital management; advances in food technology; advances in separate, off site food production by specialists in mass food production methods; the growing importance of nutrition experts; the heavy labor input required; and the rapidly growing cost for labor in hospital food operations.

The F&S forecast assumes the number of workers and their proportion to supervisors and dieticians will remain at current levels—about 350 workers per 600-bed facility.

Expect Federal Hospital D

Federal hospital beds (including Veterans) will decline slightly in number, stabilizing at around 80% occupancy. Bed capacity for other hospitals, treating the mentally retarded, physically handicapped, emotionally disturbed, drug abusers, the deaf and blind, unwed mothers, etc., are expected to increase moderately, leveling at 90% occupancy.

Specialized bed capacity for psychiatric care, rehabilitation, chronic diseases, tuberculosis, etc., will decline to the mid-80% level. Non-Federal, short-term hospitals will also undergo declines under government pressure—to 3.8 per 1,000 population by 1980. Though not as low as the 3.4% level planned by the Massachusetts Health Group, occupancy rates

will reach 82% by 1985 and 84% by 1990.

Total Capacity to Accelerate

"Total bed capacity," states Frost & Sullivan, will accelerate from 2.8-billion in 1975 to 2.9-billion by 1980. It is expected to exceed 3.1-billion by 1985, rising to 3.2-billion by 1990. This equates with 8.4-billion patient meals served in 1975, over 8.8-billion in 1980, more than 9.4-billion by 1985, and a projected 9.7-billion for 1990." Calculations are premised on three meals daily, and do not include staff and labor feeding.

The Frost & Sullivan report lists a myriad of hospital management options geared to improve food service operations and simultaneously reduce their respective costs. Opportunities for companies intent on cashing in on the crisis are primarily focused on bed capacity during the 1985-1990 period, categorized in terms of large, medium, small and for-profit institutions, covering not only products already on the market, but also new products and systems, and innovative profit-making concepts.

Nutritional research is considered significant and meaningful to the development of new programs particularly leading to faster patient recovery. The preparation and supply of nutrient meals and nutrient components for hospitals would result in another major breakthrough—given to the patient orally, nasogastrically or parenterally.

Currently, fully-prepared nutritional (complete meal) products are formulated by pharmaceutical companies such as Abbott, with Children's Hospital in Boston, formulating hyper-alimentation nutrients in the pharmacy on a daily basis. Amino acids are supplied by Abbott; folic acid by Lederle; Electrolytes from Ivenex; Vitamins by Squibb, Merck, Sharp & Dohme and U.S. Vitamin.

For more information contact Customer Service, Frost & Sullivan, Inc., 108 Fulton Street, New York, N.Y. 10038, Telephone: (212) 233-1080. Reference Report #552.

More Restaurant Purchases

A survey of expenditures and behavior in the commercial segment of the food service industry shows an 11% increase in spending for food away from home during the winter

quarter of 1977-78, along with a 4% increase in eater occasions (visit count), according to a recent consumer survey conducted by the National Restaurant Association.

The survey, the Chain Restaurant Eating-Out Share Trends survey, is comprised of a poll of 10,000 families who were questioned on eating habits.

N.R.A. officials attributed the two increases to two factors: increase in the average eater check size and increase in the size of the party (more persons served per occasion).

The count of eater occasions is considered a stricter measure of the industry's performance, N.R.A. said, because this removes the effect of inflation on dollar sales trends and shows whether there really is an increase in sales of food prepared away from home.

The 4% figure reportedly does not represent full recovery, the survey reported, as it lags behind figures achieved two years ago.

The growth in dollar sales was shown to have occurred particularly over weekends, which also may account for the growth in average party size, as more families and larger-sized parties are likely to eat out on Saturdays and Sundays, N.R.A. said.

Coffee and Hamburgers

The survey showed coffee and soft drinks to be the most widely served food items in all restaurants. There was a wide variety in the most popular entree among the different restaurant types examined, which included fast food/drive-in, family type, take-out, cafeteria, coffee shop, and atmosphere/specialty restaurants.

The survey indicated that hamburgers were still most popular in fast food/drive-ins, while pizza and fish were the most frequently served entrees in the family restaurants. Pizza and sandwiches other than roast beef or hamburgers were the most popular foods among consumers in the take-out category.

Huge Central Kitchens Cut Costs

Central commissaries are used by about a quarter of U.S. restaurant chains to service their far flung units. According to the National Restaurant Association these commissaries have helped chains increase revenues to 24% from 10% a decade ago.

Corporate restaurateurs claim that commissaries turn out a product of medium, yet consistent quality at reasonable prices. "People want the food to look and taste good and be a lot for their money. But they don't care if their steaks and lobster were once frozen," says one corporate head.

Part of the appeal of commissaries is the cost saving from buying and cooking foods in bulk. With the commissary chefs trimming the meat, making the sauces, cooking the soups and baking the cakes, restaurants can get by with microwave ovens and largely untrained, lower paid help. Even the smaller commissaries that are limited to grinding hamburger and cutting and freezing meat for the coffee-shop chains are viewed as big cost savers.

Because there are experts in the commissaries, there can be kids pushing the buttons in the restaurants. This is insulation against the high turnover of restaurant workers, estimated to be running at 35% a year by Thomas Haas, an editor of *Restaurant News*. Much of the money saved on restaurant kitchens, with mixers and pressure steamers, is lavished on elaborate decor.

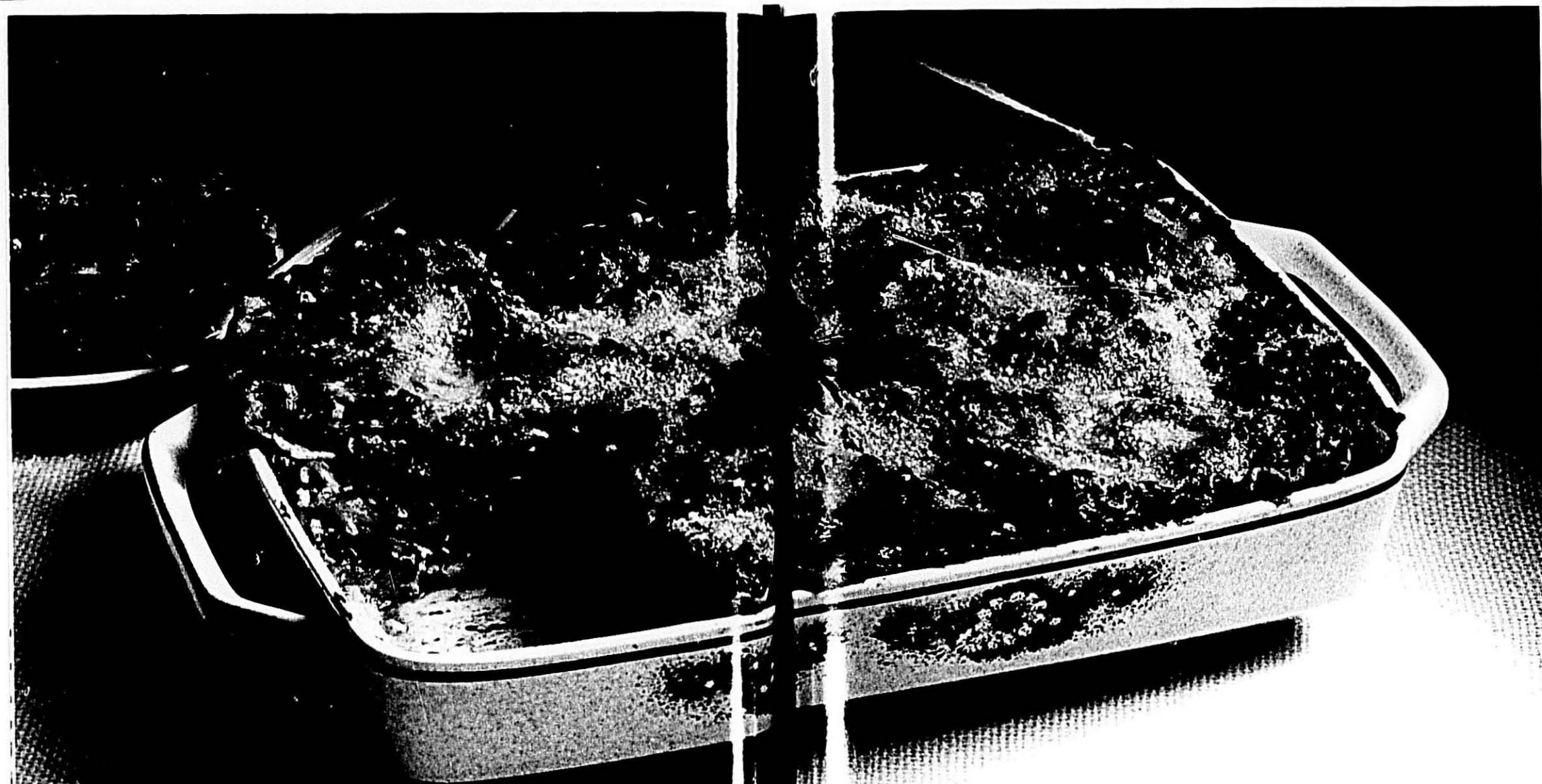
Pizza Hut Problems

When PepsiCo acquired Pizza Hut Inc. late last year, the merger made a lot of sense to followers of the beverage company. Pizza Hut, the largest national chain of pizza eateries, boasted a strong growth record and had been expanding its own earnings 20-25 percent for several years.

Now Pizza Hut seems to be having problems. When traffic in other fast food chains rebounded from the harsh winter, business remained unexpectedly sluggish for Pizza Hut. It is reported they have lost market share in the Midwest and South, chiefly because of increasingly intense competition from regional pizza chains and mismanagement by Pizza Hut in responding to this competitive challenge.

"It appears that a number of regional pizza chains are providing what is perceived by consumers to be more product value," a market analyst says. Pizza Hut's response has been to increase price promotions and discounting, a process that reaches a

(Continued on page 30)



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Pizza Hut Problems

(Continued from page 27)

point of diminishing returns. More recently, Pizza Hut has introduced a higher-priced "Super Style" pizza containing more cheese and other toppings.

Store openings have averaged around 450 a year between 1975 and 1977. "In view of the fact that PepsiCo's corporate management is just learning the fast food business and, indeed, is just beginning to pinpoint the sources of Pizza Hut's problems, we question the wisdom of a continued high level of store openings over the near term," the analyst concludes.

Pasta King

Pasta King, Inc. has been permanently enjoined by federal court from making false and misleading statements about the company and its franchises and stock.

