

**THE
MACARONI
JOURNAL**

**Volume 61
No. 10**

February, 1980

Macaroni Journal

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FEBRUARY, 1980





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The Macaroni Journal

Vol. 61
No. 10
February,
1980

Official publication of the National Macaroni Manufacturers Association
The North American Macaroni Manufacturers Association is a non-profit organization
incorporated under the laws of the State of New York. Robert M. Green, Editor
P.O. Box 500, Englewood Cliffs, N.J. 07632

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Macaroni Journal
 The Macaroni Journal is published quarterly by the National Macaroni Manufacturers Association, Inc., 110 Charlotte Place, Englewood Cliffs, N.J. 07632. The magazine is published for the benefit of the industry and is not sold for profit. The subscription price is \$10.00 per year in advance. Single copies are \$2.50. The magazine is published in English and Spanish. The Spanish edition is published bi-annually. The magazine is published in the United States and is distributed outside the United States by subscription only. The magazine is published in the United States and is distributed outside the United States by subscription only.

Grain Embargo
 Lasting! Shocking! A bombshell! The markets suffered a jolt when the Administration is responsive to Soviet invasions of Afghanistan. The good further come and what to the Soviet Union. Strained to ascertain the grain industry at to digest the full implications of government's actions and to operate within the confines of the new economic and political realities. See the Allied Flour Market Digest.

Wheat
 The wheat market is expected to be a volatile one in 1980. The price of wheat is expected to rise significantly due to a combination of factors, including a decline in global wheat stocks and a strong demand for wheat from the Soviet Union. The price of wheat is expected to rise significantly due to a combination of factors, including a decline in global wheat stocks and a strong demand for wheat from the Soviet Union.

Macaroni
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YOU NEVER KNOW UNTIL YOU TRY



Abraham Lincoln is one of the best examples in history of a man who refused to stop fighting for what he wanted from life after many blows to his career, as well as to his personal life.

- He failed in business in 1831;
- was defeated for the Illinois legislature in 1832;
- failed again in business in 1833;
- his sweetheart died in 1835;
- he had a nervous breakdown in 1836;
- he was defeated for Speaker of the House in 1838;
- was defeated for elector in 1840;
- defeated for Congress in 1843;
- again defeated for Congress in 1848;
- was defeated for the Senate in 1855;
- defeated for Vice President in 1856; and was defeated for the Senate again in 1858.

Put in the face of failure, Abraham Lincoln became the sixteenth president of the United States in 1860.

No man knows what is in him until he tries. Some people are gifted with more ability than others, but often the person who is less gifted but willing to work hard may go even further be-

cause concentration and effort are, in themselves, qualities in great demand on any job.

You may never know your real abilities and potential until you try.

Abraham Lincoln, born in 1809, killed in 1865, was one of the world's truly great men. Under his leadership, the American Union was preserved. War only made Lincoln believe more strongly than democracy is the best of all form of government. Lincoln created some of the finest examples of American literature. In his Gettysburg Address, and in other speeches and writings, Lincoln expressed the deepest beliefs of the American people.

On November 19, 1863, he gave what he described as a "short, short, short" address amid the newly made graves of soldiers killed at Gettysburg. In the ensuing one hundred years his 268 well chosen words have become the best known speech in our history.

FOURSCORE and seven years ago our fathers brought forth on this continent a new nation conceived in liberty and dedicated to the proposition that all men are created equal. Now we are engaged in a great civil war testing whether that nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battlefield of that war. We have come to dedicate a portion of that field as a final resting-place for those who here

gave their lives that that nation might live. It is altogether fitting and proper that we should do this. But, in a larger sense, we cannot dedicate, we cannot consecrate, we cannot hallow this ground. The brave men, living and dead, who struggled here have consecrated it far above our poor power to add or detract. The world will little nor long remember what we say here, but it can never forget what they did here. It is for us the living rather to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us—that from these honoured dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we have high resolve that these dead shall not have died in vain, that this nation under God, shall have a new birth of freedom, and that government of the people, by the people, for the people, shall not perish from the earth.

Lincoln had great power as president, but he never lost touch with the common people. He never hated anyone, and never wanted revenge. In spite of Lincoln's high position, millions of people, even in his own time, knew him as "Honest Abe" and "Father Abraham".



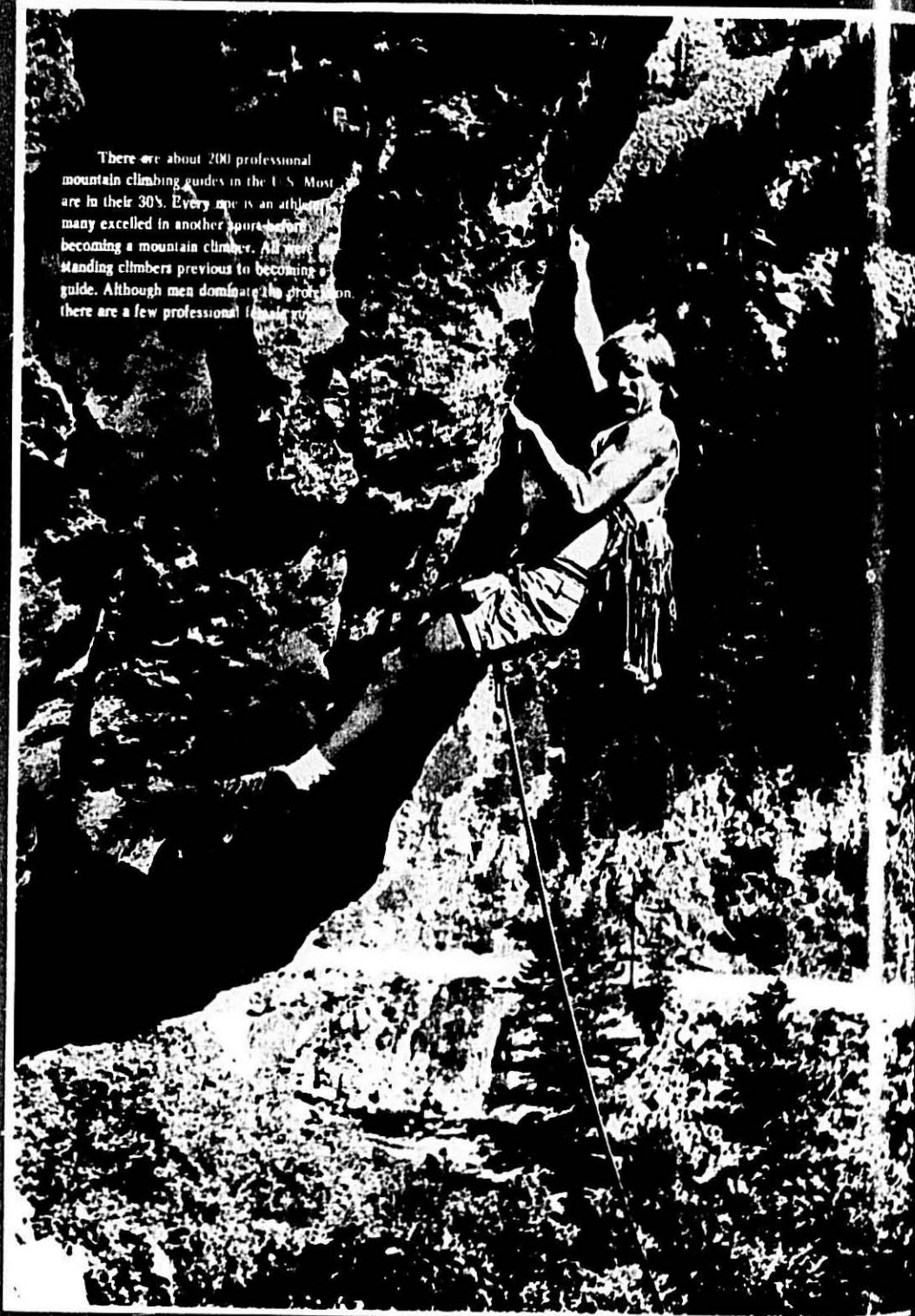
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There are about 200 professional mountain climbing guides in the U.S. Most are in their 30's. Every one is an athlete. Many excelled in another sport before becoming a mountain climber. All were standing climbers previous to becoming a guide. Although men dominate the profession, there are a few professional female guides.

He's a Breadwinner

You can't talk a good climb. Either you make it or you don't. Nature is your opponent, gravity her weapon. And you can't psych her out because Mother Nature is not impressed with conversation. From the moment you leave the "ground," climbing a mountain is a totally honest effort.

And it's a zero defect sport. The professional guide understands this, which is why every guide must sincerely enjoy working with clients on a true teaching level. The patience to teach every detail until it is completely learned is paramount. It's not the possibility of falling that's final, most every climber who climbs long enough falls. What's final is a mistake in attention to the proper preparation and use of equipment that could make a fall serious. A good guide will tell you that there is a world of difference between climbing and climbing safely. That's what a professional guide is all about.

Mountain climbing as a sport has been around for years, but it wasn't until the mid-1950's that it became popular enough to draw attention. Today it's enthusiasts from all walks of life. Part of the action comes from the sport's instant and lasting feeling of accomplishment. There are no

vicarious thrills from climbing a mountain. You do it. And you receive its exhilaration!

As with most sports, there are degrees of proficiency. Mountain climbing can range from high trail hiking to the true state of the art mountaineering. A climbing route is graded from one to five, with the fifth degree further divided from 5.1 to 5.12. And the higher the degree becomes, the more the guide must stress all safety contingencies, because as the grade increases, the greater the psychological hurdles that must be conquered—hurdles that can override the climber's ability to hang on and pull through.

Mountain climbing of any degree is an energy demanding sport. One that requires an ever replenished supply of physical and mental strength. Strength that must come from food carried by the climber—sandwiches, snacks, instant preparation foods. The energy foods that are produced by ADM customers—from ADM Milling products.

Just as the professional mountain climbing guide is totally concerned about his quality of instruction, so is ADM totally concerned about our quality of products—a concern that has been responsible for superior products since 1902!

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The End of a Decade

1979 was the best year of the Stag-gering Seventies. The durum mill-grind was up 12.7 percent for the first three quarters and with good business in the last quarter should finish above the 11.1 percent logged in 1973 which was aided by the meat boycott and price controls. Semolina's share did even better, posting 14.9 percent for three quarters.

The Ernst & Whinney macaroni sales index stood 30 points over the 1972 average for all sales, with grocery sales picking up the pace this year after having been flat for a couple of years supposedly because of competition from fast foods and eating out. Industrial and institutional sales were up almost 20 points in the same period and government sales were about even.

Oriental Noodles

In addition to flat grocery sales in the latter part of the decade there were shelfspace problems with Oriental Noodles or convenience meals or "Cup O'Noodles" or "Suddenly Spaghetti", a category that went from nothing to more than \$200 million in six years. Progressive Grocer called the item "a new category". Grocers at first stocked it with pasta, then with dry soups, then with Oriental products, sometimes with all three. But whatever it was called, it was not noodles or spaghetti as defined by the standards of identity, and after protesting without avail to the Food & Drug Administration, Washington counsel was retained, filed a citizens' petition, and got essentially the same answer that FDA needs more funds, and "yes, there are economic violations in the market place," but "no", you better not do the same.

The Wall Street Journal picked up the release on the issue and got it front page space. This in turn got comment from other publications. Net result: National Association of Manufacturers & Distributors of Oriental Noodles generated a large number of comments opposing NMMA petition. FDA has notified at least one company of non-compliance, and that admission might well serve as impetus for either FDA action or voluntary compliance on the part of "oriental" noodle manufacturers.

Favorable Press

On the positive side, the National Macaroni Institute gained a most favorable press for macaroni, spaghetti and egg noodle products with record publicity in newspapers, magazines, radio and television. In addition to print and electronic media, consumers were provided with a new brochure, Unimac Cookery recipes for singles and doubles. Also, the remaining supply of several thousand "America Entertains with Pasta" were distributed through supermarkets during the holiday season.

As of the first of the year the National Macaroni Institute merged with the National Macaroni Manufacturers Association to become a committee activity, with support from all members.

After almost twenty years of discussion the Department of Agriculture's Agricultural Marketing Service has published its final decision on the Wheat and Wheat Foods Research and Nutritional Education Order. It rejected any change in the refund or assessment procedures and set the date for end-product manufacturers (including pasta manufacturers with wholesale bakers and other end-products of wheat) to vote March 17-28 on the proposed order. Any end product manufacturer not receiving registration material by Jan. 10, may request that they be provided registration material from U.S.D.A.

Good Year for Durum

Durum had a good year despite a late spring, summer drought, and a grain handlers strike at Duluth-Superior lasting eleven weeks and putting the pressure on getting export orders out. The strike was also a factor in running up the price which started the year at \$3.50 and was set at \$6.00 by mid-October and caused one of the highest price increases for finished pasta in history. By year's end the range was \$5.00 to \$5.40 for No. 1 Hard Amber Durum at Minneapolis.

Edmore and Vic, two new varieties of strong gluten durum were developed and released by North Dakota State University, giving promise of better processing and cooking characteristics to aid consumption.

Stable Eggs

Processed eggs were quite stable throughout the year. Dried whole eggs hit a low of \$1.58 per pound in early March, got as high as \$1.88 at the end of June, and finished the year at \$1.71 to \$1.80. Yolks followed the same pattern with the low at \$1.42, high of \$1.84 in December, standing at \$1.72 to \$1.77 just before the holidays. Frozen whole eggs started the year in a range of 44c-46c per pound and finished at 46c-48c with only slight variations throughout the year. Whites, however, slid from 35c-36c per pound to 27c-29c per pound.

With petroleum prices rising more than a third during the year there was an impact on energy costs affecting manufacturing, transportation, packaging, almost every aspect of the economy. On the very eve of the beginning of the Iranian takeover of the U.S. embassy in Tehran, Congress finished its initial shakedown of President Carter's major energy proposals. The completion came none too soon. On November 12 the President halted all U.S. purchases of Iranian oil—an immediate cut-off of about 700,000 barrels of oil per day. The President also had the backup measure of congressionally sanctioned authority to enact nationwide gasoline rationing if the U.S. reaches a 20 percent short-fall in oil imports.

Critical Issues

In the book "Critical Food Issues of the Eighties" edited by Marilyn Chou and David P. Harmon, Jr. Pergamon Press (1979), Elmsford, New York 10524, the authors foresee a number of key issues and trends:

- Continued dependence on petroleum, despite interest in other energy sources, with a growing export orientation of U.S. agriculture to pay for energy imports.
- Greater concern for nutrition, health, diet-related diseases, food safety, and the formation of national nutrition policies.
- Proliferation of regulations and laws designed to enhance food quality and safety to the detriment of innovation in new products and processes.

Golden Age

Pasta may be entering its golden age. New York Times food specialist

(Continued on page 10)

THE MACARONI JOURNAL

ASEECO BIN STORAGE SYSTEMS

BIN STORAGE

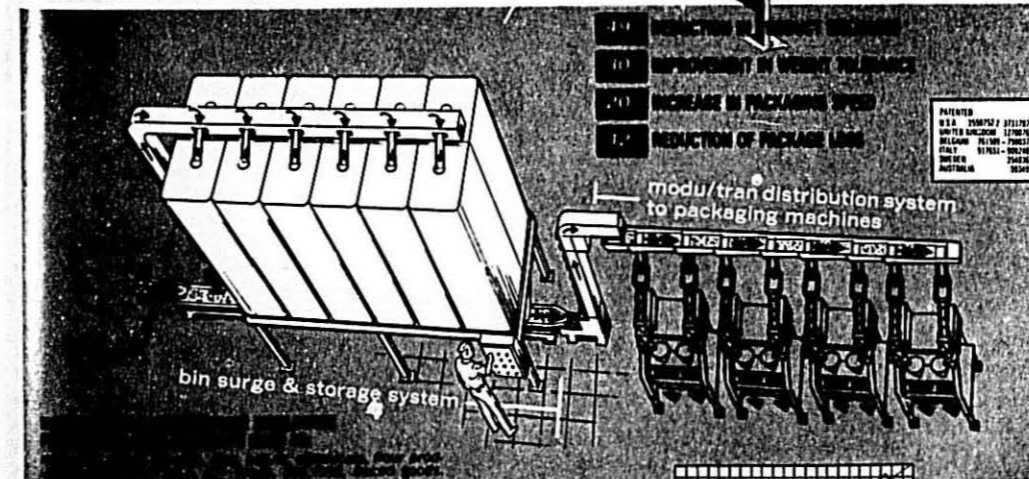
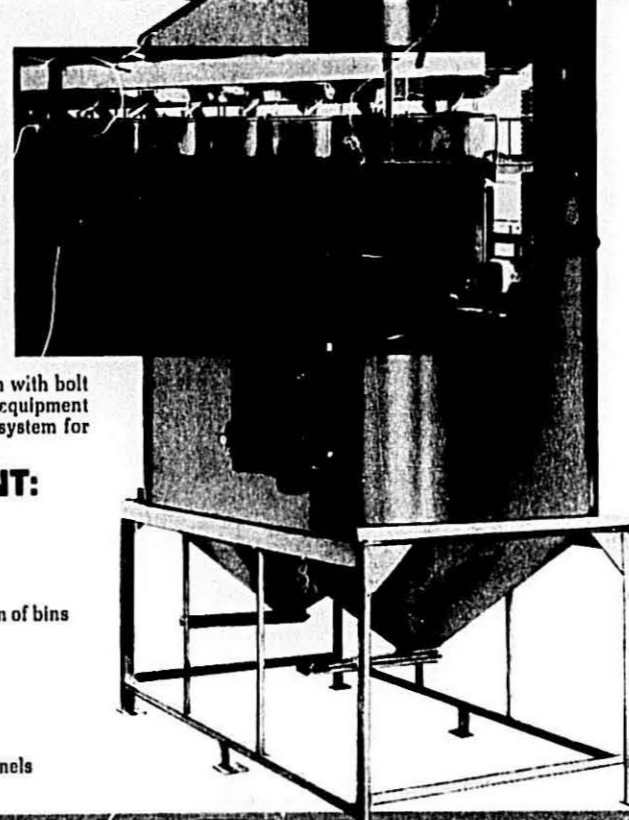
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FEBRUARY, 1980

End of a Decade

(Continued from page 8)

Craig Claibourne says in his recently revised cook book that pasta is now coming into its own, so he is including more recipes for sauces and various ways to prepare the versatile product.

