

**THE  
MACARONI  
JOURNAL**

**Volume 61  
No. 9**

**January, 1980**

# Macaroni Journal

0024-8894

JANUARY, 1980

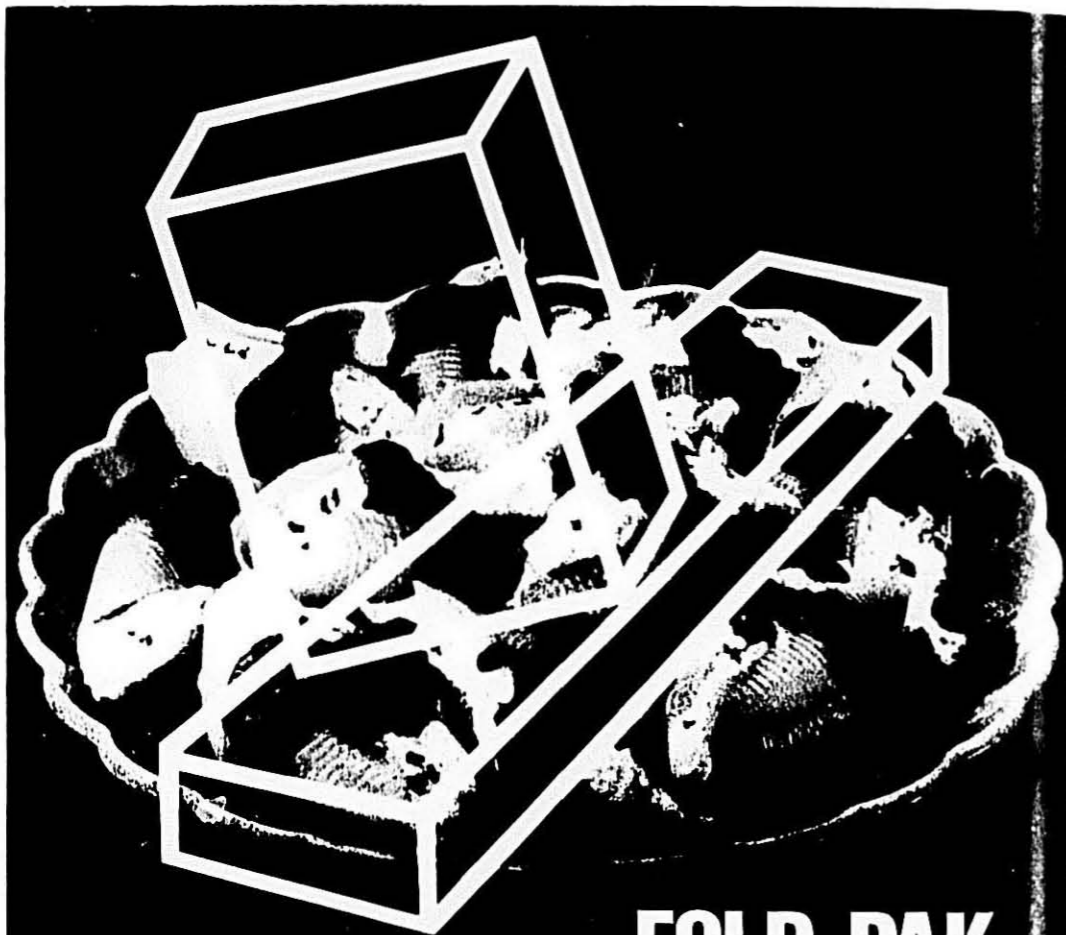
## FATHER TIME:

You will learn about protein, mineral, ash, fat solids, temperature, humidity, packaging, purchasing, marketing, maintenance, management, and many, many more things."



## NEW YEAR:

"But I thought macaroni was just flour and water - and noodles and eggs."



## FOLD-PAK is package appeal

Fold-Pak (formerly Fibreboard) is synonymous with pasta packaging. We make packages for the best pasta manufacturers in the business — (have been doing it for years).



Now with Fold-Pak, a truly employee owned company, you can expect and get a superior package. Why? It's obvious, Pride! We alone are responsible for the package we print, we want to be proud of it. You will be too.

Fold-Pak Corp., Newark, New York 14513/315-331-3200  
Englewood Cliffs Sales Office: 110 Charlotte Place  
Englewood Cliffs, N.J. 07632/201-568-7800

# The Macaroni Journal

Vol. 61  
No. 9  
January  
1980

Official publication of the National Macaroni Manufacturers Association  
16 North Baltimore Street, Baltimore, Florida. Address all correspondence  
regarding subscriptions and advertising to: Robert M. Green, Editor,  
P.O. Box 5076, Panama, Florida 32132

## Officers

President: Paul A. Vermilyen  
Vice-Pres.: F. R. Thurston, Jr.  
Vice-Pres.: Joseph P. Vixiano  
Vice-Pres.: Anthony H. Gnota  
Executive Secretary: R. M. Green  
Director of Research: J. J. Winston

## Directors

J. M. C. Andry, Anderson  
James W. Benson  
Vincent D. Domenico  
Anthony H. Gnota  
John D. Herrick  
Joseph P. Pellegrino  
Emanuele Romzoni, Jr.  
Ralph Sali  
David L. Skinner  
George R. Thurston, Jr.  
Paul A. Vermilyen  
Joseph P. Vixiano  
John W. Westberg  
John William

## NEW JOURNAL

Macaroni Journal is a new publication for the pasta industry. It is published quarterly and contains information on the latest trends in pasta packaging, marketing, and production. The journal is a must-read for all pasta manufacturers and distributors.

## Merchandise Macaroni, Spaghetti and Egg Noodles

the food budget in January  
winter menus in February  
healthless meals in March  
silly in April  
right in May  
easy in June  
proud in July  
outdoors in August  
and lunches in September

1980

## In This Issue:

	Page
Duration Forum	4
Winter Meeting Program	5
Duration Statistics	10
Wheat Situation	17
Transportation Expenses Meet Demand	18
Contingencies of the Food Industry: A Story About Spaghetti	20
Exports of Pasta	24
Plus Spaghetti: Terms of Sale	28
Egg Products Review	30
An Overview of the Food Industry	37
Human Resources: Food Processing, Food Service, Managers Man.	38
Analysis of an Appetite	40
New Sales Entry Management Problem	44
GMP Hearings — Capital Cost Recovery Act	49
Who's to Regulate the Regulators	48
Index to Advertisers — Personnel	50

- Food the way it is — O'Connell
- Food is a great deal — N. J. Green
- Making sense of the new regulations — Decker

are that are suitable for use in sales meetings to individual companies.

Featuring in the January second day session will be a presentation by Fred J. Young, who has written a book "How to Get Back and Stay Back." Mr. Young has just returned as first officer from Harris Trust & Savings Bank in Chicago, and has just turned into a millionaire. He is a most interesting speaker.

The third day will feature a series of promotional reports from the Association's publishers, the council, and a new Pasta Food Service Manual, a critique of the manual, and a discussion of opportunities to expand service by a panel of food service specialists in the pasta business, and then a panel of their customers. It should be enlightening.

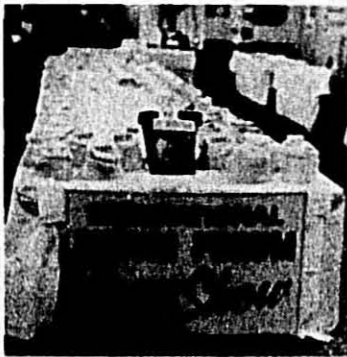
Programs may be found on page 8.

## Winter Meeting

The Winter Meeting of the National Macaroni Manufacturers Association at Key Biscayne Hotel and Villas in Miami, Florida, during the last week in January, reflects changes taking place in the industry.

On the first day there will be a series of committee meetings scheduled for deliberation on an assortment of industry problems. The committees report out the following day.

For those not participating in committee sessions there is an interesting film to be scheduled showing new-



### Durum Forum

The third International Durum Forum held in Minot, North Dakota in mid-November attracted good attendance including a number of macaroni representatives as well as a strong contingent from the durum mills. Held later than a year ago to accommodate the sunflower seed harvest, the planners were thwarted by much of the crop of sunflowers being caught in early snows.

Durum samples indicated the 1979 crop to be of good quality. Show President and County Agent Ben Hoag did an excellent job in bringing in samples, planning the program and providing comfortable facilities.

### Pasta Outlook Optimistic

NMMA President Paul A. Vermylen reported macaroni had had a 30 percent gain in five years from 1972-1979 and is running 6 percent ahead of a year ago according to Ernst & Whinney. He observed that some consumers think Italian pasta is superior to U.S. products, but better gluten in new varieties such as Edmore and Vic will be a tremendous improvement and should increase consumption. He said he was extremely optimistic about the outlook for the future which ranges from good to fantastic.

At the evening dinner he presented the Sweepstakes Award from the Association to Bradley Aho, Mohall, North Dakota, for his entry of Ward. Ward variety also won the commercial class produced by Victor Boden of Wolf Point, Montana.

NMMA Executive Secretary Bob Green observed the emphasis on exports and said the domestic industry, although it may be Number 2, has to try harder. (Joe Halow of the North American Grain Export Association says the proportion is 70-50 exports

versus domestic usage). Green noted that the durum mill grind was up 13 percent for the first seven months of 1979 and the August millgrind was the largest of record. He also noted that recent price increases would increase competition with other carbohydrate foods. He presented a check for \$5,000 to Dr. Kenneth A. Gilles, vice president for agriculture, North Dakota State University, for a continuing fellowship in the Central Chemistry and Technology Department.

### Export Experts

Joe Halow observed that the U.S. and Canada are presently the sole exporters for world wheat, and demand has been good. Canada has been unable to ship the quantities needed which has increased our market share. The Soviets will take 25 million tons of grain from the U.S. which amounts to one-third of our wheat crop and one-quarter of our corn crop.

Mike Hall of Great Plains Wheat reported that Sam Kuhl of North Dakota Mill, Vance Goodfellow of the Crop Quality Council, and Neil Fisher of the North Dakota Wheat Commission were in Europe on a trade mission. Food grain needs will continue to grow around the world—population is presently 4 billion and will be up by 60 percent to 6.5 billion by the year 2000. The U.S. will have sharper competition from Canada and Australia for export business.

Dick Bell, Vice President of Riceland Foods and former Deputy Secretary of Agriculture, also underlined the world potential for grain demand. He attributed the growth of export business in the 60's and 70's to agricultural productivity and "because your leaders made it happen." The markets of USSR and China were opened. Clouds on the horizon include transportation and over-regulation of all types of business.

### USDA Under Secretary

Billy Ray Gowdy, Deputy Under Secretary of Agriculture, Washington, said U.S. agriculture can be productive, but it is going to cost more to produce grain. The recent price outlook conference looks for rising incomes and improving diets with farm income up because of record crops and strong foreign demand. There will be no set-aside orders next year. The loan rate is being increased, and 1980 is being viewed with cautious optimism.



President Paul Vermylen checks durum samples.

ism, because the market has grown but costs are going up.

Ivan McMillan, past president of the Palliser Wheat Growers Association, Canada, observed that the U.S. had made greater strides in the 60's and 70's than had the Canadians because of the growers' ability to make independent judgments. While both countries have transportation problems, Canada had theirs first.

### Skinner Tests Edmore

Mickey Skinner reported that 200,000 pounds of semolina had been milled from the new durum variety Edmore with high gluten. North Dakota Mill reported good milling characteristics, and Skinner Macaroni found the product processing well with very little breakage in the drying process. Lasagna also withstood the toughest process satisfactorily. The gluten makes for better cooking tolerance and should help increase consumption. A sample was served at the evening dinner, and sample brought to the Winter Meeting of the NMMA.

Orville Banasik reported that 61 percent of the 1979 crop grade No. 1 Hard Amber Durum. The crop was not quite so good as a year ago, but rated excellent despite a small amount of sprout damage.

Dr. Leonard Joppa, plant breeder, observed that all new varieties will have high gluten content in addition to the usual requisites of good yield, good color, rot resistance, rust resistance.

### Wheat Commission Comments

Mel Maier of the North Dakota Wheat Commission said wheat yields were slightly lower in 1979 against 1978. Sunflower yields with 100 cwt (Continued on page 10)



... just honest-to-goodness extrusion dies that will perform for you with exceptional results.

There's no shortage... just call us now.



**D. MALDARI & SONS, INC.**  
557 Third Ave., Brooklyn, N.Y. 11215  
Phone: (212) 499-3555

America's Largest Macaroni Die Makers Since 1903 - With Management Continuously Retained In Same Family



**PROF III**

In many ways, a Chimney Sweep's job is the same as poets, playwrights and historians have portrayed centuries ago. The same kinds of brushes and elbows are needed to clean the same kinds of chimneys. Time-honored superstitions associated with the job are observed, such as wearing second-hand top hats for good luck.

But for all the legend and romance surrounding the profession, the Chimney Sweep performs a very modern-day function—a function which makes him popular in 20th Century Yellow Pages and 17th century plays.

# He's a Breadwinner

...summer isn't a time when most of us would even think of a chimney sweep. It's the time when we are all busy with our own lives. What the chimney sweep does for us is a job that we don't think about until it's too late.

The chimney sweep's job is to clean the chimneys of our homes. It's a job that is often overlooked, but it's a job that is essential for our safety. The chimney sweep is the person who keeps our homes safe from fire.

Chimney sweeps are also responsible for the maintenance of our chimneys. They check for cracks and other damage, and they make sure that the chimneys are properly vented.

Even though the chimney sweep is often overlooked, he is a very important part of our lives. He is the person who keeps our homes safe from fire, and he is the person who makes sure that our chimneys are properly maintained.

ADM is a leading manufacturer of baking ingredients. We provide a wide variety of products, including shortening, corn sweeteners, and soy protein. Our products are used by bakers all over the world to create delicious and nutritious baked goods.

ADM's products are known for their quality and consistency. We have a long history of providing high-quality ingredients to the baking industry, and we continue to invest in research and development to ensure that our products are always up to date.

Breadwinners supplying Breadwinners since 1902

**ADM**

Baker's shortening, corn sweeteners, soy protein for the baking industry

**About the Speakers**



Fred J. Young

A chartered financial analyst, Fred J. Young graduated from Maryville College, Maryville, Tennessee, and served as an officer in the United States Navy throughout World War II. He joined Harris Trust and Savings Bank's Financial and Economic Research Department in 1952, was elected assistant cashier in 1960, assistant vice president in 1965, and vice president in 1968.

Mr. Young was recently Administrator, Investment Advisory Services Division of the Trust Department of the Harris Bank. This division provides the Harris' Institutional Investment Service to more than 500 professional money managers throughout the United States and several foreign countries. He writes extensively on investments and personal financial management and has written a book, *How to Get Rich and Stay Rich*, that was published in May, 1979, by Frederick Fell Publishers, Inc., 388 Park Avenue South, New York, New York 10018. He retired as a millionaire on January 1.

John Crawford Hicks began his marketing career after graduating from the University of Georgia. He joined Frymaster Corporation in 1972 as National Sales Manager with many years experience in both sales and management. Since that time the company sales have increased 400% and present plans call for doubling these sales in four more years. An inherent sales ability and extensive knowledge of the fast food industry are the winning combination for his success.

**NATIONAL MACARONI MANUFACTURERS ASSOCIATION**

**WINTER MEETING**

Key Biscayne Hotel and Villas  
701 Ocean Drive  
Key Biscayne, Miami, Florida 33149

**SUNDAY, JANUARY 27**

- 1:00 p.m. Registration Desk opens
- 2:00 p.m. Board of Directors Meeting—Key Cove Room
- 7:00 p.m. Welcoming Reception—Poolside
- 8:00 p.m. Dinner on your own—Cape Florida Room

**MONDAY, JANUARY 28**

- 9:00 a.m. General Assembly in Washington Room  
Greetings from President Paul A. Vermeylen
- 9:15 a.m. **Committee Meetings**  
Standards—Jefferson Room  
National Affairs—Santa Maria  
Durum Relations—Key Cove
- 9:15 a.m. Film Festival—Washington Room  
25 Years of Change  
Perseverance—Importance of identifying a goal, trying to achieve that goal, its rewards  
Behind Closed Doors—Why Certain Executives Are Plagued with Stress and Tension  
Coffee Break
- 10:15 a.m. Game Plan for Success  
The Competitors—Importance of Intermediate and Long Range Goals
- 11:00 a.m. Grand Slam Selling—Jack Nicklaus brings into focus the factors which professional golf and selling have in common
- 11:00 a.m. **Committee Meetings**  
Membership—Santa Maria  
Trade Relations—Key Cove  
Canadian Pasta Manufacturers Association—Jefferson
- 12:00 noon NMI Committee Luncheon
- 7:00 p.m. Cocktails—South President
- 8:00 p.m. Italian Dinner—North President

**TUESDAY, JANUARY 29**

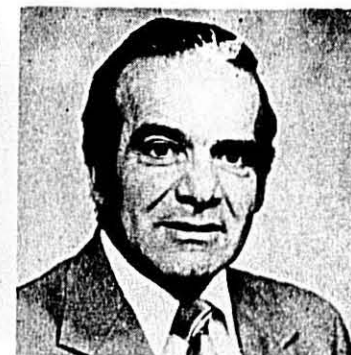
- 9:00 a.m. General Assembly—Washington Room  
Standards Committee Report
- 9:30 a.m. National Affairs Committee Report
- 9:50 a.m. Durum Relations Committee Report
- 10:10 a.m. Product Promotion Committee Report
- 10:30 a.m. Trade Relations Committee Report
- 10:40 a.m. Membership Committee Report
- 10:50 a.m. Secretary-Treasurer's Report



Ken Murphy



Phyllis Larsen



Gus Capollupo

- 11:10 a.m. "How to Get Rich and Stay Rich"—Fred J. Young, professional money manager and investment counselor, Harris Trust & Savings Bank, Chicago—just turned millionaire
- 1:00 p.m. Tennis Mixer
- 7:00 p.m. Reception at Poolside
- 8:00 p.m. Dinner on your own

**WEDNESDAY, JANUARY 30**

- 9:00 a.m. General Assembly—Washington Room  
Product Promotion report by Elinor Ehrman, Burston-Marsteller
- 9:30 a.m. Spaghetti Magic Machine by Crawford Hicks, Sales Manager, The Frymaster Corporation, Shreveport, Louisiana
- 10:00 a.m. Panel Discussion on how to present the new Foodservice Manual and how the Pasta Industry can capitalize on Opportunities in the Foodservice Field  
Ken Murphy, Food Service Division, Catelli, Ltd.  
Phyllis Larsen, Institutional Sales, Golden Grain Macaroni  
Gus Capollupo, Food Service Division, Ccn Giorgio
- 11:00 a.m. What the Customer Thinks  
Mary Duffy, Interstate United, Chicago  
Joseph M. Sciortino, Plantation-Sysco, Miami  
David Steadman, Ideas for Restaurant Profits, New York
- 12:00 noon Luncheon Briefing for European Trip Participants
- 7:00 p.m. Cocktails—South President Room
- 8:00 p.m. Dinner Dance—North President Room

**THURSDAY, JANUARY 31**

- 9:00 a.m. Board of Directors Meeting—Key Cove Room

Mary M. Duffy, born and raised in New York; worked for Restaurant Associates, New York City, and six years with Interstate United Corporation in Chicago—past three years as Marketing and Merchandising Manager. Affiliations: New York Restaurant Ass'n.; National Association of Female Executives.

Joseph M. Sciortino grew up in White Castle, Louisiana, where both his father and mother were Mayor. He worked up through the ranks of Heinz food service division to become general manager in 1973. Joined Sysco in 1976 and became president of the Florida subsidiary. He lives in Hollywood and is father of two teen-agers.

J. Ken Murphy, Divisional Manager, Special Products Division, Catelli Limited, Montreal, has had extensive exposure in both marketing and sales. He has for the past five years been pasta marketing manager for Catelli. His prime responsibility is for food service pasta sales, both in Canada and the United States.

Phyllis Larsen, born and raised in Chicago, is a real Westerner now. She has taught, sold appliances, demonstrated for General Foods and joined Golden Grain Macaroni Co. and Ghiradelli Chocolate Co. fourteen years ago. She has developed the institutional business as well as promotional materials such as quantity recipe cards, macaroni charts, food service demonstrations and conventions booth designs. She is the author of *The Original Chocolate Cookbook*, a collector's item.

C. Gus Capollupo has a twenty-five year history in sales and marketing of pasta products. Prior to joining San Giorgio over twelve years ago he worked with a noodle manufacturer in the New York and New England area a dozen years. He started as San Giorgio's product manager for noodles and spaghetti sauce; was later given responsibility for industrial, food service and national accounts. After introducing a marketing plan and a successful sales record Mr. Capollupo was appointed Director of Sales and Marketing Food Service Division for both San Giorgio and Delmonico Foods.

David Steadman is editor and publisher of *"Ideas for Restaurant Profits"* in New York City. A creative writer and researcher, he is primarily responsible for putting the ideas into his publication.

### Durum Forum

(Continued from page 4)

at 10¢ a pound would produce \$140 an acre against durum with 30 bushels at \$4.50 producing \$135, but the sunflower harvest is late, and the moisture situation will affect it next year. Transportation problems highlighted by the Duluth strike cut the amount of export business to be done this year. Percentage of movement by rail declined while truck movement went up. As an aside, many of the trucks are not reported in the Minneapolis-Duluth receipts as they are contracted on a to-arrive basis.