It was announced in the Denver Post last December that sale of franchising rights for up to 150 Pasta King Restaurants in Wyoming, Nebraska, and Eastern Colorado to an investment group based in Sterling, Colorado, had been made.

Don Spong, President of Pasta King of Denver, said the agreement with the Sterling Group calls for construction of at least 15 new units per year for five years, and, conditionally, for construction of an additional 15 units per year for the next five years. One of the principals of the Sterling Group was George Desser, who has operated a Kentucky Fried Chicken restaurant in Sterling and who, with his father, built a chain of 94 KFC Restaurants in Florida.

Simplicity of Operation

Desser said he became interested in the Pasta King concept because of "its simplicity of operation and its product." He said, "The operation is set up so cleanly, with such sensible controls over operations, management, and quality, that a Pasta King almost runs itself."

The concept developed at the University of Colorado in Boulder where the nearby town of Louisville is known as Colorado's spaghetti capitol. Old grads have even been known to drive the 20 miles from Denver to get a spaghetti dinner to take home. Pasta

King gave them additional incentive to make the trip.

Problems to Overcome

There were problems to overcome. First, the appeal of the Louisville spaghetti houses was homemade style spaghetti and sauce that had simmered all day on the stove. The problem was how to create that homemade effect in a fast food chain without losing quality control (in undercooking or overcooking the spaghetti, for instance).

"The major breakthrough came when they abandoned the concept of coming from a raw to a done stage in the unit and went to a cooked noodle that could be reconstituted just before serving," Spong said. "We also figured we'd be dead if we had to settle for the round, thin super market variety of spaghetti."

They came up with an eight-inch long, wide noodle of the linguini type made with egg and pre-cooked and frozen in 2½ pound plastic bags by a local food processor. In three minutes it can be taken from a frozen to hot state in the unit's steam cookers, ready to be topped with a spaghetti sauce (meatballs or Italian sausage are extra), a meat sauce or a red clam sauce, measured out by the ladle.

"Our product looks as if it were specially prepared, which is what we are after," Spong said. Employees are taught to fill containers half full of spaghetti and then add the sauce to order. The paper cartons are made for Pasta King with a plastic coated inside which retains the heat for at least 25 to 30 minutes. A durable type plastic fork is provided, and knives and spoons are available on request.

"We realized right away that it would be a gross error to have each store operate as an independent commissary," Dick Codron, Spong's partner said. "But it wasn't until we decided to utilize the manufacturers and control the quality there rather than the store level that we arrived at a simple operation we wanted."

Pasta King is not connected with suppliers in any way, and it only a customer itself.

Is Spaghetti Fast?

Spong and Codron have discovered that customers still don't think fast food really means fast when it comes to spaghetti. People frequently walk up to the counter, place their order, and then go sit down to wait for it.

"We have to go tell them the order is ready," Spong said. "This problem will be corrected with conditioning and advertising."

The pilot store was set up in a medium to low income area and had only a 24,000 traffic count per day. It was figured that \$225,000 per year or a little more than \$600 a day was the break-even point. They have achieved this.

Kitchen equipment costs only \$19,000 and includes two steamers (already used as autoclaves to sterilize all utensils daily), two refrigerators and freezers and steam tables. Since it is all electric, because of the nature of the preparation, there is no grease and no makeup air, because they are dealing with clean air. This means less problems with building codes.

The equipment turns itself off when not in use and cooks only within certain temperature ranges. This keeps utility bills lower than a normal fast feeder.

Labor Costs Low

Labor costs are low because the need for a cook or chef is eliminated when the food is prepared at the manufacturing level. All employees can be paid the minimum wage with the exception of the manager and maintenance man who is the key to a clean restaurant.

Stores are open seven days a week from 11 a.m. to 1 a.m. with variations according to night traffic.

The Pasta King store and glass buildings have seating capacities of 58 on the inside and 24 patio seats on the front.

Only time will tell how well the Pasta King will fare in the surging fast food derby, but Spong is full of enthusiasm.

Hershey Technological and Scientific Functions

Hershey Foods Corporation President and Chief Operating Officer Richard A. Zimmerman has announced a reorganization of the Corporation's technological and scientific functions into one unit.

Effective immediately, Dr. Ogden C. Johnson, Vice President of Scientific Affairs, has been named Vice President of Science and Technology and will head the new organization which will operate as one department in the Corporation's new Technical

(Continued on page 50)

THE MACARONI JOURNAL



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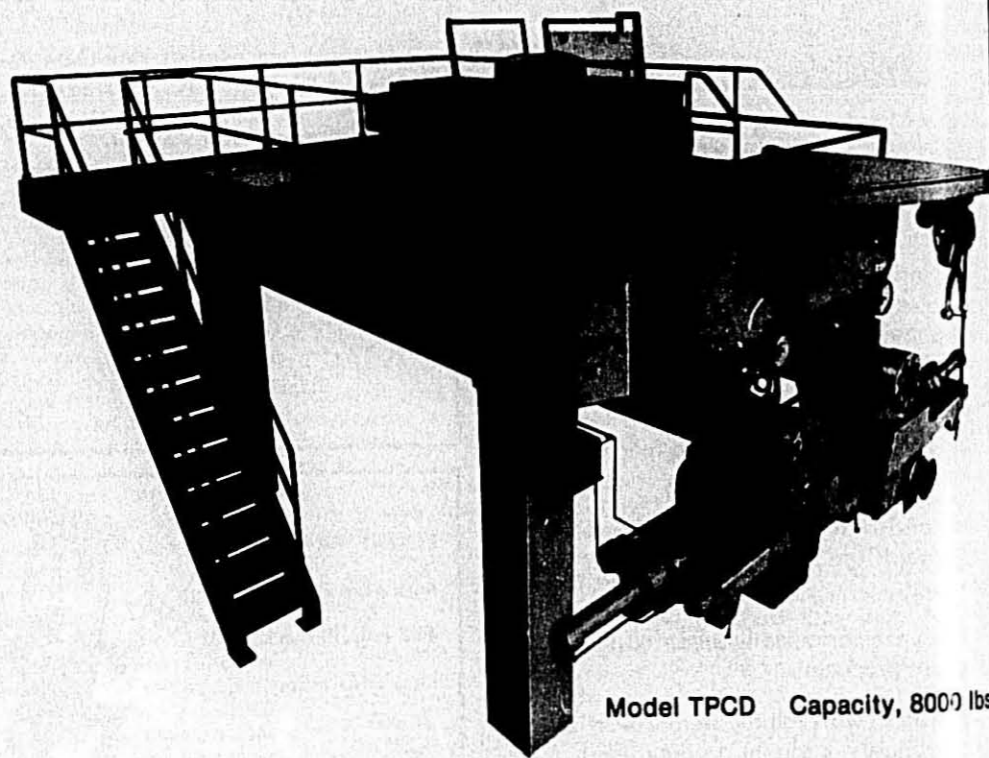
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TPBD (Double Screw)	2,000- 4,000
TPCE (Single Screw)	2,000- 4,000
TPCD (Double Screw)	4,000- 8,000
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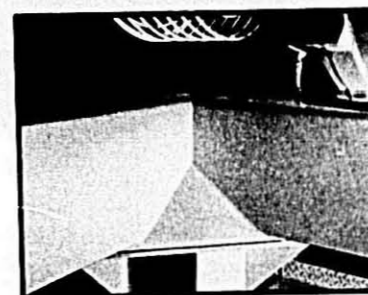
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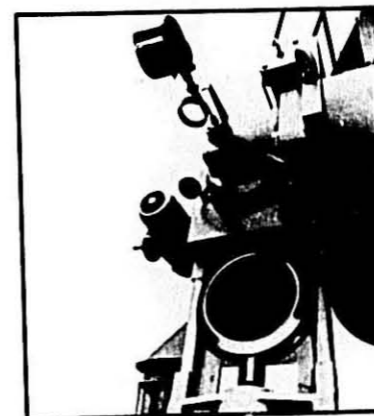


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Head for round dies: 15 3/4" (400 mm) diameter, with hydraulic die change device (Single screw extruder).

Buhler Installs Long-Goods Line for Catelli

by Walter Stehrenberger

Catelli Ltd., a division of John Labatt Limited in Canada, started planning an expansion and modernization of its pasta processing and raw material handling system early in 1970. As a first step, a new raw material storage and preparation system was built in a completely new building next to the existing factory.

Buhler-Miag (Canada) Ltd., Toronto, was proposing the new layout of the storage facilities with a batch weighing and mixing system for accurate and even raw material preparation for the extruders. In 1971, Catelli placed the order for the equipment and in 1972, the new facilities were started up. A pipeline to the "old" production plant conveyed the raw material to the existing lines. Upon completion of this sector, a new study of the market situation and the capabilities of the existing production facilities indicated a clear "go-ahead" for a new long goods production plant (spaghetti and macaroni), adjacent to the flour silo building, as originally planned.

After rejecting several projects, the proposal was finally selected, due to its innovative equipment and the very short and compact line at a very competitive price.

An order was placed for a 4000-lbs/h (1800-kg/h) cut product spaghetti/macaroni line in December, 1973. The line was installed on schedule, as expected, and started operation in late fall, 1975. The complete, newly designed cut goods storage, the second built by Buhler (the first one was installed in France) started up without any technical or technological problems and is, as well as the other proven machines, operating to the fullest satisfaction of the Catelli management and production personnel.

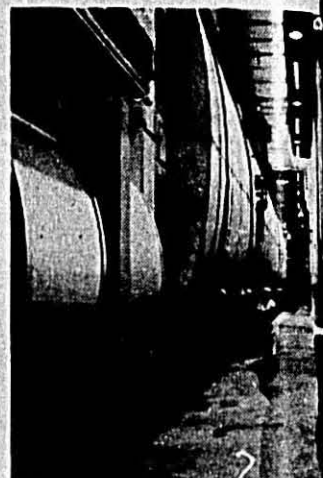
The line is installed in a tastefully selected multicolor building.

The equipment consists of:

- Double-screw extruder TPBD-175
- Four-stick spreader TSBB-2000
- One-level pre-aeration TDEA-2
- Five-level predryer TDFB-4
- Five-level final dryer TDFB-18
- Intermediate magazine TAMA
- Stripper and cutter TST
- Stick return TAD



Long goods line, capacity 4000 lbs/h (1800 kg/h); in front: press TPBD with a 4-stick spreader.