Association President Paul A. Vermylen declared at the Durum Forum this last fall that the outlook for pasta was "good to fantastic" expressing that the consolidations of recent years and the entry of larger firms into the industry would bring more merchandising muscle in the marketplace.

Maybe so. There has been an upward curve of production and consumption since the end of World War II with plateaus such as caused by crop failures in the early fifties, the competition of combination dinners in the late sixties, and the increased eating away from home with the development of fast food outlets in the seventies added to the competition of convenience meals.

Greater Stability

Certainly 1979 was marked by greater stability as the mergers and acquisitions subsided. No one went out of business that we know of, although there are several for sale. RHM sold Gattuso to Campbell Soup, and Campbell also acquired German Village Products of Wauseon, Ohio. RHM acquired Merlino's Major Italian Foods in Kent, Washington. The biggest surprise of the year was the beginning of construction of "Noodles by Leonardo" in Cando, North Dakota. Leonard Gaspare, a St. Paul contractor, is going in the food business with the help of \$8,500,000 in federal funds to start a durum mill and pasta plant in the wheat fields. He will save the farmers freight in getting the grain to market. It remains to be seen how he gets his finished products to the consumer profitably.

At the Winter Meeting of the National Macaroni Manufacturers Association the problems confronting the industry will be addressed by committee consideration. A new foodservice manual for pasta will be introduced, and ways and means considered of how to implement the resolve made at the 75th Annual Meeting: To increase per capita consumption annually by a pound of pasta.

Lent begins on Ash Wednesday, Feb. 20, 1980.

CRITICAL FOOD ISSUES

OF THE EIGHTIES

Edited by

Marilyn Chou and David P. Harmon, Jr., Pergamon Press (1979), Elmsford, New York 10523

A most timely book for decision makers and professionals concerned with food, nutrition, agricultural and related regulatory and energy issues. *Critical Food Issues* addresses the major concerns facing the agri-food industry, government, educators, scientists and public. The book is the culmination of an objective study carried out jointly by representatives of industry, government, academia, and a nationally known policy research institute.

The authors foresee a number of key issues and trends for the 1980s, such as

- Greater concern for nutrition, health, diet-related diseases, food safety, and the formation of national nutrition policies.
- Proliferation of regulations and laws designed to enhance food quality and safety to the detriment of innovation in new products and processes.
- Continued dependence on petroleum, despite interest in other energy sources, with a growing export orientation of U.S. agriculture to pay for energy imports.

Critical Food Issues deals with hard questions, such as will the price of food continue to rise? What new foods will the high cost of energy and regulatory constraint encourage? How will changing lifestyles affect eating habits and foods in the 1980s? How can the public's fear of additives and agricultural chemicals be allayed? Are dietary guidelines for the American public feasible? What will nutritional strategy be for the 1980s? What countries should the U.S. look to as bellwethers for consumer attitudes and actions?

420 pages. Hardcover \$40; softcover \$9.95.

Highlights from *Critical Food Issues of the Eighties*:

The World at a Turning Point: New Class Attitudes

Herman Kahn, Director, Hudson Institute, says if there is an emerging new class, it should be identified by

high formal education, respectable social origins, high percent having "professional" occupational status, and having "power without property" or power without "traditional authority."

A typical New Class "public interest" group is articulate and well-prepared to debate any issue it cares about. By contrast, the business or government agency which is pressing for action is in a weak position. They look self-interested and have less time to do their homework.

The Preoccupation with Food Safety

Marilyn Chou, Consultant, Hudson Institute, says food safety has become one of the major concerns of the American public over the past fifteen years. A vocal sector of the public believes that the quality of our food has deteriorated because of the use of agricultural chemicals in growing food and of additives in processing food. They suggest that processed foods, because of their sugar, salt, fat, and additive components, are responsible for increases in the major killer diseases. This paper examines why the issue came about at a time when our food supply is, for the most part, safer than ever before.

Leadership and Responsibility in the Food Industry

Emil M. Mark, Chancellor Emeritus, University of California and Margaret B. Rogers, Food Scientist, note that in the U.S. 92% of the people are totally dependent upon the 8% who are engaged in the agri-food industries. The food industry must reassess its role in providing food that is safe, nutritious and acceptable at a reasonable cost/benefit ratio. Leadership presumes the ability to speak out in a powerful and lucid voice to calm the waves of organized discontent.

Food Price Inflation - A Heretical View

Dean Peterson, Director of Economics, Nabisco, Inc. states the era of declining "relative" food prices ended in 1972. During the 1970's expanded export demand and rising input costs led to large increases in farm prices, which combined with sluggish productivity trends in the food marketing

(Continued on page 12)

WHO WILL HAVE THE MOST MODERN SEMOLINA MILL IN 1980?

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Critical Food Issues

(Continued from page 10)

sector to create an unprecedented rate of both absolute and relative food price inflation. Given the structure of the food industry and the range of competing priorities, food price trends in the next decade will parallel the general price level.

Sweden: A Bellwether of Future Policy Trends

Graham T. T. Molitor, President, Public Policy Forecasting, Inc., relates the cyclical recurrence of consumer public policy action.

The Intellectual Basis of Nutritional Science and Practice

is described by Reno Dubos, Professor, Rockefeller University.

The U.S. Quadrangle: Can We Formulate a Rational Nutrition Policy?

Dr. Robert E. Olson, Chairman, Department of Biochemistry, St. Louis University School of Medicine.

National Nutrition Goals: How Far Have We Come?

Graham T. T. Molitor declares that obesity is the number one nutrition problem.

Changing Attitudes and Lifestyles: Shaping Food Technology in the 1980s

Marilyn Chou

Emerging Food Marketing Technologies—Office of Technology Assessment

Michael J. Phillips, William W. Gallimore, J. B. Cordaro

Future of Engineered Foods

Wayne Henry, Vice President, Castle & Cooke

Future Technological Advances in Agriculture and Their Impact on the Regulatory Environment

Sylvan H. Wittwer, Director, Agricultural Experiment Station, Michigan State University.

Agricultural Chemicals: Boon or Bane?

David P. Harmon, Jr., Consultant, Hudson Institute

Fuel, Food and the Future

Donald R. Price, Director, Energy Programs, Cornell University

Changing Portable Energy Sources

William C. Burrows and Norman Sauter, Technical Center, Deere & Co.

A World Grain Outlook for the 1980s: Three Viewpoints

J. Dawson Ahalt, Acting Chairman,

World Food and Agricultural Outlook and Situation Board, U. S. Department of Agriculture

Phillip Sisson, Manager, Economic Research, Quaker Oats

Thomas R. Saylor, Associate Administrator, Foreign Agricultural Service, USDA

Coping With Abundance

Don C. Paarlberg, Professor, Purdue University, states:

1. Long term weather prospects are unpredictable.
2. Agricultural science will continue to advance.
3. Demand for food in the aggregate is inelastic.
4. Governments in many countries are inclined to boost farm prices and farm income.
5. Governments are disinclined to apply tough production controls.
6. Because of the foregoing reasons, the food production system has an upward bias.

Small Business Supports Spending Limitation

Proposals to balance the federal budget have received much publicity and public support, but a spending limitation may be made effective in solving the nation's economic crisis, according to small-business spokesmen. The National Federation of Independent Business (NFIB), representing more than 588,000 small-business owners, has been studying the proposals in Congress aimed at curbing inflation and increasing productivity.

"The proposal with the best chance for action and with the surest approach to fiscal responsibility is a statutory spending limitation offered by Congressman Jim Jones," stated NFIB President Wilson S. Johnson. The Jones bill, H.R. 5371, is an amendment of the Congressional Budget Act of 1974. It would require that the level of federal spending in fiscal 1981 not exceed 21 percent of the Gross National Product (GNP). In fiscal 1982, federal spending would be limited to 20 percent of GNP.

"This type of approach to fiscal responsibility is called a spending limitation," Johnson continued. "NFIB believes it is superior to the more publicized and familiar balanced budget approach. A spending limitation balances the budget by restraining spending, rather than by raising taxes or by

using bookkeeping sleight-of-hand. Of course, we would prefer to have the guarantees provided by a constitutional amendment, but while we continue to work for an amendment we believe that we must begin now to get our finances in order.

For the last 16 quarters, NFIB's Quarterly Economic Survey has shown that small-business owners rank inflation as their number one problem. Polls of other groups and of Americans in general come up with the same result. Clearly, Americans realize that inflation is threatening the economic health and stability of their nation.

Excessive government spending has caused extreme rates of inflation," Johnson stated. "The federal government and Congress have not been willing to live within their means, and they show no prospect of doing so in the near future. For this reason, the Federal Reserve Board had no choice but to introduce a tough package of monetary-policy changes. The action announced by Chairman Paul Volcker has hurt small businesses very badly, but they know that it's going to take strong medicine to cure the situation. The credit-tightening moves announced Oct. 6 are hard to live with, but galloping inflation is worse."

In twenty-five of the last thirty years, the federal government has run up deficits totaling \$450 billion. Federal expenditures, as a percentage of Gross National Product, have increased from 14 percent to 22 percent since 1950. In fiscal 1970, federal outlays were \$198 billion; in fiscal 1980 they are estimated to be \$548 billion. At present, the national debt is over \$800 billion, and the interest the government pays on that debt is over one billion dollars a week. By expanding the money supply to help pay for these vast expenditures, Congress has created and fueled the chronic inflation we are now forced to live with every day.

More For Taxes . . . was paid last year by the average American consumer than for food, clothing and housing combined, according to Enterprise, the Natl Assn of Manufacturers magazine. Taxes were \$3,007 per capita, while food cost \$1,243, clothing \$417 and shelter \$971. While earnings rose 112.3% between 1967 and 1978 and the Consumer Price Index increased 95.4%, taxes jumped 198%.

THE WISDOM OF BIG BROTHER . . . AND FRIENDS

By

Richard L. Lesher
President
Chamber of Commerce
of the United States



How would we survive without the Department of Energy? I've often noted this bureaucracy spends almost as much as the major oil companies make in profits, but has yet to strike oil. Well at least now you'll know what they do. Here's an excerpt from form CLC9004A instructing your service station operator how much to charge you for your gasoline:

"If the amount shown on Line 8 is greater than the amount on Line 1, then multiply the difference by the unit cost shown on Line 5. If the amount on Line 8 is less than the amount shown on Line 1, then go back to each succeeding delivery prior to the delivery used in computing Line 6 and add these deliveries to the amount shown on Line 6 until the total number of gallons delivered equals or exceeds the amount on Line 1. Additionally, add to Line 7 the total costs associated with these deliveries. If Line 8 now exceeds Line 1, then multiply the difference by the unit cost of the earliest delivery used to a just Line 6 . . ."

Aren't we lucky the Post Office finally came through and got all the forms delivered before the gas crunch!

Anti-nuclear Protest

You are cordially invited to promote and attend an anti-nuclear protest against a Soviet-designed system about to be built in Cuba. *National Review* reports a U.S. scientist believes the system ". . . will apparently lack two key safety features common to nuclear plants in the United States and Europe: A steel and concrete outer casing and a back-up cooling system. As a result, writes Jorge F. Perez-Lopez in *Cuban Studies*, a meltdown not only would be disastrous for Cubans, but could affect neighboring areas including southern Florida." Now there's a real threat.

Paying the Price

Andrew Bavas tried to save taxpayers some money but he paid the price. The Chicago-based Health, Education and Welfare executive told his superiors he didn't need their \$1,272 raise—his \$43,000 a year salary was quite sufficient, thank you. Andrew's boss told him Civil Service regulations *forbid* such a refusal. But Bavas refused again, and was ordered to a position in Philadelphia at an \$8,000 cut in pay. So Bavas quit. But even then he found himself wrapped in red tape, unable to locate the proper form on which to hand in his resignation.

Changing Scapegoats

Each month I look forward to learning who the government will blame for the latest bad news on consumer prices. Inflation remains, but scapegoats change. Recently the meat middlemen got a rare taste of what it's like to be publicly grilled by the President himself. No one who witnessed that tender confrontation reported the President acknowledging that the rate of increases in meat prices over the last decade lags way behind increases in federal spending and taxes. If Mr. Carter does not believe the federal government itself has raised meat prices, maybe he should quit beefing and start reading. He would find there are approximately:

- 265 statutes related to the ground beef industry,
- 41,000 regulations, and
- 111,000 court decisions to interpret the regulations affecting production, processing and distribution.

300 Novels

A California city official, writes *U.S. News and World Report*, was so angered by government-mandated paperwork that he saved all the papers and reports sent to him by federal, state and local government over three years.

The grand total: Approximately 84,000 pages, or enough to fill more than 300 novels.

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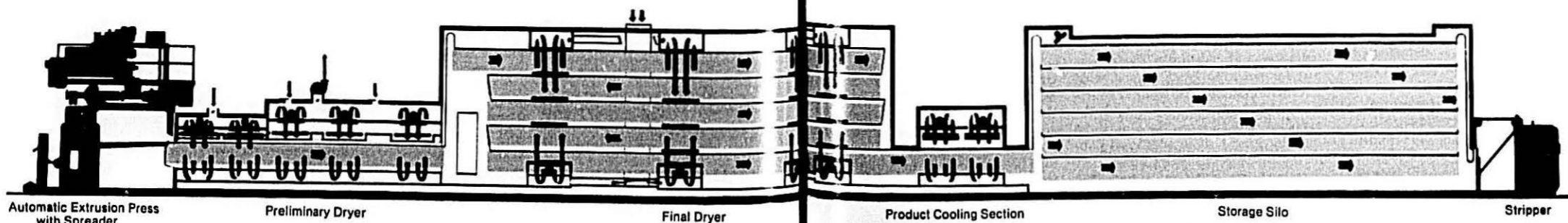
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Food Labeling to Be Revised

Three government agencies announced a major effort to give consumers more information about ingredients, nutritional content and freshness of foods on food labels.

"This is the most important action in this area in over 40 years," Assistant Secretary of Agriculture Carol Tucker Foreman said. "Labeling reforms are needed to meet the tremendous changes in food processing and distribution that have occurred since passage of the last significant food labeling law in 1938."

Foreman said the reforms should also help meet the increased demand of consumers to know more about food ingredients.

The reforms are being proposed by USDA's Food Safety and Quality Service, the U.S. Department of Health, Education and Welfare's Food and Drug Administration and the Federal Trade Commission's Bureau of Consumer Protection.

Public Hearing

The plan, developed after an information-gathering program by the agencies that included public hearings, written comments and a food shopper survey, will be open to public comment for 90 days. A public hearing will be held March 4 and 5 at 9:30 a.m. in the main auditorium, Department of Commerce, 14th and Constitution Ave., N.W., Washington, D. C.

The plan will require more complete information about ingredients on food labels, including quantities of certain ingredients; nutrition labeling for more foods; clear labeling terms and concepts; open date labeling for some foods; and provide greater controls on food fortification, Foreman said.

"This effort is part of the President's overall goal to assure public participation in government rule-making and insist that regulations are coordinated among all responsible agencies," Foreman said.

After the public comment period ends in March, Foreman said, the agencies intend to propose regulations that would require:

- labels to show specific sources of fat and oils for foods with more than 10 percent fat.
- labels to state that ingredients are listed in descending order of amount.

- open date labeling for perishable and semiperishable processed meat and poultry products such as bacon, frankfurters, sliced luncheon meats and sausage products.