Ray Wentzel

#### Wentzel Honored

Ray Wentzel of the North Dakota Mill, formerly with Doughboy and Crookston Milling, was presented a plaque for service to the industry. Ray has had a long career in the industry as a master miller, crack salesman, and U.S. representative to foreign buyers.

ed 24,600,000 bushels, less than last year's 49,100,000 bushels.

#### Canadian Situation

According to the Canadian statistics as of September 15, 1979 production of durum wheat was estimated at 65,000,000 bushels, down sharply from last year's 104,800,000 bushels. The yield per acre was 23.2 bushels compared with 28.7 last year. Canadian durum stocks in all positions as of October 1 totaled 1,900,000 metric tons compared with 2,100,000 for the same period a year ago. The visible supply of durum in licensed storage and in transit on October 17 amounted to 772,000 tons, 563,000 in storage. Canadian exports of durum in the June-September period were reduced to 491,700 metric tons. Algeria, Italy and Po-

land were the major importers taking a total of 416,400 metric tons.

#### Wheat Situation

From the U.S. Department of Agriculture

Good weather and soil moisture conditions boosted the 1979 U.S. wheat crop to a near-record level. The October 1 estimate was 2,114 million bushels, up 18 percent from last year and only 28 million short of 1976's all-time high. Increased harvested acreage and a record yield of 34 bushels per acre were the determinants of the bumper harvest. The large crop more than offset the reduced June 1 stock level and increased the 1979/80 total wheat supply to over 3 billion bushels, also just short of a new high.

The large supply has not dampened the early season price strength. Instead, exceptional export sales, a delayed harvest, logistical disruptions to competing exporting countries, and prospects for reduced carryover stocks at yearend have held farm prices at around \$3.80 a bushel through harvest—about \$1 above a year ago. Prices may ease later in the marketing year if the 1980 wheat acreage is larger as expected and weather is favorable. However, for the year prices are estimated to average \$3.60-\$3.90 per bushel, up sharply from the \$2.94 in 1978-79.

A short 1979 wheat crop in the USSR will help push U.S. overseas wheat sales to a new high. Despite

(Continued on page 12)

#### SUPPLY, FROM USDA QUARTERLY DURUM REPORTS, IN THOUSANDS OF BUSHEL:

Year	Production	Stocks	Supply
1970-71	52,771	80,724	113 94
1971-72	91,805	58,489	150 94
1972-73	73,037	69,251	142 88
1973-74	82,264	36,870	119 00
1974-75	81,245	33,000	114 45
1975-76	123,362	26,000	149 62
1976-77	134,914	53,456	188 70
1977-78	79,964	91,763	171 27
1978-79	133,328	66,891	200 19
1979-80	104,052	86,465	190 17

#### DISTRIBUTION, IN THOUSANDS OF BUSHEL:

Year	Mill-Grind	Seed	Exports	Total
1970-71	31,697	4,061	38,886	75,004
1971-72	33,066	3,584	43,804	81,041
1972-73	35,736	4,200	64,961	105,551
1973-74	35,601	5,200	40,878	81,679
1974-75	32,007	6,300	46,566	84,873
1975-76	33,880	7,000	50,760	91,640
1976-77	36,413	4,800	39,643	80,856
1977-78	36,730	5,100	57,794	99,624
1978-79	38,751	6,600	65,878	111,229

#### Exports

Shipments of U.S. durum wheat the first quarter of the crop year decreased in spite of strong foreign demand. The Duluth-Superior ports were closed for two months due to the grain millers strike. As a result, exports were reduced to 14,900,000 bushels or 405.8 metric tons, a decrease of 19,100,000 bushels from last year. Shiploading of durum was heavy after the ports at Duluth Superior reopened, but the sunflower seeds on arrival at the ports received priority. Algeria took the bulk of the U. S. durum, importing a total of 4,100,000 bushels. France, Netherlands, Poland, Tunisia and Venezuela took another 7,300,000 bushels. Exports of durum out of Duluth-Superior since the opening of the season through October 25, 1979 total-

# That's a Pasta!



## Italian Graffiti

The sign of success.

Macaroni and noodles of all shapes and sizes start with quality durum products. When you start with the best, you wind up with a prize winner. Today's homemakers want quality, and that's what you can give them with the basic, consistent quality of Durakota No. 1 Semolina, Perfecto Durum Granular or Excello Fancy Durum Patent Flour. Call us today.

the durum people



**NORTH DAKOTA MILL**  
Grand Forks, North Dakota 58201  
Phone (701) 772-4841

## Wheat Situation

(Continued from page 10)

domestic transportation and loading problems, wheat shipments totaled over 500 million bushels during June-September—a level exceeded only during 1973/74. Total 1979/80 wheat exports should reach a record 1.4 billion bushels—200 million above last season. The key to achieving this increase in exports may lie in avoiding frequent and lengthy logistical disruptions both here and abroad.

Reduced wheat feeding is expected to bring a slight decline in domestic use. Higher wheat prices relative to competing feed grains should reduce feed use considerably from last year's 180 million bushels. Food use, off to a strong start, could exceed the 1978/79 record of 591 million bushels by around 2 percent.

## Durum Situation

The 1979 Durum crop of 104 million bushels is about a fifth below 1978's near record output. A small reduction in harvested acreage and lower average yields—off 6 bushels per acre from last year's record—contributed to the decrease. Despite late planting and harvesting, quality of the 1979 crop turned out about average, but somewhat below 1978's. Nevertheless, ample quantities of superior quality wheat will be available.

Although the crop is smaller, carrying stocks were up, thus the 1979/80 Durum supply is only slightly below last year's record 201 million bushels. Durum disappearance is expected to reach another record, cutting into this large supply and reducing year-end carryover stocks.

### Strong Exports

Another bright year for U.S. Durum exports is pegged to an expected repeat of last season's strong world demand. World Durum production is down 16 percent. This means the leading exporters—United States and Canada—will continue in the position of supplying most of the world's needs. However, a 40-percent smaller Canadian Durum crop will reduce their available export supply. Despite a slow start caused by the Duluth-Superior work stoppage, total U.S. 1979/80 Durum exports should be near last season's record 72 million bushels.

Durum market prices were the first to top \$5 per bushel in this year's ov-

erall strengthening of wheat price levels. Delayed harvest of a smaller crop, improved mill purchases, and strong export sales have kept Minneapolis prices around \$5 since last June. Prospects for increasing overseas and domestic demand should lend price strength for much of the year. High Durum premiums (nearing \$1 per bushel over HRS) may lead to more blending of hard wheat flours by pasta manufacturers.

## 1979 Wheat Crop Quality Good

Despite late plantings and locally adverse harvest conditions the 1979 North Dakota spring wheat and durum crop is of good quality. "It's not the best crop we have ever produced but overall our customers will get the typical good quality they have come to expect from North Dakota wheat and durum," according to Mel Maier, Administrator of the North Dakota Wheat Commission.

An annual survey of the quality of North Dakota's hard red spring and durum crop is a cooperative effort of the Commission, the NDSU Agricultural Experiment Station and Cooperative Extension Service. Results of the 1979 Survey have been compiled and will be in the hands of overseas and domestic customers in a short time.

Maier points out that in the case of spring wheat average protein content, an important factor for bread baking, is 14% or about the same as last year. Flour extraction is also equal to 1978, physical dough properties are very satisfactory and baking characteristics in general are good. The falling number values which correlate with sprout damage are somewhat lower than the 1978 crop but are not so low as to present a serious marketing problem.

The average grade for the durum crop should be No. 1 Hard Amber Durum which was equal to last year. Test weight and vitreous kernel content were somewhat lower but did not affect the milling characteristics of the crop. In fact, semolina extraction is higher, color is good, and spaghetti cooking properties should be readily accepted by the consumer.

"All in all the 1979 North Dakota wheat and durum crop, although not quite up to the 1978 standard, can be considered very satisfactory. Due to the variability and the wide range of

qualities due to vastly different local harvest conditions the customer will need to take a look at each shipment as it arrives since it may differ in some individual quality factor from previous receipts," Maier noted.

## Northern Hemisphere Wheat Acreage to Increase in 1980

Acreage planted to wheat in both the United States and Canada for harvest in 1980 is expected to increase substantially. According to reports given at the USDA's Agricultural Outlook Conference held in Washington, higher wheat prices and no acreage set-aside program should result in wheat acreage in the United States increasing to 77-79 million acres from the 71 million acres seeded for harvest in 1979. Seven million acres were included in the set-aside program for 1979 and most of this land is expected to be put back into production for 1980. In addition, five million acres of feed grains were also included in the set-aside program last year and these too can be in production this year.

Canadian wheat production may also increase next year due to higher world wheat prices. According to a Reuters report, the Canadian Government is also urging farmers to increase production of feed grains next year and to continue high levels of oilseed production. Although U.S. acreage may have increased, the USDA reports that wheat stands in the major wheat producing areas are rated as only fair to poor due to extreme dryness during the early growing season.

## World Food Demand Will Grow

While the slowdown in world economic growth will diminish the rate of increase in demand for food, it is cited as predicting larger increases in retail food prices in the latter half next year than in the first half, a reversal of price developments this year. J. Dawson Ahalt said at the opening of the Department of Agriculture's 1980 Agricultural Outlook Conference.

Mr. Ahalt, chairman of U.S.D.A.'s World Food and Agricultural Outlook and Situation Board, said that in the U.S. retail food prices will increase more in the last half of 1980 than in the first half, with the overall increase to average between 7% and 11%.

above the 1979 level. He said agricultural exports in 1979-80 could reach \$8 billion "unless the problems of domestic transportation overwhelm us." Mr. Ahalt predicted that the continued strong demand for food in the face of an expected 4.5% drop in global grain production in 1979-80, the largest year-to-year decrease on record, points to increased grain trade and moderately higher grain prices in the year ahead. He added that the projected price advances would be much larger if it were not for the existence of large world and U.S. stocks of grain, particularly those held in the U.S. farmer-owned reserve.

In reference to oilseeds, Mr. Ahalt said price should ease in the 1979-80 season. "Though world consumption will climb again in 1979-80, it will not catch the anticipated 13% increase in oilseed and meal production," he said. "As a result we expect to see some buildup in stocks and a weakening of oilseed prices."

### Livestock Mixed

The outlook for U.S. livestock prices, Mr. Ahalt said, is mixed. He noted that while world beef production has fallen since 1976, production of pork and poultry in the major producing countries has increased 20%. A slight drop in beef production during 1980, with demand remaining fairly strong, should boost U.S. cattle prices in the latter half of the year, he said.

On the other hand, Mr. Ahalt said that with overexpansion in pork and poultry production, producers of these meats "face a difficult period as the prices they receive drop below rising production costs."

These lower prices will prompt pork and poultry producers to cut back production in the latter half of 1980. Mr. Ahalt said. This is one of the factors cited in predicting larger increases in retail food prices in the latter half next year than in the first half, a reversal of price developments this year. "For the year as a whole," he said, "it now appears that retail food prices will average somewhere between 7% and 11% above the 1979 level."

Much of the expected rise, Mr. Ahalt said, can be attributed to increased marketing costs. "The costs of marketing and processing food in 1980," he said, "will, as always, be heavily influenced by the overall rate of inflation."

## Growth in Exports

Thomas R. Saylor, associate administrator, Foreign Agricultural Service, told the Outlook Conference that volume of U.S. agricultural exports will increase in fiscal 1980 along with dollar value, with shipments of wheat, feed grains and soybeans to total more than 130 million tonnes, compared with 112 million tonnes cleared in fiscal 1979.

U.S. agricultural trade surplus, Mr. Saylor said, could exceed \$20 billion in fiscal 1980.

U.S.D.A., Mr. Saylor said, expects most of the export growth to come from higher prices and increased tonnage of grain shipments. Soybean export volume, he said, is projected to rise by about 10% but lower prices are likely to curtail gains in value. At least marginal increases in value are expected in all export categories, he said.

### Sluggish Economy

Noting that a sluggish world economy, inflation and uncertain energy and monetary outlooks cloud the export picture, Mr. Saylor said the bulk of the export growth is expected to be in the developing countries, where economic gains should exceed those of the developed countries, and in the Communist countries, where he said food politics can outweigh economics in import decisions. Mr. Saylor said the U.S. transportation system will be severely tested to move the volume of exports projected for the year, and that logistical problems are hampering export expansion in Canada and Australia despite ample stocks of grain.

"Our forecast for 1980," he said, "is that U.S. grain exports will increase by 15 to 20 million tonnes while those of other exporting countries will be virtually unchanged. We expect our feed grain exports to be up by 10 to 12 million tonnes and wheat by about 6 million."

## Seaboard to Expand Capacity

Seaboard Allied Milling Corp. will double the capacity of its spring wheat flour mill in Albany, N.Y., and has contracted with Buhler-Miag, Inc. of Minneapolis for the designing, engineering and equipping of the addition. The project is being implement-

ed in close collaboration with the operating and engineering staff of Seaboard at the company's Kansas City headquarters.

### Started in 1976

Seaboard commenced bakery flour production at the Albany mill, the company's newest, in June, 1976, with the start of operations of a durum unit in August of the same year. The Albany mill was constructed with plans for expansion when needed; hence, the new unit of 7,000 cwt will be housed in the existing structure. Current capacity of Seaboard at Albany is 7,000 cwt of bakers' flour and 5,000 cwt of semolina.

When completed, the Albany complex, with combined spring wheat and durum capacity of 19,000 cwt, will be Seaboard's largest domestic milling operation.

Construction of the 7,000-cwt addition is expected to begin about January 1 with a target of completion in about 15 months, or in March, 1981.

Also to be added at the Albany complex is a grain elevator with capacity of 750,000 bus. The elevator will be of concrete slipform construction. Current storage capacity at Albany is 350,000 bus. Plans include a facility to handle 60-car unit trains of wheat. The milling complex at Albany is located on a site adjoining the Albany grain elevator of Cargill, Inc., and an overhead conveyor connected to the Cargill elevator.

Issuance of industrial revenue bonds by the city of Albany in the amount of \$10 million has been applied for to finance the new flour mill unit.

### Serves Eastern Market

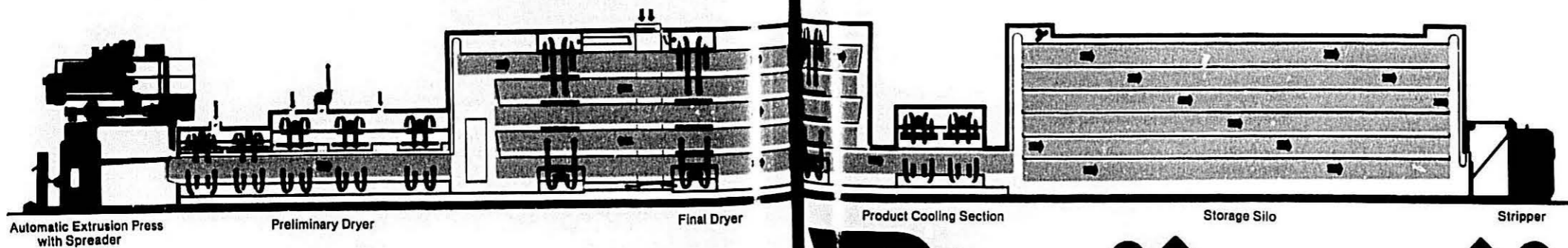
The Albany mill primarily produces bakers flour and semolina for the New England and New York state market. Shipments from the mill are mainly by bulk truck and rail car.

Enlarging of the Albany mill marks another extension in a program begun by Seaboard in 1963, shifting its flour milling capacity from being largely concentrated in hard wheat growing areas of the central Plains to southern and eastern consuming centers. The first step in that program was opening of a new mill at Chattanooga, Tenn., in 1963. A mill was opened at Jacksonville, Fla., in 1965, and a mill at Culpeper, Va., came on stream in 1970.

(Continued on page 16)



# ATR: The hotter, faster, cleaner dryer.



Automatic Extrusion Press  
with Spreader

Preliminary Dryer

Final Dryer

Product Cooling Section

Storage Silo

Stripper

**Braibanti** corporation

60 EAST 42ND STREET-SUITE 2040 • NEW YORK N. Y. 10017

PHONE (212) 682.6407-682.6408 • TELEX 12-6797 BRANY

Drastically reduces the time required in the production cycle.

Higher drying temperatures reduce plate counts to well below industry standards while enhancing product flavor and quality.

Electronic controls sequentially start and stop fans as the product moves by.

Pneumatic controls regulate relationship between time, temperature and relative humidity.

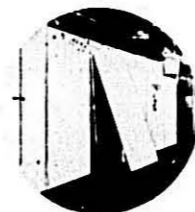
At the end of the final dryer, a power-driven cooling section reduces product temperature to a safe packaging point.

Braibanti ATR—newest in the long line of Braibanti pacesetter Pasta Dryers.

Braibanti, the world's foremost manufacturer of Pasta Equipment.



Plate Counts  
Slashed.



Side Panels Open for  
Easier Cleaning  
Lock Tight to  
Conserve Energy.



Cooking Qualities  
Improved.  
Stickiness Eliminated



Drying Time  
Chopped.

# Braibanti

DOTT. ING. M., G. BRAIBANTI & C. S. p. A. 20122 Milano-Largo Toscanini 1

### Seaboard Expansion

(Continued from page 13)

Seaboard opened a bakers' flour and semolina mill at Port Allen, La., in February, 1975.

Completion of the Albany addition will bring Seaboard's flour milling capacity in the U.S. to 95,500 cwts.

Seaboard also has flour mills in five countries in South America and Africa with a combined capacity of 20,600 cwts.

### Durum Mill Manager

Paul A. Becker, plant manager for International Multifoods New Prague mill since 1968, has assumed the position of plant manager of the company's A & B durum mills in St. Paul.

In this position, he is responsible for the management and coordination of all manufacturing, packaging, warehousing and distribution of flour, as well as plant safety, maintenance, budgeting, cost control and customer service.

A 1955 economics graduate of St. Olaf College, Northfield, Minn., Becker has held various management positions since joining the company in 1961.

Becker has been an active member of the New Prague community, serving on the Chamber of Commerce, the Library Board, the Charter Commission and in other local organizations.

Now headquartered in Minneapolis, International Multifoods was established in New Prague in 1887 as the New Prague Flouring Mill Co., and has since grown to become a broadly based food company with annual sales approaching \$1 billion.

### Egyptian Venture

International Multifoods Corp., and Bank Misr, S.A.E. of Cairo, Egypt, announced that they have entered into a joint venture agreement involving the formation of an Egyptian corporation which will be called Misr Food Company. Upon formation and approval, the new company will be engaged in the production, marketing and sale of pasta and bakery products in Egypt.

Andre Gillet, vice president and general manager of Multifoods' International Division, said 75 percent of the Misr Food Company will be owned by Bank Misr and the remaining

25 percent by Multifoods. He said the joint venture agreement will also include a five-year management agreement under which Multifoods will provide broad general management services to the new Egyptian food company.

According to Gillet, the new company will build a manufacturing complex on a site already selected in Cairo. This is the first phase of a series of plants to produce pasta, Egyptian and European breads, rolls and sweet goods for domestic consumption and export. He added that specialized automated equipment costing about \$15 million will be supplied by German, Swiss and American firms and that the actual building construction is expected to begin in 1980.

Multifoods' Chairman, William G. Phillips, said that while Multifoods has been involved in both export and trading operations in the Middle East for many years, this joint venture represents the company's first serious investment in this important and growing area of the world. "Misr Food Company will serve some basic needs in the Egyptian economy, and we look forward to our participation in this project," he said.

International Multifoods is a broadly based food company with annual sales approaching \$1 billion.

### ADM Grant

A grant of \$1 million worth of food will be presented to the United Nations by the Archer Daniels Midland Co. when the organization is ready to ask for it, Dwayne O. Andreas, board chairman and chief executive officers of the company, said Monday.

Andreas said ADM was making the offer at the suggestion of Andrew Young, former U.S. ambassador to the United Nations.

Young, who was visiting ADM's corporate headquarters and various other operations in Decatur Monday, told reporters in a press conference that he wanted to learn about the technology of high-protein food processing.

"I'm here basically because I'm interested in feeding the hungry of the world," he said. "All the technology that goes on with feeding the hungry seems to be located here."

Young told reporters that Andreas was with him on a trade mission to Af-

rica where people showed an interest in the technology of food processing.

"I should know about it if people are going to ask me about it," he said. Both he and Andreas said Young is not going to work for the company.

Andreas said after the press conference that American industry has enormous capabilities for feeding the world's hungry that aren't now being tapped.

"There's a lot of capacity for high-protein food processing that's now being used," he said.

Such foods include instant corn soy milk, soy-fortified wheat flour and meat extenders such as textured vegetable protein, all of which are products made by ADM.

Calling the grant substantial, Andreas said Young's efforts to provide the food is part of First Lady Rosalynn Carter's undertaking to marshal America's food resources.

He said some of the food would go to Cambodia as well as other parts of the world as directed by the United Nations.

ADM is interested in exporting its technology and its food to the needy parts of the world, he said.

Andreas said Young is one of his personal friends and a neighbor of his in New York City.

He said he is unaware of any other American company contributing food on the scale planned by ADM.

### Wheat Target Raised

Senator Robert Dole of Kansas has introduced legislation to increase the target price for 1980 crop wheat to \$3.88 per bu.

Senator Dole's bill would increase the target price for 1980 crop corn, barley and other feed grains with the target price for corn at \$2.51 per bu.

The bill passed by the House would increase the 1979 crop target price for wheat to \$3.63 per bu., compared with \$3.40 in effect last year and established for 1979.

The target price for 1979 crop corn would be increased to \$2.35, against \$2.20 in the preceding year.