Long goods dryers TDFB-4 and TDFB-18

— Bucket storage TACB-13/5 for cut goods with feed and discharge carousel

Features of the New Line Extruder TPBD

It is equipped with an accurate volumetric feeder for semolina/flour and water to feed continuously into a conventional premixer. This particular premixer uniformly blends the raw materials, achieving a regular, homogeneous mix, an even extrusion and a constant quality of the final product. The special shaped and polished stainless steel main and vacuum mixer with plexiglass cover guarantees easy supervision and cleaning.

The teflon-coated airlock between mixers is designed for easy disassembly and cleaning. The extrusion elements consist of two cylinders with a new efficient cooling system, screws made entirely of stainless steel, and front bearing to prolong the life of the extrusion elements. They are laid out and sized to achieve the best possible final product. The unique arrangement of the large thrust bearings and quiet planetary gear units of the main drives, which are bolted to the main cylinders, totally separates oil-containing elements from the vacuum production zones. The cylinder heads are equipped with gauges, sensing the dough pressure right after the extrusion screws, to warn the press

operator if the pressure exceeds a pre-selected level or to shut down the machine if the situation is not corrected. This avoids damage to the dies or extrusion elements.

4-Stick Spreader TSBB

This spreader is a new design, featuring a simultaneous spreading of long goods products on to four sticks at a time. The teflon-coated diffuser-type distributing tube is equipped with a new hydraulic die change device, allowing die changes within three to five minutes. During advanced preparation for a die change the machine can be in full operation. The teflon-coated distributing chambers allow easy cleaning but more important, guarantee a cool extrusion at high capacities to achieve a first-quality final product with excellent cooking qualities.

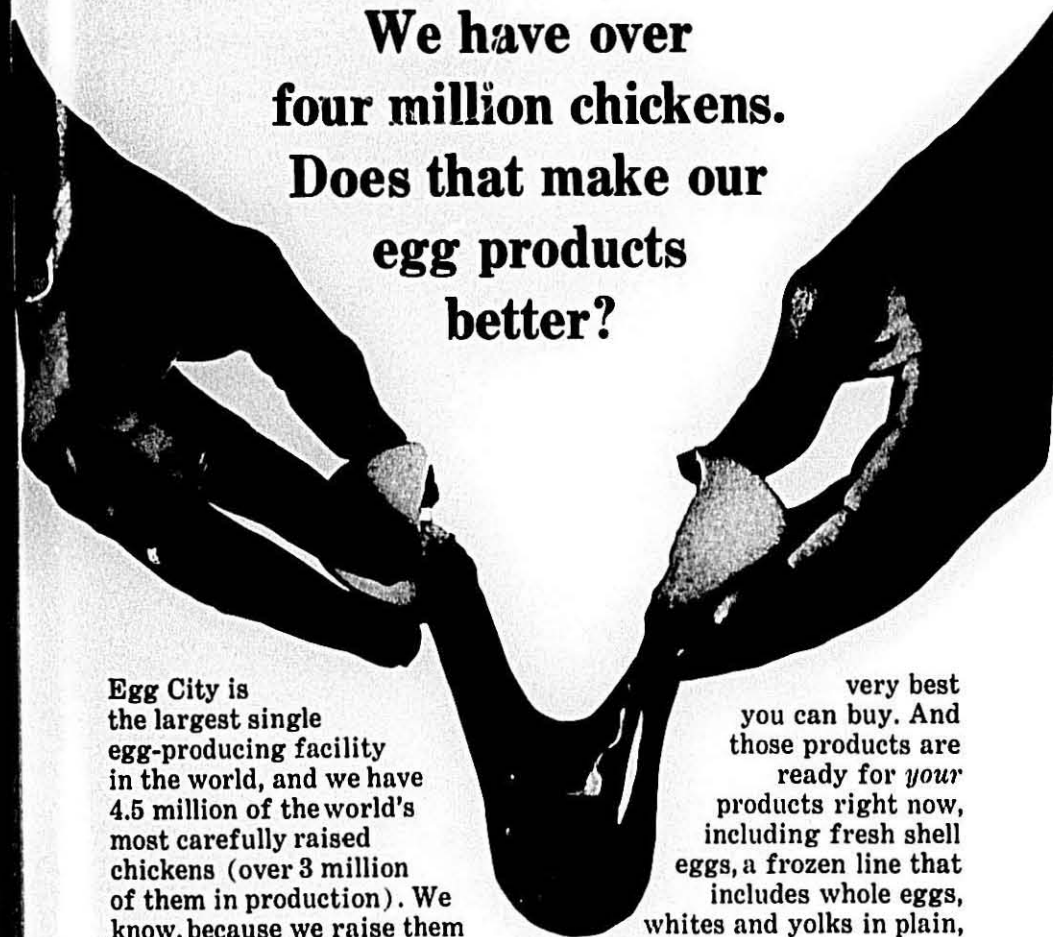
Long Goods Dryers TDEA/TDFB

In these new, high-capacity dryers all stick transfers are designed to convey three sticks at a time from level to level in a positive, controlled slow movement. All sticks loaded with product travel the same path, resulting in uniform product treatment in the dryers and a uniform, straight and stress-free final product. Positive separation of climate zones which together with our patented delta-control, produce ideal drying conditions.

(Continued on page 36)

THE MACARONI JOURNAL

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Catelli Long-Goods Line

(Continued on page 34)

tions, requiring minimum supervision and readjustments. One variable speed drive for all dryers and spreader control allows for adjustment of product drying time in the dryers to the most desirable and economical time.

Stripper and Cutter TST/ Bucket Storage TACB

Our standard type stripper and cutter TST features a separate stripping cycle and cutting cycle. The overlapping of these two cycles and the arrangement of the flippable guarantees slow speeds of sticks during the stripping part and positive alignment of spaghetti ends before the cutting discs to minimize waste. A slow cutting speed minimizes breakage.

In this line arrangement, the stripper and cutter TST is in operation 24 hours a day, for controlled optimum operating conditions. The cut product is fed via a dosing cascade into an intake carrousel. The dosing mechanism evenly feeds the product into each stainless steel carrousel container. As soon as ten containers are filled and properly positioned by an indexing drive in front of the storage buckets, they are emptied via cascades into one row of plastic storage buckets. This cycle is repeated at certain intervals. The bucket frame, containing 13 rows of ten buckets, is then lowered slowly by one pitch to be ready for the next filling. When all 130 buckets of a frame are filled, the bucket frame is pushed inside a panelled compartment towards the discharge side. The cut product is now stored in the enclosed, sanitary lower level of the storage.

The storage is emptied the opposite way. The bucket frame is lifted slowly pitch by pitch and in proper position, all ten buckets in the same row are tilted and emptied via cascades into the discharge carrousel. The (stainless steel) containers of this discharge carrousel empty on the right- or left-hand side of the storage, depending on the requirements of the plant, into the cascade of the packaging machine.

The excellent performance of the storage is guaranteed by its simple mechanism, its sturdy design and very slow and positive controlled movements, even at the high capacity of 4000 lbs/h (1800 kg/h) of cut product.



Bucket storage TACB. From right to left: intermediate magazine TAMA, stripper and cutter TST-2000; below: intake bucket carrousel TBEK, storage TACB, discharge bucket carrousel TBEK.

New Lasagne Packaging System

Guntert & Pellaton, Inc. of Stockton, California, a machinery designer & manufacturing company, have recently developed a new lasagne packaging system that has substantially reduced the hand labor previously required for packaging lasagne. Guntert & Pellaton has applied for patents on the system here in the U.S.A., Europe and South America. The system has been installed and in operation for over a year in Fresno, California. Mr. Pellaton, President of Guntert & Pellaton, reports that a double line system is capable of packaging lasagne at the rate of 4,000 lbs. per hour using only seven people. A single line system will package Lasagne at the rate of 2,000 lbs. per hour using only 4 people.

Recent experiments indicate that with modifications, the system can be made to handle either spaghetti or lasagne with the same machinery. The spaghetti can be automatically removed from the line after the saw cabinet and conveyed as required to its own packaging machinery. The system conveys lasagne from the stripper through a 90° turn and then accumulates the groups by transferring to slow down conveyor section. The lasagne is then inspected before it is conveyed to the saw cabinet which is independent and remote from the stripper. The 20" lasagne strips are sawed into 10" long pieces and then

separated into two separate conveyor lines. The separate conveyor lines are each equipped with electronic counters, shingling and sorting devices that automatically group into pocket of the lasagne packaging machine.

A carton machine automatically loads the lasagne into either 1 lb or ½ lb. cartons.

A check weigher at the end of the line rejects any under weight carton.

The weight of the lasagne packages is controlled with adjustable end cut saws that vary the length of lasagne.

The advantages of the new lasagne packaging system are:

1. Much lower labor requirements per lb. of lasagne packaged.
2. Process is continuous from the stripper to the packaging machinery.
3. Much less scrap loss due to gentle handling methods. Lasagne is handled only once.
4. Machinery paces the operators.
5. The machinery investment can generally be recovered in two years or less.
6. Machinery flexibility to handle either lasagne or spaghetti.

Sen. Schweiker's Motto

"I think basically a senator has to be his own man and do his own thing and vote his own thinking. However, anybody who is really fundamentally out of tune with their people isn't going to last very long."—Sen. Richard Schweiker (R-PA).



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Macaroni masters know what they want...and demand it: Nutritious, economical, good-tasting pasta products.

Amber Milling can help you deliver top-quality pasta products to you: pasta people. Amber knows your pasta operations require the finest ingredients...Amber's Venezia No. 1 Semolina, Imperia Durum Granular or Crestal Fancy Durum Patent Flour.

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SPAGHETTI: A NEW FRONTIER FOR HARD, RED WHEAT?

by Karl R. Kessler, Regional Editor, The Furrow,
published in ten languages by Deere & Company

Scientists at Kansas State University are perfecting techniques for making spaghetti and other pasta products from hard red winter wheat.

In the United States, of course, nearly all pasta is made from semolina, the purified middlings of durum wheat. Because it is high in protein, semolina lends itself to the pasta manufacturing process. Semolina products also hold up well when cooked and have a springy resilience or "good bite." And, consumers like their mild taste and rich yellow color.

But durum wheat usually commands a premium many foreign buyers don't want to pay. Discussions with some of them prompted the Kansas Wheat Commission to fund a 2-year project at Kansas State to develop know-how for making pasta from less-expensive hard red winter wheat, the number one crop in Kansas.

Robert Bennett did most of the early work on the project while a Kansas State graduate student. He first tried making spaghetti from farina, a fraction of hard red wheat comparable to durum semolina but lower in protein. Later he worked with hard red wheat flour, which is higher in protein than farina.