- information on the amount of sodium (salt), potassium and sugar in foods as part of nutrition labeling.

- percentage labeling of significant ingredients in meat and poultry products.

- nutrition labeling for meat and poultry products about which nutrition claims are made or to which nutrients are added.

- listing of all optional ingredients in standardized foods.

- defining the terms "low cholesterol," "reduced cholesterol" and "cholesterol free."

- standardized serving sizes for meat and poultry products.

May Request Authority

Foreman said either FDA or USDA may not have adequate legislative authority to require some labeling changes. Therefore, the agencies intend to ask Congress for explicit authority to require all ingredients on labels of standardized foods; require identification of spices, colors and some flavors by their specific names; extend the use of quantitative ingredients labeling, nutrition labeling and open date labeling to other foods; and increase agency control over food fortification.

Substitutes to be Studied

Foreman said USDA and FDA do not yet have positions on labeling of imitation and substitute foods; format for nutrition labeling; and what information should be required on nutrition labels. However, she said, the agencies will take positions on these issues by June 1, after additional public discussion and further study.

USDA's Food Safety and Quality Service is responsible for regulating labeling of meat and poultry products and some egg products, while FDA has jurisdiction over labeling of all other foods. FTC is responsible for food advertising.

Written comments on the plan, which will be published in the Dec. 21 Federal Register, should be sent to: Hearing Clerk, FDA (HFA-305), room 4-65, 5600 Fishers Lane, Rockville, Md., 20857. Comments will be accepted until March 20.

Vote Set on Wheat Research And Nutrition Education Program

Manufacturers of wheat based foods will vote March 17-18 on whether they want a nationally coordinated wheat research and nutrition education program.

Registration

Assistant Secretary of Agriculture P. R. Smith, in announcing the referendum, said participants may register to vote between Jan. 7 and Feb. 1. He said the proposed program will be established only if the vote is favorable.

Smith said the U.S. Department of Agriculture's Agricultural Marketing Service will conduct the registration and referendum by mail and will monitor the program.

If the vote is favorable, a 20-member Wheat Industry Council composed equally of wheat producers, processors, and product manufacturers and consumers would develop and administer the program. Financing would come from assessments on processed wheat purchased by certain manufacturers of products such as bread, cake, cookies, cereal, or pasta.

During the first two years, Smith said, assessments would be up to one cent per hundredweight of processed wheat purchased. After that, the Council could recommend that assessments be increased up to a maximum of five cents per hundredweight. Those who do not wish to support the program could get refunds.

One Corporation. One Vote

Referendum rules stipulate that a corporation, regardless of the number of subsidiaries it has, will have one vote. At least half of the registered end product manufacturers must vote in order for the referendum to be valid. The program will be approved if it is favored by at least two-thirds of those voting or by a majority which represents at least two-thirds of the volume of processed wheat used by all voters in assessable end products.

Firms are eligible to register and vote if, in 1978, they used at least 2,000 hundredweight of processed wheat in the production and wholesaling of assessable end products.

Registration packets will be sent to end product manufacturers known to the department. A list of eligible vot-

(Continued on page 18)

NORTHRUP 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

BUD MORIN
Plant Superintendent
Northrup King Co.
Minneapolis, Minnesota

If your product packaging could benefit from the same weight 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!



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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!



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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!



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Wheat Research Referendum

(Continued from page 16)

ers will be published in the Federal Register, and ballots will be mailed to them.

Manufacturers who wish to register but have not received the information by January 10 should contact David Spalding or Lowry Mann, Agricultural Marketing Service, U.S. Department of Agriculture, Room 2610-S, Washington, D.C. 20250. Phone (202) 447-2068.

The final order and referendum rules were scheduled to be published in the Federal Register Dec. 14.

Argentine Crop Smaller

Argentina is expected to produce between 7.4 and 7.6 million tons of wheat this season, down from the earlier estimate of 7.8 million tons and the 8.1 million tons produced in 1978-79. According to recent Reuters dispatches, the wheat crop has been adversely affected by drought, late frosts and winds in the major producing areas of the Buenos Aires and La Pampa provinces. The damage to the crop in these provinces was partly offset by increased acreage and higher yields in other areas. According to the President of the Argentine Grain Board, all of the available wheat from the 1979-80 crop, about 3.5 million tons, has been registered for export with another one million tons still available from last season. Of this total, approximately one million tons have been sold to Brazil, with another 800,000-900,000 tons registered for delivery to the Soviet Union. Argentine Grain Board officials have indicated that the Junta has planned to increase its share of the wheat exports to Latin America, from the average of 60 percent over the last three years, to 80-85 percent.

Australian Crop Larger

Australia's 1979-80 wheat crop has been estimated between 15 and 16 million tons by various observers in that country. This would be second only to the record 18.3 million tons harvested last year. The Australian Wheat Board is estimating the crop at the lower end of the range, or about 15 million tons, with deliveries against the production only slightly lower at 14.2 million tons. Coupled with a carryover of 4.6 million tons, Australia's available wheat supply for 1979-80 should total 18.8 million tons, up over

one million tons from 1978-79. The Australian Wheat Board also predicts a bright export year barring any labor problems or other disruptions. The Wheat Board expects exports to exceed the record 11.52 million tons exported during the 1978-79 year, which ended November 30, and could reach as high as 13 million tons.

Canadian Grain Situation

According to various sources, the Canadian crop production estimate for 1979 indicates a decline of 17 percent below that of 1978. Total wheat production has been estimated at 652 million bushels (17.7 million tons) compared to the 777 million bushels (21.1 million tons) produced in 1978. In the Prairie Provinces, wheat production is 19 percent below the levels attained in 1978. Although production is substantially down, reports indicate quality of the 1979 wheat crop is improved. According to the Canadian Wheat Board, 8.8 million tons (323 million bushels), or 45 percent, of the available deliverable supplies of 19.5 million tons (716 million bushels) is expected to grade No. 1 CWRS. This compares to the 6.8 million tons (250 million bushels) grading No. 1 CWRS in 1978. Also, supplies of No. 2 CWRS are estimated at 4.6 million tons (169 million bushels), up four percent over last year, while lower grade wheat supplies are down a combined 33 percent from the available supplies in 1978. Additional information regarding the status of other grains indicates the production of oats is down 18 percent from last year, barley is down 19 percent and rye is down 14 percent. Those grains showing increases in production include flaxseed (up 32 percent), rapeseed (up two percent) and corn (up 19 percent).

Peavey Prospers

Increased volume in grain and flour milling operations paced Peavey Company in achieving record first quarter sales and earnings, William G. Stocks, chairman and chief executive officer, announced Dec. 6 at the annual meeting of shareholders.

After the shareholders' meeting, Peavey's board of directors voted to increase the quarterly dividend on the common stock from 23c to 25c per share, payable Jan. 15 to shareholders of record Jan. 1.

The increase indicates an annual dividend rate of \$1 per share on the common stock, compared with the current annual rate of 92c. The board also declared a regular quarterly dividend of \$1.50 per share on two classes of preferred stock, also payable Jan. 15.

Net income of Peavey in the first quarter ended Oct. 31 totaled \$6,680,000, equal to \$1.18 per share on the common stock, up 37% from \$4,141,000, or 72c a share, in the same period of last year. Sales aggregated \$190,697,000, up 32% from \$144,127,000 a year ago.

Key Factors

"While virtually all operating areas of the company contributed to the quarter's record performance, the key factors were improved grain and flour volume," Mr. Stocks stated.

Mr. Stocks said the Agricultural Group handled record grain volume as demand in both domestic and export markets remained strong. The Food Group's milling division, he said, had "substantially improved" flour volume over the first quarter a year ago, when two flour mills were shut down by strikes. The group's grocery product sales and earnings were up from a year ago, he added.

The Retail Group had improved sales and earnings, led by farm stores and fabric stores, Mr. Stocks said. While the building supplies operation experienced an increase in sales, earnings were about unchanged, he said.

"We continue to expect sales and earnings improvement from all three operating groups for the balance of the year, though not at the rate of increase we experienced in the first quarter," Mr. Stocks said.

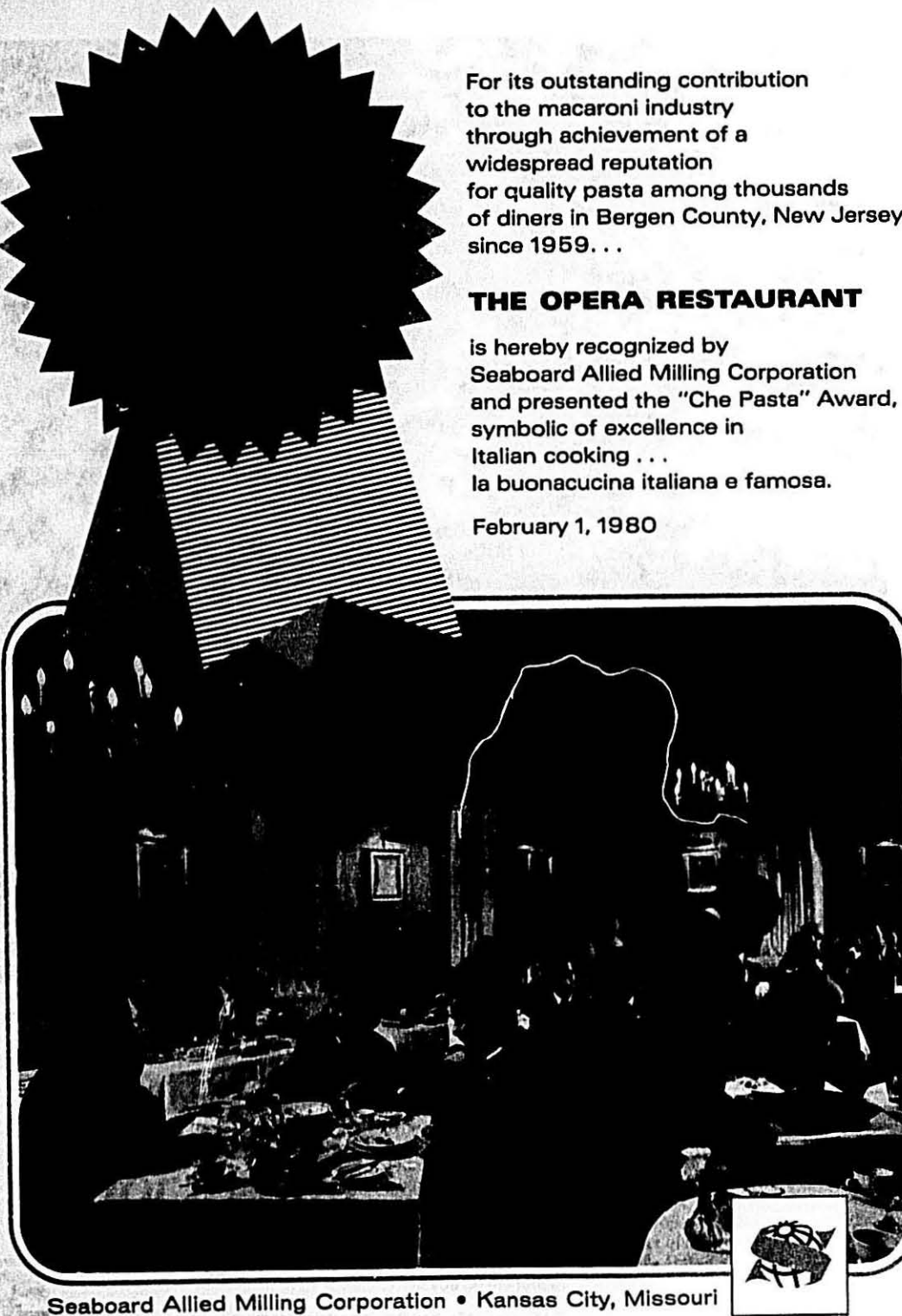
Earnings before taxes on income in the three months ended Oct. 31 amounted to \$11,080,000, up 6% from \$6,781,000 a year ago. Average number of common shares outstanding was 5,596,000, off from 5,722,000 last year.

Directors

At the annual meeting, shareholders elected John E. Hulse, senior vice-president of Northwestern Bell Telephone Co., Omaha, to the board of directors. He also is a director of Northwestern Bell Telephone and of the Omaha National Bank.

Mr. Hulse was associated with Northwestern Bell in Minneapolis prior to moving to Omaha last March.

(Continued on page 22)



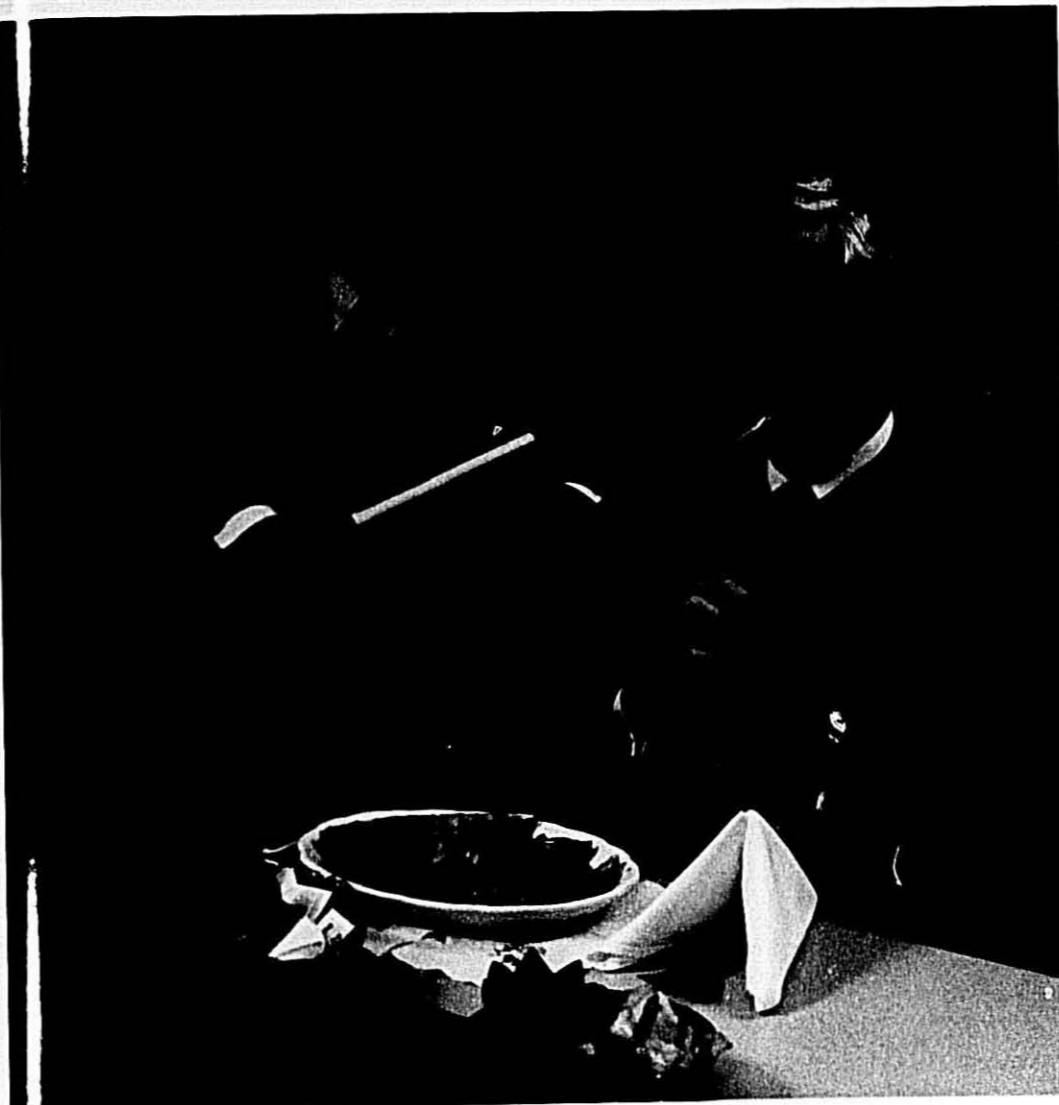
For its outstanding contribution to the macaroni industry through achievement of a widespread reputation for quality pasta among thousands of diners in Bergen County, New Jersey since 1959. . .

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February 1, 1980

Seaboard Allied Milling Corporation • Kansas City, Missouri



*Perfect pasta
makes a
great case
for a good
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Judge for yourself. No matter what people stuff inside manicotti or ravioli, the pasta just won't hold its own unless it's nutritional, good-tasting and economical.

Others might court you with eager promises. But trust Amber for top quality. Amber mills the finest durum wheat into fine pasta ingredients... Venezia No. 1 Semolina, Imperia Durum Granular or Crestal Fancy Durum Patent Flour. The consistent color and quality of your pasta products will testify to Amber's modern efficient milling techniques.