"Cost of production for the farmer have increased tremendously this last year in large part because of the high costs of fuel," Senator Dole said. "The bill would provide the needed price

(Continued on page 18)

## NORTHROP KING SAYS "..."

"Our Clybourn cartoners helped us meet the demands of an expanding market, yet control manpower costs through automation.

"We depend on the accuracy of our Clybourn cartoner with net weight scales to carton grass seed. For packaging corn, peas and beans, we get very uniform performance from the two Clybourn volumetric filling machines we are using. These machines require very little maintenance. We are now adding automation equipment to a Clybourn machine that has served us for more than 11 years!

"We especially like the compactness and simplicity of the Clybourn design, which saves space and makes operator training easy."

*Bud Morin*

JD MORIN  
Plant Superintendent  
Northrup King Co.  
Minneapolis, Minnesota

If your product packaging could benefit from the same accuracy, uniformity and dependable operation enjoyed by Northrup King, join the family of satisfied Clybourn customers.

For more information, or a quote, call or write us today!



CLYBOURN MACHINE COMPANY  
a division of Paxall, Inc.  
7515 N. Linder Avenue  
Skokie, Illinois 60077  
(312) 677-7800

## GOLDEN GRAIN SAYS "..."

"We Prefer Clybourn... to carton all our products!"  
"We have eight Clybourn cartoners at work in Illinois and several more on the west coast. We use them to package our complete product line including macaroni and cheese, Rice-A-Roni®, Noodle-Roni® and more."

"Our Clybourns range in age from 12 years to recent deliveries of two fully-automatic vertical cartoners with volumetric fillers. All the machines are operating efficiently. Our oldest Clybourn is still running at original speeds and delivering the accuracy we require."

"We prefer Clybourn for its simplicity of design, dependability, and the quick service we get when needed... And we'll be buying more Clybourns in the future."

*Carlo Varesco*

CARLO VARESCO  
Plant Manager  
Golden Grain Macaroni Co.

If your product packaging could benefit from the same accuracy, sift-proof seals and dependable operation enjoyed by Golden Grain, join the family of satisfied Clybourn customers.

For more information, or a quote, call or write us today!



CLYBOURN MACHINE COMPANY  
a division of Paxall, Inc.  
7515 N. Linder Avenue  
Skokie, Illinois 60077  
(312) 677-7800

## ARM & HAMMER SAYS "..."

"We like our Clybourn cartoners because they are easy to maintain, adjust and clean.

"We run all of our products on Clybourn vertical cartoners with volumetric fillers. The products include Arm & Hammer Baking Soda, Laundry Detergent and Washing Soda, in carton sizes from 8 ounces to 4 pounds. The machines have taken considerable pounding over the years, yet still give us the weight accuracy, carton sealing and overall performance we expect.

"And one of the big reasons we are so satisfied with Clybourn is good service. We always get a quick response when a problem arises."

*Bob Comstock*

ROBERT COMSTOCK  
Project Manager  
Church and Dwight Company, Inc.  
Piscataway, New Jersey

If your product packaging could benefit from the same weight accuracy, sift-proof seals and dependable operation enjoyed by Arm and Hammer, join the family of satisfied Clybourn customers.

For more information, or a quote, call or write us today!



CLYBOURN MACHINE COMPANY  
a division of Paxall, Inc.  
7515 N. Linder Avenue  
Skokie, Illinois 60077  
(312) 677-7800

### Wheat Target Raised

(Continued from page 16)

and income protection that these producers will need in order to deliver the crops. Without this increase, target prices next year for wheat could drop to around \$3.07 a bu."

### Burlington Northern Buys Grain Cars

In an effort to keep ahead of the transportation problems associated with the movement of this year's grain harvest, Burlington Northern Railroad has announced the purchase of 2,100 hopper cars at a cost of \$90 million.

Thomas J. Lamphier, president of BN's transportation division, said the first contingent of new jumbo covered hoppers now rolling off the assembly line at a manufacturing facility near Chicago will be put into grain service across the BN system.

"Worldwide demand for American grain continues to grow, and U.S. farm production is at near-record levels. That presents an enormous logistical challenge to railroads that haul grain," Lamphier said.

The cost of hopper cars used to haul grain has almost doubled in the last five years, Lamphier noted, and now averages some \$42,000 each.

Lamphier said grain hauling difficulties created by strong demand and large grain supplies have been aggravated in recent months by other problems. A strike by elevator workers at Great Lakes terminals caused major bottlenecks in grain shipping, he said, and export elevators on the West Coast have been clogged with incoming grain because of heavy grain movements and a lack of ocean shipping.

One development that is improving car utilization, he said, is the use of grain unit trains—fast, efficient trains made up entirely of hoppers that shuttle from production areas to consumption and export points.

### Transportation Expected To Meet Demand

The U.S. transportation system can handle the level of farm commodities needed to meet domestic requirements and to move record volumes of grain to the ports for export during the 1979/80 year, according to the

USDA's Office of Transportation. Although it has been generally felt that the export facilities in the U.S. are adequate for even greater exports with additional elevation capacity under construction, there has been concern that the faltering U.S. transportation system would not be able to move grain from inland locations to the export point to meet projected demand. The USDA reports, however, that the easing of demand in other sectors of the economy that appears likely for the next few months may permit the release of some equipment suitable for use by agriculture. They indicated, however, that shippers must be "vigilant to seize opportunities" as they arise, and carriers will have to seize opportunities to improve equipment utilization. The USDA also reports that there are several efforts underway that may assist in the expansion of transportation capacity in the future. These include restructuring and reorganizing a number of railroads in the grain producing area, a review of problems and opportunities as detailed by the Rural Transportation Task Force report due January 1, 1980.

### Continued Truck Regulation Advocated

A spokesman for the trucking industry urged industrial food distributors to support continued regulation of the motor carrier industry as a vital element in the transportation of foodstuffs.

"Even though private carriage is your primary source of transportation, you do rely on regulated common carriers for much of your transportation needs," Nelson J. Cooney, general counsel of the American Trucking Associations told a special deregulation seminar sponsored by the Food Service Organization of Distributors (FOOD) in Washington.

Cooney added that the instability in the regulated trucking industry resulting from the deregulation proposals put forth by President Carter and Senator Edward Kennedy (D-Mass.) would impact adversely institutional food distribution nationwide.

"The end of economic regulation, which permits ICC-supervised collective rate making and coordination of service, would be major loss to shippers and receivers of freight," Cooney said.

Cooney added that ATA has proposed some legislative reforms of its own to Congress that would permit food distributors and other shippers more leeway in using private fleets for intercorporate hauling between parent companies and wholly-owned subsidiaries.

"We agree that some legislative reforms are necessary to improve the way our system of regulated motor carriage works, but the wholesale elimination of regulation will benefit neither the trucking industry itself nor the shipper public it serves," Cooney concluded.

### Film Facts Bulletin

Improved production efficiency at lower cost per package is achieved on conventional cellophane overwrap machines that have been converted to accommodate Hercules BX310 film, according to a Hercules Incorporated "Film Facts" Bulletin. Machine conversion cost is minimal and, because of the low coverage cost obtained with BX310 film, can be recovered over a short period of time.

BX310 is a modified heat-set, balanced oriented polypropylene film that offers superior moisture-barrier protection, sparkling clarity, exceptional machinability, good heat-sealing characteristics, and excellent stiffness that aids film feeding, cutting, and folding.

For further information, write: Robert L. Wibbens, Product Supervisor, Film Products, Hercules Incorporated, 10 Market Street, Wilmington Delaware 19899.

### Label Catalogue

A new 32-page color catalog of self-adhesive labels is now available from Apple Label, a manufacturer of labels and tags. The catalog illustrates hundreds of "peel 'n Press" label designs for many different business needs. Special printed forms and unusual office and factory products are also included. Experts say, "it's difficult to evaluate the new Apple Label Catalog as there is no other it can be directly compared to".

For a free catalog and an introductory \$5.00 gift certificate write: Apple Label, Apple Tag & Label Bldg., 30-30 Northern Blvd., Long Island City, N.Y. 11101.

## Nobody serves pasta quite like Mama



en Mama puts together a  
ice (a slightly different one  
each and every dish), she  
knows exactly how much of  
everything to put into the pot  
without measuring! A pinch  
here. A dash there. She gets  
it right, every single time. Not  
from instinct. From experi-  
ence. From years of lasagne,  
fettuccini alfredo... ravioli...  
rigatoni con salsicce.

What Mama does with  
pasta is an art. What we do  
with pasta at Diamond Pack-  
aging Products is an art—and  
a marketing science.

Like Mama, we know that  
no two pastas are alike.  
Each pasta needs its own  
special kind of package or  
label to appeal to shoppers'  
increasingly discriminating  
tastes.

Like Mama, we've got the  
experience—over 50 years of  
providing the leading names  
in pasta with complete single-  
source packaging service:  
mouth-watering graphics,  
product-protecting structural  
design, and machine-appli-  
cation engineering.

The ingredients that go  
into your package's paper-  
board are going to be right,

because we make the  
board ourselves—at our  
Diamond Paperboard Division.

You and Mama know that  
all pasta is not the same. At  
Diamond, we know that all  
cartons and labels are not the  
same. Let us give you the  
Diamond recipe for a perfect  
pasta package. Call (513)  
422-2772 today. We're  
waiting to serve you.



**DIAMOND INTERNATIONAL CORPORATION**  
PACKAGING PRODUCTS DIVISION  
407 Charles Street, Middletown, Ohio 45042  
Attn: Marketing Dept.

## CONGLOMERATES IN THE FOOD INDUSTRY: A STORY ABOUT SPAGHETTI

by John M. Connor in *National Food Review*

For a number of years USDA has conducted research to identify and analyze the structure of the food marketing system. Early on, Congressional requests sought analyses of food costs from the farm gate to the retail shelf. That program is continuing yet today.

But, over the years the food marketing system has changed dramatically. The system is no longer dominated by "food companies." Today, companies that manufacture and sell food often own and operate firms in businesses unrelated to food, making it more difficult to analyze food system performance.

Last year three articles dealing with the role of the industrial conglomerate in the food business were published in this *Review*. This article is a "case study" detailing how one firm engaged in the production and sale of spaghetti sauce evolved over time. It provides a rather specific picture of the many motives, strategies, and effects of conglomerate mergers—especially effects that can only become known years after the particular event has passed.

### The Spaghetti Story

In 1969, at the peak of the most active period of corporate mergers the U.S. economy has ever experienced, the Ragu Canning Company was acquired by a large manufacturer of non-prescription creams and ointments. That seemingly insignificant event went largely unnoticed by the business press and was unchallenged by U.S. antitrust authorities—since there was no basis in law for preventing the merger. Yet that acquisition resulted in a fundamental restructuring of the growing market for prepared spaghetti sauces.

<sup>1</sup>Chesebrough Manufacturing acquired Pond's in 1955 and changed its name to the present one in that year. Prior to its thrust into packaged foods, Chesebrough acquired Prince Matchabelli (1958), Aziza (1959), Royall Lyme (1967), and Erno Lazlo (1966)—all in the perfume or cosmetics area. Since the canning company purchase, the company's major acquisitions have been Health-Tex children's clothing (1973) and Adolph's sauces (1974), for which it paid \$208 and \$50 million, respectively.

The Chesebrough-Pond's company would hardly have fitted anyone's idea of a conglomerate in 1939. Its sales were modest—under \$300 million—and its major products were "Vaseline" jelly, "Pond's" face cream, "Q-tips" swabs, and a line of perfumes and cosmetics. But the company's sales were growing rapidly (over 17 percent per year).

Today, sales are nearly three times larger and very likely will surpass the billion dollar mark in fiscal 1979. More importantly, Chesebrough has become highly diversified, with several disparate lines of business.<sup>1</sup> In addition to its traditional base of health and beauty aids, Chesebrough now makes perfumes and cosmetics, has a broad line of children's clothing (Health-Tex), and sells hospital supplies. Chesebrough also has a packaged food division, which grew out of the 1969 Ragu Packing Company acquisition. It is estimated that some 40 to 50 percent of Chesebrough's present assets are attributable to the 14 acquisitions made during 1955-75.

The Ragu acquisition has proven to be a remarkably fortuitous move. Though Chesebrough had had no experience with grocery products, it chose a product capable of being differentiated in much the same way as proprietary medicines.

However, the major complementary is clearly marketing expertise. Though only an estimate, it appears that in the 1970's Chesebrough spent nearly 9 percent of its sales on advertising. Research and development expenditures were under 1 percent of sales. Advertising expenditures have exceeded after-tax profits by a wide margin in recent years.

### The Ragu Story

Chesebrough bought the Ragu Packing Company in 1969 for an undisclosed amount. Ragu was a highly successful regional company with good growth prospects. At that time, Ragu had sales of about \$25 million, mainly in the Northeast and Midwest regions of the United States. It sold four varieties of ready-to-use spaghetti sauce packed in glass jars in a plant located in Rochester, New York.

An interview with the current president of the "packaged foods" division of Chesebrough indicates that, at the time of Ragu's purchase in 1969, it held a 43-percent market share nationally in the spaghetti sauce market. Within its own region of distribution, its market share was 52 percent.

The interview also revealed two major motives behind the Ragu acquisition—the prospect of high profits and rapid growth. The Chesebrough packaged foods division was directed to achieve the same rate of return as the health and beauty aids division. If 1977 results are a guide, that implied a target rate of return of about 25 percent—an ambitious goal, more than double the average among all food manufacturing companies in that year.

An equally important consideration for Chesebrough was the optimistic growth prediction for prepared Italian foods in general. From 1972 to 1976, grocery sales of prepared Italian foods more than doubled, reaching \$600 million in 1976. That growth rate far exceeds all other grocery store food sales.

Chesebrough research shows that 92 percent of U.S. households prepare Italian foods at home and that two-thirds of all homemakers still make their spaghetti sauces "from scratch." As the Chesebrough 1976 annual report put it, Ragu spaghetti sauce was "... designed to win converts from among the millions of homemakers still going to the trouble of making their own sauce." The growth goal for Ragu is 1979 sales of \$250 million or 10 times its sales in the year it was acquired.

### The "Game Plan"

Chesebrough took about 3 years to develop its long-term strategy to achieve the twin goals of high profitability and rapid growth. Part of Chesebrough's "game plan" came to light in the mid-1970's. Clearly important are the financial resources from Chesebrough's other, more profitable lines of business—health and beauty aids, cosmetics, and perfumes. Chesebrough was willing to invest more than Ragu could have and could wait years for its investment to pay off.



For its outstanding contribution to the macaroni industry through achievement of a widespread reputation for quality pasta among millions of diners in Boston since 1921...

### STELLA OF BOSTON

is hereby recognized by Seaboard Allied Milling Corporation and presented the "Che Pasta" Award, symbolic of excellence in Italian cooking...  
la buonacucina italiana e famosa.

January 1, 1980

Seaboard Allied Milling Corporation • Kansas City, Missouri



*Nobody serves pasta quite like Mama*



When Mama puts together a sauce (a slightly different one for each and every dish), she knows exactly how much of everything to put into the pot—without measuring! A pinch here. A dash there. She gets it right, every single time. Not from instinct. From experience. From years of lasagne, fettucini alfredo... ravioli... rigatoni con salsicce.

What Mama does with pasta is an art. What we do with pasta at Diamond Packaging Products is an art—and a marketing science.

Like Mama, we know that no two pastas are alike. Each pasta needs its own special kind of package or label to appeal to shoppers' increasingly discriminating tastes.

Like Mama, we've got the experience—over 50 years of providing the leading names in pasta with complete single-source packaging service: mouth-watering graphics, product-protecting structural design, and machine-application engineering.

The ingredients that go into your package's paperboard are going to be right,

because we make the board ourselves—at our Diamond Paperboard Division.

You and Mama know that all pasta is not the same. At Diamond, we know that all cartons and labels are not the same. Let us give you the Diamond recipe for a perfect pasta package. Call (513) 422-2772 today. We're waiting to serve you.



**DIAMOND INTERNATIONAL CORPORATION  
PACKAGING PRODUCTS DIVISION**  
407 Charles Street, Middletown, Ohio 45042  
Attn: Marketing Dept.

## CONGLOMERATES IN THE FOOD INDUSTRY: A STORY ABOUT SPAGHETTI

by John M. Connor in *National Food Review*

For a number of years USDA has conducted research to identify and analyze the structure of the food marketing system. Early on, Congressional requests sought analyses of food costs from the farm gate to the retail shelf. That program is continuing yet today.

But, over the years the food marketing system has changed dramatically. The system is no longer dominated by "food companies." Today, companies that manufacture and sell food often own and operate firms in businesses unrelated to food, making it more difficult to analyze food system performance.

Last year three articles dealing with the role of the industrial conglomerate in the food business were published in this Review. This article is a "case study" detailing how one firm engaged in the production and sale of spaghetti sauce evolved over time. It provides a rather specific picture of the many motives, strategies, and effects of conglomerate mergers—especially effects that can only become known years after the particular event has passed.

### The Spaghetti Story

In 1969, at the peak of the most active period of corporate mergers the U.S. economy has ever experienced, the Ragu Canning Company was acquired by a large manufacturer of non-prescription creams and ointments. That seemingly insignificant event went largely unnoticed by the business press and was unchallenged by U.S. antitrust authorities—since there was no basis in law for preventing the merger. Yet that acquisition resulted in a fundamental restructuring of the growing market for prepared spaghetti sauces.

<sup>1</sup> Chesebrough Manufacturing acquired Pond's in 1955 and changed its name to the present one in that year. Prior to its thrust into packaged foods, Chesebrough acquired Prince Matchabelli (1958), Aziza (1959), Royall Lyme (1967), and Erno Lazlo (1966)—all in the perfume or cosmetics area. Since the canning company purchase, the company's major acquisitions have been Health-Tex children's clothing (1973) and Adolph's sauces (1974), for which it paid \$208 and \$50 million, respectively.

The Chesebrough-Pond's company would hardly have fitted anyone's idea of a conglomerate in 1939. Its sales were modest—under \$300 million—and its major products were "Vaseline" jelly, "Pond's" face cream, "Q-tips" swabs, and a line of perfumes and cosmetics. But the company's sales were growing rapidly (over 17 percent per year).

Today, sales are nearly three times larger and very likely will surpass the billion dollar mark in fiscal 1979. More importantly, Chesebrough has become highly diversified, with several disparate lines of business.<sup>1</sup> In addition to its traditional base of health and beauty aids, Chesebrough now makes perfumes and cosmetics, has a broad line of children's clothing (Health-Tex), and sells hospital supplies. Chesebrough also has a packaged food division, which grew out of the 1969 Ragu Packing Company acquisition. It is estimated that some 40 to 50 percent of Chesebrough's present assets are attributable to the 14 acquisitions made during 1955-75.

The Ragu acquisition has proven to be a remarkably fortuitous move. Though Chesebrough had had no experience with grocery products, it chose a product capable of being differentiated in much the same way as proprietary medicines.

However, the major complementary is clearly marketing expertise. Though only an estimate, it appears that in the 1970's Chesebrough spent nearly 9 percent of its sales on advertising. Research and development expenditures were under 1 percent of sales. Advertising expenditures have exceeded after-tax profits by a wide margin in recent years.

### The Ragu Story

Chesebrough bought the Ragu Packing Company in 1969 for an undisclosed amount. Ragu was a highly successful regional company with good growth prospects. At that time, Ragu had sales of about \$25 million, mainly in the Northeast and Midwest regions of the United States. It sold four varieties of ready-to-use spaghetti sauce packed in glass jars in a plant located in Rochester, New York.

An interview with the current president of the "packaged foods" division of Chesebrough indicates that, at the time of Ragu's purchase in 1969, it held a 43-percent market share nationally in the spaghetti sauce market. Within its own region of distribution, its market share was 52 percent.

The interview also revealed two major motives behind the Ragu acquisition—the prospect of high profits and rapid growth. The Chesebrough packaged foods division was directed to achieve the same rate of return as the health and beauty aids division. If 1977 results are a guide, that implied a target rate of return of about 25 percent—an ambitious goal, more than double the average among all food manufacturing companies in that year.

An equally important consideration for Chesebrough was the optimistic growth prediction for prepared Italian foods in general. From 1972 to 1976, grocery sales of prepared Italian foods more than doubled, reaching \$600 million in 1976. That growth rate far exceeds all other grocery store food sales.

Chesebrough research shows that 92 percent of U.S. households prepare Italian foods at home and that two-thirds of all homemakers still make their spaghetti sauces "from scratch." As the Chesebrough 1978 annual report put it, Ragu spaghetti sauce was "... designed to win converts from among the millions of homemakers still going to the trouble of making their own sauce." The growth goal for Ragu is 1979 sales of \$250 million or 10 times its sales in the year it was acquired.

### The "Game Plan"

Chesebrough took about 3 years to develop its long-term strategy to achieve the twin goals of high profitability and rapid growth. Part of Chesebrough's "game plan" came to light in the mid-1970's. Clearly important are the financial resources from Chesebrough's other, more profitable lines of business—health and beauty aids, cosmetics, and perfumes. Chesebrough was willing to invest more than Ragu could have and could wait years for its investment to pay off.

The Chesebrough strategy rests on three main tactics: (1) consistent advertising of Ragu products, (2) extending Ragu's markets from regional to national, and (3) implementing a program of introducing "new" products. All three tactics are interrelated and mutually supportive.