Color problem. Most of some 70 housewives and a group of farmers who tried it found little or no difference between the hard red wheat spaghetti and the spaghetti they were accustomed to. What they most objected to, Bennett reports, was the color. Semolina contains a natural pigment that gives pasta a rich yellow look, he explains.

Farina and hard red wheat flour both lack the yellow pigment. Products made from them have a lighter color. Bennett says federal regulations prohibit adding dyes to pasta, so about the only way to change the color is to use such ingredients as eggs. These generally raise the price of the pasta.

Another frequently touted characteristic of durum is cooking quality. Bennett says spaghetti made from hard wheat is easily overcooked to a

"mushy" consistency. But, he says, most housewives who've tried the hard wheat flour spaghetti report that it is stable during cooking.

Don Neel, a Kansas State graduate student, is now working on the project, and is trying various ways of fortifying the product. "We still have some work to do," Neel says, "but it looks as though very acceptable pasta can be made from hard red winter wheat."

No threat. Will a flood of hard red wheat pasta products soon hit American grocery shelves? Probably not. Domestic spaghetti makers apparently plan to string along with durum.

However, most U.S. pasta manufacturers have used other types of wheat along with durum at times, and a few non-durum products can be found on grocers' shelves right now. Gooch Foods, Inc., for example, headquartered in hard red wheat country at Lincoln, Neb., markets a line of budget pastas made entirely from hard red wheat. But products bearing the Gooch brand name are all made from durum only.

The Creamette Company of Minneapolis is probably typical of U.S. pasta makers. John Westerberg, vice president of sales and marketing, says that when durum was in short supply years ago, the firm blended up to 25 percent farina in its products, but uses only semolina when it's available. "Color is very important," he explains. "We have to have the golden yellow color you get from semolina."

Even in the new low-price generic or "no-name" pasta products, manufacturers apparently are sticking with durum. Officials at Jewel Food Stores, Inc. and Topco Associates, two of the first grocery chains to offer generic foods, say their generic pasta products are produced from durum wheat by name-brand companies.

Bob Green, executive director of the National Macaroni Manufacturers Association, says flatly: "It's a basic fact of life that durum makes a superior product, and manufacturers are generally willing to pay up to \$1 per hundredweight more for it."

Export scene. It's a different story with many foreign buyers, though. For 1976-77, the most recent fiscal year for which reports are available, USDA figures show that durum accounted for barely 4.5 percent of the nation's wheat exports. Less than a fifth of that went to Latin America, and that's where the idea for the hard red wheat pasta project at Kansas State originated.

A number of companies in South America already make pasta from hard red wheat, but lack facilities to really develop the necessary technology, according to Myron Krenzlin, Kansas Wheat Commission administrator.

It isn't going to eat up a billion-bushel surplus," Krenzlin says, "but if we can show them how to make pasta from Kansas hard red winter wheat, it should at least help make a dent in the carry-over."

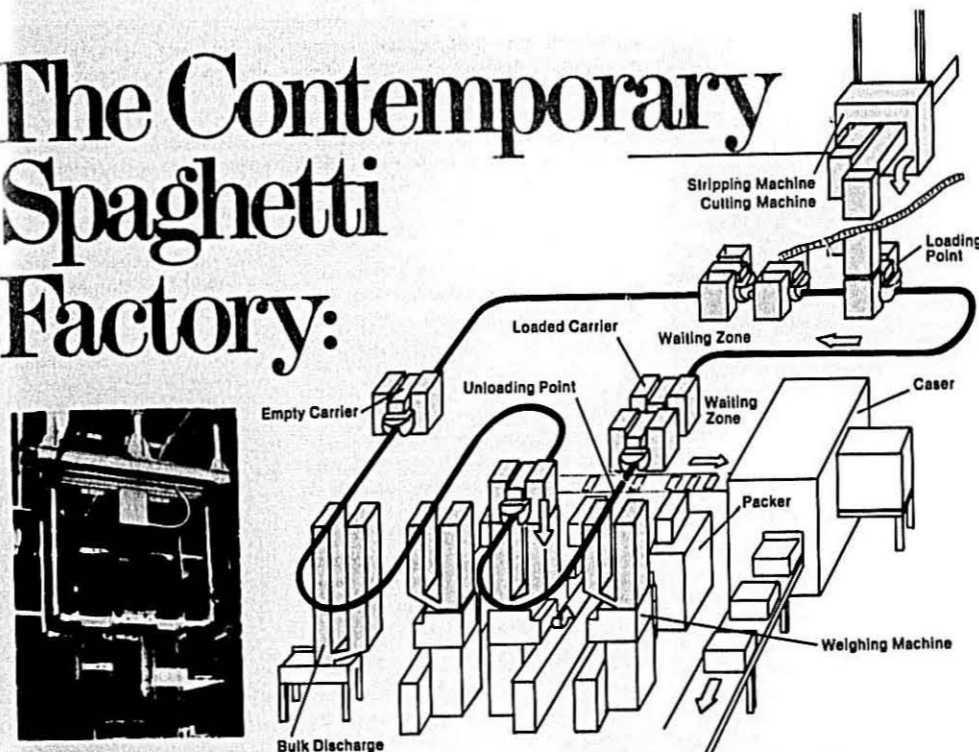
Plenty of Durum

Latest USDA estimates predict a U.S. Durum wheat harvest of 126.3 million bushels in 1978, up 59 percent from the 1977 production. The revised estimate for North Dakota, the major Durum producing state, is 96 million bushels, down 10 percent from the August estimates but 59 percent above the 1977 crop yield. Current estimates indicate vastly improved yields over the 1977 crop. Based upon the analysis of 35 percent of total samples to be tested, the moisture content averages 11.6 percent compared to 12.4 percent last year and protein content averages 13.1 percent compared to the 13.8 percent 1977 average. The overall qualities are much better than the 1977 crop with hard and various kernels generally measured at 2 percent compared to only 77 percent last year. Overall, the grade factors are about the same as the 1977 crop with considerably fewer broken and damaged kernels.

Canadian Crop Increase

Although Canadian farmers planted about eight percent more acres to wheat this year, production is expected to be up only slightly over last year. In its first official estimate of the 1978 wheat crop, Statistics Canada forecast wheat production at 734.1 million bushels (about 20 million tons).

The Contemporary Spaghetti Factory:



Uni-Carrier, the new automatic carts system, has been developed by Fuji Electric Co. to streamline your spaghetti line. It makes conventional bucket conveyor systems obsolete!

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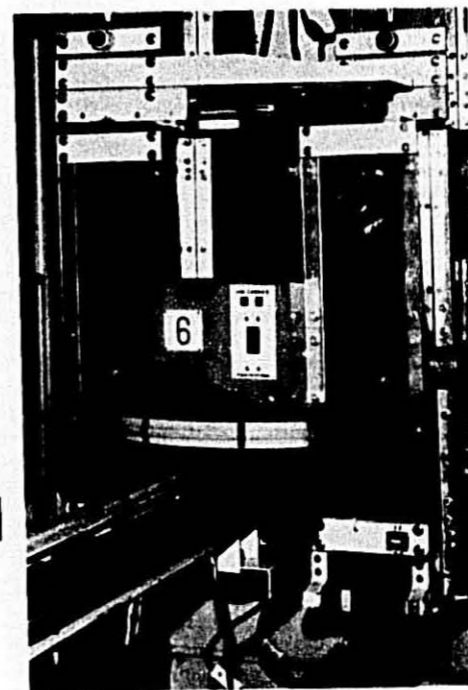
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up 0.7 percent over the 1977 harvest of 729 million bushels. Spring wheat is expected to reach 622.7 million bushels, down 4.5 percent from 1977. Winter wheat is forecast at 13.7 million bushels, down 54.7 percent from last year. Durum wheat production is estimated at 97.7 million bushels, up 108.3 percent from 1977. Statistics Canada also reports that swathing is nearing completion throughout the Prairie Provinces and combining is about 50 percent complete. Harvesting has been delayed in most of Alberta and Saskatchewan due to wet weather, with some possible loss in quality and yield of the crop remaining to be harvested.

Italy Up—France Down

The Italian Durum production is forecast at 3.2 million tons this year, up over 62 percent from last year. The increased production is attributed to increased acreage and heavy rain in southern Italy, which also produced an overabundance of colorless kernels. The amber color of the kernel is particularly important in the pasta manufacturing industry. Italy's imports of Durum are expected to decrease from 1,250,000 tons last year to 400,000 this year resulting from the increased production. In France, Durum production has decreased significantly from an average of 500,000 to 250,000 tons, and the quality of the Durum has also decreased, indicating that between 250,000-350,000 tons will be imported this year. Within the last year, the U.S. has replaced Canada as the major supplier of Durum wheat in France, supplying 100,000 tons of Durum last year compared with Canadian exports of 66,000 tons.

Durum Markets in September

No. 1 Hard Amber durum ranged from \$3.44 to \$3.65 per bushel Minneapolis with semolina quoted at \$9.00 to \$9.35, granular 15¢ less, durum flour 40¢ less.

At the end of the month Milling & Baking News reported macaroni manufacturers making the first sizeable commitments of the season booking 10,000 to 40,000 cwt. for a 30-day supply. They had been holding for a substantial break in the durum market, but firmness developed following com-

pletion of harvest due to rain damage to swathed fields. Mill grind continued strong. Two mills on strike maintained operations with supervisory personnel, but for the most part other mills were called upon to make up for the slack.

Egg Review

According to the Crop Reporting Board the nation's laying flock produced 5.48 billion eggs during August, two percent more than a year ago. Layers on Sept. 1 totalled 274,000,000, 1% more than the 271,000,000 a month earlier.

Rate of lay on Sept. 1 averaged 65.2 eggs per 100 layers, compared with 64.0 a year earlier and 64.5 on Aug. 1, 1978. Egg-type chicks hatched during August, 1978 totaled 38,600,000, up 2% from a year ago. Eggs in incubators on Sept. 1 at 33,400,000 were virtually the same as a year ago.

Egg Products

September Price Range

Central State Nest Run—\$11.10 to \$12.90
Southeast Nest Run—\$11.10 to \$12.60
Frozen Whole—39.5¢ to 42¢
Frozen Whites—29.5¢ to 33¢
Dried Whole—\$1.56 to \$1.67
Dried Yolks—\$1.47 to \$1.62

The Egg and You

(Reprinted from the Metric Commission Canada's August 1978 Metric Monitor. "The Egg and You" originally appeared in the B.C. Professional Engineer, June, 1978.)