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Peavey Meeting

(Continued from page 18)

William J. Quinn, former chairman of the Chicago, Milwaukee, St. Paul and Pacific Railroad Co., retired from the Peavey board after 10 years as a director. Roger C. Greene, former vice-chairman of Peavey and a member of the board since 1971, also did not stand for re-election, thus reducing the Peavey board to 11 members.

Seaboard Net Down

Net income of Seaboard Allied Milling Corp. in the 24 weeks ending Nov. 30 was 31% below last year's peak results but still was the company's second best first-half performance on record.

Net income of Seaboard in the first six months of the 1980 fiscal year amounted to \$3,421,212, equal to \$2.30 per share of common stock, compared with \$4,798,458, or \$3.55 a share a year ago. Average number of common shares outstanding in the first 24 weeks ended Nov. 30 was 1,487,677, up from 1,353,220 a year ago.

Earnings before taxes for the first half of the current year totaled \$6,088,212 and provision for income taxes was \$2,677,000, compared with \$9,228,008 and \$4,429,550, respectively, a year ago.

Net sales of Seaboard for the first 24 weeks were \$185,289,349, up 19% from \$155,540,807 in the prior year. The increase, Seaboard said, reflected increased raw material costs and inflated expenses.

In the second quarter, the 12 weeks ended Nov. 11, Seaboard had net income of \$1,458,915, equal to 98c per share, compared with \$2,755,258, or \$2.04 a share, in the same 1978 period. Net sales for the quarter were \$94,657,104, against \$73,691,662 a year ago.

"Modest second quarter earnings," Seaboard said, "brought profits at mid-year about one-third lower than last year's record results. The escalation of interest rates coupled with increases in energy and transportation costs have been a contributing factor to this decline."

"Domestic flour prices," the company stated, "have turned quite competitive, reducing profit margins. Fortunately, the wide dispersion of the corporation's production facilities has softened the impact. Taking advan-

tage of our more favorable locations, we are presently expanding the Albany, N.Y. mill an additional 7,000 cwt's of daily capacity. When completed, this fastest growing unit will be the largest of Seaboard's mills."

Pillsbury Expands Pizza Plant

The Pillsbury Co. will expand production capacity of its Totino's frozen pizza plant at Murfreesboro, Tenn., by 50%, it was announced by Kent C. Larson, vice-president of Totino's. The \$11 million plant was opened only three months ago.

In announcing the \$5.8 million expansion, Mr. Larson commented, "It was our feeling six months ago that the new plant's production would enable Totino's to meet consumer demand for its new, patented crisp crust pizza. But the crisp crust sales have continued to grow, and the outlook is for even more growth."

Totino's crisp crust, Mr. Larson said, is the national leader in frozen pizza sales despite the fact that the company does not have production capability to enter the Los Angeles, Boston and Philadelphia areas.

The project will include "significant expansion" of bakery and freezer areas.

In Murfreesboro, John M. Stafford, executive vice-president of Pillsbury, announced the expansion at an open house at the plant in honor of Rose Totino, a Pillsbury vice-president and one of the inventors of the new crisp crust pizza.

Kraft Raises Sights

Kraft Inc. said it is raising its profit goals and is still hunting for a big acquisition, following its aborted preliminary merger talks with Maryland Cup Corp. earlier this year.

John M. Richman, who became Kraft's chairman and chief executive last June, told security analysts that the food concern would aim for 5% annual growth, adjusted for inflation, in earnings and an 18% return on equity in the coming years.

Those goals, he said, won't "be achieved immediately" and "have been set, intentionally, so that management must stretch and grow to meet them."

The new performance objectives compare with 1972 targets that had

Kraft looking for a 10% earnings growth rate, without adjustment for inflation, and a 15% return on equity. Because of the unpredictability of inflation, he said, the new goal was stated in real, or inflation-adjusted, terms.

In the five years ending in 1978, real earnings grew at 4.3% annually and unadjusted earnings rose 12.3% annually. Return on equity reached 15.8% last year.

Mr. Richman said Kraft is interested in acquisitions in "new areas that aren't necessarily related to our present business" and most likely would buy a company with sales between \$300 million and \$1 billion. He said Kraft is "serious" about diversification but isn't under any pressure to act "too quickly or unwisely."

As previously reported, Kraft and Maryland Cup ended their exploratory merger discussions without explanation.

Mr. Richman also said that Kraft's 1980 capital spending would be roughly the same as the \$140 million planned for this year.

Kraft, probably in the first quarter of 1980, will begin test-marketing a line of meal entrees packaged in pouches that don't require refrigeration and are less bulky than some other types of packaging, he said.

Several major food concerns have begun experimenting with such so-called retort pouches, but Kraft—the second biggest U.S. food maker—is the largest to test market the new packaging technology.

Fattening Up Heinz

H. J. Heinz Co. intensified its push into the weight-control industry by acquiring Camargo Foods Inc., a U.S. licensor and manufacturer of Weight Watcher brand of nonfrozen foods. The purchase from Bristol-Myers Co. completes Heinz's bid for "a second internationally recognized label" and represents an important step in its ambitious plans to expand its "light" foods and other weight-control enterprises in the U.S. and overseas.

Married Mothers Working... About 1/3 of the nation's 2.5-million married women in the 18 to 34 age bracket with kids under 1 year old are working, according to a Census Bureau survey. And 40% of those whose youngest child is under 2 are in labor force.

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 NMMMA, 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.

ASECO, a manufacturer of storage systems and mechanical conveyors for roodles and short cut macaroni products.

JEMCO, 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.

Conference on Nutrition

The Third Conference on Nutrition and the American Food System, sponsored by Family Circle, the Food Marketing Institute, and the Community Nutrition Institute, was held in October in Washington, D.C. The 500 food consumers, retailers, manufacturers, producers, advertisers and editors who participated debated many issues—but agreed that nutrition was a public policy.

During the first Conference on Nutrition, two years ago, Ellen Haas of CNI remarked that nutrition had "moved out of the kitchen and into the policy arena." There were many skeptics at that time, but after the latest conference, skeptics were few in number.

The focus of the conference was the new "Dietary Guidelines" now being developed by a joint USDA-HEW research task force. Although the guidelines themselves were not formally presented, the audience received a thorough review of the changes that have occurred in the American diet over the past 12 years, plus an update on the research conducted on links between diet and health, and an indication of how the guidelines will be used once they are finalized.

Aders and Young

Welcoming remarks by FMI President Robert Aders and Family Circle President Robert Young amplified the point.

Said Aders: "When we met for the first time, many doubted that business, government and consumer representatives could actually sit down and talk together about a controversial issue like nutrition. But we could and did. Our discussion has helped us see where we differ, but — more significantly — where we can work together."

Young added: "For us at Family Circle, sponsoring these conferences has been a rewarding, stimulating and sometimes frustrating experience. It has been all of these things because our role has been much more than that of integrator and helper than that of planner and implementer. This role has provided a vantage point for viewing the differing and frequently conflicting viewpoints of various sectors. We've also had a ringside seat on the vigorous and, indeed, heated arguments about appropriate roles for in-

dustry, government and public interest organizations in establishing dietary goals and communicating those goals to the consumer."

Keynoter

Keynote speaker Senator Henry L. Bellmon (R. of Oklahoma) described the controversy generated by the introduction of "Dietary Guidelines" as "an indication of the discomfort occasioned by the inclusion of nutrition principles as part of personal and institutional decision-making." It may also be an indication, he added, of insecurity on the part of nutrition professionals due to the retarded state of nutritional science.

He suggested that when guidelines are developed, "they must remain guidelines — and not become a mandate imposed upon people by an oppressive government. Policy-makers will recognize that this is a difficult course to follow, but I believe it is essential to have the acceptance of those whom the guidelines are intended to serve. This places a premium on nutrition education."

Nutritionists

Mark Hegsted, Administrator of USDA's Human Nutrition Center, described the results of the recently completed USDA Household Consumption Survey, and compared these findings to the survey conducted in 1967. Hegsted reported to a somewhat startled audience that while the incidence of obesity was generally increasing, per capita intake of calories had actually declined 20% over the past 12 years. The increasing tendency toward a sedentary lifestyle was blamed for the apparent paradox, and this, noted Hegsted, should have important implications for health policy. Hegsted suggested that nutrition planning may need to embrace plans to increase physical activity to maintain health without obesity.

Dr. William Connor, a nutrition scientist at the University of Oregon Medical Center, discussed the recent "consensus report" on nutrition and health compiled by the American Society for Clinical Nutrition. He outlined an alternative diet plan—one which could be adopted in three stages and which would place greater dietary emphasis on complex carbohydrates and less on fat. Connor also outlined a six-category food grouping system that placed all animal products

in one class and that focused greatest attention on grain products.

Assistant Secretary

Carol Foreman, Assistant Secretary of USDA for Food and Consumer Services, asserted that the first act of government, once the Dietary Guidelines are in hand, will be to offer practical advice to those, who wish to realign their diets. She pledged the Department to publishing a series of suggested menu guides that would allow consumers to:

- derive 30% or less of their total calories from fat;
- limit cholesterol to 300 milligrams per day or less;
- limit refined sugar to 10% of total calories;
- and increase consumption of fruits, vegetables and whole grain cereals.

Marketplace Reaction

Marketplace reaction to changes in food products was described by Frank Nicholas of Beech-Nut Foods Corp., who told of how sales skyrocketed after his firm was the first to stop adding salt and sugar to their infant foods.

Irving Raab, Vice Chairman of Stop & Shop Supermarkets, expressed his concern that "a whole mosaic of factors stands in the way of a national agenda. For the moment we must concentrate on those areas where we have some positive evidence, not because these are the only items which to concern ourselves, or that we must know the whole truth before we act or set a national policy, but rather so that consumers will be aware of the dangers should they not pursue the basic principles of good nutrition. The economic impact of dramatic change in consumer purchase behavior and product selection will be abated significantly if consumers begin to respond in the marketplace."

William Smithburg, President of Quaker Oats, said that despite possible pitfalls, his company supported development of dietary guidelines insofar as they would reflect the need for a "balanced" diet. "Human beings do and should eat a wide variety of food products each day," he said. "Further, people eat different products for different reasons. While it is important that people consume nutritionally sound products, it is also important that they enjoy their food. There is a place in the diet for products that do

not contain significant amounts of nutrients."

It is important to recognize that the need for improved nutrition, while certainly desirable, is not of crisis proportion, Smithburg stated. "Any guidelines should enhance the interest in scientific research directed to expanding the knowledge of the science of nutrition. We believe it is essential to recognize the need for the control of caloric intake as essential to good nutrition. We would support guidelines that encourage moderate dietary changes toward greater consumption of fiber and complex carbohydrates, including wholegrains, and at the same time decreased consumption of total fats. Although there is by no means unanimous agreement on the effects of excess intake of sugar and sodium, there is consensus that moderation in their use is a sound nutritional practice."

Sen. McGovern

The final speaker, Senator George McGovern (D., South Dakota), widely regarded as father of the Dietary Guidelines, predicted a multi-year process during which the nation would

update its food safety policy, and laws "through broadening our toxicity-oriented policy to encompass the concept of wholesomeness and the objective of making our food supply the most healthful. It will require the time and cooperation of government, industry and the American public."

Teen Age Cooks

The role of shopper and meal planner in the home is more and more delegated to the teenage girl, according to a research survey prepared and conducted by Seventeen magazine.

The study, Seventeen said, was prompted by figures showing that 60% of all mothers of teenage girls were working either full or part-time. Questionnaires were mailed to 2,000 members of the magazine's consumer panel, representing a cross-section of the teenage market balance by age and geographic regions.

The survey showed that 66% of all teen girls surveyed had shopped for the family's food in the past week, with 76% shopping at a supermarket. In choosing items, 49.5% indicated

they "shop for specific brands," while nearly 28% said they "buy things in the food store other than those they go in for," Seventeen said.

In regard to factors affecting selection of foods, 95% of the responses cited taste and flavor with 93% citing "quality." Other important considerations included past experience with product, 82%; price, 72%, and nutritional value, 68%. More than nine out of ten girls, or 94%, are aware of nutritional labeling on food products with 42% stating they always read such labels on food items they purchase, Seventeen said.

In meal preparation, 94% of respondents stated they prepare or help prepare meals at home. The survey found that teens prepare an average of 4.1 meals per week for the family, help in preparation of an average of 4.8 meals, and prepare an average of 8.6 meals for themselves.

Among teens that prepare meals themselves, the magazine said, the top three choices of breakfast-type foods were egg/omelettes, pancakes and French toast. Steak, chicken, spaghetti and hamburgers were the top dinner

(Continued on page 28)

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Packing and Packaging
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Milan
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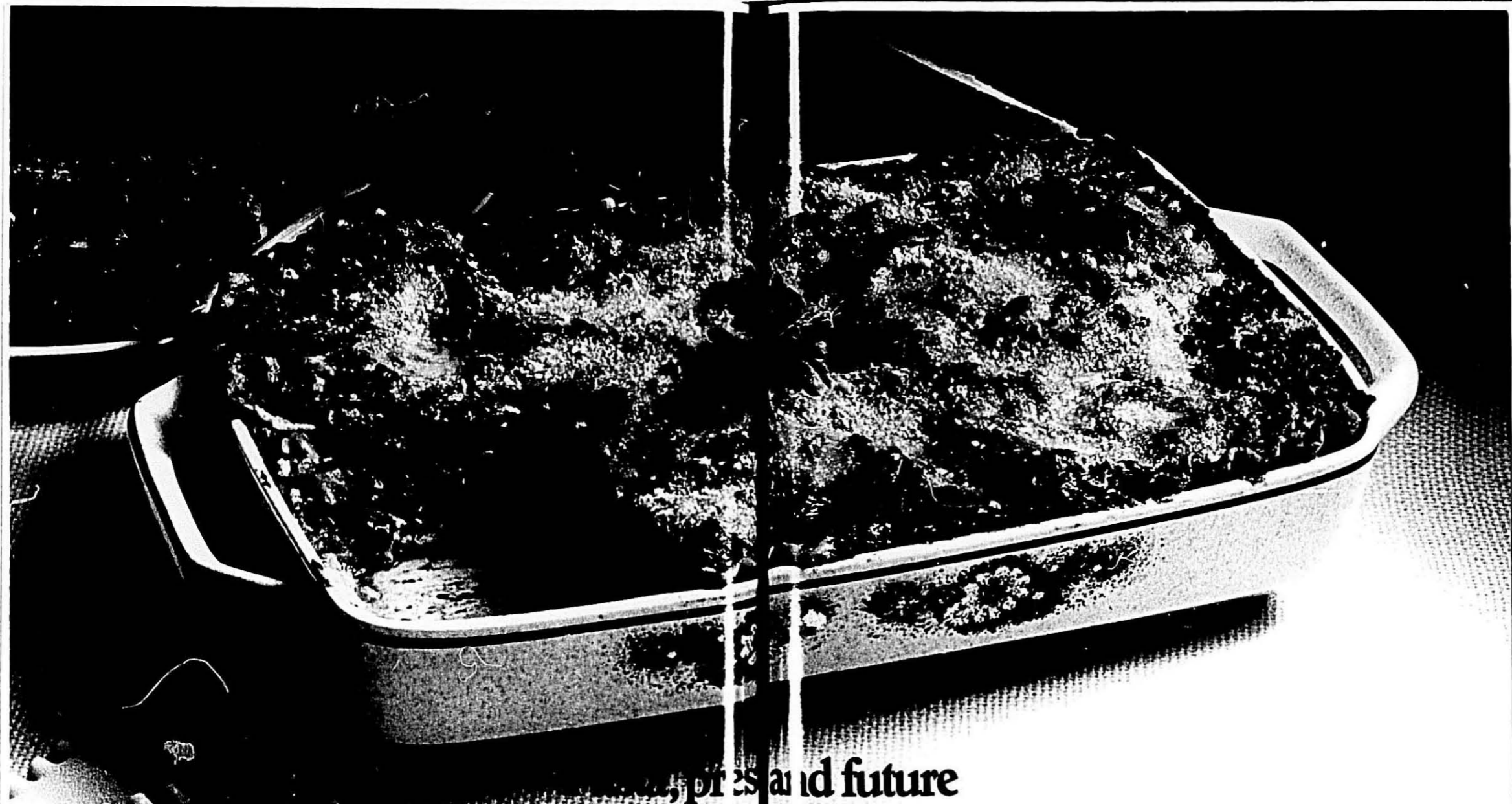
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Teen Age Cooks

(Continued from page 25)

choices, and cakes and cookies were favored dessert foods.

Eight out of 10 teen girls indicated they used frozen foods, with waffles and juice the most often used breakfast-type food; vegetables and pizza the most often used diner-type food, and ice cream and pies and pastries the most often used dessert-type food. In the conference food category, 82% stated they use soups, 76% use cold cuts, 74% use pizza and 70% use cakes and cookies.

College Students Buy, Cook Like Homemakers

Unlike the stereotyped food-throwing college students depicted in the recent movie "Animal House," students today act more like home makers because they shop carefully for food and cook many of their meals, according to a recent survey by Expo America, Inc., creator of the nation's largest annual product fair for college students.