### "That's Italian"

Ragu began increasing its advertising program even prior to its acquisition. In 1968, its media advertising amounted to about 4 percent of sales, which is about double the average for all processed foods in the United States.<sup>2</sup> Since then, media advertising on the "traditional" Ragu sauces has increased at an average annual rate of 70 percent to over \$7.5 million in 1977-78. In both 1977 and 1978, all of that advertising was on television.

The marketing decision to adopt an advertising campaign that had "That's Italian" as its catch phrase proved to be important. Since 1973, Chesebrough has invested \$35 million in advertising with that theme. The advertising has proven to be very successful in creating consumer loyalty and convincing retailers to carry the product.

<sup>2</sup> In addition to media advertising, food manufacturers promote their products by direct mailings, coupon distribution, point-of-purchase displays, discounts and allowances to retailers, direct sales forces, and other devices. In Ragu's case, the use of glass rather than cheaper metal containers helped to differentiate its products initially. Later most of Ragu's rivals copied the strategy.

### National Growth

From 1970 to 1975, the Chesebrough packaged foods division built two new sauce plants to supply the South and West and added capacity to its original New York facility. By early 1976 Ragu products could be supplied economically to nearly every part of the continental United States. The completion of a fourth plant in Ontario, Canada signaled Chesebrough's apparent intention to spread Ragu products internationally.

A major advantage of national expansion was the ability to use less expensive network TV advertising rather than spot TV advertising.<sup>3</sup> In 1970, only 20 percent of all Ragu media advertising was via network TV; that ratio successively rose to 51 percent in 1973, 77 percent in 1975, and finally to 100 percent in 1978.

<sup>3</sup> "Spot" TV refers to the periods of advertising time allocated by the networks to local stations.

### New Products

The third and final link in the Chesebrough plan was to initiate a program of product variation. Ragu had only four product items (excluding different sizes) when it was purchased by Chesebrough, all of them flavor variations on the traditional spaghetti sauce. Now the packaged foods division sells 37 different items and "new" products account for 36 percent of the division's revenues. Most of these products are variants of original Ragu sauces, such as the "Italian Cooking Sauces" line, which is described as "thick and zesty" and comes in several flavors.

The Ragu program of product proliferation fits Chesebrough-Pond's progressive and innovative image. Chesebrough ranked 12th in the number of new products in a recent study of some 1,200 products introduced into grocery and drug stores in 1977.

### The Challenge

In 1969, the canned spaghetti sauce market consisted of two leading manufacturers, Ragu, and the Chef Boyardee subsidiary of American Home. About 25 percent of the market consisted of small, usually Northeast, regional products, none of them advertised prominently.

Throughout the period 1960-75, the position of Chef Boyardee, the market leader, steadily declined. Ragu was its replacement, while a fringe of a dozen or more regional, specialized companies continued to hold on to about one-fourth of the market.

Ragu's media advertising has exceeded Chef Boyardee's every year since 1968. And American Home is over three times the size with over three times the advertising budget of Chesebrough. It markets a wide array of grocery products and is more profitable. However, American Home's food division has been its least profitable line of business in recent years. The main thrust of its marketing energies has been in the area of canned pasta entrees. The spaghetti sauce product goes virtually unmentioned in its annual reports.

Prior to 1975 no large food processing companies made any serious effort to establish itself in the canned spaghetti sauce market.

Hunt-Wesson is a leading U.S. canner of tomato paste and sauces. In 1975, Norton Simon briefly test marketed Prima Salsa, a new prepared "thick and zesty" spaghetti sauce. The national marketing of this product began about July 1976. Finally, Hunt's had the presumed advantage of a direct sales force already promoting other Hunt's canned goods in the grocery stores.

Ragu was prepared for the Prima Salsa offensive. Its own "thick and zesty" Italian Cooking Sauce had already been test marketed for 2 years. In early 1977, this product was introduced nationally.

Initially, Ragu's new sauce did quite well, but the two extra thick Hunt-Wesson sauces seemed to be taking sales away from Ragu's traditional sauce. Ragu's sales in the first three quarters of 1977 showed the first decline, so Chesebrough's chairman approved an emergency 20-percent increase in advertising outlays.

By early 1978, Ragu had recovered most of its lost market share. Despite its 15-million advertising expenditure, Norton Simon failed to achieve even \$20-million in annual sales, though it is now the second-ranked company in the market.

### Conglomerate Dominance

The entry of Chesebrough-Pond's into the prepared spaghetti market had substantial and, perhaps, lasting changes on the participating firms, on the structure of the market, and on the consumer.

Ragu managed to become the dominant firm in a rapidly growing food industry partly by spending millions in advertising and physical plant capacity. It has over 30 items already in distribution. More products are being developed to meet any market challenge or to carve out a new segment within the market.

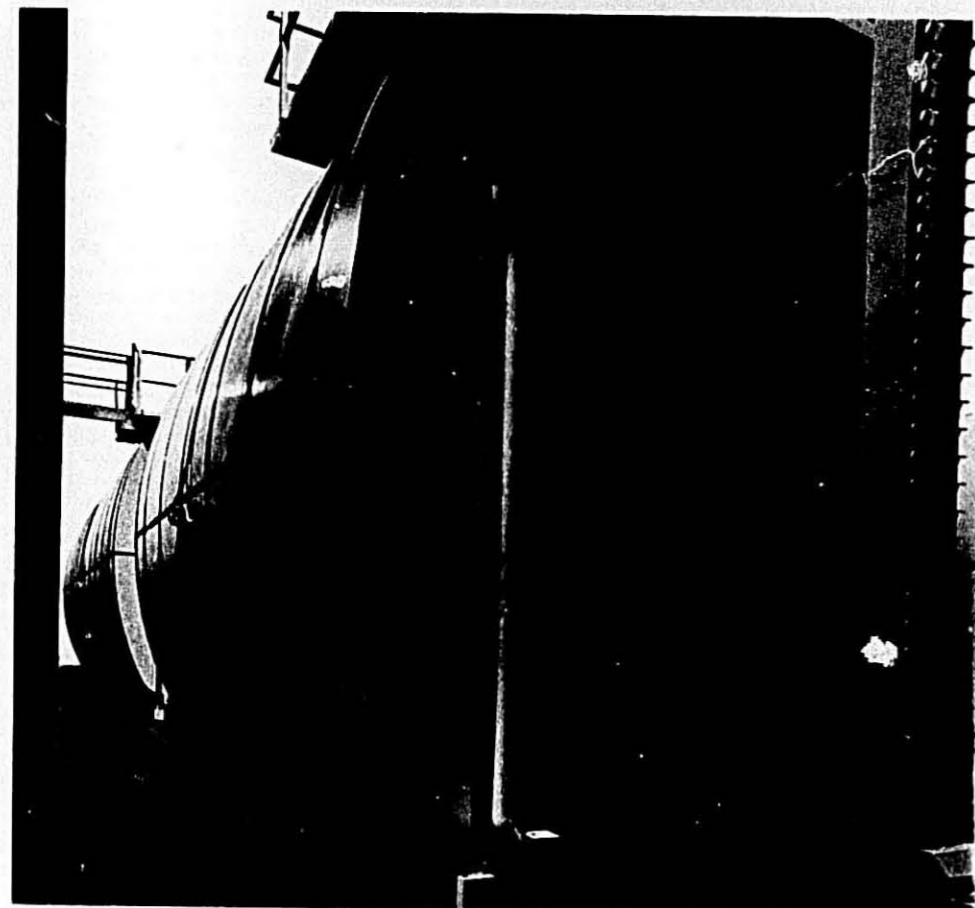
Sales of the packaged foods division have risen from \$25 million in 1969 to \$146 million in 1977; by 1979 they will have risen tenfold. By 1977 the division had just about met the profit goal set for it when it was first acquired—an enviable 20 percent return after taxes. These profits have helped to enhance Ragu's advertising strategy.

Concentration in the market (two-firm or three-firm) is as high as it has ever been. Media advertising since

(Continued on page 24)

**BUHLER-MIAG SHORT GOODS LINES...**

# Performance You Can Depend On!



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

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

*Integrity...  
in design  
in construction.*

### Efficient Energy-Saving Design

High temperature and high humidity drying, requiring a minimum volume of fresh air. The most energy-efficient design!

Panels 1 1/2" thick with polyurethane foam core. Aluminum lining on inside for heat reflection and absolute vapor barrier. No heat bridges.

Smaller, high-efficiency units require less floor space.

Circulating air fan motors are mounted inside dryers, utilizing 100% of electrical energy. (New type of energy-efficient motor is available).

Built-in heat recovery system (optional) utilizes exhaust air heat.

### Bacteria and Sanitation Control

High temperature drying controls bacteria. Dry bulb temperature adjustable from 100°F to 180°F.

Doors are in front panel for product control during operation. They also give easy accessibility for weekly cleanouts. Swing-out side panels extend entire dryer length, allowing fast cleanout and service.

Dryer is absolutely tight, yet easy to clean, maintain and supervise.

### High Quality Product

Each dryer is equipped with a patented, U.S.-built BUHLER-MIAG Delta T Control System that allows the product to adjust its own drying climate. The result is a stress-free, nice yellow-colored final product.

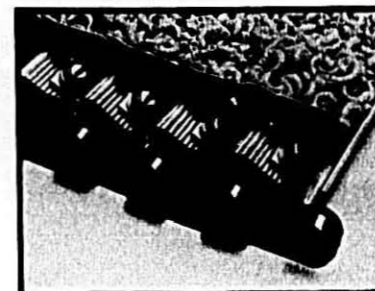
High drying temperatures, in combination with ideal drying time, increase cooking quality of final product.

Product losses are minimized through the entire production process, including startups, shutdowns, production interruptions and die changes.

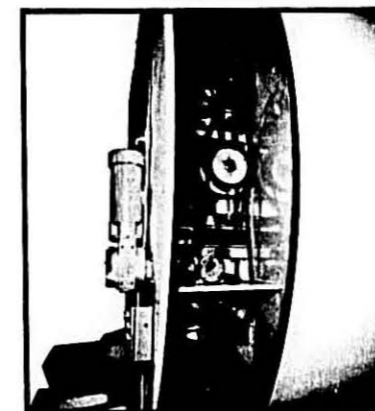
### Product Quality is What Really Counts!

Top-grade quality is yours from BUHLER-MIAG equipment. Your customer recognizes and deserves it. Can you afford to give him less?

Contact us for information on BUHLER-MIAG Short Goods Lines and other Macaroni Processing Equipment



Product conveyor belt made of special heavy duty roller chains, extruded aluminum alloy "S"-shaped elements and anodized aluminum product side guides. Automatic conveyor chain tensioner and lubrication system.



Each dryer is equipped with two drive stations. Special safety device protects drives. Gearmotors mounted outside panels for long life and easy service. AC or DC variable speeds. Standard U.S. built drive components.



**BUHLER-MIAG**®

BUHLER-MIAG, INC., P.O. Box 9497, Minneapolis, MN 55440 (612) 545-1401  
BUHLER-MIAG (Canada) LTD., Ontario (416) 445-6910

## A Story About Ragu

(Continued from page 21)

1975 has stabilized at a new and higher level. Presumably, any future entrant will have to be prepared to spend millions to crack Ragu's market dominance. Product proliferation means that potential entrants into the market must plan on offering several flavor varieties or a distinctly "new" product that Ragu does not already have available for market test.

Reliable data on effects on consumers at this market level are scarce. Some consumers, especially those in the South and West, have undoubtedly benefited from the national extension of both Ragu and Prima Salsa since canned Italian sauces may not have been available before.

Some homemakers may have welcomed the savings in preparation time offered by fully prepared sauces. Other cooks, with no knowledge of how to prepare such sauces, may be serving them for the first time. On the other hand, a generation of Americans may grow up never having known the subtle pleasures and nuances of a freshly prepared spaghetti sauce.

1. Connor, John M. *Competition and the Role of the Largest Firms in the U.S. 1979 Food and Tobacco Processing Industries*. Washington: USDA-ESCS (forthcoming).
2. 1978. *The Conglomerate Firm in Food Processing: Parts I, II, and III. National Food Review*, No. 3, 4, 5.
3. Giges, Nancy. *Ragu Carves Out Ever-Growing Market Slice. Advertising Age*, 1978, October 30, pp. 28-103.
4. LNA (Leading National Advertisers). *Class/Brand manual*, various years.
5. Moody's Investor Service, Inc. *Moody's Industrial Manual*. New York: 1978, Moody's.
6. Mueller, Willard F. *Recent Structural before the U.S. Senate Subcommittee on Antitrust and Monopoly*, May 12, 1978.
7. 1978b "P&Gs March to the Sea," in *The Need for Vigorous Antitrust Enforcement*, Working Paper No. 18. Madison: NC-117.
8. Parker, Russell C., and John M. Connor. *Estimates of Consumer Loss Due to 1978 Monopoly in the U.S. Food Manufacturing Industries*, Working Paper No. 19. Madison: NC-117.
9. Porter, Michael E. *Interbrand Choice, Media Mix and Market Performance*. 1976. *Am. Econ. Rev.* 66: 398-406.
10. PG (Progressive Grocer). *New Item Study. Progressive Grocer*, October, 1978.
11. SAMI (Selling Area Markets, Inc.). *Private Label Trends*. New York: SAMI 1978.

12. 1977 *Difference Between Price Per Pound Nationally for Private Label and Advertised Brands in Selected Product Categories*.
13. Steiner, Peter O. *Mergers: Motives, Effects, Policies*. Ann Arbor: University of Michigan Press, 1975.

## Lots of Publicity

Plans for National Macaroni Week were announced in the October issue of the Macaroni Journal. So what happened?

Plenty — in national magazines, for example:

*Goodhousekeeping* for October—cover story—10 pages on Soup, Stew and Casserole Cookbook had color photograph and recipe for Chicken Tetrazzini with three additional recipes: Tongue and Macaroni Casserole; Pork and Spinach Stuffed Manicotti; Italian Beef and Macaroni Casserole.

*Parents Magazine* carried a recipe for Mushroom Lasagna.

*Seventeen Magazine's* "Now you're Cooking" section opens with a full-page color photo of Pastitsio. "Green-style Casserole" titles feature, which includes a full page of "how-to" steps photographed in color.

*Sunset Magazine* entitled a story "Lickety-Split is the Microwave Way with Pasta". Quick Lasagne was pictured. Three other suggestions: Macaroni and Cheese; Chicken Noodles Casserole; Spaghetti Marinara.

*True Story* for October said: "It's economical, nutritious, versatile and delicious: The Best of Pasta". NMI color photograph and recipe for Egg Noodle, Cheese and Vegetable Casserole.

*Adventure Road*, Fall edition, had a two page spread entitled "Pasta Makes Perfect." Better Homes and Gardens Creative Ideas, Quick & Easy Recipes Fall edition. "Busy-Day Dinners" section begins with a two page spread showing three variations of Tuna, Noodle Casserole. "Canned Meat & Fish" section is illustrated with full-page color photo of pasta with sassy sauce recipes. "Busy-Day Dinners" sections include Stroganoff Meatballs recipe in color spread. "Deli Dinners" section shows Kielbasa Pasta Skillet in color.

The October issue of *Better Homes & Gardens* had a recipe for Chicken Liver Stroganoff.

*Bon Appetit* in October featured pasta shapes sketch in the Bulletin

board section. "Yankee Doodle Dandy" story begins: "Stick a feather in your cap and celebrate National Macaroni Week, which begins October 4 by holding 'una spaghetтата'—Italian for a pasta bash. There's plenty for everyone—1.8 billion pounds produced annually in the United States—and remember, it doesn't always have to be with meatballs or cheese. The article recommends one of the pasta chips served at this year's Annual Family Reunion Luncheon.

*Woman's Day Cooking for Two*, Fall edition, had as a cover story "Make Ahead Meals for Fuss-Free Feasts in a Flash." Full page NMI color photo of Freezable Macaroni and Cheese Casserole recipe. Pasta with Parsely and Romano Cheese shown in another color photo. Two additional recipes: Poached Chicken with Whiskey Sauce (noodles an ingredient); Spaghetti with Chicken and Mushrooms.

*Women Who Work*, published by Family Circle: The "Quick & Thrifty Cook Book" section opens with a color photo of Spaghetti with Vegetables.

## Sunday Supplements

Syndicated Sunday Supplements such as *Parade* featured "Dining Well at 79¢ A Piece", in the November 4 issue. On October 7 they said: "Slice a Chicken and Slash Your Costs". Article was illustrated with sketch of Chicken and Macaroni Supper recipe. *Parade* appears in 125 newspapers with a total circulation of 21,437,710.

*Family Weekly*, September 16 said: "Let's Have a Scrumptious Italian Feast". Pasta sketch appeared with three recipes all noted in "Italian Wine-Tasting and Party Menu" Canneloni alla Fiorentina; Macaroni with Sausage Eggplant Sauce; Zucchini Ziti Casserole. This appears in 352 newspapers with a total circulation of 11,942,602.

*Dawn Magazine*, distributed with 38 black press newspapers, gave notice of National Macaroni Week and featured Egg Noodle Chicken Soup.

## Newspapers

*New York Times Sunday Supplement*, October 7, featured "Pasta Power".

Other major market newspaper breaks: *New York Post*, October 3: "Preparing Pasta Fit for A Pope." *Columbus Dispatch*—"Delicious Salads and Economical Main Dishes."

*Jackson News*—"Vegetables. Pasta Team".

*Monterey Advertiser*—"Everybody Loves Pasta".

*Bridgport Post*—"Celebrate National Macaroni Week!".

*Providence Journal*—"Hail Pasta! Local Joy Makes Good."

*Salem Capital Journal*—"Versatile Pasta is Part of American Tradition".

*Springfield Union*—"Pasta Teams Up with Almost Anything."

*Wichita Beacon*—"Greek Recipes for Pasta."

*Lafayette Journal & Courier*—"Pasta Pasta, Pasta."

*Lynchburg Advance*—"Pasta Makes Meatless Meal".

On Color pages:

*Dallas News*—Lobster Tetrazzini.

*St. Louis Post Dispatch*—Heidelberg Macaroni.

*Memphis Commercial Appeal*—"It's Half Pasta".

*Denver Rocky Mountain News*—"Vegetables, Pasta Mix".

*Baton Rouge Advocate*—"Meals of Macaroni Salads."

## Television

On Television, "Pasta Meets the Challenge" television kit was requested by 109 stations. National Macaroni Week radio scripts received wide usage.

Trade publications carried news of National Macaroni Week. Examples:

*Alabama Food Merchants Journal*, *Carolina Food Dealer*, *Chain Merchandiser*, *Florida Food Promotions*, *Grocers Journal of California*, *Iowa Food Dealer*, *KFDA Bulletin*, *Michigan Good Dealers Association*, *Missouri Grocer*, *Mississippi Grocer's Guild*, *Montana Food Distributor*, *Nebraska Retailer*, *Oklahoma Food Dealer*, *Retail Grocer*

In all, it was a very good week—most high-season.

## Coring

"50 plus Ways to Eat Pasta" in the February issue of *Goodhousekeeping* magazine. In addition, the *Better Way* section will have a "pasta quiz" in which readers will have an opportunity to identify twelve pasta shapes

## Unimac Cookery

*Pasta Quickies for Singles/Doubles*, leaflet with six excellent recipes. 5¢ per copy. Write the Macaroni Journal.

## Energy Saver's Cookbook

The Great Allegheny County Energy Saver's Cookbook provides recipes, menus, tips and ideas for saving energy in the kitchen. It is a guide to the energy efficiency of all household appliances, a collection of hints and down-home advice, a source of novel catering ideas, a how-to guide for indoor gardens as well as lots of tasty recipes. Here's a recipe for Lasagna (for microwave oven):

- 1 lb. Italian sausage
- 1 can (16 oz.) tomatoes, cut up
- 1 can (8 oz.) tomato paste
- ¼ tsp. dried basil, crushed
- ¼ tsp. garlic salt
- 16 oz. Ricotta or cottage cheese
- ¼ cup grated Parmesan cheese
- 1 Tbsp. chopped parsley
- 1 egg slightly beaten
- ½ tsp. salt
- ¼ tsp. pepper
- 1 pkg. (8 oz.) Lasagna noodles cooked
- 8 oz. Mozzarella cheese, sliced

In 4 quart casserole, break up sausage and cook on High for 3 minutes stirring once. Drain excess fat. Add tomatoes, tomato paste, basil and garlic salt. Cook, uncovered on High 10 minutes, stirring once.

In mixing bowl, stir together Ricotta or cottage cheese, Parmesan cheese, parsley, egg, salt and pepper. Spoon a little meat sauce into bottom of 7½ inch x 12 inch utility dish. Arrange half the lasagna noodles half the Ricotta cheese mixture over sauce, then half the Mozzarella cheese and half the meat sauce. Repeat. Cover with plastic wrap. Cook on High for 4 minutes. Turn dish. Cook another 4 minutes. Let stand 10 minutes.

- 6 to 7 servings
- 7½" x 12" microwave oven dish
- 4 qt. casserole (for microwave oven)
- Microwave Oven
- Time: approx. 30 min.

Standard Cooking method: Brown sausage; drain fat. Add tomatoes, tomato paste, basil, and garlic salt. Cook uncovered 25 minutes.

Make cheese mixture and assemble Lasagna as above. Bake uncovered 30 minutes at 375°F.

This book can be purchased by sending \$4.95 plus \$1.00 for handling to: Project Pacesetter, Park Building, 355 Fifth Ave., Pittsburgh, Pennsylvania 15222. Make check payable to Project Pacesetter.

## Italian Festival Hikes Sales

An Italian-theme festival, designed to build business immediately before Easter, helped increase sales 10-60% among a group of independent supermarkets supplied by B. Green & Co., wholesaler.