Metric conversion is full of "chicken and egg" situations and Canada's poultry industry is no exception.

The poultry industry expects to be essentially metric by 1980 but is faced with what to convert first, the chicken or the egg.

The implementation phase is fairly long because, although no amendments to legislation are required, considerable time will be needed to convert the chickens. After 1980 it is expected that most hens will be converted and nonmetric hens will be phased out.

Production Streamlining

Many industries are taking this opportunity to rationalize product lines and streamline production and the poultry industry is no exception. As

an industry spokesman said, "We don't want to be caught with our face." Production methods are being completely redesigned and the new metric hen will lay metric-sized eggs. Two egg designs have been proposed. The packing industry would like a cubic egg about 50 x 50 x 25 mm. This design would make packaging much easier. The new egg carton would be a simple box.

Consumer acceptance of the cubic egg may be a problem. As a result, an egg more closely resembling the imperial egg has been proposed. It would be in the form of a truncated cone, about 50 mm. long. The cubic egg is preferred because it will not roll off the table and it is easier to package.

An internal device similar to an IUD will be used to produce cubic and conic eggs. It will be known as an SI UD.

Ten to the Dozen

Naturally, metric eggs will be sold by the metric dozen—10 eggs per carton.

The question of hard or soft conversion has not been completely resolved but it is likely to be consumer preference. Soft conversion is easier and takes 3-5 minutes per egg. Hard conversion takes longer depending on how hard you like them.

Redesigned Chicken

Meat producers are also pressing for a redesigned chicken. Since chickens don't fly they don't need wings. Colonel Sanders and his boy have proposed a redesigned chicken with the wings replaced by legs. The redesigned metric chicken will have four legs and no wings, thus four drumsticks per bird. Turkey producers are also expected to design the turkey in an effort to reduce arguments about who gets the leg at Christmas.

Grading Adjustments

Eggs are graded and packed in grading stations and are sold on the basis of numerical count within grade limits. The effect of metric conversion on the grading system of eggs is minimal, and requires only that grading scales be adjusted, and packages marked according to the new grade sizes adopted. The conversion of egg grading is expected to take place in Canada in 1979.

General Mills' Golden Anniversary

After 50 years of growth, General Mills, Inc., remains committed to its basic goal of leadership in processing and marketing consumer foods, according to the company's annual report for fiscal 1978. The past year, which marked General Mills' 50th anniversary, was "a year of significant progress," the report says, with earnings before extraordinary items up for the 16th consecutive year.

Net sales of General Mills for the year totaled \$3,242,991,000, compared with \$2,782,832,000 in the previous year and \$2,644,952,000 in 1976. Net income for the 1978 fiscal year was \$135,840,000, equal to \$2.72 per share on the common stock, against \$117,034,000, or \$2.36 per share, in the prior year. Earnings for the 1976 fiscal year were \$100,538,000, or \$2.04.

Future Planning

E. Robert Kinney, chairman of the board, and H. Brewster Atwater Jr., president, point out in the report that during the past year General Mills "took significant steps to advance long-term prospects." Mr. Kinney and Mr. Atwater state that record expenditures for the year included increases of 23.5% for new plant and equipment, 18.2% for research and a 17.3% increase in advertising spending.

These expenditures expanded capacity for internal growth of existing business, supported an aggressive program of new product introductions and improved General Mills' position in virtually every major market in which the company competes," the C. M. officers state. They also point out that most of these investments were financed internally and the company finished the year in the strongest financial position in over a decade.

Company Evolution

A special eight-page section of the General Mills report focuses on the company's evolution from a commodity-oriented food company in 1928 to a "corporation emphasizing balanced diversification through the marketing of consumer goods and services." The company began when James Ford Bell, then president of Washburn Crosby Co. in Minneapolis, consolidated a group of leading flour mills and a specialty feed firm to form General Mills.

As the company enters its second half century of operation, "we remain confident about our future," Mr. Kinney and Mr. Atwater state. "Our basic strategy remains unchanged. General Mills is committed to leadership in the marketing of consumer goods and services. We shall achieve this goal through internal growth in our existing industry areas."

Capital Expenditures

To support these efforts, General Mills has budgeted a 20% increase in fiscal 1979 gross capital expenditures to the \$165 million range, Mr. Kinney and Mr. Atwater point out. Approximately 50% of the spending total is allocated for food processing, 25% for restaurant activities and another 25% for other consumer business and corporate items. All of the expenditures will be financed internally, the officers state.

Continued Growth

All major segments of General Mills' operations showed growth for the past year, Mr. Kinney and Mr. Atwater say.

Sales of mixes, family flour, frozen and other consumer foods reached \$778.5 million for the past fiscal year, an increase of 5% over 1977, the General Mills report points out. "Despite a 5% decline in family flour market volume as some consumers shifted to convenience foods, Gold medal flour maintained its leadership in the \$350 million market segment," it states.

General Mills in Canada

from the Modern Millwheel

Canada and the U.S. are similar in many ways, but it's the differences in the two countries that makes marketing of General Mills Grocery Products in Canada unique.

General Mills was a fairly late arrival to Canada, coming in 1954 into a cereals market dominated by a competitor. Under this burden, corporate growth was slow in the early years. But on the strength of successful product introductions, chiefly in the baking mix area, growth did come. General Mills, as in the U.S., is now the dominant Canadian baking mix manufacturer.

Overseeing the operations of General Mills Canada, Ltd., is John Herrick, Chairman of the Board. Herrick, a vibrant St. Paul, Minn.,



John D. Herrick

native, has had varied experience with General Mills in the past twenty years, beginning in Minneapolis as an accountant. In 1968, it was over to England for a tour of duty with the Smith Group, and then finally to Toronto, where he lives in a downtown condominium overlooking Lake Ontario.

"I like Canada. It's a friendly place and I have close friends here. And although I'm still an American citizen, I probably think and act much like a Canadian," says Herrick. In apparent confirmation of his good standing as a member of the Commonwealth, Herrick was one of a small number of individuals to receive a medal commemorating the 25th anniversary of Queen Elizabeth II's ascension to the throne.

"Toronto The Good"

The headquarters for General Mills Canada is Toronto, or more precisely Rexdale, a Toronto suburb. Toronto has been hailed as one of the world's great cities, although to anyone who had visited it in the 50's or early 60's without returning in the intervening years, this might seem a trifle hard to believe. In those days, "Toronto the Good" had a reputation as a conservative Victorian city where the only indulgences were hockey on Saturday night and church on Sunday morning. To the less religious, Buffalo was Mecca. But times have changed.

With a rapid influx of immigrants, Toronto has grown into a cosmopolitan city of over three million. There are now thriving Portuguese, Greek and Italian communities—the Italian populace is particularly large, with more Italians than the city of Milan. Toronto also boasts a bustling Chinatown and recently has seen the

(Continued on page 42)

General Mills in Canada

(Continued from page 41)

distinctive influence of West Indian culture. The influence of these nationalities is most noticeable in the large number of restaurants serving authentic ethnic cuisine.

Unlike in the U.S., where immigrants quickly became part of a "melting pot," Canadian immigrants were less inclined to melt into the masses. Instead, they clustered in groups.

The Separatism Problem

Therein lies the most basic difference between the U.S. and Canada. Canadian manufacturers must simultaneously market to two distinctive peoples: to English Canada, with all its variations, and to French Canada. Snackin' Cake is a case in point. The idea of an easy-to-prepare cake was not readily accepted by French Canadian homemakers; in fact, its packaging and French brand name conveyed a brownie product, not a cake. As a result, management undertook a marketing approach using a well-known French Canadian spokeswoman to build awareness of the brand and its use. Meanwhile, a convenience approach was used in the rest of Canada. Both approaches were highly successful.

But it goes beyond that. As a matter of course, all packaging, no matter where its destination in Canada, must be bilingual—both English and French. Most routine correspondence must be translated to French.

For some French, these are merely concessions that have stigmatized the Quebecois as second-class citizens. Resentment of the English, les anglais, has resulted. This no doubt was partly responsible for the rise of separatist feelings in Quebec over the past decade, which most recently has culminated in moves for Quebec's separation from Canada.

In the November, 1976, election of the provincial Liberal government of Quebec (provincial governments function essentially as do U.S. state governments) was toppled by the Parti Quebecois opposition party. Although an acknowledged Separatist party, the Parti Quebecois gained support largely for its clean government platform in the backlash of the Liberal government's bungling of the Montreal Olympic's financing.

It didn't take long for the Party's separatist leanings to surface. Rene Levesque, the new premier of the province, announced that a referendum on separation would be held within two years. To say the least, the effect on business has been unsettling. Major corporations have threatened to pull out of the province. An exodus of English-speaking Quebecers has already begun.

Other Differences

But the Canadian marketing environment is different for other reasons as well. There are psychological differences that make Canadians more conservative investors and cautious purchasers of durable goods; differences that make Canadians, paradoxically, more adventuresome travelers. There are governmental differences. As John Herrick says, "This is a more socialistic society than the U.S. We have to compete not only with the other companies but with the government as well. Every time you turn around there's a new regulation. I'd say we're over-governed."

To be aware of the unique aspects of Canada is one thing, to respond to them and to make them work for you is another. "If the problems of government regulation, higher prices, Quebec separatism, intense corporate taxation and others seem to get in the way of moving product," says John Herrick, "it can be overcome by attention to quality products and sophisticated marketing. If we continue to approach this market as we know it should be approached, General Mills will do very well here."

Lancia-Bravo in Toronto

from the Modern Millwheel

Who is this woman and why is she smiling?

She's one of Canada's leading sales people, seen in almost every Canadian grocery store or supermarket. Her name is Mamma Bravo, symbol of quality to all Canadians.

Lancia-Bravo, a division of General Mills Canada, Ltd., is located in the heart of Toronto and is a producer of Italian food products. Such foods as pasta, spaghetti sauce and chick peas are marketed by the Lancia-Bravo division under the separate brand names of Lancia (for pasta) and Bravo



Mamma Bravo

(canned goods).

Mamma Bravo is smiling because Lancia-Bravo is one of the top producers of such products in Canada and enjoys a fine reputation for authenticity and integrity. When Canadians want to cook a meal that really tastes Italian, they turn to Lancia-Bravo products.

Italy In Canada

You don't usually associate Italy with Canada. But, the fact is the Italian population of Toronto is larger than that of Milan, Italy and comprises fully 15 percent of the greater Toronto population. The Italian community, which is largely segregated from the other ethnic elements in Toronto, has an enormous influence on the cultural direction of the city. Italian restaurants abound, as do other indications of Italian influence.