"Surprisingly, our survey found that students of both sexes don't rely on fast-food outlets, school cafeterias or restaurants for their meals, said Alan Swift, president of Expo America, Inc.

More than three quarters (77 percent) of the 1,200 students polled said they prepare all or some of their meals, more than half (60.4 percent) bought their own food, and almost a third (29 percent) named supermarkets as the store they shopped in most often, Swift explained.

The Expo America survey conducted in Daytona Beach last spring showed that students are selective about the types of food they buy.

Interested in Nutrition

"The overwhelming majority — 94 percent — said they were interested in nutrition and more than 80 percent said they avoided junk foods that provide empty calories," said Swift.

These findings show that most students don't have poor eating habits, nor do they disregard nutrition as might be expected by food makers and marketers and society in general, he said.

The consumer lifestyle survey also debunked sexual myths about which sex "normally" buys and prepares food and purchases all kinds of domestic products, Swift explained.

More than a third of the men (36.6 percent) versus 17.4 percent of the women named supermarkets as the type of store they shopped in most often. Both sexes bought all types of products in supermarkets, from fresh and packaged foods to cleaning products.

Men Cook

And, men reported cooking their own meals slightly more often than the women who indicated they were more likely to buy "snacks" than their male counterparts.

Almost two-thirds (64.5 percent) of the students rejected "fad" diets, a third said they were interested in watching what they eat to avoid obesity, and 61.4 percent said they were interested in "health" foods.

"Marketers of food and household products should note the results of our survey which shows that male and female college students are an important market, much like the nation's housewives," Swift pointed out.

Hard to Reach

Consumer products companies need a special tool like the Expo America 1980 consumer product fair to reach college students, who, research shows, do not use conventional advertising media, he explained.

Swift's staff of creative and marketing experts are now helping marketers prepare for Expo America, 1980, scheduled for next March 20-24 in Daytona Beach, Fla. during the annual collegiate "spring break" when 200,000 college students aged 18-25 are expected.

For more information about the Expo America consumer lifestyle survey and Expo America 1980, contact Alan Swift, Expo America, Inc., 625 N. Michigan Ave., Chicago, Ill., 60611, (312) 829-EXPO.

We're Better Educated?

Back in 1973, 28% of the labor force had at least one year of college education. Five years later 34% had been to college, according to the American Council of Life Insurance. (In 1978 26% of the labor force had not finished high school; in '73, the figure was 32%.) Higher levels of education means more challenge to satisfy customers.

Fibreboard Slipsheets

As a result of rising distribution costs and a growing disenchantment with wooden pallet exchange systems, many companies are turning to fibreboard slipsheets as a method of shipping, storing, and distributing unitized product loads.

Fibreboard slipsheets are flat sheets of corrugated or solid fibreboard with edge tabs that are used with materials handling equipment to move unitized loads. This trend to slipsheets, as a replacement for the conventional wooden pallet, is described in two films just released by the American Paper Institute.

"Fibreboard Slipsheets and Unitized Shipments . . . A Modern and Economical Materials Handling Systems," is a 10-minute, 16-mm color film which discusses the many shipper and receiver benefits that are part of a slipsheet system. It describes costs reduction of 80-90% in materials, 10% space utilization increase, and significant reductions in transportation costs that can be achieved through slipsheet use. The film shows a wide variety of products such as foods, drugs, chemicals, beverages and appliances being successfully handled on slipsheets.

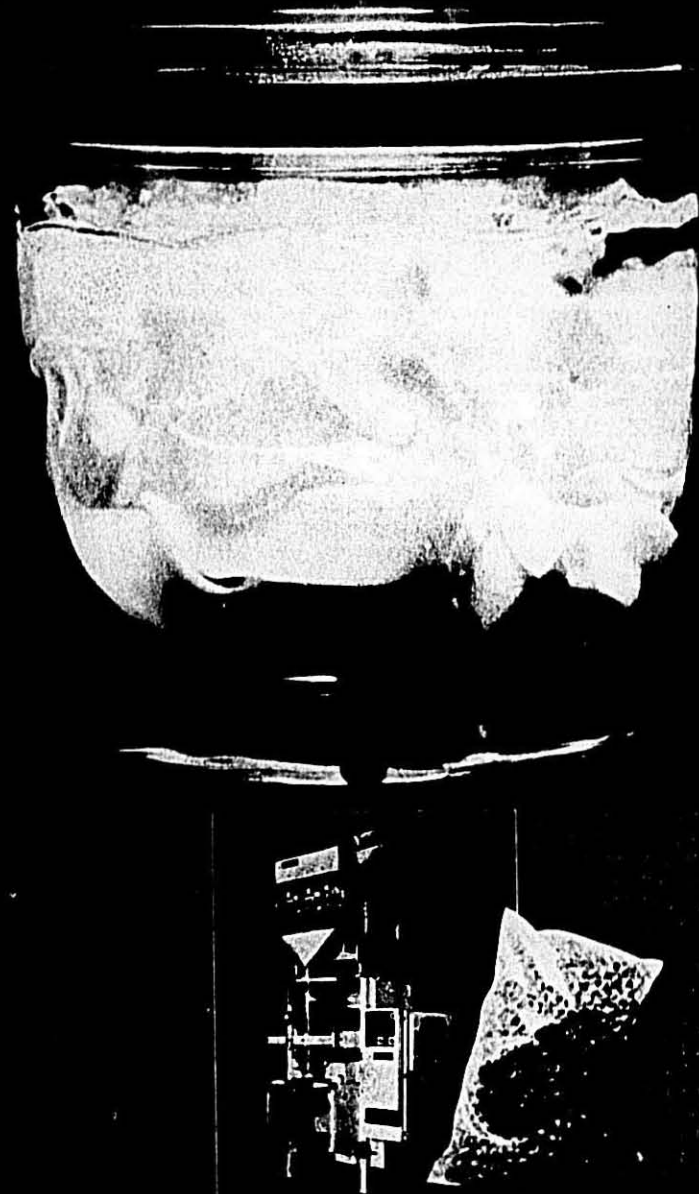
Other benefits discussed in the film include improvements in warehouse sanitary conditions, lower insurance premiums, improved safety records, and the elimination of pallet repair centers.

Second Film

The second API film, also a 10-minute, 16-mm color movie, "How to Make Fibreboard Slipsheets Work For You," was produced to help shippers and receivers install a slipsheet system in their materials handling operations. The film covers the spectrum of today's slipsheet systems from hand stacking to automatic unitizing. Also included are training, shipping and receiving sequences. There are slipsheets, says the film, to meet every distribution requirement.

Both films are available to manufacturers, distributors, shippers, retailers as well as trade associations. They may be purchased for \$50.00 each or borrowed on a 40-day loan basis, by contacting the Fourdrinier Kraft Board Group, Dept. FSS, American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

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TRIANGLE

You're always ahead when you start with the very best.

People Make the Difference

The National Food Brokers Association ushered in its 76th year of service with a San Francisco convention theme of "People Make the Difference."

Association President Mark Singer warned that food brokers and manufacturers must be "mutually supportive" in order to overcome economic challenges—including inflation—in the 1980s.

"Anything less than a total commitment by (manufacturers) fully backing their brokers will jeopardize reaching the common goal both are endeavoring to achieve."

Specifically, Singer warned the brokers to be wary of "cutting corners" to save costs during this period of inflation. "To be truly effective, food brokers must concentrate on quality."

Encourage Individuality

On this note, the NFBA president urged the manufacturers to encourage individuality in their food brokers. "Don't seek uniformity at the expense of local knowledge, of local experience, of personal relationships. Don't attempt to make the sales process a mechanical one."

For the association's part, Singer said it now is studying the long range factors of inflation and cost increases to determine how brokers can control those costs in their own business.

He further cautioned manufacturers against trimming their brokerage forces in an effort to hold the line against inflation. "The loss of an experienced, capable brokerage firm can affect millions of dollars in volume. Who is making these million-dollar decisions for you — at what level of experience and longevity in your company? Do such decisions reflect the guiding philosophy of top management?"

Singer continued to note that, just as food brokers have an obligation to their manufacturers to provide for the perpetuity and continuity of their (brokers') organizations, manufacturers should give brokers the same assurance of the continuity of their relationship.

"If the broker is to invest in the future, he must be assured there is a future with that (manufacturer)," the NFBA president said.

Outstanding Service Award

Mr. Singer presented the second NFBA Award for Outstanding Service



Mark Singer

to Mrs. Rose Totino, founder of Totino's Finer Foods and now a Vice President of The Pillsbury Company. In presenting the award, Mr. Singer said Mrs. Totino "typifies the spirit which has made this country's food industry so vital and so responsive to the consumer's needs. She provides another shining example that freedom of opportunity in our great country is as alive and as attainable today as it ever was in the past."

Mr. Singer then presented Mrs. Totino with a multi-faceted freeform sculpture. In accepting the award, Mrs. Totino credited a large portion of her success with Totino's, which was sold to Pillsbury in 1975, to her food broker network.



Broker Honored

Otto Weber (left), pioneer food broker from New York, now retired, was the honored guest at a banquet hosted by Golden Grain Macaroni Company during the recent National Food Brokers Convention in San Francisco. Weber was the first broker appointed by Golden Grain when the company launched Rice-A-Roni nationally 20 years ago. Introducing Weber to the 300 guests assembled in the Plaza Ballroom of San Francisco's Hyatt Hotel is Tom DeDomenico, Executive Vice President and Sales Manager of Golden Grain.

Long Range Outlook

It is time that we did our long range planning with a long range outlook rather than basing it on our traditionally short term view of the future.

This assessment was made by Dr. Leon Martel, Acting President of The Hudson Institute in New York to the National Food Brokers Association annual Convention.

Dr. Martel explained that the conclusion of the Hudson Institute is that we are now in the midst of a "great transition. We are between the pre-industrial period which was roughly the last 200 years, and the post-industrial period, which is the next 200 years."

He said that we must base our planning for the future on this type of timetable rather than the seeable future. "Because, in fact, we will not be able to actually affect even the next 50 years in most cases."

As an example of this theory, he used population growth. He pointed out that "in 1800 a woman could expect to average seven births during her child-bearing years. If we had applied population control at that time rather than in the early 1970's we would not have had the problem of population explosion," Dr. Martel told the audience.

Types of Problems

He said our current and long-range problems could be broken down into two basic groups: resource and non-resource problems.

"Our resource problems are basic. There are no physical limits to growth. The earth's resources are adequate for its people. The long term supply of resources are so good that we expect to look back on these times with amazement," Dr. Martel told the NFBA audience.

He elaborated that the energy to GNP ratio has been steadily dropping and that if we lay the foundation now, with government support, for a major synthetic fuel industry, the problems will be solved in the future.

He did allow that in the United States there is an energy problem, but noted that "the problem is not one of supply, it is one of distribution." The U.S. imports over one-fourth of its fuel now and that dependence on outside resources cannot last, according to Dr. Martel.

Food, he noted, is a renewable resource. "New crops replace old crops."

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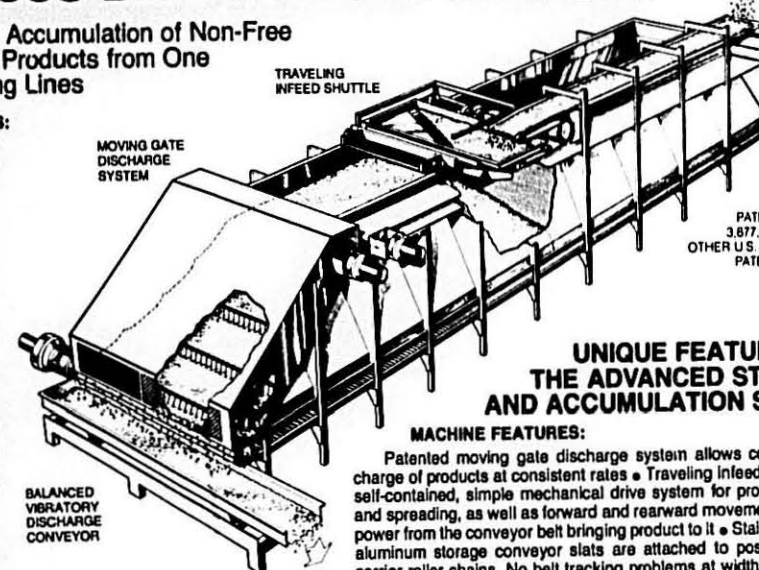
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Our non-resource problems can be put into two groups, according to Dr. Martel. "The threat of thermal nuclear war which would be between the superpowers, probably as the result of a third party. And the possibility of long range damage to the environment."

The solutions to these non-resource problems lies in coming to an agreement on solutions to our resource problems," Dr. Martel concluded.

Economic Outlook

Americans can expect a tax cut that could represent as much as \$30 billion, primarily on payroll taxes, by January of 1981.

This prediction was made by Walter Heller, Ph.D., Regents Professor of Economics at the University of Minnesota and advisor to former Presidents.

In addition, Dr. Heller told the NFBA audience he expects the 1980's to produce "a greater moderation in government spending, an effort to cut back on excessively burdensome government regulations, and a 'seasoning' or 'maturing' of the labor force."

He said Americans can expect "better news" on the inflation picture by the end of the winter. "I expect in-

flation to be down significantly to nine or possibly eight percent by next year, unless there is a big explosion in oil," Dr. Heller stated.

On oil, Dr. Heller said we can expect "some tempering of oil prices in 1980 — of course, they will never go down. Whether it is OPEC or the U.S. developing the oil, the energy component of business costs has no where to go but up."

He pointed out that we are currently spending \$30 to \$35 billion per year of our purchasing power and real income to buy oil. A three year projection of that cost brings it to \$50-55 billion.

Unit Labor Cost

Dr. Heller cautioned food industry executives that they must "lower the orbit" on unit labor cost. He pointed out that while compensation, including fringe benefits, is rising at about nine percent per year, the trend increase in productivity is only about one percent "which means the unit labor cost is going up at a rate of about seven to eight percent per year." In 1961 through 1965, the cost went up at about one to two percent per year, according to Dr. Heller.

Dr. Heller said that the high rate of inflation we are now experiencing is "commodity shock inflation" in large parts. The two biggest culprits of this are oil and food prices, "and now that is primarily oil." We have had a 70 percent run up in the cost of oil, a 10-12 percent rise in food costs and a 19 percent rise in the cost of a home and house financing. Without these elements, inflation would be running at 7.5 percent instead of the 13 percent that we have endured."

On food prices, Dr. Heller predicted that "with good food crops this year and again next year, food price inflation should recede somewhat to 9-9.5 percent next year and 8-8.5 percent in 1981."

Two other helpful trends to controlling our economy will be a slower rate of growth in the labor force and possibly a generous increase in accelerated depreciation allowances, according to Dr. Heller.

He cautioned his audience of executives to be wary of people who claim to have a simple cure for inflation—"Anyone who claims to have a simple cure for inflation is talking through his hat."

FREE TO CHOOSE

Inflation has become such a common word in our vocabularies that we have come to expect it to continue at ever-increasing rates. But we don't have to accept it or expect it, says Dr. Milton Friedman in a new series for public television.

In the series entitled *Free to Choose*, Friedman tackles the problem of inflation and other chronic economic problems.

The ten one-hour programs will broadcast over PBS stations in January, February and March of 1980. Each program consists of a half-hour documentary film, shot on locations throughout the world, followed by a half-hour discussion between Friedman and two or three guests who hold opposing viewpoints.

Executive producer for the series, Robert Chitester, says that his involvement in the project "derives out of a personal concern that we are losing our freedom. The series is an effort on my part to assist in the development of mass media materials that address the question of a free society and its prerequisites."

The task of the series is to illustrate the relationship of economics with personal and political freedom, specifically the intervention of government with those freedoms.

"We selected the subjects based on those areas of our society which Dr. Friedman deemed to be the best illustrations of the damage that is done when government intervenes in the normal marketplace activity," says Chitester.

Unique Style

The programs themselves sport a unique style. "They were never really written," explained Chitester. "They were scripted in a very loose sense, but Dr. Friedman is speaking extemporaneously throughout the series." Chitester chose this style because he wanted to emphasize Dr. Friedman's personality. "I believe television works best when it is developed around personalities. Also, Friedman is very effective in that kind of relaxed commentary style," he adds.

Chitester explained the switch in format for the second half hour of each program: "They are two basically different means of communicating. The one is direct expository comment—if you would, a visual essay, the sec-

ond is a debate/discussion. The one is extremely good at allowing an individual to make a statement, to put forth his thesis. The second offers individuals an opportunity to explore that thesis, to restate and clarify it using different examples.