Sales increases for individual products offered during the four-week long promotion ranged from a 15% sales rise in grated cheese to 60% greater movement in Italian specialty products, Leon Brafman, the wholesaler's merchandising and advertising coordinator said.

Green was also able to persuade manufacturers to extend allowances over the period of the promotion in order to encourage greater retailer participation. Rather than making the program a sales contest, Green awarded a series of prizes to retailers for the most original display and integration of related items, and for the most responsive customers and best media exposure.

Angel's Market, Pasadena, Md., which had filled a rented gondola in the store with merchandise, won a week in Rome for two.

The more notable efforts by retailers included an Italian vendor's wagon in the produce department, filled with zucchini and eggplant and surrounded by menu suggestions; a recipe contest for shoppers, using promotional items in the preparation, and a spaghetti-eating contest using fingers only.

Retailers became highly enthusiastic about the progress soon after it started, "calling us daily, asking if their display was a possible winner. I'd always say 'You are up against some pretty stiff competition,' although the retailer was a near winner."

Before the festival began, Green wired and dined retailers at a restaurant decorated with sample display materials and related high-gross general-merchandise items for tie-in sales.

Green's ad department furnished sample ad layouts and sign kits. A wine cellar tie-in failed to materialize, however, when orders for a variety of wine glasses had to be canceled after the supplier was unable to make delivery at the last minute.

## Lent, 1980

Ash Wednesday will be celebrated on February 20, 1980.





# Pasta Partners.



Peavey and pasta makers. Working together ... partners in profit. Milling of Semolina and Durum flour isn't a sideline with Peavey. We're more in the total people-feeding process than most suppliers to the pasta industries ... from field to table. Peavey is a leading supplier in both quality products and production capacity for service to customers' total needs. We've been at it over 100 years. And we believe our future growth depends on helping our pasta manufacturers grow.

In fact, pasta is a way of life with many of our Peavey people. Everything we do has one objective: To bring you the finest Durum products. With rich golden color. The color of quality King Midas Semolina and Durum flour.

That's why we begin with the North Country's finest Durum wheat. And mill it in facilities designed specifically for the production of Semolina and Durum flour.

We make pasta in miniature press and dryer operations. And we check the pasta for color and consistency. We also work with our customers on new product innovations ... creative shapes ... with this miniature equipment. Confidentially, of course.



We even develop recipes using pasta. Like the dishes at the left. Recipes are available to you with no obligation. Just write to Peavey. Anything that helps make pasta more appealing to the housewife is good for the pasta makers. And good for Peavey.

Today, Peavey is the first supplier of Durum products with a total range of grades and granulations. To match your needs. Plus people who look upon themselves as your pasta partner.

**Peavey**  
Industrial Foods Group

### Young Shoppers

Today's young shoppers are more questioning than their parents were at the same age, and supermarket owners will have to work harder to attract and keep them as customers, retailers attending the 80th annual California Grocers Association convention, were told.

Constance W. McGeorge, a consumer research consultant based in Columbus, Ohio, warned the audience that the largest segment of shoppers in the 1980s will be the post World War II "baby boom" kids, and their opinions and values will be different from their parents."

"First of all, more than half the population will not have been alive during the Depression and World War II," she said, "so they do not put the same values on material things and economic security as do their parents. They will be more interested in 'now' rather than 'tomorrow.' To finance their desires, families with two working members will be much more common. In fact, it is estimated that by 1985 there will be more women working than remaining at home with the family."

### More Education

The shoppers of the '80s will have spent a lot more time in school than their parents, starting earlier (some as early as two years old) and staying in longer, she continued.

And the schools are part of the life style change, because teaching styles have changed drastically since the end of the war.

"The pupils learned different values," she continued. "There was less memorization and more analysis. They didn't study history the way you did, they learned current events, and the emphasis was on the 'why.' As a result of these factors, and a lot more that we don't have time to go into, retailers will have to adopt a different strategy to be successful in the 1980s," she added.

The new mentality, which reflects a decline of the old Puritan ethic and an increase in the appeal of pleasure and enjoyment, means that retailers must make shopping faster, more "fun" and a lot simpler, she said.

"Instructions should be on the packages, not in a cookbook. Checkout lines should be short or nonexistent, and there should be a lot more natural



Left to right: Gunter Harz, Jack Gorsuch of St. Louis Spaghetti Bowl Champion, and Jim Carol, Ragu Midwest sales Manager.

foods — those without additives — because health is important to these new shoppers."

In addition, operators will have to do more market research, to identify their market segment more precisely than in the past. "You must find out which shoppers in your particular area prefer you, and zero in your products and services to satisfy them.

"Part of the new market wants more natural foods, with fewer additives, while another part wants speed and convenience. You have to know which group prefers you, or you won't have any shoppers at all.

"Tomorrow's shoppers identify more with leisure than with work. They will work to live, not live to work, the way so many of the older generation did. To sell in the '80s you have to understand your market, and point your store right at it."

### Play Spaghetti Tennis Circuit

Gunter Harz is head of Werner Fischer Sports, Inc., of Omaha, distributors of a tennis product for stringing tennis raquets called "Play Spaghetti". This is a system to string tennis raquets doubly and was described on page 30 of the March, 1979, issue of the Macaroni Journal.

Mr. Harz is also the organizer of the Spaghetti Bowl, Play Spaghetti Tennis Circuit which brought new ways of advertising and promoting pasta products. Sponsors of the first circuit included American Beauty, Skinner, Delmonico, San Giorgio, Prince, R & F, Red Cross, and Ragu Spaghetti Sauce.

The C. F. Mueller Company sponsored the largest children's clinic in the world at Forest Hills during the World Championship Tennis Tournament. Sen. Connolly of Texas opened the youth event. Mueller gave away thousands of t-shirts to the children at the clinic and invited many of the customers to the WCT event and gave away spaghetti raquets. Mueller reports they are interested in future spaghetti Bowl tennis tournaments.

In these tournaments all the players play with spaghetti raquets. Thousands of women and children enjoyed free tennis clinics and spaghetti dinners during the events. Some of the sponsors invited their sales people and customers to enjoy a trade tournament with a cocktail party and spaghetti dinner afterwards, in most cases.

All events received good coverage by television stations and by local, regional and international press. Mr. Harz is a successful tournament direc-

(Continued on page 30)

THE MACARONI JOURNAL

# ASEECO

**BUCKET ELEVATOR**  
The Versatile Bucket Elevators with Space Age Design-Sani-Plus Buckets (Polycarbonate) FDA approved, Sanitary Delrin rollers on chain—reduce friction and wear. Pre-lubricated chain bushings where lubrication is not possible. Sectionalized uni-frame construction permits easy changes in height or horizontal run—allows for ease in cleaning and inspection. Available as standard with conventional frame or sanitary open tubular frame design. Capacities to 4000 cu. ft./hr. Write for Bulletin CAL-50

**DELIN ROLLERS**  
Delrin rollers reduce friction and wear.

**USDA APPROVED OPEN TUBULAR FRAME**  
POLY-STAINLESS OR ALUMINUM

**Flow Hopper, Feeder and Lift Elevator for loading overhead hoppers.**

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

### VIBRATING CONVEYORS

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

*bulletin cvc-30*

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

*bulletin cm/T10*

**services offered:** Plant Engineering and Layout  
Electrical Engineering and Control Panels  
Erection and Start-up

**ASEECO 6887 W. Olympic Boulevard, Beverly Hills, Calif. 90211**  
**(213) 688-5760** **TWX 910-490-2101**

**ASEECO**

### Play Spaghetti Tennis Circuit

(Continued from page 28)

tor who makes great effort in promoting these events. As the inventor of the "Play Spaghetti" stringing system, he was interviewed by local and national television and press.

Mr. Harz is also the President of the International Open Tennis Federation. This organization endorses many products. Mr. Harz suggests that it would be a good recommendation to have the IOTF endorse pasta and sauce products as "pasta products are energy loaders for sport minded people."

#### Sponsorship Package

A sponsorship package for a Play Spaghetti Tennis Tournament runs \$5,000. But as pasta products are not only energy providers for tennis players, Mr. Harz would like to introduce the idea of having pasta promoters sponsor other sporting events such as soccer, raquetball, jogging, marathons, etc. He can be contacted at Telephone (402) 553-3770; P.O. Box 6414, Omaha, NE 68106. He has established a sports promotion service to handle the needs of such sponsors.

### Campbell Sales and Earnings Up

Campbell Soup Company recorded increases in both sales and earnings in the first quarter of its 1980 fiscal year, Harold A. Shaub, President reported.

Consolidated sales for the quarter, which ended October 28, reached \$621,835,000, for an increase of 17% over sales of \$533,008,000 in the first quarter of last year.

Net earnings rose to \$33,507,000, compared to \$30,930,000 in the first quarter last year. Earnings per share increased by 11% to \$1.02, from 92 cents per share in the quarter last year.

Newly-acquired businesses accounted for more than a third of the Company's total increase in sales during the quarter, Mr. Shaub said.

Gattuso in Montreal and German Village in Wauseon, Ohio were acquired this year.

The Company announced earlier that it has agreed in principle to sell its Herfy's Corporation subsidiary to Winmar Company, Inc., a subsidiary of Safeco Corporation. Herfy's Corporation operates the Herfy's chain of fast-food units in the Pacific Northwest.

### Marshall Foods Reports Second Quarter Results

Marshall Foods, Inc. (ASE-MFI) reported a net profit of \$23,000 or 3 cents per share on net sales of \$19,061,000 for the fiscal second quarter ended September 29, 1979, compared to a net profit of \$138,000 or 15 cents per share on net sales of \$17,657,000 for the like period last year.

For the six months, the company reported a loss of \$386,000 or 42 cents per share on net sales of \$37,928,000, compared with a year-earlier loss of \$159,000 or 18 cents per share on net sales of \$34,569,000.

The company said that the second quarter profit, while nominal, represented a significant improvement over results of the first quarter, for which an adjusted loss of \$409,000 or 45

cents per share was experienced. Second quarter results of the year-earlier period, further, were favorably affected by the sale of property, it was noted.

"We are continuing with our aggressive company-wide reorganization program aimed at improving profitability, controlling expenses and expanding market share in all divisions," company president David J. Weiner stated.

### Egg Production

Nation's laying flocks produced 5.79 billion eggs during October; layers on Nov. 1 totaled 287 million both 1% more than last year. Eggs in incubators on Nov. 1 at 39.5 million were up 3% from a year ago.

### Egg Products Under Federal Inspection, United States

ITEM	PERIOD	
	Oct. 1, 1977- Sept. 30, 1978	Oct. 1, 1978- Sept. 30, 1979
	1,000 Dozen	
Shell Eggs Broken	688,717	687,447
	1,000 Pounds	
Edible Liquid from Shell Eggs Broken:		
Whole	415,123	433,072
White	257,861	246,421
Yolk	176,712	162,200
Total	849,696	841,693
Inedible Liquid from Shell Eggs Broken	51,330	55,272
Liquid Egg Used in Processing: <sup>1</sup>		
Whole	482,861	508,118
White	354,490	341,114
Yolk	192,906	176,735
Total	1,030,257	1,025,967
Ingredients Added in Processing <sup>2</sup>	34,950	37,278
Liquid Product Produced for Immediate Consumption and Processing: <sup>3</sup>		
Whole Plain	142,441	151,142
Whole Blends	57,134	63,722
White	140,368	137,113
Yolk Plain	19,246	16,373
Yolk Blends	41,792	42,488
Total	400,981	410,838
Frozen Product Produced: <sup>3</sup>		
Whole Plain	148,293	150,476
Whole Blends	61,640	58,448
White	57,277	50,476
Yolk Plain	16,061	11,085
Yolk Blends	68,480	69,173
Total	351,751	330,658
Dried Product Produced: <sup>3</sup>		
Whole Plain	11,090	8,953
Whole Blends	22,892	28,635
White	19,181	18,971
Yolk Plain	14,639	14,783
Yolk Blends	6,688	5,850
Total	74,490	77,192

<sup>1</sup> Includes frozen eggs used for processing. Excludes ingredients added.

<sup>2</sup> Includes all non-egg ingredients added.

<sup>3</sup> Includes ingredients added.



Foodies always give good reviews when the cook serves up good-tasting, wholesome noodle dishes.

**The cook with fussy customers has to use her noodle.**

Sometimes the people hardest to please are sitting right around the family table. So the smart cook really uses her head...and serves up good-tasting noodle dishes.

But the best noodle dishes begin long before they reach the table. They begin on the farms of the northern plains, where the nation's best durum wheat is grown.

From this durum wheat, Amber Milling mills fine pasta ingredients...Venezia No. 1 Semolina, Imperia Durum Granular, or Crestal Fancy Durum Patent Flour.

At Amber Milling, we're serious about pleasing our customers. We know you're fussy about quality. So we deliver semolina and durum flour that makes it easier for you to please all your "fussy" customers. Specify Amber!



**AMBER MILLING DIVISION of THE GRAIN TERMINAL ASSOCIATION**  
Mills at Rush City, Minn. • General Offices at St. Paul, Minn. 55105/Phone (612) 646-9413



## AN OVERVIEW OF THE FOOD SERVICE INDUSTRY

by Michael Van Dress in *National Food Review*

The market for food eaten away from home—the food service industry—has grown rapidly since the early sixties. This growth has had a mixed impact on total demand for farm commodities.

The retail value of food and non-alcoholic beverages consumed away from home in 1978 was estimated at \$87.4 billion. Of this total, farmers received approximately \$2.1 billion; food processors received approximately \$1.1 billion; and the wholesale trade received approximately \$39 billion.

The significance of this market is apparent when its output is compared with the value of total food consumed—about \$250 billion, or \$1.144 per person in 1978. The retail value of food moving through food service outlets approximated \$400 per person, or \$1 out of every \$3 spent on food.

At no other period in U.S. history has a shift in food purchasing practices been more pronounced. As incomes increase consumers have been spending relatively more dollars on prepared meals and snacks purchased from food service establishments and less for food purchased from grocery stores for preparation and consumption at home.

Since 1960, the retail value of the market for food away from home has grown at a compound rate, adjusted for inflation, of about 3 percent annually. Expenditures on meals and snacks away from home increased from about \$1 out of every \$4 spent on food in 1960 to \$1 out of every \$3 in 1978.

This increase is associated with rising disposable income and changing lifestyles. The demographic composition of the population has also changed. Examples include teenagers frequenting snack shops and hamburger stands; college students often without facilities, inclination, or time to cook for themselves; working wives with less time to prepare meals at home; and older people less able to cook at home.

Future changes in these factors, with the possible exception of those involving relatively more teenagers and college students, should impact positively on the market for food away from home. Thus, this market

likely will continue to grow at a rate faster than the total market for food.

### Market Composition

The market for food away from home, including both public and institutional eating places, consists of more than 500,000 outlets. Public eating places—which exist primarily for profits—may be part of a larger facility, such as a soda fountain in a drug store or a snack bar in a bowling alley. Or they may be separate eating places in which most revenue is derived directly from sales of prepared meals and snacks. Separate eating places account for as much as 85 percent of the value of meals and snacks sold by public eating places.

The institutional sector includes establishments where the food service operation usually is supportive and often nonprofit such as universities, sanitoriums, and homes for children. Schools and hospitals are the largest markets in the institutional sector. An institution usually serves three times more people than does a public eating place. But because of the relatively small numbers, institutions account for less than 40 percent of the retail value of all food consumed away from home.

### Patterns of Change

Historical data are not available on all segments of the industry, but information is available from the Census of Business which reflects trends among retail business that provide meals and snacks. These data also reflect trends in market shares among types of food service firms of different size and ownership.

Between 1963 and 1972, sales of meals and snacks by the retail trade increased 48 percent, after adjusting for inflation. Eating places—whose major source of revenue is meals and snacks—maintained average sales increases similar to those of the total retail trade.

Food vending operators and food service in grocery and department stores also increased significantly. Apparently grocery stores did not place much emphasis on selling meals and snacks until 1967, and actually incur-

red a total sales decrease of 10 percent between 1963 to 1967. From 1967 to 1973, however, constant dollar sales of meals and snacks by grocery stores increased 94 percent. Grocery stores are expected to increase their participation in food service in the future.

Shifts in the market shares of the different types of food service establishments are important since they reflect changes in the nature of consumer food demand. Such changes impact on suppliers to the away-from-home market.

There are five types of eating places—restaurants and lunchrooms, cafeterias, refreshment (fast food) places, caterers, and food contractors. Since 1963, real sales in cafeterias and by food contractors increased slightly as a percent of total eating place sales, and sales of caterers decreased slightly. The greatest shifts in market shares, however, involved fast food places and restaurants and lunchrooms. While fast food places more than doubled their share of sales of all eating places—from 15 to 32 percent—between 1963 and 1978, the share of sales in restaurants and lunchrooms declined from 71 to about 50 percent.

### CONSTANT DOLLAR SALES PER EATING PLACE

Number of Units	1963 1967 1972		
	Thousand Dollars		
Single	63	68	71
Two or three	104	142	44
Four to ten	145	185	82
11 or more	206	214	53
Average	71	80	92

1967 = 100.

Source: U.S. Bureau of the Census, Census of Business for the respective years.

### Fast Food and Franchising

The increased demand for fast foods gave impetus to developments in franchising, although a few franchisors were in business prior to general national acceptance of fast foods. In 1972, franchise holders and franchising firms together operated an estimated 33,000 fast food outlets with total sales of \$7 billion. By 1978, sales had increased to about \$17 billion.

Growth was spectacular for some franchising firms. Between 1965 and

(Continued on page 35)

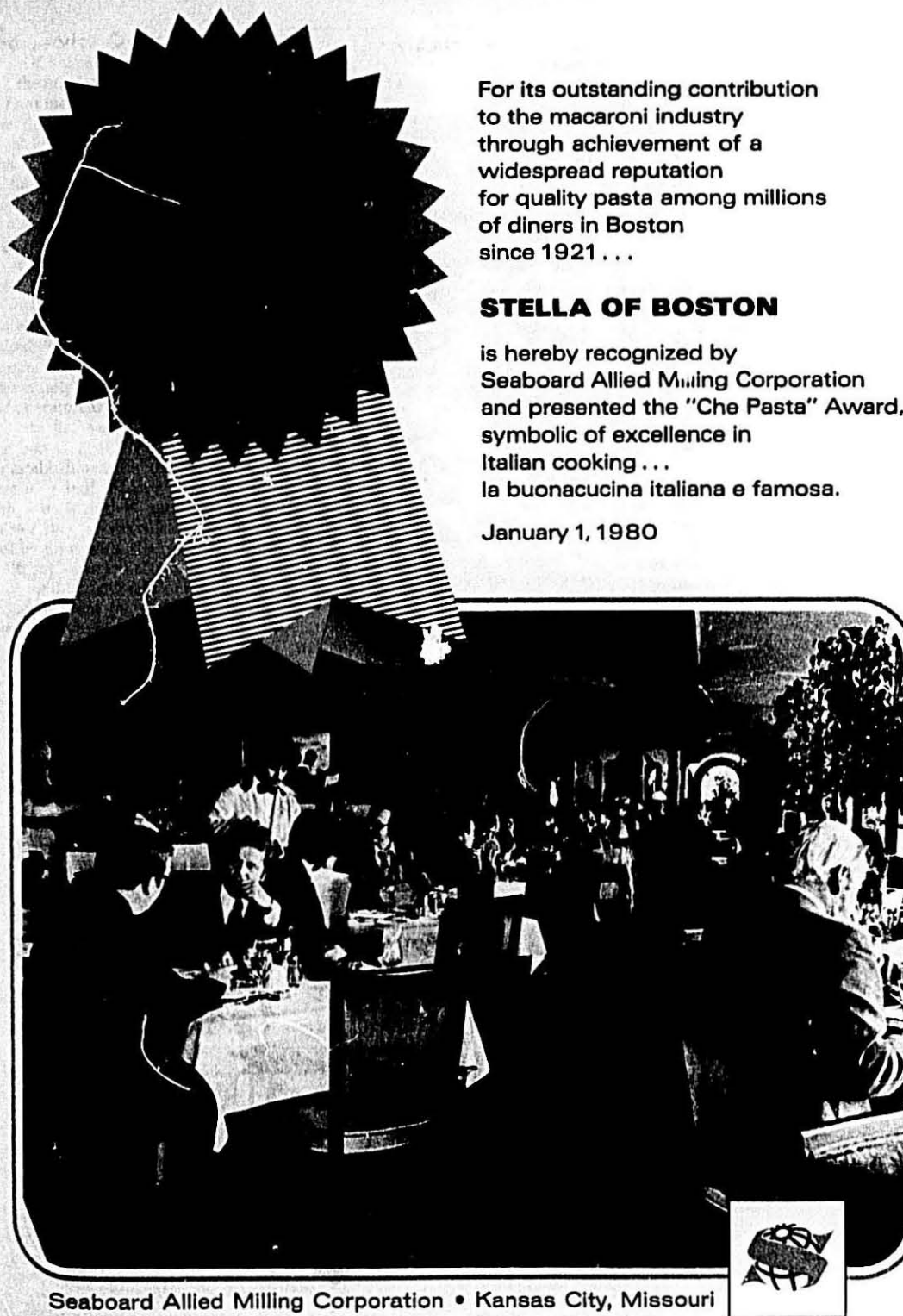
THE MACARONI JOURNAL

For its outstanding contribution to the macaroni industry through achievement of a widespread reputation for quality pasta among millions of diners in Boston since 1921 . . .