"We are split into three markets here in Canada," says Glen Graton, Vice President, Marketing. "The Italian community, the French Canadians and the remainder of Canada."

Non-Italians are most interested in authenticity and quality. Television and print media advertising stress the "old world" quality of Lancia-Bravo products, with references to the thickness of Bravo spaghetti sauce and the high-quality wheat used to make Lancia pasta. The message is further enhanced by showing Italian families eating Lancia products.

THE MACARONI JOURNAL

THE DRYER OF THE FUTURE



Three-stage dryer, 8' x 27'

In a 1973 survey of the entire pasta industry by an independent research firm, 67% of respondents stated that a combination of microwave and conventional drying is "the method of the future."

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Makes a richer looking product; no blanching.

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Compared with conventional dryer

Units in these lbs./hr. Capacities: 1500, 2500, 3,000 and 4,000.

Operating today at: Golden Grain, San Leandro (2 units); Golden Grain, Chicago (2 units); D'Amico, Chicago; Catelli, Montreal; Gooch, Lincoln; O. B., Ft. Worth; Lipton, Toronto (2 units); Gilster Mary Lee, Chester, Ill.

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New! Detergent by Microdry. More compact; 2000 p.s.i. water nozzle pressures.

NOVEMBER, 1978

Lancia-Bravo in Toronto

(Continued from page 42)

Selling the Italian community on Bravo spaghetti sauce is a more difficult job, not because the quality is suspect, but because the Italian community prefers to make its own.

Marie Ciani, Personnel Director of Lancia-Bravo and a second generation Italian, typifies the view of most Italian-Canadians.

"When I make spaghetti sauce at my house, I make it from scratch. There's no way I'd use a canned sauce."

The feeling among Italian-Canadian women seems to be that spaghetti sauce is a personal thing, almost sacred.

"Every Italian woman I know resists the idea of buying canned sauces," says Ciani. "It's mostly a matter of pride."

But when it comes to the many varieties of pasta and other canned products, the Italian community buys Lancia just like most Canadians. Why? Is there any real difference between one brand of spaghetti and another? "Yes," answers Ciani. "We make ours from pure durum wheat. Not everyone does that. We do it because our reputation is on the line. People expect the best from Lancia."

The French Canadian market is complex, but Lancia-Bravo is making some inroads in Quebec province.

Separatist feelings are running quite high among French Canadians. At first, advertising directed at Quebec province was no different than that used in the rest of Canada. However, consumer research indicates a new approach must be adopted.

Visiting The Plant

Visiting the Lancia-Bravo plant in Toronto is like stepping into another world—an all-Italian world. The plant is located near one of the Italian neighborhoods. As a consequence, nearly all of the workers are of Italian ancestry.

English is a second language at the plant. Italian is the language used to communicate between workers and their supervisors. Everyone seems quite proud of his heritage, and that pride no doubt is reflected in the old world cooking traditions used to make Lancia-Bravo products.

In the future, Lancia-Bravo has plans to expand its operation, adding

new product lines and taking a more aggressive approach in the French Canadian market. Meanwhile, sales are improving.

So, Mamma Bravo has reason to smile. Things are proceeding rather smoothly in her domain.

Pillsbury Prospers

With each of its business groups "strong and well positioned in relation to consumer preferences," The Pillsbury Co. entered fiscal 1979 with "great optimism." William H. Spoor, chairman, and Winston R. Wallin, president, state in the company's annual report to shareholders.

Pointing out that record sales and earnings were achieved in the fiscal year ended May 31 for the seventh consecutive year, Mr. Spoor and Mr. Wallin state that it was a year of "strong, well balanced growth—the best year in our 109-year history."

"This consistent performance attests to the excellent mix of businesses in our portfolio. This unique balance has produced growth rates over the past five years that are among the highest of any major food company—16% in sales, 23% in net earnings and 20% in earnings per share. Return on average stockholders' equity has grown from 12.8% in fiscal 1973 to 16.8% in fiscal 1978."

Consumer Group

"The Consumer Group," Mr. Spoor and Mr. Wallin state, "is developing new sources of growth from internal development as well as through acquisitions. We have now achieved the number one market share position in frozen pizza and hold the number two market share in large cake mixes."

Acquisition of American Beauty Macaroni Co. and Speas Co. in fiscal 1978, Mr. Spoor and Mr. Wallin point out, added \$77 million in sales during the year.

Fiscal Review

In reviewing fiscal 1978 by major food industry segments the annual report states that Agri-Products operating profit in fiscal 1978 was up 13%, while sales were down 2%. The group contributed 21% of Pillsbury's sales and 27% of operating profit, while the Consumer Group contributed 43% of sales and 34% of operating profit and the Restaurant Group was responsible for 36% of sales and 39% of profit.

Pillsbury Agrees to Acquire Green Giant

An agreement in principle for acquisition by The Pillsbury Co. of Green Giant Co. was jointly announced by William H. Spoor, chairman and chief executive officer of Pillsbury, and Thomas H. Wyman, president and chief executive of Green Giant.

The proposed merger with Green Giant would be the latest in a series of acquisitions by Pillsbury, and exemplifies the company's long-range plans for broadening its operations within the food manufacturing field. In 1977, Pillsbury acquired American Beauty Macaroni Co., Kansas City, and earlier this year completed a merger with Speas Co., a vinegar and apple juice producer.

Two Steps

Principal terms of the merger agreement have been approved by boards of both Pillsbury and Green Giant, and call for the transaction to be completed in two steps. Pillsbury will initially make a cash tender offer at a price of \$37.25 per share for 1,800,000 shares of Green Giant's common stock outstanding, and may, under certain circumstances, purchase up to 2,200,000 shares. Green Giant currently has approximately 3,900,000 common shares outstanding.

The second step of the merger calls for the holders of Green Giant's common stock receiving .8324 shares of Pillsbury common for each share of Green Giant. Holders of Green Giant's series A, B, C and D preference stock outstanding at the time of the merger will be entitled to receive 2,913,428, 3,329,600 and 1,165,400 shares, respectively, of Pillsbury common for each share of preference stock held. There are currently outstanding about 32,000 shares of series A, 1,710,000 shares of series B, 31,500 shares of series C and 174,617 shares of series D Green Giant preference stock.

The merger transaction is subject to the preparation of a mutually satisfactory definitive agreement and final consummation must be approved by boards and stockholders of both companies, in addition to a favorable ruling by the Internal Revenue Service. It is intended that the merger will qualify as a tax free exchange for the holders of Green Giant's common and

preference stock, Mr. Spoor and Mr. Wyman said, and plans call for holders of Green Giant's 5% cumulative preference stock and the Series E preference stock to receive cash.

Strong Product Balance

Mr. Spoor, in announcing the agreement, stated that the proposed merger "brings together two Minnesota companies which share a rich heritage. Green Giant is one of the great brand names in the food industry and is synonymous with quality. The combination should provide us with a much stronger balance. We are confident that the outstanding management team of Green Giant will make a major contribution to the future of the combined companies." He added that both Mr. Wyman and Robert Cosgrove, chairman of Green Giant, will be invited to serve as members of the Pillsbury board.

Mr. Wyman indicated that he believed that terms of the merger will be favorably received by Green Giant shareholders. "We see significant opportunities in the fit between our companies and our businesses—and we look forward to drawing on the substantial resources of The Pillsbury Co. to accelerate the expansion of our business even more rapidly," he said.

Green Giant, a leading vegetable canner, had sales of \$425.5 million and net income of \$10.9 million in the fiscal year ended May 28, 1977. For the fiscal year ended last May 31, Pillsbury had sales of \$1,704,914,400 and earnings of \$72,513,000.

Green Giant

Boil-in-a-Bag Entrees

Green Giant Company of Le Sueur, Minnesota is advertising its boil-in-a-bag frozen entrees line in grocery public relations. Of the eight, five are pasta dishes: Macaroni & Cheese, Macaroni & Beef, Spaghetti & Meatballs, Chicken & Noodles, and Lasagna.

Single servings of 9 oz. are fast and easy to prepare on stovetop or in microwave ovens. Suggested retail for each entree is under a dollar.

The line gets heavy advertising and promotional support with introductory allowances in trade promotion; full page, four color print ads in women's magazines; over 70,000,000 coupons; and network television reaching 95% of all households an average of 20 times.

Campbell Soup Sales And Earnings Up

Campbell Soup Company's sales and net earnings reached record high levels in the fourth quarter and 1978 fiscal year ended July 30, President Harold A. Shaub reported.

Consolidated sales for the year rose to \$1,983,659,000 for an increase of 7% over sales of \$1,859,972,000 in fiscal 1977. The prior fiscal results have been restated to include the results of operations of Vlasic Foods, Inc., which was acquired in a pooling of interests on May 30, 1978.

Net earnings totaled \$121,410,000, compared with \$108,306,000 last year. Earnings per share increased 12%, to \$3.61 from \$3.23 last year.

"Continued productivity gains were a significant factor in the earnings improvement reported for the full year," Mr. Shaub said. "Unit sales of the Company's products were slightly higher than last year, with product sales mix and price adjustments accounting for most of the gain in sales dollars," Mr. Shaub noted.

Campbell's expenditures for new and expanded plant facilities and improvement programs also were at a record high level in the fiscal year ending July 30, Mr. Shaub said.

Included in these expenditures, which were \$104 million in the year, were purchases of mushroom processing facilities in Jackson, Ohio, and Evansville, Pennsylvania, and a tomato paste plant in Dixon, California; funds for construction of a large distribution facility in Maxton, North Carolina; and, expenditures for substantial expansion or improvement of Company plants in Fayetteville, Arkansas; Camden, New Jersey; Napoleon, Ohio; Sumter, South Carolina; and City of Industry, California.

A new Hanover Trail Restaurant, the Company's eighth, will be opened later this month in Reading, Pennsylvania. Five additional Hanover Trail units are scheduled for construction during fiscal 1979.

WHO'S PROUD?

"I am proud to be paying taxes to the U.S. The only thing is—I could be just as proud for half the money." —Arthur Godfrey.

FORCE FOR MODERATION

"We have to remind everyone that the Federal Reserve Board has no

Hershey Statement

Earnings gains and record sales have been achieved by Hershey Foods Corp. for the second quarter and first six months. For the quarter, Hershey had net income of \$6,170,000, or 45¢ per share on the common stock, compared with \$4,820,000, or 35¢ per share, in the same period a year earlier.

For the first six months, Hershey had income of \$16,487,000 on sales of \$342,697,000, compared with \$13,598,000 and \$297,187,000, respectively, a year earlier. Earnings per share for the first half were \$1.20, against 99¢.