Charles Heatherly, director of Education for the National Federation of Independent Business believes the series is the most successful effort to date to put on film the ideas and principles of the free market philosophy. He points out, "Friedman has a unique ability to explain economic concepts with concrete examples from around the world. He doesn't come across as simply an economist or academic theorist. But he brings basic ideas down to a level where the ordinary man on the street can understand them."

Heatherly concludes, "We think that the viewpoints put forward by Friedman in this television series deserve a very wide audience and can have a major impact on the business climate through the American people's understanding of economic concepts."

Fifteen foundations and corporations have chosen to underwrite the series, *Free to Choose*. They include the Sarah Scaife Foundation, Reader's Digest Association, John M. Olin Foundation, Getty Oil Co., Firestone Tire and Rubber Co., FMC Foundation, W. R. Grace and Co., General Motors Foundation, Lilly Endowment, Whittaker Corp., General Mills Foundation, Bechtel Foundation, L. E. Phillips Charities, PepsiCo Foundation, and the National Federation of Independent Business.

WHAT'S THE DIFFERENCE?

Where's the best place to buy your weekly groceries? Not in Moscow, according to an economic comparison chart just released by the National Federation of Independent Business. The tricolor poster—comparing the standards of living in Washington, D.C., London and Moscow—indicates that the U.S. city is your best bet. Americans would work 12.5 hours and Britains 21.4 hours to buy the weekly groceries included in a Soviet diet for a family of four. Soviets, however, toil 42.3 hours to buy the same items.

The "weekly food basket for four" contained the first ten items on the chart plus flour, noodles, beef, pork, cabbage, carrots, tomatoes, tea and

beer. Items were selected on the basis of Soviet consumption because of the unavailability in Russia of some goods prevalent in U.S. and British diet.

The food items are just some of the comparisons found on the 1979 edition of the poster, "What's The Difference? Washington, D.C., London, Moscow." The publication compares 19 consumer products in the three cities in terms of work time—rather than rubles, pounds, or dollars—because of the fluctuation of currencies in the world market.

Poster Statistics

In addition to common cost comparisons, the poster includes statistics from government sources on such items as energy resources, productivity, trade, and transportation. It even points out the U.S. has over ten times as many telephones as the Soviet Union per capita and almost twice as many as Great Britain.

Prices of the 19 commodities on the chart were surveyed in March, 1979, and converted into work time based on the hourly take-home pay in January for factory workers: U.S. \$4.61; Britain \$3.25; and Russia \$1.38. Surveyors chose this group because it comprises the largest single category of wage earners in most industrialized nations.

Deduction Differences

Health insurance premiums, income and Social Security taxes were deducted from U.S. and British wages.

Unemployment insurance was deducted from British wages only, because in the U.S. employers assume this cost, and in the U.S.S.R. there is no charge because unemployment officially ceased in 1930. Family government allowances given in Britain and the U.S.S.R. were added for a family of four.

Although surveyors made the above special considerations in order to provide comparable wages, the statistics measuring the British take-home pay refers only to the adult-male manufacturing worker. No comparable data was found for both male and female industrial workers. However, in April 1978, the earnings of the female manufacturing worker were only 60.2 per cent of comparable male earnings. Therefore, the U.K. figures are too high and the worktime prices too low for a strict international comparison.

(Continued on page 34)

THE MACARONI JOURNAL

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.

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

What's the Difference?

(Continued from page 32)

In the comparison, however, the U.S. standard of living comes out on top overall. For instance, if a citizen in the U.S. capital needs to drive to work, he or she can buy a middle-sized car for 4.1 monthly paychecks. A Londoner spends 8.5 months (based on a 44.2-hour workweek compared with the U.S. and USSR equivalent of 40.6-hour workweek). The price tag on a comparable car in Moscow would confiscate 35 months of pay from the average worker there.

Some items, such as lipstick and panty hose, could not be found by surveyors in Moscow at any state retail store at the time of the study. But the poster does include a 72-minute lipstick along with a 427-minute pair of panty hose in Moscow, taken from a previous study. Those times compare with 22 minutes for panty hose and 28 minutes for lipstick in the U.S.

Universal Items Included

Some items were not even included in the study, however, because they weren't available in all cities surveyed. For instance, frozen and convenience foods, prevalent items in many Western households, are not widely available in Moscow.

Some of the differences in availability can be contributed to national taste, however, the average Russian consumer regularly finds that some goods are difficult or impossible to purchase in state retail stores. In contrast to the free-market economies where prices and production levels are affected by consumer demand, the amount and distribution of the items produced in the U.S.S.R. are determined by the economic plan of the Soviet government. The U.S.S.R.'s continued emphasis on defense spending has necessarily limited the amount of consumer items produced.

The information on availability and comparative prices comes from the research arm of Radio Liberty, the U.S. government-supported station in Munich, West Germany, which broadcasts to millions of listeners throughout the Soviet Union, NFIB and the AFL-CIO requested the study and funded the research.

Copies of the poster are available by writing to the Education Department of National Federation of Independent Business, 150 West 20th Ave., San Mateo, CA 94403.

Food Brokers Directory

The 1979-1980 edition of the NFBA Directory of Members has been published by the National Food Brokers Association.

Inside the bright yellow cover of this year's Directory are listings for over 2,400 NFBA member firms in every part of the United States and 13 countries outside the U.S. The members are listed alphabetically under state and city headings.

The 242-page Directory also includes useful information on the food broker profession, pointers on maintaining effective working relations between manufacturers and food brokers, and suggestions on the selection process.

NFBA member firms are involved in representation of virtually every class of sales in the food industry. In addition to address, phone and telex information, each firm's listing designates special services, product categories, trade called on, and key personnel of the firm.

"The NFBA Directory is widely regarded as one of the most useful marketing tools available to both food industry manufacturers and NFBA members. The Directory serves as a quick reference for locating food brokers in any market that specializes in the industry's attempts to reform an industry that has served the country well for 44 years.

"First and Worst Lesson in Economics"

Remember the story of Robin Hood who, in his light green leisure suit, zipped through Sherwood Forest stripping naked the rich nobles of Nottingham. Very rich merchants, too, would be relieved of all their goods—though left with their clothes.

The less prosperous merchants might have to give up their horse, or maybe only some wine (if they were merely mom & pop merchants). All the booty was then taken by Robin (minus a small finder's fee for the Merry Men) and redistributed to the poor of Nottingham.

Beggars got the lions' share of Robin's liberated largess. The working poor got enough to taste luxury such as a silver chalice suitable for milking chores. Even the middle class was remembered with fifty dollar rebates

which Robin thought they might use for dinner.

Consequences

"But what are the economic consequences of this?" asks Arthur Laffer, who related this story to executives gathered for FMI's Fall Conference in Washington. "It would seem Robin made the rich a bit worse off and the poor a bit better off—very much like the theory behind progressive taxation which currently underlies America's tax structure."

While this is possibly admirable in a political sense the economic consequences are quite different. Laffer now uses this story to explain one of his theorems on taxation, which he and other "incentive" or supply side economists are espousing.

For instance, if you were one of the merchants or nobles, how long would it take you to learn not to go through Sherwood Forest. The merchant would take longer routes while nobles might hire armed guards. The longer routes mean the merchants must charge higher prices, while armed guards would in effect raise the price of municipal services which the nobles extract from the people of Nottingham.

The cost of goods and services thus rises in Nottingham. "By taxing the rich and giving to the poor, as often as not, you make the poor worse off," summarizes the first and worst lesson in Anglo-Saxon economics.

In essence, this is the theory behind the first of Laffer's taxation theorems: the incidence of a tax (Robin's taking from the rich) is not the same as the burden of a tax (falling eventually on all of Nottingham, especially the poor).

Laffer concedes that the political effect of Robin's aid to the poor may well be desirable, but, economic redistribution actually hurts those who were intended to help. He gives a modern example to show how political economics seriously miss each other.

Dis-incentives

Taxing the rich and using the proceeds for transfer payments to welfare recipients should help the poor. But if the poor, using means, needs and income tests, get more for not working than why should they work at low paying jobs which would in many cases cause them to have a lower income?

This is the springboard for other theorems, which state that "People don't work to pay taxes—they work to maximize after-tax or total income". Additionally, "The greater the incentive, the more effort put forth."

Here one begins to see a picture of Laffer's idea that, "If you reduce the incentive or raise taxes—the supply of effort will diminish." This applies not only to welfare cases but more so to those who supply capital to the economy. (Capital can be said to be a portion of the value of previously extended labor).

Laffer's Curve

The higher the tax on labor, capital or income, the less one is willing to increase effort. The measurement of these relationships is what underlies Laffer's now famous curve, which he modestly did not mention.

Laffer explains the practical effect of reducing taxes by using the Kennedy tax cuts of 1962 as an example. There, taxes were cut more on the higher incomes (from a 91% ceiling down to 70%) than on lower incomes. The stimulation of this cut helped to propel business ahead for half of the decade. This was our last departure from the theory of progressive taxation and it paid off. "A rising tide lifts all boats" was the phrase Kennedy used.

A final classroom example was used to drive home Laffer's ideas. "If I ran my class like your government runs your country, I'd flunk the A students and give the F students scholarships." Laffer interrupted the laughter and went on, "You know that since A students are brighter they will adapt to the new rules by getting lower grades since they won't randomly make the mistake of guessing the right answers. The A students will still get the scholarships by flunking perfectly, F students will still be flunked not for guessing some right answers."

Destroys Income

"All I have succeeded in doing by changing this is depreciating the entire educational process". Laffer concludes the same is true with the tax structure. "It cannot redistribute after-tax spending power through the tax structure. What you can do is destroy income itself."

Laffer observes that one might fairly conclude during the last 15 years the

U.S. government in its application of economic laws to solve political problems has fallen into the dilemma posed by the linguist (and senator) S. I. Hayakawa who said, "If you treat variables as constants, your thoughts are going to be screwed up—no matter how hard you think". Laffer makes a good case that our tax structure is screwed up and won't redistribute income but just go on suppressing it.

Leadership for Motivation

Good management will provide the planned goals and objectives for a company in the 1980's, but only leadership can motivate the organization to attain these goals, so said Lawrence Del Santo, Executive Vice President of City Products Corp., which operates Vons Supermarkets and other divisions, at the National Food Brokers Association Convention.

"We would suggest that one of the basic problems today in developing our organizations is that we have confused, or more appropriately, failed, to distinguish between the management function and true leadership. Obviously common to both of these functions would be people who have the character, the integrity, the intelligence, the courage and other attributes so necessary in developing the entrepreneurial spirit," Mr. Del Santo told the NFBA audience.

Mr. Del Santo pointed out that a strong organization comes in great part from loyalty of employees and that this is often difficult to create today. The formula is complex. It involves compensation, fringe benefits, vacations, working conditions and other incentives, according to Mr. Del Santo.

"While I don't want to be branded a flaming liberal, I have found that you cannot deal with absolutes when discussing new concepts in the human resources field . . . We need to build pride and enthusiasm for our company and this has to become a hallmark of leadership. We need to know more about today's lifestyle, what is important and what is not," Mr. Del Santo said.

Key to Productivity

"The key to productivity is motivation. And we need to get people excited about the business, the company

and its purpose. We need to develop a meaningful attachment between our people and our companies. People need to be a part of something and identify with the corporation. We need to identify and share with our people the ideals—the spirit—the charisma of the organization. We have to get our people to work 'with' us rather than work 'for' us," Mr. Del Santo advised the meeting.

He went on to stress that "people want to be treated like people" and that no matter how large the company becomes, this is the foundation on which to build a successful business.

He quoted the Chairman of Pitney Bowes, Mr. Fred T. Allen, who said: "When an individual invests in our stocks, he or she deserves a regular and complete accounting. The employee who invests his working life in our company deserves no less and conceivably more."

"Given that clearly articulated philosophy," Mr. Del Santo added, "not the notice on the bulletin board approach, the mystery some people attach to employee relations is quickly resolved."

Mr. Del Santo told the food industry executives that "we are . . . like most businessmen today . . . equipment, facilities and systems conscious to the point of paranoia." He suggested that "we need to develop our people in the same manner and with the same consciousness that we do the other investments in our business."

At Vons, "I am convinced that the reason Vons has been so successful over the years—the reason it's had such a long continuity of leadership and management—is that the spirit, concern and respect for people is the same today as it was when the entire organization fit into the back booth of the local coffee shop. Size has not caused us to forget our relationships with our people and our history of developing management from within. As a corporation, we work hard at instilling this spirit in each of our divisions."

The Professional Edge

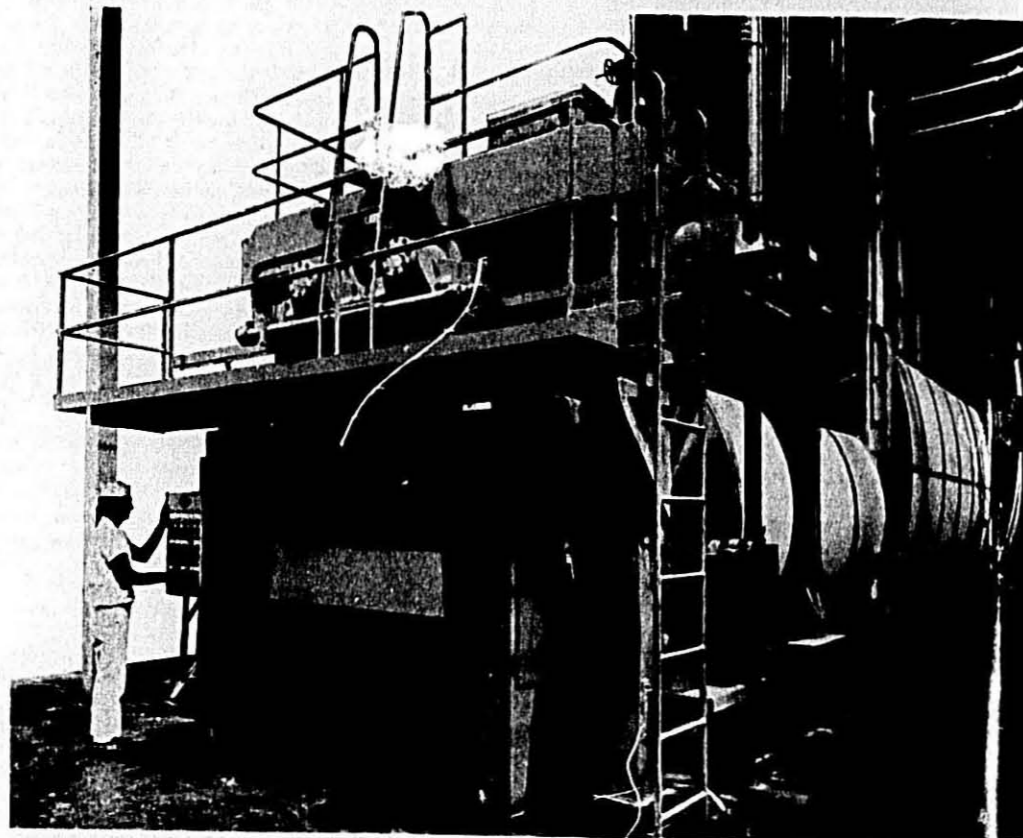
Successful relations, whether personal, business, or other, are based on fulfilling needs, according to Jack Perry.

"All behavior grows out of need and all behavior is satisfied by needs,"

(Continued on page 38)

BUHLER-MIAG LONG GOODS LINES

Performance You Can Depend On!



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

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

LONG GOODS DRYERS

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

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

Reliable Performance

Sturdily-constructed 2- or 4-stick spreaders allow selection of ideal extrusion area for a given capacity.

Spreader, Dryer and Stick Storage are continuously driven and controlled by one variable speed drive.

All stick conveying chains and drives are heavy duty and contain automatic tensioners. Dryers have lubricating systems requiring an absolute minimum of maintenance.

Automatic climate controls ensure proper conditions at every stage. Zones are completely separated, cutting down on required supervision.

Motors, sprockets and drive chains, in addition to electrical and climate controls, are standard U.S. components.

Efficient Energy-Saving Design

New dryers are smaller sized. High temperature and high humidity drying requires a minimum volume of fresh air. Fan motors for air circulation are mounted inside dryers, utilizing 100% of electrical energy. (New style, energy-efficient motor is optional). A most energy-efficient design!

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

Bacteria Control

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

Dryer is absolutely tight, yet easy to clean, maintain and supervise. Swing-out side panels extend entire dryer length, allowing fast cleanout and service.

Top Quality Product

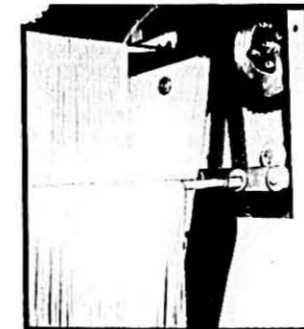
High drying temperatures in both final drying stages improve product texture, cooking quality and appearance.

Steady, high temperature drying ensures a straight product, ideal for the high speed packers of today. The high humidity drying climate gives the product an appealing golden color.