### STELLA OF BOSTON

is hereby recognized by Seaboard Allied Milling Corporation and presented the "Che Pasta" Award, symbolic of excellence in Italian cooking . . .  
la buonacucina italiana e famosa.

January 1, 1980



Seaboard Allied Milling Corporation • Kansas City, Missouri

### Food Service Overview

(Continued from page 32)

1977, the number of fast food franchising firms included in the top 100 firms more than doubled according to an annual listing by *Institutions*, a trade publication. Growth was so rapid during this period that some fast food franchising firms now included in the top 100 firms were not in business or large enough in 1965 to be included as one of the 400 largest food service firms.

#### Size and Ownership

Establishment size, as measured in constant dollar sales, has increased substantially since 1963 for all firms that operate eating places. Real sales per establishment increased 30 percent between 1963-72. In 1972, sales per establishment for single-unit firms were only half as large as for firms with 2 to 3 outlets and about one-quarter that of establishments operated by firms with 11 or more outlets.

Although single-unit firms still have more total outlets and account for a greater percent of total eating place sales, their share in both categories is declining rapidly. Single units accounted for over 80 percent of total eating

Number of Units	Establishments		Sales	
	1963	1972	1963	1972
Single	90.8	90.4	80.4	65.9
Two or three	4.0	3.0	5.8	6.3
Four to ten	1.4	1.6	2.9	4.7
11 or more	3.8	5.1	11.0	23.2
Total	100.0	100.0	100.0	100.0

Source: U.S. Bureau of the Census, Census of Business for the respective years.

place sales until 1963. By 1967 their share had dropped to 77 percent, and by 1972, 66 percent. Multi-unit firms with 11 or more outlets captured much of the market share lost by single units, increasing their share from 11 percent in 1963 to 23 percent in 1972.

Although the decrease in number and sales of single-unit firms from 1967 to 1972 was twice as much as in the preceding 9 years, the data may understate the actual decline of the independent operator. This is because, in 1972, many of the single-unit firms were affiliated with a franchise concern.

It is expected that single-unit operators will continue to leave the industry until the remaining single units

either affiliate with other food service operators or wholesalers to gain efficiencies and services needed to compete with the multi-unit firms, or they are left to fill the food service needs not adequately provided for by the larger firms.

#### Implications

Consumers probably will continue to spend relatively more on meals away from home as incomes rise and as the number of women employed outside the home increases. The total cost for preparing food purchased for consumption away from home is higher than for food prepared at home. As consumers increase their share of food consumed away from home, their total food expenditures also will rise since

(Continued on page 36)

**INTERNATIONAL EXHIBITION**  
**Packing and Packaging Mechanical Handling Food-Processing Industrial Machinery**

Milan  
 18-23 March 1980  
 Milan Fairgrounds

Section:  
**MACHINERY FOR THE FOODSTUFFS INDUSTRY**

Machines and equipment for the:  
 soft drinks industry  
 confectionery industry  
 dairy industry  
 oils and fats industry  
 processing of fruits and vegetables  
 production of animal feeds  
 production of bread, grain, etc.  
 production of pasta

Section:  
**ANALYTICAL APPLIANCES FOR THE FOODSTUFFS INDUSTRY**

Section:  
**PACKING AND PACKAGING MECHANICAL HANDLING**

Office IPACK-IMA - 20149 Milano (Italy)  
 via C. Pavazza 62  
 Tel. (02) 49.53.25-49.53.65  
 Telex 320134 Ipack I

## Overview

(Continued from page 35)  
gross margins are higher in the away-from-home market.

Growth in the food-away-from-home market probably will not reach the record high level established during the sixties in the near future. Thus, competition is expected to intensify among eating establishments. The result will likely be an increase in market share by multi-unit firms.

Growth in the food service market will have a varied impact on the demand for agricultural products and the manner in which they are processed, packaged, and marketed. Farmers, commodity groups, and suppliers that recognize and are able to adapt to these changes and to the special requirements of food service firms should benefit from the expected continued growth in away-from-home eating.



Dr. D. Mark Hegsted

per cent of our caloric intake versus the 39 to 42 per cent in 1977.

- Americans are getting about the same quantity of popular vitamins and minerals as in 1965, though he said this may be due to highly fortified breakfast cereals.

- By commodities, milk consumption is down slightly while cheese is way up. Eggs are down; beef slightly down; and meat, poultry, and fish are all somewhat down. Animal products, however, are slightly up in relation to vegetable products. Grain products are down, dark green vegetables are up, and potatoes are even with 1965.

- Carbohydrate consumption as a percentage of calories has remained the same since 1965, although Americans are eating 129 pounds of calorie sweetener yearly versus 113 pounds in 1962, due to high soft drink consumption. As for our consumption of soft drinks, that is especially up among teen-agers; alcoholic beverage consumption is also up.

### School Lunch Studies

Food products which school districts buy from local suppliers for their lunch programs at least equal and in many cases are better than donated government-bought foods, according to a study conducted by the National Frozen Food Association. The NFFA study was made of the eight school districts nationally which were selected by USDA to test cash instead of donated government foods as an option for the National School Lunch Program. This year, the United States Department of Agriculture expects to spend about \$700 million to buy foods for school lunch programs.

School districts participating in the National Frozen Food Association Food Quality Comparison Study were: Oakland, California; St. Louis, Mis-

souri; Williamsville, New York; Riceville, Iowa; Washington County, Florida; Dayton, Ohio; Boise, Idaho; and Jonesboro, Arkansas.

### Cash Purchases

Another national test conducted by the U.S. Department of Agriculture in eight school districts points the way to \$162 million a year in food cost savings for school lunches according to a study by Kansas State University. The school districts used cash instead of donated government-bought foods in their lunch programs during the 1978-79 school year.

Urban, rural and suburban school districts were part of the test. They were selected by USDA following a mandate by the Congress that not more than 10 school districts be selected to test cash instead of donated government-bought foods as an option for the National School Lunch Program.

The test school districts were: Riceville, Iowa (enrollment, 785); Chipley, Florida (enrollment, 3,124); Jonesboro, Arkansas (enrollment, 4,997); Williamsville, New York (enrollment, 11,717); Boise, Idaho (enrollment, 23,000); Dayton, Ohio (enrollment, 85,000); Oakland, California (enrollment, 60,000); and St. Louis, Missouri (enrollment, 67,216).

All the school districts now get donated government-bought foods again as they did before the test. Congress is expected to hold hearings on the test results next year.

The Kansas State University report was commissioned by the National Frozen Food Association and completed by Dr. Donald B. Erickson of the Kansas State University Agricultural Economics Department. Joining the National Frozen Food Association as cosponsors of the Kansas State University Study were five other national food industry trade associations: National Association of Meat Processors, National Food Brokers Association, American Frozen Food Institute, Foodservice Organization of Distributors, and the Institutional Foodservice Distributors Association.

Kansas State University was asked to compare food costs and total costs for preparing and serving type A school lunches in the eight pilot project school districts looking at the prior school year in which the school districts received donated government commodities (1977-78) and then the cash year of 1978-79.

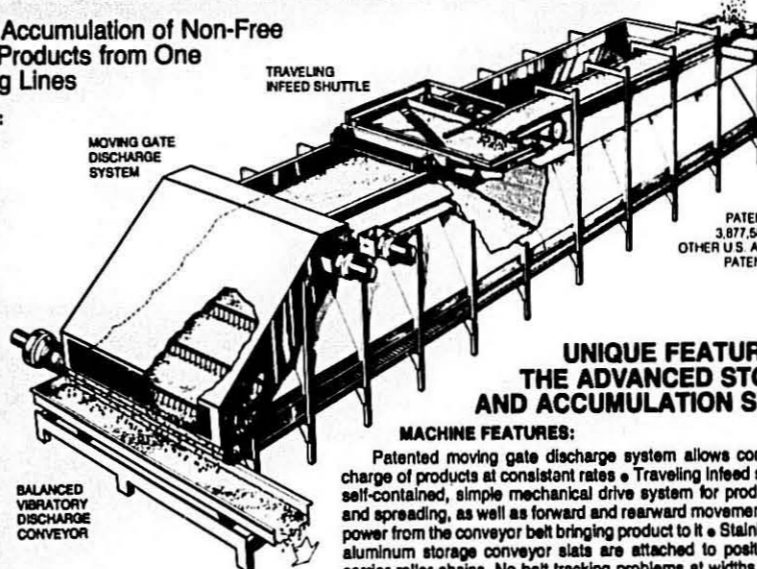
(Continued on page 38)

## CONTINUOUS BELT STORAGE SYSTEMS

Allowing Constant Accumulation of Non-Freezing Free Flowing Products from One or More Processing Lines

### PROCESS ADVANTAGES:

- Permits greater line yields. Packaging line breakdowns do not cause process line shutdowns
- First product in is first out
- Allows single 8-hour packaging shift on 24-hour/day line
- Very uniform product discharge rates
- Automatic feed, accumulation and discharge with little or no breakage of delicate and fragile products such as flakes, chips, pellets, expanded items, noodles, frozen items, etc.



PATENT NUMBERS  
3,877,565, 3,921,853  
OTHER U.S. AND FOREIGN  
PATENTS PENDING

### UNIQUE FEATURES OF THE ADVANCED STORAGE AND ACCUMULATION SYSTEM

#### MACHINE FEATURES:

Patented moving gate discharge system allows controlled discharge of products at consistent rates • Traveling infeed shuttle uses self-contained, simple mechanical drive system for product sensing and spreading, as well as forward and rearward movement. It obtains power from the conveyor belt bringing product to it • Stainless steel or aluminum storage conveyor slats are attached to positively driven carrier roller chains. No belt tracking problems at widths up to 15' • Dynamically balanced vibratory discharge conveyor requires no sensing devices or level controls. Products are discharged in a very uniform stream • Single, double or triple storage levels.



FOOD ENGINEERING CORPORATION

2745 NIAGARA LANE • MINNEAPOLIS, MINNESOTA 55441 • PHONE: (612) 559-5200

## WINSTON LABORATORIES, Inc.

EST. 1920

Consulting and Analytical Chemists, specializing in matters involving the examination, production and labeling of Macaroni, Noodle and Egg Products.

- 1 - Vitamins and Minerals Enrichment Assays.
- 2 - Egg Solids and Color Score in Eggs and Noodles.
- 3 - Semolina and Flour Analysis.
- 4 - Micro-analysis for extraneous matter.
- 5 - Sanitary Plant Surveys.
- 6 - Pesticides Analysis.
- 7 - Bacteriological Tests for Salmonella, etc.
- 8 - Nutritional Analysis.

JAMES and MARVIN WINSTON, DIRECTORS  
P.O. Box 361, 25 Mt. Vernon St.,  
Ridgefield Park, NJ 07660  
(201) 440-0022

### PASTA MACHINERY FOR SALE

1. SPAGHETTI LINE. Discontinuous but automatic this line is fully reconditioned in operating condition and complete from press to semi-automatic packer. Line capacity 3 tonne per day. Press output 400kg per hour. Price \$80,000
2. SPAGHETTI LINE. Discontinuous but automatic this line consists of new drying tunnels with reconditioned press, stripper and automatic packer. Line capacity is 6 tonne per day. Press output 400kg per hour. Price \$120,000
3. NOODLE LINE. Fully reconditioned semi-automatic line for the production of nested products, cannelloni, and other large pasta shapes. Also suitable for macaroni and other shortgoods. Capacity 300kg per hour. Price \$30,000
4. SHORTGOODS LINE. Fully reconditioned and automatic line for production of macaroni and other short pasta shapes. Consists of a Pavan press, pre-dryer, 2 x 5 metre and 2 x 7 metre Rotanti drying chambers, all conveyor systems, storage silos. Output 500kg per hour. Price \$130,000
5. SILOS. Fully automatic silo system for above lines consisting of 3 x 6 tonne and 1 x 12 tonne silos, semolina blending unit, all blowers, conveyors and electronic devices. Price \$40,000
6. Sundry other equipment include Ravioli, Tortellini plant, etc.

Interested parties are asked to write or call.  
NAPOLI PASTA PRODUCTS PTY. LTD.  
37 Hector St.  
Osborne Park 6017.  
WESTERN AUSTRALIA  
Telephone 09-446.9811.

### Hiring Mistakes Food Processing/Food Service Managers Make

As uncertain economic conditions force food processing and food service executives to keep careful watch over their budgets, industry top management is paying increased attention to the hiring process. Hiring the right person isn't easy, and even managers with years of screening and interviewing experience often find themselves making costly hiring errors.

Sometimes, locating the right person is only half the battle. According to Walt Heyne, president of Dunhill of Fayetteville, Arkansas and a member of a nationwide network of Dunhill recruiters who specialize in placing qualified people in the food processing and food service industries, many interviewers inadvertently "turn off" prime prospects through poor interviewing techniques.

"Although there is no one correct way to interview and hire, there are some common mistakes which many managers make during this all-important process," says Mr. Heyne.

Based upon many years experience, and thousands of interactions with industry executives, Mr. Heyne offers the following tips on interviewing.

- Conduct an organized interview, without interruptions. Don't keep a candidate waiting. This will allow you to devote full attention to the candidate, and will impress him or her with your consideration.

- Develop concrete criteria for the job and ask candidate specifically how their experience fits in with your needs. A complete job description will also tell the candidate exactly what he or she is being offered, leaving no doubt for confusion later on.

- Don't be oversold by glowing adjectives and rosy pictures. Questions like "Tell me step-by-step how you handled your last major project" are better than, "What kinds of projects have you been involved with."

- Don't turn a prime prospect off by letting the hiring process drag on, or by not showing enough interest. The candidate will rightly question the merits of working in a place where no positive feedback has been received.

- Make out-of-town candidates feel at home. Try to minimize their out-of-pocket expenses and pay particular attention to the spouse. They are usually very influential in the can-

didate's final decision to accept or reject your offer.

- Make sure that any people in addition to yourself who will be interviewing the candidate are trained in interviewing techniques.

- Don't overwhelm a candidate with batteries of tests. Conduct only those tests which will yield information you consider necessary to making your decision.

- Keep your commitments. Call a candidate back when you say you will, and always confirm your offer in writing.

### Rapid Restaurant Growth

- Eating and drinking place sales in the United States increased from \$36.9 billion in 1972 to \$63.3 billion in 1977, for a gain of 71.6 percent.

- Sales for separate eating places in the U.S. were up 83.0 percent compared to a gain of only 18.7 percent for drinking places during the five year period.

- The number one ranking state in eating place sales is California, with sales of \$7.3 billion, while New York with each place sales of \$4.3 billion is a distance second.

- Eighteen states doubled their eating place sales between 1972 and 1977, with most of these states located in the faster growing Southern and Western areas.

- Eight states had decreases in the number of eating places, with six of these states located in the northern half of the nation.

- The number one eating place sales region is the East North Central Region with sales of \$10.5 billion, closely followed by the Pacific Region with \$9.9 billion in sales.

### Sales Up Dramatically

Preliminary data from the 1977 Census of Retail Trade indicate that eating and drinking place sales in the United States increased from \$36.9 billion in 1972 to \$63.3 billion in 1977 for a gain of 71.6 percent. Total retail sales on the other hand, were up only 58.1 percent during the same five year period. The 71.6 percent sales increase for eating and drinking places, the largest among all the major retail categories, was closely followed by the

67.8 percent sales gain for gasoline service stations and the 66.6 percent gain for automotive dealers.

Nationwide eating places sales advanced 83.0 percent between 1972 and 1977, for an average annual sales increase during the five year period of 12.8 percent. Total sales for eating places in the U.S. reached \$55.6 billion in 1977, up from \$30.4 billion in 1972. Drinking place sales, which equaled \$7.7 billion in 1977, were up only 18.7 percent from their 1972 level.

### School Lunch Studies

(Continued from page 36)

Highlights of the KSU report "Cost of Producing Type A School Lunches—USDA Donated Commodities Versus Cash in Lieu of Commodities" follow together with a summary of its contents.

- As the national consumer price index for food eaten away from home was going up 10%, the food costs of six of the eight cash school lunch program actually went down . . . and by an average of 3.6¢ per meal . . . nationally that could mean up to \$162 million in food cost savings for hard pressed school foodservice programs with cash instead of government-bought foods.

- Deflating 1978-79 food costs to 1977-78 levels, every one of the eight school districts reduced their food costs with cash below what they had been the year before with donated government-bought foods . . . and the average decrease was 6.5¢ per lunch. There were 4 billion school lunches served during the 1978-79 school year.

- It made no difference whether a school district was large or small, urban or rural, or even suburban . . . cash was a winner over donated government bought foods in every case.

- School districts refuse some donated foods . . . nobody refused cash.

- Total costs for putting a lunch on the cafeteria table went down with cash in four of the eight test school lunch programs while the cost of food eaten away from home went up 10% nationally. Deflating 1978-79 school year costs to 1977-78 costs for putting a school lunch on the table, in every test school district the cost went down or remained the same with cash.

## Introducing Hoskins Company



Charles M. Hoskins

Glenn G. Hoskins Company was launched in 1941 as a business and technical consulting service to the Macaroni Industry. Over half the industry in North America subscribed to the Hoskins service. During the consulting years substantial contributions were made to the technology and operation of the industry.

Temperature and humidity controls of macaroni dryers were first introduced by Hoskins and then disseminated throughout the world.

Plant operations Forums were held for 13 years. Members of the industry and suppliers discussed technology and theory of macaroni manufacture. The most valuable contribution of these meetings was a free exchange of information which substantially increased the technological competence of the industry.

One of the proudest contributions to the industry was Bob Green, the Secretary of the NMMA, who originally entered the industry through our organization.

We acted as consultants in designing a number of new factories and expanding old factories. This included the Creamette Company, American Beauty, A. Zerega's Sons and Ronco.

In the 1960's the name was changed to Hoskins Company and the nature of the business was changed to a Manufacturers Sales Representative for:

DEMACO, the principal domestic manufacturer of complete pasta production lines.

ASEECO, a manufacturer of storage systems and mechanical conveyors for noodles and short cut macaroni products.

SEMCO, a manufacturer of systems for pneumatically conveying and storing semolina and flour.

RICCIARELLI, an Italian manufacturer of pasta packaging machines, systems for conveying long spaghetti from saw to packaging machine and specialty machines for making bowties and twisted vermicelli.

CLERMONT, a manufacturer of noodle cutters, noodle sheeters, Chinese noodle production lines, crepe manufacturing lines and related equipment.

**ANALYSIS OF AN APPETITE**  
From the National Restaurant Association News

Food.

It's that simple. And according to Dr. David Solomon, a practicing professional member of the Chicago Institute for Psychoanalysis, the whole idea of food and eating out is important.

"When I listen to talk—after racquetball, in a bar—it isn't about sex, it's about where these guys have eaten lately," he said. "It's amazing. Everyone discusses food."

"We've even reached the point where vacationers decide what they're going to eat before deciding what they're going to see."

There are several reasons why the topic has earned its incredible popularity, Solomon explained. "Eating out is like getting your wishes fulfilled and your needs taken care of. Customers have the idea that what they want will be forthcoming, that things are being done especially for them."

Food is a median, he added. "It creates a comfortable feeling and eliminates barriers. It's also sharing—you break bread with friends."

Perhaps that explains why so many important events tend to happen in restaurants—celebrations, arguments, proposals, discussions, announcements and confessions.

**Food Relaxes**

"You can always turn to food or drink to reduce the intensity of what's going on," Solomon noted. "It can be a way of exchanging; a way of lightening the load."

"Actually, it's only natural that more personal, social and business relationships take place over food. More time is being spent in restaurants. Why shouldn't personalities be involved?"

As consumer expectations change, Solomon pointed out, dining establishments must cater to these new needs and desires. "Eating out is a social event. It's a form of entertainment."

As a result, diners are more conscious of both attitude and service. "People will go back to a place time after time if they're recognized. They want to feel special and important."

The worst thing a restaurant can do, Solomon maintained, is rush cus-

tomers in and out. "It's a terrible feeling—I compare it to an assembly line. All the enjoyment is destroyed."

Tastes are another thing that have a way of changing. And according to Solomon, adaptability to change—or lack of it—says a great deal about a person.

He looks at the "Meat and Potatoes Man"—the customer who orders steak in an Italian restaurant, beef minus the wellington in a french restaurant and turf without the surf in a seafood restaurant.

**Other Restaurant Types**

"There are some people who eat the same thing constantly. When they dine out, they order exactly what they eat at home," Solomon said.

"Others—continually searching for the ultimate high—always want to try something new. It has to do with one's sense of adventure. In fact, the increase in adventuresomeness directly relates to the success of ethnic restaurants; the willingness of individuals to taste things they've never sampled before."

Other restaurant-goers prefer to create their own edibles at salad bars or buffets. Choosing from a variety of items—from different tastes and textures—appeals to many diners.

Self service has a variety of strong points, Solomon explained. "Many like the feeling that they can have as much as they want. They relate abundance with value. Others want to be sure that what ever they want will be endlessly available."

However it's graduates of "the clean plate school" who have the most trouble at salar bars. They certainly won't lose weight," Solomon remarked, "and nine times out of 10, they leave the table groaning."

**Salad Bar Whets Appetite**

Yet overall, an attractive salad bar whets the appetite for what's in store. And in most cases, showing off a tempting food display is a terrific selling tool.

"One glance at a chocolate cake works like magic—better than dozens of menu descriptions. There's no question that seeing an item makes one more likely to order it," Solomon said.

Throughout the entire meal, he noted, today's diners want service people to be knowledgeable, attentive and efficient. "Customers want to

know how things are made and what ingredients are used. They want to feel that they're in good hands."

"As a restaurant-goer becomes more sophisticated, they consequently become more demanding."