According to Harold S. Mohler, chairman of the board, the Hershey Chocolate and Confectionery Division accounted for most of the growth in sales, and that growth was generated by both new products as well as established brands. Mr. Mohler noted that early in the quarter one of the company's subsidiaries, San Giorgio Macaroni, Inc., acquired substantially all of the assets of Procino-Rossi Corp. of Auburn, N.Y. He said San Giorgio will operate Procino-Rossi as a manufacturing facility and will retain the P&R brand.

Cocoa beans remain the most significant cost factor in Hershey's operations, Mr. Mohler pointed out.

Multifoods Optimistic

International Multifoods Corp. is expected to report increased sales for the second quarter that ended Aug. 31, with earnings essentially the same as last year, William G. Phillips, board chairman, told the Twin Cities Society of Financial Analysts. The company had earlier projected lower earnings for the quarter, Mr. Phillips said, "but the momentum gained late in the quarter enabled us to improve our earnings forecast."

Mr. Phillips told the analysts that the trend of second quarter earnings—finishing with a strong August—indicates that Multifoods has "turned the corner and can look toward continued improvement in the second half." Multifoods expects to record its 11th consecutive year of earnings improvement during the current fiscal year, Mr. Phillips said.

choice but to be a force for moderation."—G. William Miller, new chairman of the Federal Reserve Board.

Packaging for Better Nutrition

from the Professional Nutritionist

During the Napoleonic campaigns, a Parisian confectioner and inventor developed a dramatic way to improve the flow of food supplies to the battlefields. Francois Nicolas Appert, in 1809, finally found a way to preserve food in sterilized and hermetically sealed containers.

If only the Little Corporal's soldiers' stomachs could have been filled with more food than Appert's primitive packaging technique could possibly provide! Perhaps the ultimate defeat, at Waterloo, might have been delayed or even reversed had Appert been successful sooner.

Napoleon's problems related to food really haven't changed radically except that, in the last 20 years or so, the world food supply has outpaced population growth. There's now more than enough food—if it can be made available, intact, to the people.

Yet food still goes to waste, as much as 50 percent these days, depending on the country. Crops continue to be subject to natural disasters, rotting on docks, consumption by insects and rodents, or destruction in transportation.

Solutions Have Changed

But the solutions to the problems have changed.

There are continuing and radical changes: a technological evolution from Appert's infant packaging now plays an integral role in successfully improving the quality of life for virtually all peoples throughout the world, military as well as civilian. A major goal is improved nutrition, a concern for both consumers and nutritionists.

Packaging per se has become ubiquitous in the United States. Among all users of packaging, food is always the first in volume consumption. Of the \$38 billion that the Department of Commerce estimates was invested in U.S. packaging in 1977, about half was used for packaging to carry foods to market.

But food packaging does more for consumers than just surround, shelter, and deliver even the most tender and fragile ration, whether it's an empty-calories snack or an exotic import. It also cuts food costs—by as much as

\$10 billion a year, the Department of Commerce has estimated.

Of retail food prices, no more than 10 percent is attributed to packaging. For this expenditure, most people in the U.S. eat better and in greater variety and safety than anyone else.

Most of these economies can be credited to reduction of waste: Less spoilage, fewer inedible parts of vegetables, fruits, and meats shipped from producer to retailer, and reduced time, labor, and costly space in stores. Moreover, markets for food are broadened to offer greater choices, expand demand, increase production, and reduce selling costs.

Consumption of seasonal products are stretched out, often year-round, by economical freezing or canning when crops are at their height of quality, flavor, and supply. Food products, especially vegetables, which are suited for growth in different areas of the world, have become export products to global markets through effective packaging.

Protection

The package protects a food grown or processed in one locality and shipped to another. For the most part, the food we eat comes from somewhere else; more than 70 percent of our nation's population lives and works in urban areas. Yet the Boston scrod served in Fargo, the Mexican asparagus in Detroit, and the Maine lobster in Tucson arrive in good shape, in good color, and with much of the nutrition intact—thanks to the packaging and efficient distribution.

The food's package further protects the product against a naturally hostile environment that contains moisture, micro-organisms, light, dirt, varying temperatures, and oxygen. Also, it often must protect against loss of the products' own flavors, fragrances, or gases, and against the gain of unwanted odors or flavors.

Sanitary integrity is another essential function throughout the distribution cycle. The possibility of contamination during handling is now reduced, thus minimizing the possibility of food spoilage, nutrient losses, and health hazards.

But what about some specifics, such as enhancement of nutrition, health, and safety?

National nutritional intake has been growing, particularly since 1960. Per-capita calorie and protein availability, as well as consumption, have increased (although calcium dropped because milk now competes with other types of beverages and protein products). This has taken place during the period when packaging technology was making revolutionary strides. (Today it is more evolutionary.)

Do packaged items deliver the same nutrients as the fresh foods they have replaced? Not really. Only preparation and eating of food in the field, at the source, can guarantee the ultimate in maximum nutrition. However, advanced commercial handling and processing in the U.S. assure superior retention of initial nutrient value. Of course, post-harvest handling cannot retain all nutritional values indefinitely. There is a decreasing scale of effectiveness.

Fresh refrigerated foods, for example, usually protect the most nutrients—but only under ideal packaging and physical-distribution conditions, and for limited periods of time. Freezing is the next-best protector. But freezer storage, shipping, and display conditions must be strictly controlled, and distribution costs are high. Canning is third in effective nutrient retention. Yet even canning processes, with the lowest nutritional loss, cost relatively more. This is offset in part by the low loss of nutrients after processing and by low distribution costs.

Health and Safety

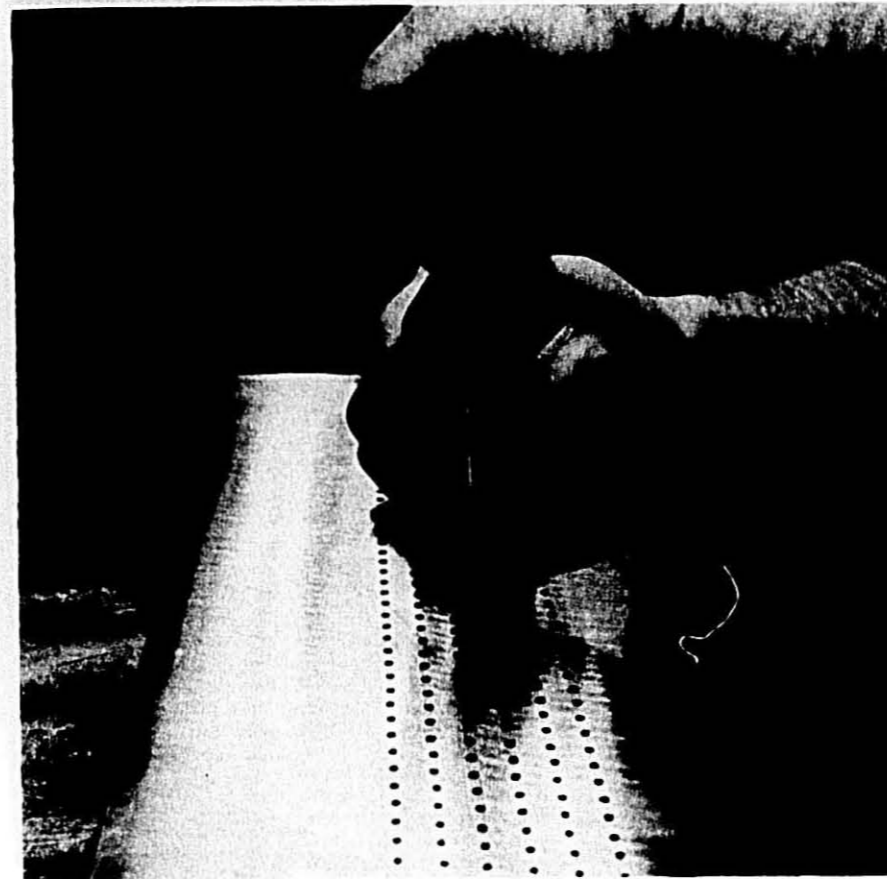
Packaging's progress in areas of health and personal safety for consumers is a joint goal and dual responsibility of both business and government. For the manufacturer, the interest is more than simple a truism: it is good business. It helps keep the customers coming back for more.

Accordingly, there are packaging-related bills in Congress, laws already on the books, or appropriate administrative regulations. Yet, to stay in business and to prosper, business cooperates in establishing standards and regulations as well.

Perhaps a classic example of the dual responsibility lies in the 20-year history of clearance procedures for

(Continued on page 48)

THE MACARONI JOURNAL



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NOVEMBER, 1978

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Packaging for Better Nutrition

(Continued from page 46)

the retort pouch—which only recently was approved, and is now in test markets. This is a lightweight, sterilized, vacuum-packed pouch for food, with at least a year-long, nonrefrigerated shelf life.

Public Feeding

With the new pouch, processing time is halved and total energy use is 60 percent less when compared with frozen foods. The intensity of both government and industry efforts to assure a heat-in-pouch that would not compromise the health and safety of consumers is evident in their expenditure of time, energy, and money on both "sides"—to bring alive just one food package.

When food safety and packaging are discussed, it is natural to think mainly in terms of packaged foods for home use. Yet with documented evidence of increased away-from-home eating (increasing as much as 11 percent per year), let's look into public-feeding practices.

Major decreases in food-borne infections in restaurants in the past decade can be largely credited to portion packaging. Rather than taking sugar, coffee whitener, crackers, jam, catsup, mustard, or salad dressing from a pitcher or dish—possibly previously used food-service customers can use factory-sealed individual packets.

Such unit-portion packaging ensures a fresh product, without the possibility of contamination. The portions protect food from disease organisms and forestall exposure to dirt, air, chemicals, or off-flavors. And food service establishments can save time, labor, and waste while serving 70 billion meals each year.

Food safety must be of major concern for packagers of foods and the manufacturers of the materials. Six major potential hazards are generally associated with foods: foodborne disease of microbial origin, malnutrition, environmental contaminants, natural toxicants, pesticide residues—and certain food additives.

All are important, but food additives are a singular concern.

Under U.S. law, food that is made into a compound of a more complex food is rated as a food additive unless it is generally recognized as safe (GRAS)

by experts. But in the food-additive category the law also includes packaging constituents and components of food-contact surfaces. In the end, of course, food-package suitability is measured by delivery of its contents in uncontaminated condition. For packagers, a major worry is any contamination obtained from the container.