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



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



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Mr. Perry told the session participants, adding, "What you have to realize is that people do things for their reasons, not yours."

He used Maslow's Hierarchy of Needs pyramid to explain this statement. The pyramid shows point one at the bottom and point five at the top. These points are:

One . . . physiological needs such as food, clothing, shelter.

Two . . . safety.

Three . . . love, which we have an ongoing need to give and receive.

Four . . . self esteem.

Five . . . self actualization, being able to 'do your own thing.'

The Art of Listening

One of the greatest tools we have in selling is the art of listening, according to Mr. Perry. "If you don't listen you cannot hear what the persons' objections are and will never know what their needs are."

He told the food industry executives that they must also realize that the "objective" of their company is "to make a profit" but the "purpose" is "to solve problems."

He said that "the people who know 'how' will always have a job but the people who know 'why' will be their bosses."

Mr. Perry suggested that business people should "try and find a better way" and that this should be done on a step by step and activity by activity basis. "It takes a minimum of 31 repetitive times to begin to change a habit."

Mr. Perry prescribed the "LSCPA" method for improving their sales effectiveness. "L means listening requires that you stop talking; S is to share your ideas; C is to condition your mind to receive new information and to give new information without losing face; P is presenting and A is to ask."

The Superman Syndrome

Building on his statement that seven out of every ten managers today are in trouble because of poor management style, Don Beveridge conducted a hard-hitting session on effective management skills attended by 300 food brokers and manufacturers as part of the NFBA Convention's program.

Beveridge, President of D. W. Beveridge and Associates, graphically

presented the pitfalls of poor management practices in a session entitled "The Superman Syndrome." If you are managing today the same way you did five years ago, you have a major problem," he declared. Brushing aside the popular management lament of not being able to find "good" people anymore, Beveridge said that there are just as many "good" people today as before. It is a matter of properly managing these people that is the real crux of the problem.

Three Questions

He posed three questions to the audience: (1) When were you happiest in your job?; (2) Do you really want to know what your boss thinks of you?; and (3) Do you believe that almost 60% of the people working for you dislike their jobs?

Studies show that people have been happiest in their work when the job was new and contained challenges, he said. An effective manager must provide continuing challenge or else the employee and the job will suffer.

No one, he said, can perform efficiently in an environment of insecurity. A manager needs to let his people know how they are performing—not once a year—but on a regular and ongoing basis. A good manager recognizes the responsibility of satisfying his subordinates' needs. Without this, people quickly become dissatisfied with their work. Beveridge added that managers must also be willing to discuss how their employees view them in terms of management capabilities.

Measure results, not activities, he cautioned. Call sheets and other forms of judging how busy a person is have little meaning, he noted. It's the actual results in a job that count. At the same time, managers must establish and insist upon standards of performance. The non-manager who has no standards will not survive in the 80's, Beveridge stated.

Another type of manager who will not make it in the next decade is the "policeman." This type, said Beveridge, is not a communicator, not a motivator, but is interested only in whether his subordinates are keeping busy. Fear, as a management tool, is very short-term and never results in skill improvement he added.

Referring to the title of his presentation, "The Superman Syndrome,"

Beveridge described the superman type of manager as one who insists on doing everything his way, rather than permitting the employee to perform on his own. This style of management destroys many organizations by developing in the employee the feeling that he can never do a job well as his boss. "Superman," said Beveridge, severely restricts the growth of any company or organization. If you constantly provide instructions, answers and solutions for people, they will never be better than what they are today, he said.

Effective Manager

What then, is the right profile for an effective manager? Beveridge believes that employees must see their managers as coaches, not automatic decision makers on every problem or action. Let each person say to himself, "if it is to be, it is up to me," he declared.

The five characteristics of good managers according to Beveridge are: (1) A desire to learn—skills are in continuing evolutionary state; (2) Communication skills with emphasis on listening. Recent studies show that managers hear only 20% of what their subordinates are saying; (3) Broad, well-rounded interests. Good managers need to find ways of renewing themselves outside of their jobs; (4) Decision making ability with the willingness to take risks; and (5) Motivational ability. Managers should be able to motivate not only their people, but their boss as well.

Super Stores

The power thrust for supermarkets in the 1980's will come from "Super Stores" with large and diverse departments of both food and non-food items, according to research by Chain Store Age/Supermarkets Magazine.

This was reported in a presentation by Steven S. Nicolet, Publication Director and John B. Lightfoot, Editor, of the magazine, at the National Food Convention.

Chain Store Age defines a "Super Store" as one with a minimum of 30,000 square feet that produces an annual volume of \$10 million or more.

The gentlemen pointed out that many Super Stores in operation today have over 60,000 square feet of selling space and do volumes in excess of

Super Stores

(Continued from page 35)

\$25,000,000 with single departments doing as much as \$8 million.

"The Super Store is clearly the store of the coming decade," they told the NFBA audience. "There are over 9,000 Super Stores today . . . accounting for over 45 percent of all supermarket sales. 14,000 Super Stores in 1985 will account for over 60 percent of all food sales."

They further pointed out that the additional personnel required to run this type of store "is mind boggling." Staff counts reach into the hundreds. One effect of this is that department managers will have even more "discretionary power" than ever before, perhaps requiring a restructuring of the sales approach.

Patterns Have Changed

The pattern of supermarket expansion has changed drastically. In 1959, there was one supermarket for every 10,200 people. By 1979, there was one supermarket for every 6,300 people. "Clearly this industry is over-stored," Messrs. Nicolet and Lightfoot told the audience.

"The pattern of correcting this prob-

lem continues as chains close two or three smaller, outdated, marginal units and open one new and larger store capable of producing much higher sales volume," they said.

In 1978, food outlets in this country rang up \$170.5 billion in sales, an increase of just over \$17 billion. More than 89 percent of total sales were attributed to less than 20 percent of the industry's food stores—the supermarkets—according to Messrs. Nicolet and Lightfoot.

In the last nine years, the number of items carried in supermarkets has nearly doubled, going from nearly 8,000 to over 15,000 items. And 50 percent of the items shoppers buy today were not even on the shelves six years ago.

New Formats

Supermarket companies have become involved in many new formats of stores to serve the changing needs of the consumers.

First, there is the "Hypermarket" which averages over 100,000 square feet with about 30 percent of that exclusively for food items. The average Hypermarket food sale averages over \$45.00 per customer transaction.

The "Box Store" or "Limited Assortment Store" stocks about 500 limited items in approximately 7,500 square feet. The average sale in these outlets is \$22.83 per customer transaction.

A "Combination Store," which stocks about 25,000 items in roughly 50,000 square feet, has an average sale of \$16.47 per customer transaction, \$6.50 more than the average supermarket ticket.

A "Warehouse Store," which offers approximately 5,000 items in some 25,000 square feet, experiences a customer count that is two to three times greater than that of a conventional supermarket. The average sale is \$27.63 per customer transaction in these stores.

"Today's new store formats are clearly focused to attract a certain kind of customer. Each consumer market segment sets a different pace you and the retailer have to follow if you're going to maximize your sales in the 80's," Messrs. Nicolet and Lightfoot declared.

N.M.M.A. Technical Seminar
March 16-27, 1980

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Milan
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Volpi Equipment

Volpi and Son Machine Corporation—SoBrook Division—of East Farmingdale, L.I., New York has been producing Chinese Noodle Manufacturing equipment since 1946; as well as Italian specialty products equipment from a Milan, Italy plant named Giacomo Toresani. Prior to 1978 Volpi had been located in Brooklyn on Third Avenue and Thirteenth Street.

Volpi and Son can handle equipment needs from 25 pounds to 1700 pounds per hour in its noodle production line — from small specialty delicatessen equipment to a completely continuous automatic noodle line.

Its continuous noodle line is one of the best available on the market as it gives the much needed lamination and kneading process to the sheet which no other continuous noodle line machine offers. Part of this line is manufactured on Long Island; with the other section in the Italian plant with total equipment assembly in the U.S.A. The line is quoted delivered and installed and includes operator training at your plant—price predicated upon zonal distances from New York plant headquarters.

The automatic line comes available in two sizes — one for up to 1000 pounds per hour of continuous product; the other for up to 1700 pounds per hour. The sheet width is the standard oriental line 24".

The line is unique for the reasons mentioned — becoming even more popular now due to the fact that so many companies are becoming aware again that the laminated noodle is far superior to the extruded noodle.

Conventional System Available

Mr. Joseph P. Volpi, Vice President—Marketing and Production—states that the conventional system is also available from his company—variations on mixers, sheeters, cutters, folder-stackers, etc. In addition they manufacture and sell Toresani U.S.D.A. approved tortellini, ravioli, combination ravioli/tortellini and sheeter-kneader machinery; as well as gnocchi machinery and small deli extruders. They have a display room for this Italian equipment at their Long Island plant.

Joseph P. Volpi is the third generation of this company—with Mr. Peter J. Volpi being President and Chief Executive Officer. Mr. Giuseppe M. Volpi, the company founder is still

daily active in the running of the business in a consulting capacity.

Mr. Joseph P. and Peter J. Volpi will both be lecturing on the Chinese noodle—a history, description, and analytical discussion on same—at the Technical Seminar being given by the N.M.M.A. at the Buhler Macaroni School in Zurich, Switzerland in March 1980. They look forward to receiving your inquiries. Data is available from their advertisement in this publication. Italian and English languages are spoken by all; Spanish language inquiries can be handled by the Volpi & Son Plant Engineer, Mr. Marco Gomez.

Dairy Promotion

American Dairy Association's kick-off promotion for 1980 shows consumers how to make foods special by adding dairy products. The January-February promotion consists of point-of-sale displays, radio, newspaper and magazine advertising, and food publicity. Its theme, "The Dairy Touch makes it great," highlights the taste, economy and nutrition which dairy foods bring to meals.

Point of Sale

In January, ADA point-of-sale materials were installed in approximately 18,000 supermarkets and 6,500 convenience stores throughout the country. The "Dairy Touch" is represented by striking gold-colored foil stars centered over three dairy case banner assemblies and an ice cream poster.

The assemblies, each made up of two pairs of two-sided, four-color banners, illustrate appetizing uses of milk, butter and cheese. Special photography creates a sparkling star effect that twinkles on the featured foods.

The three-dimensional dairy case header cards also use the star theme, and promote milk, butter and cheese. Three price channel strips and swags in gold and brown plastic attract customers' attention to the dairy products on the shelves. The theme is repeated at the frozen dessert case with a two-sided ice cream poster showing pie and cake in a mode and dishes of ice cream in an appealing array of flavors.

A 30-second radio commercial, a 600-line black and white newspaper ad, and national magazine ads offer suggestions for adding something special to foods with dairy products. The

radio spot to be heard in about 40% of the U.S. began in late January uses an airy musical trill to emphasize the "Dairy Touch" ideas: topping casseroles with Cheddar Cheese, using real butter on vegetables, and serving milk with meals.

Recipes for Buttered Mustard Sauce and Cheese Topper, made from Cheddar cheese and crushed croutons and served on green vegetables, were featured in the newspaper ad. To run in the same time period as the radio commercials, the ad also reminds readers that "ice cold milk adds a little magic to any meal."

"Dairy Touch" recipes and serving suggestions will appear in February 10 Family Circle, and in February issues of Better Homes and Gardens, McCall's, Ladies' Home Journal, Good Housekeeping and Parents' magazines. The four-color ad consists of four quarter-pages arranged in a checkerboard pattern over a two-page spread, and includes recipes for Neapolitan Cake made with ice cream and whipping cream, and Sausage Upside-down Cornbread made with Cheddar cheese.

ADA is the advertising and marketing arm of United Dairy Industry Association an organization dedicated to increasing sales of milk and dairy products through a total promotion program. This also includes the process and product R&D activities of Dairy Research Inc. and the nutrition research and education programs of National Dairy Council.

Canned Meat, Fish Tie-ins

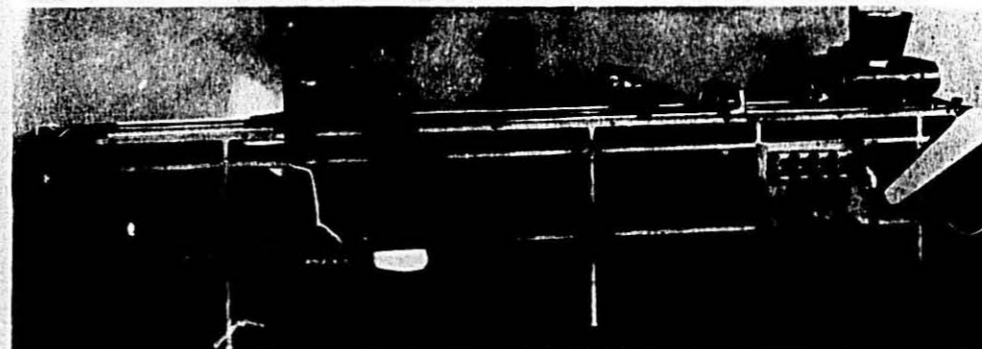
Reider's Stop-N-Shop, a five-store Cleveland operation, filled 12-ft. boats with tuna, sardines, salmon, grated cheese, macaroni and other pasta products last spring. A tuna sauce display to promote Lettuce dishes with canned fish was new. Next year, the retailer hopes to fill off the boats after Easter.

Tuna, said Bill Howard, Reider's grocery supervisor, is one of the most promoted lines. Tuna specials are as frequent as milk and egg features. Canned meat is not so popular at Reider stores, all in suburbs. Howard feels such products have more appeal in the inner city.

One Cleveland executive recommended aisle-end and free-standing tuna displays, tying in seasonings and

INNOVATION ~ DESIGN

COMPLETE LINE MANUFACTURERS OF PASTA AND CHINESE NOODLE PROCESSING EQUIPMENT



CANNELONI-MANICOTTI LINE

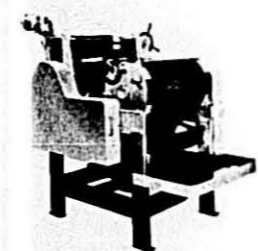
Our newest unit featuring an extruder to form the sheet, and a blanching unit to cook the dough which is then chilled prior to its being automatically filled with meat or cheese. The sheet is then rolled to form a continuous product and is cut to your required length for packaging.

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:

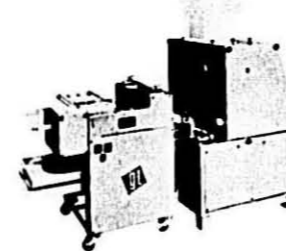
- *Ravioli Machinery
- *Tortellini Machinery
- *Sheeter—Kneaders
- *Also Available Combination Ravioli/Tortellini Gnocchi Machinery Extruders

*Are U.S.D.A. Approved



VOLPI NOODLE CUTTER

Large production Noodle Cutter for Chinese Noodles featuring five sets stainless steel cutters to your specifications (instantaneous removal of same for cleaning purposes); 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.

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giacomo toresani



Tie-ins

(Continued from page 40)

spices, onion rings, cheese, and macaroni products for casseroles.

Tom Gearhart, manager of one of Denver's two Shoppin' Bag stores, puts canned meat and fish in the same aisle with soup, prepared food, noodles and rice.

His favorite cross-merchandising tactic is to feature tuna with noodles. Canned meat also is featured with noodles from time to time, but does not sell as well as the tuna.

Tom Healey, buyer for I. J. Morris Co., Statesboro, Ga., a wholesaler, said canned meat and fish often are cross-merchandised with sauces, pasta and mayonnaise.

Stores supplied by Morris often use canned meat and fish as end displays, especially salmon. Healey said a good deal of salmon sometimes will boost sales four times over tuna, although tuna usually outsells salmon.

Out West

Safeway's southern California division ties in tuna with pasta products or rice once or twice a year, said John Rodgers, grocer merchandising manager. Otherwise, there are virtually no tie-ins, he said. Tuna and chili are sometimes used on end displays, "but not very often—only when there's a deal."

Safeway often features tuna in its ads, and occasionally Spam. Tuna, particularly private label, is the best seller, "but canned fish and meat generally is a declining category because products are getting very expensive," Rodgers said.

Alpha Peta Co., La Habra, Calif., puts canned meat and fish next to canned vegetables and pasta products, but occasionally places those with other food, "depending on where they fit in a given location," said Pat Bobzin, grocery merchandiser.

Tie-in promotions have included tuna with noodles and chili with crackers, Bobzin said. The chain uses the category on ends four or five times a year, but only when allowances are available. Tuna and chili are the best sellers.

Tuna Squeeze

Tuna has been an inexpensive alternative to high-priced meat. Lately its advantage has been shrinking.



Lenten Favorites

Behind retail increases in price are sharply higher raw tuna costs, reflecting high fuel expense and interest charges. In many instances, interest costs are tied to the variable prime lending rate banks charge their best customers. Also the catch is down.