One thing Solomon would like to see, however, is people feeling freer to send back an unsatisfactory meal. "Too often they confuse being assertive with being aggressive. They think someone will disagree or get angry with them."

"Overcoming the fear of exchanging a dish gives one an incredible feeling of accomplishment. And the truth is, they're helping the restaurant by providing feedback."

According to Solomon, the pairing of customer opinion and operator attitude can be dynamic. "Creating a feeling of goodwill makes all the difference in the world. People thrive on that bit of 'special' treatment or 'extra' attention."

And if he had a restaurant Solomon said customers would know that they were appreciated.

"When you buy someone a drink, the actual cost to the operation is minimal. The same goes for sharing a new dessert. Both are good business—ways a restaurant can say 'thanks for coming.'"

"People want to be served. They want good food and they want to be entertained. And that's what they're willing to pay for."

**The Importance of Interpreting Demographics**

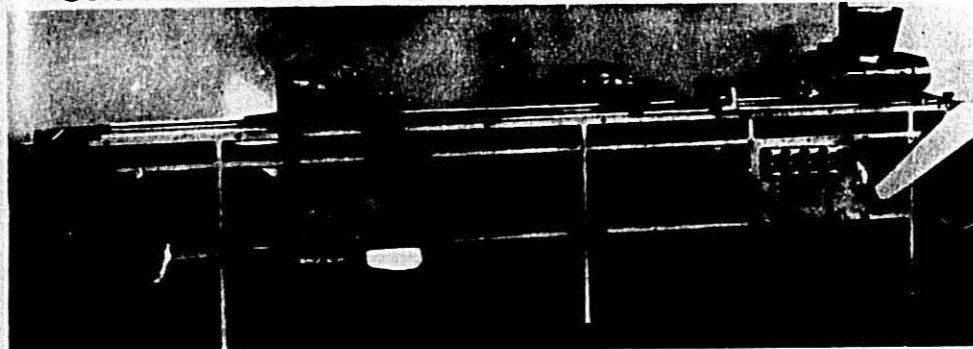
Changes in demographics and consumer lifestyles can lead to tremendous marketing opportunities. But these changes are happening so rapidly, it is no longer enough for retailers to have the facts at their fingertips. Success in retailing depends largely on how these facts are interpreted.

Speaking at the Food Marketing Institute's fall conference, Thomas S. Carroll, president and chief executive officer of Lever Bros. and chairman of the Grocery Manufacturers of America, said "the art is interpreting the facts, deciding what the changes are, what the growth and consumption is and what it means to us."

Although Carroll was addressing retailers and manufacturers in the food

(Continued on page 42)

**INNOVATION ~ DESIGN**  
**COMPLETE LINE MANUFACTURERS OF PASTA AND CHINESE NOODLE PROCESSING EQUIPMENT**



**CANNELONI-MANICOTTI LINE**

Our newest unit featuring an extruder to form the sheet, and a blanching unit to cook the dough which is then chilled prior to its being automatically filled with meat or cheese. The sheet is then rolled to form a continuous product and is cut to your required length for packaging.

A precooked Lasagna strip or strips can be made without using the fill apparatus — and cut to your required lengths.

**COMPLETE LINE OF PASTA EQUIPMENT FEATURING:**

- \*Ravioli Machinery
- \*Tortellini Machinery
- \*Sheeter—Kneaders
- \*Also Available Combination Ravioli/Tortellini Gnocchi Machinery Extruders

\*Are U.S.D.A. Approved

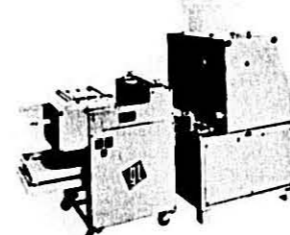
**COMPLETE LINE OF CHINESE NOODLE MACHINERY MANUFACTURED BY VOLPI:**

- Sheeters (Single and Two Station)
- Compactors
- Skin-Cutters
- Three and Five Bag Mixers
- Fortune Cookie Equipment
- Folder/Stackers



**OLPI NOODLE CUTTER**

Large production Noodle Cutter for Chinese Noodles featuring five sets stainless steel cutters to your specifications (instantaneous removal of same for cleaning purpose); automatic length — cutting and folding/stacking to your specifications as well as automatic dusting.



**SHEETER/KNEADER/CUTTER**

Takes your mix and sheets, kneads and cuts in one operation.



**CONTINUOUS NOODLE LINE**

Press a button and you're producing 600 # to 1750 # per hour of noodle automatically — blending, mixing, kneading, sheeting, cutting and folding in one Continuous Line.

**VOLPI & SON MACHINE CORP.**  
**SUBBROOK®**

2043 Wellwood Avenue, East Farmingdale, L.I., New York 11735  
(516) 293-4010 • (212) 499-5922 • TELEX: 647031  
Represented on the West Coast by: Smith & Green, 407 Dexter Avenue North, Seattle, Washington 98109, Phone: 206-682-2611





### Interpreting Demographics

(Continued from page 40)

industry, he used Bloomingdale's, a New York department store, as an example of strong marketing.

#### Bloomingdale's Philosophy

"Bloomingdale's has a philosophy. They want to get in on a trend very early, and when it's peaked, get out. The whole idea of that merchandising strategy is to pick it up on the way up, to get into it before the competition sees it," he said.

Today, the country is facing some very pressing problems—rising inflation, a gathering depression, a shrinking dollar and soaring interest rates. "If the pessimists aren't happy now, they never will be," Carroll mused.

However, marketers who are in a position to take advantage of consumer attitudes and changing lifestyles can expect some boom years ahead.

He characterized the consumer of the 1980s as being more "selfish" than his counterpart of 20 years ago. "They are less outer directed and more inner directed," he said, and as a consequence are more concerned with taking care of their bodies.

"There is a new emphasis on keeping fit. Health clubs are booming, interest in sports are surging and a new crop of experts is devising methods for the care and protection of the body and face."

As one example, he cited the fact that drinking habits have changed radically since the 1950s. Now there are fewer hard drinkers and items such as club soda and bottled water are big sellers.

This concern for health has spilled over into consumer eating habits, now more concerned with nutrition, diet foods and the use of cholesterol. "In 1950 nobody but a few doctors knew what cholesterol was."

#### Birth Rate Drops

Carroll then pointed out to some population statistics, noting that during the baby boom of 1946-1964, there were a total of 76 million births. The peak year was 1957, when there were 4.3 million births. By contrast there were a total of 3.3 million births in 1978 and the annual birth rate will continue to drop.

While the birth rate is declining, the number of households is going up, and approximately 50% of these households are occupied by only one

or two people. This figure is likely to rise to over 60% during the next decade, said Carroll.

"So the changing composition says that there is an expanding market for housing, durable goods, home furnishings and household products." In addition, there is a trend toward leisure products such as personal products and cosmetics, easy to prepare foods and fast cook appliances. The increasing number of women in the work force also affords greater sales opportunities in these areas.

#### Kraft Tests Instant Pasta

George Lazarus writes in the Chicago Tribune: The new miracle at Kraft is a line of Miracle hot dishes, dry pasta products aimed at the growing instant-meal market.

These items, packaged in table-ready bowls, needs no stove preparation, only the addition of boiling water and some stirring.

They include macaroni and cheese, spaghetti with tomato sauce, noodles with brown gravy and mushrooms, either in a one-serving or family-sized package.

The Miracle hot-dish line [that's how Kraft describes it] has been introduced in five test markets which the company won't identify.

Chances are the competition is aware of Kraft's testing because the Glenview-based company has entered a new market where there is plenty of sales action.

The main competition: Mug-O-Lunch (General Mills), Lunch Time (Nestle), Cup-O-Noodles (Nissan Foods), and Lite Lunch (Thomas J. Lipton, Inc.) Sanwa Foods, with its Noodles-To-Go, is a new entry. All these products are either noodle or casserole products.

In the last two years, this market has become an \$85 million annual business, though some industry observers figure it as high as \$100 million.

With other new entries about to hit the market, grocery sources are predicting a 25 per cent increase in sales for 1980.

How the market fares will depend on competitive pressures and promotional support. Kraft says it will spend a lot on its new Miracle, through Foote, Cone & Belding here.

The dry pasta market, which shot up because of rising meat prices, has

to be hurting a bit because of the new instant meals.

As for Kraft's new Miracle, the product is still being tested. If it makes the grade and moves into national distribution, there will be more than a few smiles in the executive suite in Glenview.

#### 1980 Thomas Register Available

Microwave ovens, snacks, protein and food handling equipment are among the 40 product categories, plus 2,000 companies that have been added to the 1980 Thomas Grocery Register now available. The three volumes 2,600-page annual directory catalog 58,000 United States and Canadian companies under 4,050 product categories and services. Directory of the Institutional Food Market, a supplement to TCR, is packaged with each subscription order.

Published since 1898, TGR is the industry's largest and most comprehensive guide of manufacturers and distributors. It includes importers and exporters. International distribution spans more than 100 countries.

TGR lists manufacturers of food and non-food products packaged for retail and institutional markets. It also lists manufacturers of supplies, equipment and machinery used by all segments of the industry from farm to table.

A ready-made sales force of 4,300 brokers is available to manufacturers and importers. There's also a section of 2,000 of these brokers who sell frozen food.

More than 400 leading national, regional and local trade associations are spotted throughout the volume—under sections or product categories whose members they represent.

Users of TGR have access to 160,000 listings with full company name, address and telephone number as well as a total assets guide and supplemental data.

Other sections include public dry and refrigerated warehouses and brand names. The directory is indexed by sections and product categories.

Thomas Grocery Register, including the institutional markets supplement, is \$89 postage prepaid. Additional copies of the supplement are \$15 each. Write to Thomas Publishing Co., Dept. GR80, 1 Penn Plaza, New York, NY 10001.

# Len DeFrancisci is standard factory equipment on every Demaco macaroni plant.

What do you want with Len DeFrancisci?

Look at it this way. A macaroni production line is not something that you order from a catalog, plug in, and forget about. It's a major project.

Properly, it should be specifically designed for your plant, for the specific location it's going to occupy in your plant, and for the particular environmental conditions it will meet there.

It should be installed with the same skill, and the same care and attention with which it was designed.

And, because it is a major piece of machinery, it should be lovingly attended to by its designers and builders until it is working to perfection — and for as long after that as it remains in operation.

While every machine or vital component is erected and tested in our plant, it has to be dismantled for shipment. When it's set up in your plant, we want to be sure it's set up just so.

We do this — not because we doubt a customer's ability to put one of our machines into operation —

it's just that we want you to get everything out of our machine we designed and built into it.

So Len, Jiggy, Joe DeFrancisci, or someone just as skilled (in engineering, assembling, or production), stays with you all along the line. He's part of the package. He's there to protect your interests and get the machine into profitable production for you soon after it arrives. He's a professional skeptic. He makes sure the macaroni production line does exactly what we say it will. And, when he says it works right, it works right.

This is precisely the way we work. In fact, since we started serving the macaroni industry in 1911, it's the only way we've ever known how to work.

If you'd like to work with people who work that way, why not contact us? Ask us to make travel arrangements for Len or one of our men just like him.



DEFRANCISCI MACHINE CORP.

280 Wallabout St., Brooklyn, N.Y. 11206. 212-963-6000. TWX: 710-584-2449. Cable: DEMACOMAC NY. Western Rep. Hoskins Co. Box F, Libertyville, IL 60048 312-362-1031

## NO. 1 SALES FORCE MANAGEMENT PROBLEM? IT'S STILL POOR UTILIZATION OF TIME AND PLANNED SALES EFFORT!

The number one problem in sales force management still is poor utilization of time and planned sales effort. This key problem area was pinpointed following a three-year study of field sales managers by Dr. Jack R. Dauner, professor of marketing at Fayetteville State University (NC) and Dr. Eugene M. Johnson, Professor of marketing at the University of Rhode Island. Aside from their academic responsibilities both men are frequently called upon to serve as management development and training consultants for corporations, industry associations and governmental agencies.

The results of this most recent study by Dauner and Johnson were obtained from several hundred sales and marketing executives who have been participants in Field Sales Management seminars conducted by the authors in major markets throughout the United States.

The second most important problem is inadequacy of sales training. This came as somewhat of a surprise in view of more sophisticated training techniques and the reported willingness of top management to provide greater financial support for sales training activities. In third place is wasted time in the office by salespersons.

The questionnaire included a list of 73 problem factors in sales force management, 32 factors which lead to termination, and 11 factors which lead to voluntary resignation of salespersons. Credit for the original questionnaire goes to Al N. Seares, retired vice president of Remington Rand and two-time president of Sales & Marketing Executives - International. A similar questionnaire was used for a research project in 1959 by Seares and Jack R. Dauner, who was then managing director of Sales & Marketing Executives Association of St. Louis, to determine key problem areas among the 500 members of that organization. Comparisons of the results from the 1959 SME of St. Louis study and the one recently completed are shown in Table 1 and Table 2.

Of particular interest to top executives and field sales managers is the finding that over the past 20 years there has been relatively little change

**TABLE 1**  
Comparative Analysis of Top Problems in Sales Force Management  
By Rank in Frequency of Problem  
Dauner-Johnson Study (1979) Versus SME of St. Louis Study (1959)

Sales Force Management Problem	1979	1959
Poor Utilization of Time and Planned Sales Effort	1	1
Inadequacy in Sales Training	2	21
Wasted Time in Office by Salespersons	3	6
Too Few Sales Calls During Working Hours	4	3
Inability of Salespersons to Overcome Objections	5	5
Indifferent Follow-up of Prospects by Salespersons	6	7
Lack of Creative, Resourceful Salesmanship	7	2
Meeting Competitive Pricing	8	15
Lack of Sales Drive and Motivation	9	8
Recruitment and Selection of Sales Personnel	10	11

**TABLE 2**  
Comparative Analysis of Top Problems with Sales Persons  
Which Result in Termination  
Dauner-Johnson Study (1979) Versus SME of St. Louis Study (1959)

Problems with Salespersons	1979	1959
Poor Work Habits	1	1
Lack of Resourcefulness, Initiative and Fact Finding	2	2
Inability to Sell from Beginning to End—Closing	3	8
Unwillingness to Canvass and Establish New Contacts	4	3
Inability to Meet Objections; Slow, Unresponsive	5	10
Lack of Self-Evaluation and Self-Betterment	6	6
Refusal to Prepare and Use Required Reports	7	14
Lack of Vision and Creative Thinking	8	4
Lack of Self-Confidence and Sustained Enthusiasm	9	7
Negative Attitude, Lack of Sales Interest	10	13

in the top 10 problems in sales force management or in the primary reasons for termination of sales personnel. A careful review of both tables will bear this out. These similarities suggest that even in the dynamic sales and marketing functions change comes very slowly.

For example poor utilization of time and planned sales effort has not lost its place over the past 20 years as the No. 1 sales force management problem. In addition, poor work habits continue to be the top problem with salespersons who are terminated and lack of resourcefulness, initiative and fact finding is a close second on both lists.

The questionnaire was also used to collect additional information about the sales management function. Analysis of the responses indicates that:

- The average starting compensation for salesperson in 1979 was \$13,520 compared to \$5,800 in 1959.
- The average annual income for all salespersons in companies participating in the 1979 study was \$20,600 against \$8,993 in 1959.
- The methods used for sales compensation were as follows in 1979: Straight salary, 17%; com-

bination of salary, commission and/or bonus, 60%; drawing account, 9%; and straight commission, 14%. No significant changes have occurred since 1959.

- The average length of time spent in basic sales training was 9.4 weeks versus 16.5 weeks in 1959.
- The average cost of basic sales training (not including salesperson's salary and travel expense) was \$3,000 against \$2,500 in 1959.
- The average span of control in 1979 was one supervisor for each 6.7 salespersons. This compares to one for each 9.0 supervisors in 1959. Thus it would appear that there is a tighter span of control over the sales function than in the past.
- The turnover of salespersons has decreased from 15% in 1959 to 11% in 1979.
- The use of call reports has remained constant at the 80% level.
- The availability of adequate manpower was reported by 60% of the participants compared to 57% in 1959.

The results of this most recent research gathered from a highly diversified group of line executives can serve as a guide to sales and marketing managers in better understanding problem areas of their positions and in meeting the specific training needs of their sales forces. According to Dauner and Johnson, who regularly team up to present between 25-35 sales and management seminars each year, "A recognition of the soft spots in a sales organization is the first step toward increasing sales efficiency and management effectiveness."

### Most Small Businesses Are In Compliance with the President's Wage and Price Guidelines

Over 90 percent of small business are apparently in compliance with the general principle of the President's Price Guidelines. This key conclusion comes from the statistics found in a recent paper prepared for U.S. Small Business Administration entitled, "Recent Patterns of Price Change in the Small Business Sector." The research was done by Professors Dunkelberg and Scott of the Purdue University's Economics Department using survey data from the National Federation of Independent Business. The questions they were asked to consider were:

- 1) Is there any way to measure the degree of compliance of small businesses with the President's Wage and Price Guidelines?
  - 2) What are the probable reasons for the inability of small firms to comply?
- The basic idea behind the price guidelines is that price increases should be limited only to cost increases. Profit levels should remain constant. To accomplish this basic goal a complex set of guidelines was developed.

#### The Price Standards

In summary form, the basic price standards can be described as follows: The price deceleration standard requires the cumulative price increase for the current year to be one half of a percent below the annual increase for 1976 and 1977. In no case should the rate of price increase be greater than 9.5 percent.

The profit margin standard requires that profit margins be no higher than the margins for the best two out of the

last three fiscal years. Total current profits may not exceed base year profits by more than 6.5 percent plus any growth in physical volume.

The gross margin standard for wholesalers and retailers requires the current mark-up to be no greater than it was in the base year. Where margins have been rising, however, the increase may be no greater than the annual average increase in the base period.

#### Results From the Study

Dunkelberg and Scott found the following indication of compliance:

##### Price Deceleration Standard

- The annualized average Index of Reported Prices developed by Dunkelberg and Scott for the NFIB sample was 6.5 percent in 1978-IV, 1 percent above the average for the Wage and Price Guidelines "base period" (1975-IV to 1977-IV). This data indicates that on the average small business was not in compliance with the 0.5 price deceleration standard. But,
- Thirty-eight percent of the sample firms in the 1978-IV survey reported price declines or no increase in price. Clearly they are in compliance.
- Eighteen percent of the firms reported annualized price increases below the 9.5 maximum rate of increases. They may be in compliance with the price deceleration standard depending on their price change during the base period.
- Thus, a total of 56 percent of these small firms may be in compliance with the price deceleration standard.

##### Profit Margin Standard

- A profit margin standard is provided in the regulations as an alternative yardstick. It can be used by small business with uncontrollable price increases on inputs, or where calculation of the price deceleration standard is impossible.
- Firms which have been raising prices by more than the price deceleration standard, do not have unusual profit gains, in general. Labor and raw material cost increases, which had caused a deterioration of earnings, lead to the price increases.

- Profits have increased in fewer than 6 percent of the firms in recent quarters for firms which were not in compliance with the price deceleration standard.

#### Why Have Costs Increased by So Much?

- The minimum wage increased by 15 percent in January 1978, and 10 percent in January 1979. Other research studies have shown:
  - 1) compliance costs for minimum wage increases for the smallest firms to be 4.2 percent of sales, while for larger, small firms it is only 0.1 percent of sales, indicating a heavier burden of the minimum wage on the smallest firms;
  - 2) the ripple effect of the minimum wage on other wages double the cost of the minimum wage change.
- Labor-intensive small business reported more pressure on earnings than capital-intensive firms following the minimum wage increases.
- The Producer Price Index which reflects the cost of inputs increased by 10 percent in 1978.

#### Margin Standards

- Over 40 percent of NFIB survey firms are in the distributive trades where a margin (fixed mark-up) standard applies.
- Since the Producer Price Index went up by 10 percent in 1978, prices would be expected to go up by at least 10 percent for these firms which are in compliance with the margin standard. In fact, regression analysis indicate that actual price increases by this small business sample are below what would be expected from their previous behavior given the increase in the Producer Price Index.

#### Conclusions

- It may be true that the average small business is not in compliance with the price deceleration standard. But the evidence indicates that only a relatively few firms are not in compliance with the alternative price standards.

For copies of the paper contact the Office of Economic Research (Vermont Bldg.) 1441 L. Street, N.W., Washington, D.C. 20416.

### ADM Earnings Improve

Archer Daniels Midland Co. in the three months ended Sept. 30 posted net earnings of \$24,196,328, equal to 70¢ per share on the common stock, more than double the first quarter earnings of a year ago.

In the first quarter of 1978, ADM had net income of \$10,072,372, equal to 29¢ per share, restated.

Provisions for federal and state income taxes for the first quarter were \$14,779,400, compared with \$2,110,000 in the comparable period a year ago.

Average number of common shares outstanding in the quarter was 34,635,140, against 34,568,516 in the first quarter last year.

### GMP Hearings

Standards Committee members of the National Macaroni Manufacturers Association attended the hearing on recommendations on current proposed Good Manufacturing Practices held by the Food and Drug Administration recently in Atlanta. They were President Paul A. Vermeylen; Director of Research James J. Winston; Maynard Herman, Technical Director, C. F. Mueller Co.; and C. Mickey Skinner, Chairman of the NMMA Standards Committee. Mr. Vermeylen presented the following recommendations:

#### 1-Section 110.3 Definitions

The "definition" section of the proposed regulations is incomplete since the section does not include a definition of the term "micro-organisms." In addition, we would appreciate defining micro-organisms of public health significance and specific reference to the pathogens involved.