Naturally, acidic foods can corrode a metal can, for instance. But contents may be affected by migration of an ingredient in some packaging component, particularly in the case of complex materials, such as plastics. Also important are questions of container permeability to gases or water vapor, as an example, as well as the reaction of foods in non-opaque packages to natural or artificial lighting.

All such problems call for a variety of solutions the challenge technologists and designers. They range from modification of the packaging material chemically, or mechanically by means of coatings or linings, to outright substitution of another material or type of container.

Government Agencies

The food packaging industry is regulated by four inspection agencies, 12 in nutrition research, 21 (and the USDA) in policy making, and more than 2,000 rules and laws. Included are the FDA, which regulates foods, drugs, cosmetics, and biologicals; the Occupational Safety and Health Administration, for contaminants in the workplace; and the Environmental Protection Agency, for pollutants of air and water, pesticides, and toxic substances in general. There is also the Consumer Product Safety Commission, which sometimes overlaps the others on food-related problems.

Each of these agencies, quite naturally, operates under different laws. The safety requirements differ both among and within agencies—there are different requirements as well as the normal variations to be expected within governmental agencies operated by people.

What's Ahead

In what direction will food packaging move in the last quarter of this century?

Packaging is getting increasingly sophisticated. It requires newer techniques in order to continue to provide even better packaging—at lower cost.

Food packaging research finds one of its most important areas for work is the relationship of packaged food products' shelf life and the permeability of their packages. Permeability is a function of container materials and construction. Food packaging depends on permeability, or the lack of it, for most of its ability to retain nutrients, quality, and flavor—and to guarantee user health and safety.

With packaging already one-quarter of the consumption of all plastics and with food requiring about one-half of all packaging, it is logical to define some of the future by looking at plastics as a guide.

In no basic raw-material areas, including plastics, is there expected to be any big new breakthrough. Rather, evolutionary achievements will come in new food-approved materials and containers.

Plastics will be chemically tailored to provide optimum properties, including better barrier characteristics for control of aroma, water-vapor and gas (including oxygen) permeability. Much of this sophistication will be designed to improve protection and shelf life. But packagers and economists must ask themselves how much more can be practically engineered into any container without negating it through excessive cost.

Still, as new food products appear, new containers will be created from existing materials from those combined with other materials in new composite forms—as chemists, engineers, and technologists work their magic. Modifications also will be made to reach social and regulatory goals, such as packaging returnability, reuse, and recycling.

Overall: Simplicity, maximum weight reduction, and efficient injection will dictate new designs and structures.

In distribution, emphasis is already heavily on computerized operations: automated warehousing/distribution systems and electronic scanning (retail of Universal Product Codes). These codes are now printed on most packaged goods sold through food outlets. Although costly to install, they are intended to reduce labor, increase speed and accuracy at checkout, and enhance ordering and efficient inventories.

Of course, the strong trend toward use of recycled or recyclable mate-

rials, and protecting consumers from carcinogens and toxins will continue. Energy availability—and energy use—will complicate progress in some of these areas.

The energy question may have other ramifications, particularly affecting less-developed nations, where more hunger and deprivation exist. On one hand, we have sophisticated packaging for U.S. consumers which grew out of our continued innovations and highly complex technology-based society. On the other, there may come simpler containers created specifically for the less-technically-developed nations of the world which would be conceived with the belief that food preservation via less-costly packaging will help them to rise above an agrarian and food-scarce social structure.

But if energy and material shortages severely alter the socio-economic structure of advanced nations, such simplified packages may become our packages of the future, too.

Meanwhile, unless they lose their power to choose, U.S. packagers will continue to provide maximum practical protection and appeal as ingredients in their food-marketing mix—all in the interest of improved nutrition, safety, and good business.

Seaboard Benefits from Product Proliferation

Seaboard Allied Milling Corp. is in a unique position to benefit from product proliferation on the American food scene, according to the company's annual report reviewing the 1978 fiscal year, in which Seaboard established a record earnings for the third consecutive year.

The Seaboard report points out that tonnage of flour produced increased 4% in fiscal 1978 to reach an all-time high for the 19th consecutive year.

"New profit records were set in both the domestic and foreign areas," the report says. "In the United States small capacity increases were completed at several of the company's mills, resulting in increased production and distribution efficiencies.

"Our entry into durum milling three years ago has been well received by pasta manufacturers, and we presently produce about the same proportion of the national production of semolina and durum flour as we do of bread flour." Total Seaboard daily milling

capacity for all types of flour in the U.S. is 86,000 cwt, the report adds.

The Seaboard report states that the company's domestic customers—"the bakers, pasta manufacturers, and producers of other specialty foods who use flours in a number of ways—generally experienced a good year in the past 12 months.

"The American food marketplace, characterized by mounting interest in so-called natural foods, is a highly favorable environment for the expansion of demand for foods made from our flours. Product proliferation is an increasingly important hallmark of the American food scene, and the wide variety of flours we make, including many specially designed to meet specific customer requirements, places Seaboard, its people and its plants, in a rather unique advantage to meet these needs."

Peavey Earnings Increase

Peavey Company announced net earnings of \$13,918,000 or \$2.40 per share on sales of \$522,872,000 for the year ended July 31, 1978. This compares with net earnings of \$9,310,000 or \$1.60 per share on sales of \$494,306,000 for the previous fiscal year.

In the fourth quarter Peavey earned \$4,218,000 or \$.73 per share one sales of \$144,231,000. For the same period a year ago Peavey earned \$2,509,000 or \$.43 per share on sales of \$124,711,000.

"We are pleased with the earnings improvement after last year's disappointing results," William G. Stocks, Peavey President and Chief Executive Officer, said. "As expected, the earnings improvement came from our agricultural, consumer foods and specialty retailing activities, while earnings from flour milling declined."

Ag Group Comes Back

The Agricultural Group returned to profitable operations, after an operating loss a year ago. This group benefited, Stocks said, from increased grain export activity and continued growth in commodity brokerage operations. Problems encountered during the year included severe winter weather and a chronic shortage of rail cars, Stocks noted.

Though flour volume was up for the year, Industrial Foods Group earnings declined as competitive industry conditions and lower millfeed

prices impacted margins.

Earnings gains outpaced sales gains in the Consumer Foods and Retail Groups. Consumer Foods Group earnings increased 21 percent on a sales increase of 16 percent. Retail Group earnings were up 20 percent on a sales increase of 14 percent. The three major segments of the Retail Group—building supplies, U.S. farm stores and fabrics—all contributed to the increase. Stocks said that Canadian farm store and "Steamex" carpet cleaning equipment and chemical operations were unprofitable for the year.

"Though start-up costs at our new export elevator near New Orleans and strike activity at two flour mills will impact first quarter earnings," Stocks said, "we expect another earnings improvement for fiscal 1979."

Lower Earnings at A D M

Lower processing margins, principally in corn sweeteners, were the primary factor in decreased earnings of Archer Daniels Midland Co. in the fiscal year ended June 30, according to the company's annual report.

While production volume in all major areas were comparable to or exceeded levels of the previous fiscal year, dollar sales in fiscal 1978 were off 12% due to lower grain and oilseed prices, the report states.

James R. Randall, president, and Dwayne O. Andreas, chairman of the board and chief executive officer, point out that "the reduction in dollar sales was due to the lower gain and oilseed prices prevailing for most of the fiscal period which in turn resulted in lower sales prices on the processed products sold by ADM."

Growth for A D M Milling

ADM Milling Co., Mr. Randall and Mr. Andreas say, "continued to be a substantial contributor to earnings and the company merchandising activities continued to grow in both scope and profitability."

Citing large-scale introduction of TVP brand textured soy proteins and entry into the refined vegetable oil field as examples of periods in which "there is a lag between investment and earnings," Mr. Randall and Mr. Andreas comment, "Currently we have undertaken a significant commitment

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Emil Spadafora

Emil Spadafora, president of Superior Macaroni Company, Los Angeles, passed away September 2. He was a brother of the late Fred Spadafora, husband of Bertha J. Spadafora, uncle of Dr. Edmund L. Sherwood, Albert Bush and Elaine Spadafora.

Hershey Tech Center

(Continued from page 30)

Center, now under construction. His organization will consist of four segments: Engineering Service, Process and Product Development, Research, and General Office Services and Support for the Technical Center itself.

Louis C. Smith, Vice President, has been appointed to a new position with responsibility for special programs bearing significantly upon the future of the Corporation, including energy, the environment, productivity, real estate, cocoa bean logistics, and the government relations implications of each of these.



The National Macaroni Manufacturers Association holds its Winter Meeting at the Doral Country Club, Miami, Florida, February 4-8, 1979. The state of the industry, management matters and product promotion will be discussed. On the social scene there will be an Italian dinner, golf and tennis tournaments. Details from NMMA, P.O. Box 336, Palatine, Illinois 60067.

A D M Milling Growth

(Continued from page 49)

to the production of high fructose corn syrups with particular emphasis on the second and third generation syrups.

ADM's grain acquisition and merchandising operations—Tabor Grain Co., Smoot Co. and ADM Grain Co.—performed in a "very satisfactory manner" during the year, Mr. Randall and Mr. Andreas state.

New facilities for spaghetti and lasagna manufacturing were installed and made operational late in the fiscal year by Gooch Foods, Inc., Mr. Randall and Mr. Andreas say. The company continues to work on development of pasta products that can be prepared quickly at home, they state.

The Research and Development Division of ADM, Mr. Dandall and Mr. Andreas state, worked closely with the Tweedy division of British Arkady in the introduction of Tweedy's new high-speed vacuum cooler into the North American baking market.

IPACK-IMA in March, 1980

The next IPACK-IMA, the international exhibition of packing and packaging, mechanical handling,

food-processing industrial machinery, is to be held within the Milan Fair grounds during the period of March 18-23, 1980.

IPACK-IMA is one of the leading European exhibitions devoted to machines, materials, products for packing and packaging, machinery and equipment for the foodstuffs industry, and is the only Italian exhibition of its kind. It has the largest display of pasta processing equipment in the world.

The last IPACK-IMA, held in October, 1977, attracted 920 exhibitors, including 319 from countries outside Italy, from 17 nations. The number of visitors totalled 80,843 from 86 nations.

Metric Post

Charles E. Buckingham, a retired Air Force lieutenant general was named president of the American National Metric Council. Until his retirement in July, he was in charge of the Air Force budget. The council is a private group drafting industry-by-industry timetables for conversion to metric measurement.

"A lot of problems solve themselves if let alone."—William Feather.

THE MACARONI JOURNAL

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