#### 2-Section 110.20 Plant and Grounds

Section 110.20 (b) provides that the plant and facilities shall permit the taking of "proper precautions" to reduce the potential for contamination. This section further provides that the potential for contamination may be reduced by any "effective" means including the separation, by location, partition, air flow, enclosed systems, or other effective means, of a variety of enumerated operations.

It appears that the proposed regulation would allow for the use of any means that would be effective in preventing potential contamination.

It is our studied opinion that this section of the regulations should be clarified to reflect that the separation

technique described is only one of several possible means of preventing potential contamination. In this regard, the proposed regulations could be amended to provide as follows: "The potential for contamination may be reduced by any effective means including, but not restricted to the separation, by location, partition, air flow, enclosed system, or other effective means, of the various operations described."

#### 3-Section 110.35 Sanitary Operations

The last section of this regulation, concerning the general maintenance of buildings, fixtures, and other physical facilities of the plant, states that "All applicable regulations promulgated by the Environmental Protection Agency for the application, use of holding of these material should be followed." By the regulation's reference to EPA regulations, it appears that FDA is trying to make a violation of the applicable EPA regulations also a violation of the Food, Drug, and Cosmetic Act. This provision should be stricken from the proposed regulation for the following reasons:

Manufacturers are already subject to penalties for violation of regulations promulgated by EPA pursuant to the various statutes that it administers. It is inappropriate in our opinion, to subject manufacturers to increased liability under the Food, Drug and Cosmetic Act for violations of EPA regulations because of possible differences in interpretation of the regulations by the two agencies which can cause considerable confusion to the manufacturers.

#### 4-Section 110.93 Warehousing and Distribution

This section of the proposed regulations provide that storage and transportation of finished foods shall be under conditions that will prevent contamination. However, while food manufacturers exercise a great deal of diligence in producing a safe and healthful product and in selecting proper storage and transportation facilities, manufacturers are frequently unable to completely control the conditions of such storage and transportation. At some point, FDA must look to others in the distribution chain to insure that "good transportation practices" and "good storage practices" are followed in the same way that FDA expects manufacturers to comply with "good manufacturing practices". This is an important matter to which FDA

should be made sensitive.

#### 5-Section 110, 100 Records

Processing and production records of processes intended to pasteurize or otherwise treat materials to destroy, prevent, or control the growth of micro-organisms of public health, significance, shall be maintained and shall contain sufficient information to permit a public health evaluation of the processed food.

In regard to this section, provisions should be permitted to insure that processors will not be encumbered with volume of record keeping that can cause undue financial hardship.

### Capital Cost Recovery Act of 1979

Leighton Conklin and Lemov, legal counsel for NMMA, reports on a significant legislative proposal:

On June 27, 1979, bills entitled "Capital Cost Recovery Act of 1979" were introduced in both the House and Senate. Both bills have enormous bi-partisan support. The House bill, H. R. 4846, was introduced by James R. Jones (D-Okla) and was co-sponsored by more than 240 members. The Senate bill, S. 1435, introduced by Gaylord Nelson (D-Wis) was co-sponsored by more than 40 members.

The legislation, if enacted, would extensively amend the Internal Revenue Code by revamping the provisions concerning allowable depreciation of business assets. Specifically the bill would:

- Revise the methods for determining useful lives of business assets for purposes of computing allowable depreciation deduction. The bills would replace the asset depreciation range (ADR) method with a schedule of capital cost recovery periods for three classes of business property.

- Class I - Buildings and their structural components. Ten years
- Class II - Tangible property. Five years
- Class III - Automobile, taxis, and light duty trucks up to \$100,000. Three years.

- Allow a ten percent investment tax credit for buildings and tangible property and a 6 percent credit for automobiles, taxis, and light duty trucks.

- Require recapture of depreciation amounts and investment tax credit

amounts applicable to assets which are sold or otherwise disposed of prior to the expiration of the capital cost recovery period.

- Permit taxpayers to deduct less than the full allowance for capital cost recovery in any taxable year.

- Permit a carry-over to succeeding taxable years of any unused depreciation amounts.

- Disqualify capital cost recovery property from the allowance of first year depreciation.

- Treat amounts claimed as the capital cost recovery of non-corporate lessors as an item of tax preference for purposes of the minimum tax.

- Adopt as an accounting practice the "half-year convention" under which investments eligible for capital cost recovery treatment or the investment tax credit which are made at any time during the taxable year are deemed to be made in the middle of such year.

The House bill is currently pending in the House Ways and Means Committee. At this point, no hearings have been scheduled, but it is possible that the bill will be taken up during hearings on more general tax legislation.

The Subcommittee on Taxation and Debt Management of the Senate Finance Committee held hearings on S. 1435 on October 22, 1979. At those hearings, the National Association of Manufacturers, the Business Roundtable, the Chamber of Commerce and the National Federation of Independent Businesses all testified in support of the legislation. The administration stated at the time of the hearings that they were not ready to support the legislation, because they feared that it would cut inequitably into the economy. However, it should be noted that the House Ways and Means Committee has received favorable comment on the House bill from the Federal Reserve.

### Technical Study Tour

The National Macaroni Manufacturers Association is planning on taking a group of macaroni plant technicians to the IPACK-IMA Show in Milan, a tour of plants in northern Italy arranged by Braibanti Corporation, in Imperia, Parma and Bologna and concluding a two week trip with a Macaroni School in Zurich conducted by personnel of Buhler-Miag, Inc.

Topics to be covered in the school would include:

- Pasta and dough quality.
- Extruding—design and purpose of all components.
- Dryers: design and purpose of short and long goods dryers.
- Basics of drying theory.
- Quality control.
- Preventive maintenance.

Cost from New York is \$1154 per person, double occupancy; \$230 additional for single supplement; \$620 land rate only, per person double occupancy. Deposits of \$200 are required now; full payment by February 1. Rooms are at a premium for the IPACK-IMA Show so if you are interested, act now. Write the NMMA office, P.O. Box 36, Palatine, IL 60067 for brochure and further details.

### New Line in Switzerland

Buhler-Miag Corporation reports that Gebruder Weilenmann AG in Winterthur, Switzerland have recently ordered a continuous long-goods high-temperature line, which will have a capacity of 800 kg/hour.

**INTERNATIONAL EXHIBITION**  
Packing and Packaging  
Mechanical Handling  
Food-Processing Industrial Machinery

Milan  
18-23 March 1980  
Milan Fairgrounds

Section:  
MACHINERY FOR THE FOODSTUFFS  
INDUSTRY

Machines and equipment for the:  
Soft drinks industry  
Coke/brewery industry  
Dairy industry  
Oils and fat industry  
Processing of fruits and vegetables  
Milk and animal feedstuffs  
Production of bread, "grissini", biscuits, etc.

Section:  
ANALYTICAL APPLIANCES FOR THE FOODSTUFFS INDUSTRY

Section:  
PACKING AND PACKAGING

Section:  
MECHANICAL HANDLING

Office IPACK-IMA - 20149 Milano (Italy)  
Via C. Ravizza, 62  
Tel. (02) 49.53.25-49.53.85  
Telex 322124 Ipack I



## WHO'S TO REGULATE THE REGULATORS?

By

**Richard L. Leshner**  
President  
Chamber of Commerce  
of the United States



Have you ever stopped to consider that runaway regulations threaten much more than your pocketbook—that they could also wipe out America's technological leadership, lower your standard of living and actually lead to a loss of life? Sound exaggerated? Believe me, it's not; it's already happening.

To get a clearer picture of just why this is true, consider how excessive regulations have restricted our ability to compete in international trade. Last year, the United States—the country we like to believe is the leader of the free world—experienced: The lowest rate of productivity increase in the industrialized west; the second lowest rate of investment (through the second quarter); the lowest number of patents issued in any year since 1964; a currency whose value was rapidly declining, and a rate of inflation which was rapidly climbing. And all that, I might venture, was more than a coincidence.

What we've been witnessing is no less than an attack on the very essence of progress. As the magazine, *Nation's Business*, recently noted: "If innovation had stopped ten years ago, we'd be without small computers, home smoke detectors, wide-body jets, and synthetic heart valves."

The sad, but undeniable fact is this: Each year, we are transferring more and more of our national wealth and best intellectual talent from the pursuit of progress to the satisfaction of regulatory requirements. Money being spent on research and development today is lower in real dollars than it was 10 years ago. And now, this sustained smothering of invention is bearing a bitter fruit.

Listen to the words of Dr. Ivar Giaever, a Nobel laureate in physics, who says: "The SST is French and British, the fast breeder reactor is French and Russian and the cassettes we listen to are Japanese. It's no wonder we're all worried."

Unfortunately, that's just the beginning. America's technological leadership has either been already over-

taken, or is being severely challenged in many other areas: in optics, electron microscopes and stainless steel by the Japanese, in man-made fibers by Korea and Taiwan, and in the development of nuclear energy by Sweden, France and West Germany.

And consider what's happening in two areas traditionally considered our strongest—broadcasting and chemical. Syndicated writer Allen Brownfeld recently reported that while the sale of video tape recorders in the United States doubled and approached \$1 billion in 1978. . . "Not one of the 12 machines sold in the U.S. was made in the U.S. even though the American broadcast industry pioneered the device. They are produced in Japan, even those trademarked RCA, GE, Zenith, Magnavox and Sylvania."

*Nation's Business* recently featured a special report analyzing the dilemma in which the chemical industry finds itself.

On the one hand, we want the industry to develop new products like: Chemical pesticides to control weeds and insects that destroy food crops; synthetic fibers specially designed to keep us warm; pharmaceuticals to improve and prolong life; and plastics for example, in auto grilles, dashboards and body parts to reduce weight and increase gasoline mileage. On the other hand, the Congress has passed so many laws limiting chemical exposure in the environment, workplace and marketplace—the Federal Insecticide, Fungicide, and Rodenticide Act, the Clean Air Act, the Federal Water Pollution Control Act and the Toxic Substances Control Act—and the industry must spend so much money complying with regulations from the Environmental Protection Agency, the Occupational Safety and Health Administration, and the Consumer Product Safety Commission, that it finds its ability to compete in the world markets has been severely eroded.

The problem of runaway regulations now affects our lives in almost every imaginable way. It is much too serious a problem to be left to the regulators alone. In fact, the real question now is, who is going to regulate the regulators?

## How Can I Reduce My Flexible Packaging Costs?



**RALPH RIGATONI SAYS:**

Go with the CSI TOTAL PROGRAM and watch those costs decrease!!!

CSI has proven techniques for supplying flexible packaging at the lowest total cost.

**How much extra are you paying without the CSI TOTAL PROGRAM?**

Call and find out.

**COOLEY SALES, INC.**

(913) 362-6120

SUITE 112 6025 MARTWAY  
SHAWNEE MISSION, KS. 66202

## SALVATORE DI CECCO

Exclusive Sales Representative for:

### RICCIARELLI FIRM:

Automatic Packaging Machinery in cartons or cellophane bags for:

Long and short goods macaroni

Cereals, rice, dried vegetables, coffee, cocoa, nuts, dried fruits, spices, etc.

### BASSANO FIRM

Complete pasta lines equipment

Rolinox patented processing equipment

Address:

R.R. 1

Richmond Hill, Ontario L4C 4X7  
Canada

Phone:

(416) 773-4033



Put a feather in your Cap!  
Send a copy to a key man.

**The MACARONI JOURNAL**  
P.O. BOX 336  
PALATINE, ILLINOIS

Please enter one year subscription:

\$10.00 Domestic  12.50 Foreign

Name \_\_\_\_\_

Firm \_\_\_\_\_

Address \_\_\_\_\_

City and State \_\_\_\_\_ Zip \_\_\_\_\_

Renewal \_\_\_\_\_ New Subscription \_\_\_\_\_

## INDEX TO ADVERTISERS

	Page
A D M Milling Co.	6-7
Amber Milling Co.	31
Aseco Corporation	29
Braibentl Corporation	14-15
Buhler-Mieg Corp.	22-23
Clybourn Machine Division	17
Cooley Sales Company	49
DeFrancisci Machine Corporation	43
Diamond Packaged Products Div.	19
Di Cecco	49
Fold Pak Corporation	2
Food Engineering Corp.	37
Hoskins Company	30
International Multifoods Corp.	52
IPACK-IMA	35-47
Macaroni Journal	49
Malderi & Sons, D., Inc.	5
Napoli Pasta Products	37
North Dakota Flour Mill	11
Peavey Company	26-27
Rossotti Consultants Associates	51
Seaboard Allied Milling Corp.	33-34
Volpi & Son Machine Corp.	41
Winston Laboratories	37

### CLASSIFIED ADVERTISING RATES

Want Ads ..... \$1.50 per line  
Minimum \$5.00

FOR SALE: Demaco used presses, spreaders. For information write P.O. Box 336, Palatine, IL 60067.

### New San Giorgio Sales District

John Schultz, Sales Manager for San Giorgio Macaroni, Inc. based in Lebanon, PA has announced the formation of a new sales territory that will encompass Scranton/Wilkes Barre and Binghamton. The territory previously consisted of Scranton/Wilkes Barre.

With the creation of the new sales territory, there are two staff promotions. Vito Castelgrande who has been Account Supervisor for the Scranton/Wilkes Barre territory, will be District Manager for the newly formed territory. An employee of San Giorgio since 1973, Mr. Castelgrande started with the company as a sales representative in Scranton/Wilkes Barre. In 1975, he was promoted to Account Supervisor. Castelgrande is a resident of Scranton, PA.

Robert Mustick, who has been a sales representative for Prociro-Rossi Corp., a division of San Giorgio, in Scranton/Wilkes Barre, has been appointed Account Supervisor for the new territory. An employee of Pro-

ciro-Rossi since 1970, Mr. Mustick resides in Plymouth, PA.

This newly formed district reports to John Schultz, San Giorgio Macaroni, Inc. is a division of Hershey Foods in Hershey, PA.



William A. Henry

### Bill Henry to Retire

William A. Henry, President and Chief Operating Officer of Skinner Macaroni Co., Omaha, Nebraska, has announced his plans for retirement effective May, 1980.

Mr. and Mrs. Henry plan to maintain a residence in Omaha, travel extensively and spend winters in Scottsdale, Arizona.

Mr. Henry joined Skinner Macaroni in 1970 as Vice President of Marketing and Assistant to the President. He became Executive Vice President in 1971 and President in 1974.

Prior to joining Skinner Macaroni Co., Mr. Henry spent 28 years with Durkee Famous Foods and was Vice President/Consumer Products when he joined Skinner.

Mr. Henry introduced long range planning at Skinner and changed packaging and advertising, enabling it to compete with larger companies.

### John Tobio Retires

John Tobio with thirty-four years of service as sales representative for Rossotti, and another eight as Eastern representative for North Dakota Mill, retired December first. He and his wife Kay will reside in Florida.

### Ina Ronzoni Dead

Caterina Ronzoni, beloved wife of Emanuele, Jr., mother of Rosemary Bisio, Rita Castagna, Richard and Robert, daughter of Rosetta Ansaldo, died after a long illness on November

19, 1979. Also surviving are twelve grandchildren. The family would appreciate contributions to the American Cancer Society.

### New President

Leonard DeFrancisci has been named president of the DeFrancisci Machine Corporation in Brooklyn, N.Y.

### Acquisition

Major Italian Foods, Kent, Washington, were acquired by Rank, Hovis, McDougal on October 31.

### GMA VP for Science And Technology

Mr. Sherwin Gardner, Deputy Commissioner of the Food and Drug Administration, became GMA's Vice President of Science and Technology on December 15, 1979. GMA is the trade association of the nation's leading grocery manufacturers.

Mr. Gardner has been with FDA since 1970, where he has served as Deputy Commissioner under four Commissioners and as Acting Commissioner during three interim periods, providing an important source of continuity in the leadership of the Agency.

From 1964 until joining FDA, Mr. Gardner was with Booz, Allen and Hamilton, Inc., of Chicago, a management, scientific and technical consulting firm, where he managed consulting assignments for institutions and governmental clients in the health field. He has previously directed an engineering department as Standards Manager for the Ford Instrument Company, a division of Sperry Rand Corporation.

A licensed Professional Engineer in the State of New York, Mr. Gardner earned his bachelor's degree in mechanical engineering, cum laude, from City College of New York and completed graduate studies in industrial management at Polytechnic Institute, Brooklyn, New York.

Mr. Gardner will oversee GMA's science and technology programs, particularly GMA's involvement in energy issues. GMA's former Vice President of Scientific Affairs, Dr. Robert W. Harkins, has left GMA to join a member company subsidiary, the Johnson & Johnson Development Corporation, in the newly created position of director of research and development.

# PROBLEMS - EXPERIENCE

With more than half a century of experience we believe we might be able to help if you have any problems in our areas of experience.

**PACKAGING** — we believe we have undoubtedly modernized more packages than any other sources. We constantly continue our updating processes.

**PROMOTION** — we have not only conceived many promotional plans, but we have studied many that others have launched throughout the country. We believe we can help promote your products that you have by study, and recommend additional products that might be promoted in your trading areas.

**MARKETING** — rather than depending entirely on advertising dollars, we can show you modern marketing methods which will help capture more of your market. We have done it for others.

**MERCHANDISING** — We can point the way towards new profitable products and lay out merchandising methods.

We have experience in these areas.

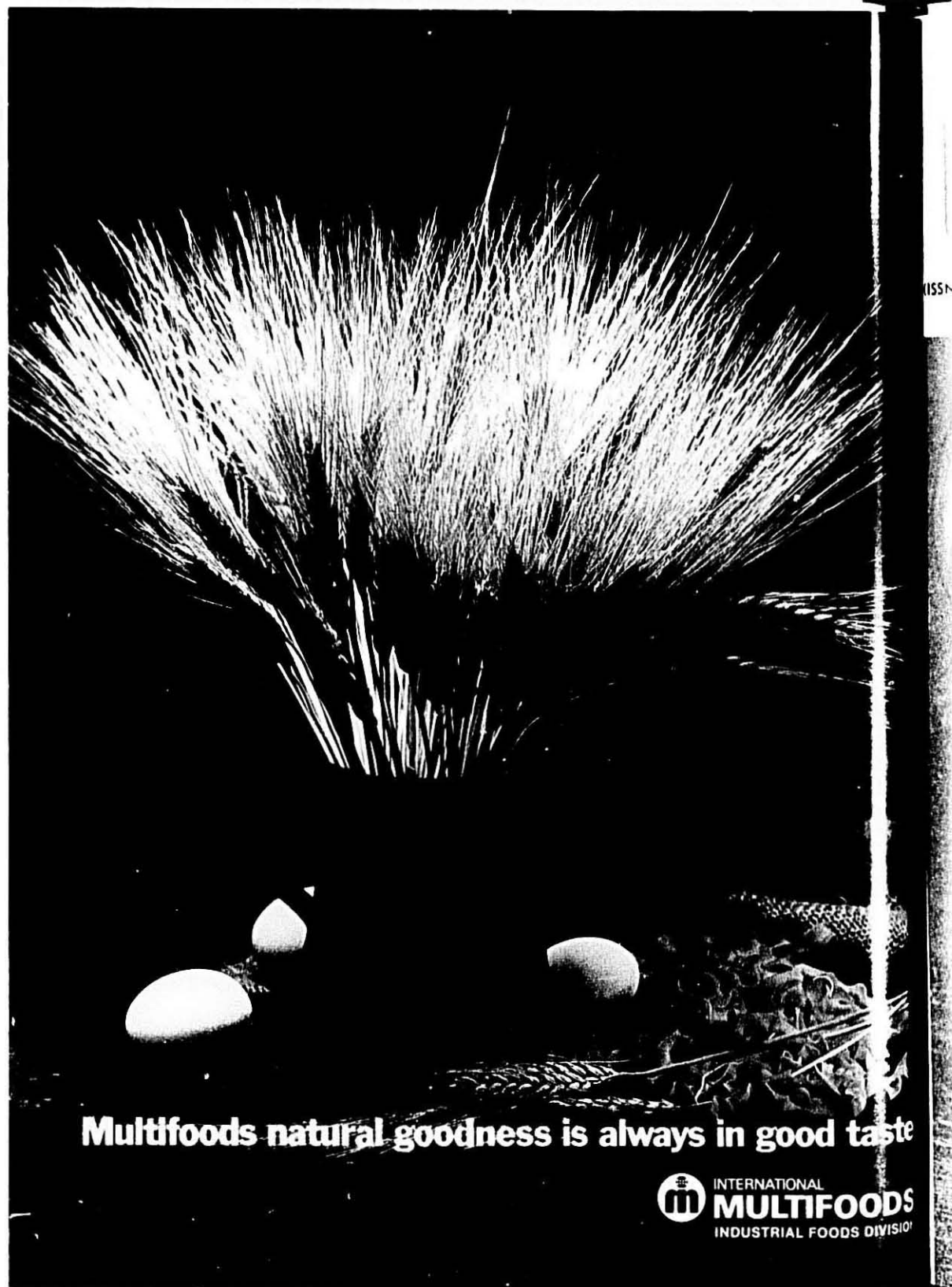
Charles C. Rossotti, President

Jack E. Rossotti, Vice President

George Leroy, Vice President and Marketing Director

## ROSSOTTI CONSULTANTS ASSOCIATES, INC.

158 Linwood Plaza  
Fort Lee, New Jersey 07024  
Telephone (201) 944-7972  
Established in 1898



ISSN

Multifoods natural goodness is always in good taste

 INTERNATIONAL  
**MULTIFOODS**  
INDUSTRIAL FOODS DIVISION