That could further slow tuna's sales growth. Bolstered by high beef prices, tuna sales had been buoyant, especially in the first part of 1979. Ralston Purina reported that in the fiscal year ended Sept. 30 operating profit of its Van Camp Sea Food division "reflected a sharp improvement."

Record Sales

Richard C. Atchison, Van Camp's president, figures the industry's retail sales this year will approach the record 30 million cases or so sold in 1973. Tuna has been rebounding from a severe slump in 1974, when sales dipped to about 25 million cases. The precipitous decline was caused by a "litany of problems," Mr. Atchison recalls, including the flap about porpoise being killed in the tuna-fishing process. Since

**YOU CAN MOVE
A LOT MORE SEAFOOD
IF YOU MOVE A LOT
MORE PASTA.**



Use Pasta as part of your seafood sales.
The Noodle Casserole, Spaghetti with Shrimp Sauce,
Tuna Macaroni and Cheese with Hot Sauce,
Just a few of the scores of Pasta Seafood combinations.

NATIONAL MACARONI INSTITUTE

then, tuna fleets have operated comfortably within quotas set by the federal government.

Industry leaders don't seem to agree however, on the outlook for 1980. Mr. Atchison predicts, "demand will continue to be strong. Hamburger is our chief competitor and we don't see the price of hamburger declining much at all." The executive says the rate of growth of tuna sales has moderated from earlier in the year, "but volume is still ahead of the comparable year-ago month."

Cook in One Pot

Take four items from the pantry shelf — a package of egg noodles, tuna, chicken broth and pineapple chunks. Add some onion, garlic and green pepper strips as seasonings. Everything cooks in one pot. What could be more appropriate in the current age of convenience cooking? And what's more, you serve a dish as appealing to the eye as it is to the palate.

Economical macaroni products (which include spaghetti and egg noodles) are a great help to homemakers planning budget meals. They are a nutritious food too. Approximately 70% of all macaroni products are enriched—an excellent source of protein when teamed with other protein foods—meat, fish, poultry, cheese and eggs. They contain the B vitamins—niacin, thiamine and riboflavin in addition to iron.

Sweet and Sour Noodles with Tuna

(Makes 6 servings)

- 3 small onions, sliced
- 1 clove garlic, minced
- 2 tablespoons butter or margarine
- 1 can (20 ounces) pineapple chunks, in unsweetened juice
- 2 cans (13 3/4 ounces each) chicken broth, undiluted
- 2 teaspoons lemon juice
- 1/4 teaspoon pepper
- 8 ounces uncooked medium noodles (about 4 cups)
- 2 medium green peppers, cut in strips
- 2 cans (7 ounces each) tuna, well drained
- 1/2 cup cold water
- 2 teaspoons cornstarch
- Maraschino cherries
- Watercress sprigs

In a large 4-quart pot, saute onions and garlic in butter until golden brown. Add pineapple juice (drained

(Continued on page 50)

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.

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Robert H. Power

What Lies Ahead for the Foodservice Industry?

Patricia M. Pinto, Planning & Information Services, National Restaurant Association

As Mr. Power has stated, we expect total foodservice industry sales to reach \$112.2 billion in 1980, which is an increase of 9.1% over 1979. The foodservice industry can be broken down into three (3) broad sectors: Commercial, Institutional, and Military feeding. The Commercial sector which now accounts for 85% of total foodservice industry sales, is projected to have sales of \$94.6 billion in 1980. This is an increase of 9.3% over 1979. In the Institutional sector we are projecting an increase of 8.0%, and in the Military sector an increase of 6.8%.

The Commercial sector or market can be further broken down by taking a look specifically at eating place sales. Our dollar volume estimates for eating places refer to restaurants and lunchrooms, commercial cafeterias, limited menu restaurants (fast food), ice cream and frozen custard stands, and social caterers. We expect this very important segment of the foodservice industry to enjoy an increase in

Sales for limited menu restaurants, which include most fast food outlets, will perform the industry average, rising 12.4 percent. The industry average will be 9.1 percent sales growth.

The NRA forecast assumes there will be no major gasoline shortage in 1980, although it allows for possible spot shortages. The depth and effect of next year's recession are also difficult to determine at this time.

Two major factors will fuel inflation for the foodservice operator in 1980—energy and labor. The mandated rise in the minimum wage from \$2.90 to \$3.10 an hour, and the reduction in the maximum allowable tip credit from 45 percent to 40 percent, both due to take effect Jan. 1, will exert toward pressure on labor costs. Energy prices, which account for three to 10 percent of foodservice operating costs, depending on climate, will rise an estimated 22 percent during the year.



Patricia M. Pinto

sales in 1980 of 9.9%. We project a 9.7% increase in menu prices in 1980, down considerably from the 11% increase in 1979 — leading to a real growth projection of .2%. Limited menu restaurants, the fast food segments will continue to be one of the leading growth sectors with a 12.4% increase over 1979.

We believe that sales and traffic in the foodservice industry in 1980 will be affected by three (3) major factors: (1) Continued Inflation. We concur with most leading U.S. economists that the recession will end early in the third quarter of 1980. We believe that we will see some relief in the inflation spiral at this period of time. Inflationary pressures on menu prices will relate primarily to increasing energy and labor costs. (2) Spot Gasoline Shortages. We believe that spot gasoline shortages will continue to appear and plague the foodservice industry business on a regionalized basis. (3) Foodservice Operators Sensitivity to Menu Price Increases. Foodservice Operators will attempt to minimize menu price increases despite growing cost pressures. They will do so fully realizing the importance of the relative relationship of prices for food away from home versus at home.

Since we are beginning a new decade we felt it was important to include in our 1980 forecast a look at the next decade and what lies ahead for the foodservice industry. We would like to share our thoughts with you as to

(Continued on page 46)

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Foodservice Industry Sales

Foodservice industry sales increased 137 percent in the decade of the 1970's, rising from \$43.3 billion in 1970 to \$102.8 billion in 1979, reports National Restaurant Association President Robert H. Power.

Total industry sales for 1980 are predicted to reach \$112 billion, a 9.1 percent increase over 1979.

Sales for the Commercial Segment, consisting of restaurants, lunchrooms, limited menu restaurants, ice cream and frozen custards stands, foodservice contractors, hotel and motel eating places and restaurants in retail establishments, will equal \$94.6 billion in 1980, for an increase of 9.1 percent over the \$86.6 billion in 1979. The Commercial Segment accounts for about 85 percent of foodservice sales.

The growth rate for the Institutional Segment will be somewhat slower at 8.0 percent. Institutional feeding units include business, educational, governmental and similar organizations which operate their own foodservice facilities. Sales for the segment will be \$16.8 million.

The NAR forecasts 6.0 percent sales growth for the Military Segment, consisting of officers and NCO clubs, general military feeding and food service at military exchanges.

Eating places account for about 60 percent of the industry's total sales. They are expected to increase 9.9 percent next year, slightly higher than the 9.4 percent gain of 1979. Adjusted for inflation, the rate of real growth for eating place sales will be a modest 0.2 percent. However, this will be a substantial improvement from the real sales decline of 1.6 percent in 1979.

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Foodservice Outlook

(Continued from page 44)

the major challenges we see facing the foodservice industry, and how the industry may choose to respond. First, I'd like to discuss the very important aspect of **Customer Traffic**. The food service industry, perhaps more so than most industries, has been extremely sensitive to meeting its customers' needs. The foodservice industry must not only convince its customers that they should buy their products but also convince them to visit their establishments to do so. The major challenges affecting customer traffic as we see them at the National Restaurant Association are as follows:

1. Increasing Menu Prices and General Economic Inflation, 2. Increased Competition for the "Share of Stomach Business", 3. Gasoline Shortages, Decontrol of Oil and Increasing Energy Prices, 4. Demographic Changes (more singles, smaller households, increased number of working women, increasing portion of the U.S. population over 50 years old), 5. Lifestyle Changes (eating out as an accepted way of life, role of women in society, consumers' concern for total fitness).

We believe the industry will respond to these challenges by emphasizing the price/value relationship of eating away from home versus at home and/or eating out as a form of entertainment. Additionally, they will stress the service and convenience aspect of eating out.

The industry will also concentrate on minimizing menu price increases. We feel the National Restaurant Association will be of particular help to the industry in these endeavors. Industry members and the National Restaurant Association will work together to avoid further increases in the minimum wage, to develop energy conservation plans and to identify how the industry can learn from its past experiences with gasoline shortages.

In response to the demographic and lifestyle changes in particular we see the industry installing increased single seating, advertising to particular demographic groups, and even developing concepts to attract certain demographic segments. Additionally, the industry will seek locations for their units near other leisure time activities, capitalizing on the consumers increased leisure time.

Operating Costs

Next I would like to discuss the major challenges for the foodservice industry related to **Operating Costs**. As one might expect the major increases in operating costs through the '80s will be in labor and energy. We believe the industry will respond to the increase in labor cost pressures by concentrating on improving management techniques, increasing productivity, and utilizing more self service, and automation. The primary response to escalating energy costs will be conservation. Again, we believe the NRA will prove to be a major force in assisting the industry to develop and implement these conservation programs. The industry will emphasize training employees in conserving energy within the foodservice establishment. Energy will also be recycled within the foodservice unit. For example, the energy used in cooking may be recycled to heat the water used in dishwashing. In some cases foodservice operators will find it necessary to respond to increased energy costs by reducing their hours of operation.

Menu Content

The third major aspect I'd like to address is the major challenges influencing **Menu Content**. The major challenge for the industry will be responding to changing consumer needs particularly as they relate to the growing concern between the relationship of the foods one eats and good health. The industry will also offer some nutritional information as consumers become more educated about which foods they should or want to consume.

Consumer groups will push for the initiation of legislation related to the provision of nutritional information within the foodservice establishment. The National Restaurant Association does not believe that any comprehensive legislative bill will be passed since we strongly believe the industry is extremely sensitive to meeting the needs of its customers and thus if desired, the information will be provided on a voluntary basis. We believe the fast food chains will lead such efforts. In fact many have already begun to do so.

Service

Service is another key area of the foodservice industry that we have attempted to analyze. We believe one of the influences on service in the

1980s will be related to the difficulty of attracting employees to work in the industry due to the reduction of certain labor force component. For example, the teenage population of the United States is shrinking and presently 25% of the foodservice industry employees are teenagers. In the total U.S. labor force teenagers represent only 9%. The industry will respond to this challenge by increasing the number of women and senior citizens that they employ despite the fact that presently 66% of the employees in the foodservice industry are women. In addition we believe the service aspect will be regarded by foodservice organizations as an important means for differentiating one operation from another.

Facilities

Foodservice Facilities will be influenced primarily by increasing construction and energy costs and the growing recognition of the importance of specific geographic locations. We at the National Restaurant Association expect the industry to respond to these challenges by:

1. Constructing fewer free standing units.
2. Designing buildings emphasizing energy efficiency as opposed to aesthetics.
3. Exploring locations in small and medium size cities as well as inner city redevelopment areas in major metropolitan areas.
4. Utilizing take out, drive thru, satellite operations.

Technology

Finally, we believe that **Technology** in the foodservice industry will be most heavily influenced by the ongoing development of computer technology. The industry will benefit by utilizing the computer to control costs, schedule meal preparations, and analyze consumer purchase and behavior habits at the unit level.

I would like to summarize by discussing how we see the industry itself changing in the 1980's. We do expect an increase in internationally expansion by foodservice industry firms. U.S. firms will place increasing emphasis on their expansion into foreign countries. Within this expansion we see an altering of food preparation

techniques and types of food offered by these firms as a means to take advantage of the various cultural differences. As many of you know, a number of the fast food chains have already altered their basic concept in their European operations by adding wine and beer to their menus. We expect that, as major chains in the foodservice industry expand into foreign markets, that they will develop advanced site selection techniques for choosing the first and best countries to enter just as they now use site selection techniques to determine which states and which cities they should expand into. We also expect increased expansion by foreign firms in the United States. We believe that foreign firms will view the foodservice industry in the United States as a good investment. We see them acquiring U.S. firms and combining their capital with the marketing expertise of U.S. firms. We see continued expansion of the foodservice industry. As Mr. Power has stated, by 1990 we expect that 50% of the customer food dollar will be spent on food away from home. We expect both the grocery and convenience store markets to continue emphasizing takeout items within their product mix, thus contributing to the expansion of the foodservice industry. We expect vertical expansion to occur within the foodservice industry. Food processors and distributors will move into retailing and foodservice operators will begin to develop processing and distribution expertise.

We expect that some of the large and diversified organizations which are currently operating in the foodservice industry will identify their foodservice division as good return on investment opportunities in the 1980's. We therefore expect that they will put increased marketing and corporate emphasis on these divisions.

How might the fast food section change? We expect that as fast food operations expand their menus, that they will begin to take on the appearance of coffee shops. We believe that menu expansion and increasing sales in existing units will be the primary mode of fast food expansion within the United States. We believe more and more fast food operations will also add waiter/waitress service. We further expect very heavy advertising and marketing emphasis being placed on differentiating one establishment from another. What might we expect

in terms of new fast food concepts? We believe you will see some development both in the area of Japanese and French fast food cuisines.

In closing, I'd like to say that we believe the foodservice industry will be facing a very healthy decade ahead. We believe the industry is beginning to enter a more mature growth phase and that this maturing will be very good for the industry. We expect the industry as a whole and most of its segments to do extremely well throughout the 1980's.

Price Waterhouse & Co. Release 1979 Food Products Industry Survey

Study Discusses Latest Development in Accounting and Financial Reporting in Food Products Industry

Inflation, productivity, increasing encroachment of government regulation on industry, social responsibility programs, changes in consumer trends, and concern over energy shortages and increasing costs are among the most pressing problems facing food products companies.

"These observations and other items of special interest were reported in the 1979 Food Products Industry Survey, prepared by Price Waterhouse & Co.," according to James A. Miller, chairman of this leading accounting firm's Food Products Industry group.

"The Price Waterhouse survey reviews information from 117 annual reports. Behind the accounting and reporting disclosures found in published financial statements lie a multitude of events which daily shape the conduct of business in the food industry. Accordingly, in addition to the financial disclosures, the survey includes coverage of a wide range of matters affecting the operations of food companies," Mr. Miller explained.

Other key topics of interest highlighted are the following:

- Fifty companies utilize the LIFO method to value all or part of their inventories and nine of those companies disclosed increased earnings resulting from the liquidation of inventory quantities.
- Forty-four companies report acquisitions and mergers compared

with forty in the preceding year thus continuing the relatively high level of acquisition activity in the industry.

- Twenty-six of the 117 companies reported gains or losses in connection with restructuring of their operations.

- Seventy-four companies indicated that they operate in more than one industry segment.

- Of the ninety-eight companies presenting interim financial data, twenty-three companies restated previously issued quarterly data for one or more reasons.

- Seventy-four companies disclosed the existence of an audit committee.

- The average board of directors had 12 members for the companies surveyed.

- Unlike many other industries, sixty-nine of the companies have fiscal year ends that end in months other than December.

- Forty-two companies identified certain accounting policies and industry practices considered standard in the industry.

"Management and the public must rely upon accounting and financial reporting to answer the basic question, 'How are we doing?'" The Price Waterhouse survey brings together a comparison of accounting and reporting principles and practices of many significant companies within the food industry to enable those in the food industry to better understand the principles and practices now employed and how these differ among companies included in the survey. The numerous examples quoted from reports are presented as illustrations of present practice," Mr. Miller concluded.

Copies of the survey may be obtained from James A. Miller, Chairman—Food Products Industry Group, Price Waterhouse & Co., 200 East Randolph Drive, Chicago, Illinois 60601, or the nearest Price Waterhouse & Co. office.

Price Waterhouse & Co. are independent accountants and the U.S. firm is part of a worldwide professional organization comprised of 20,000 men and women in over 290 offices in more than 80 countries and territories.

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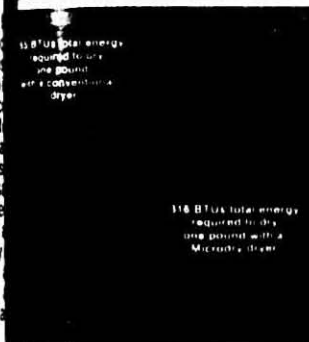
- Up to 4 times the production in the same feet of floor space (a bargain in itself with construction costs in the \$40 sq./ft. range).
- Free production: 5.42% with a 5-day week.
- Save energy. Tests prove over 50% total energy savings compared to some competitive dryers.
- Sanitation savings. Minimum \$100 each cleaning. Most easily sanitized dryer, hose it down or steam clean it.
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Microdry actually produces a better product than does conventional processing. The superiority is in the cooking strength and "bite" when ready to eat, and the color enhancement and microbiological stability when presented in the package. We will be pleased to submit samples of product made on the Microdry press, same die, same raw material, but dried in conventional dryers versus Microdry units. You will readily see the color difference, cooking time differences, and taste the bite differences. Measure for yourself the stability of each product.

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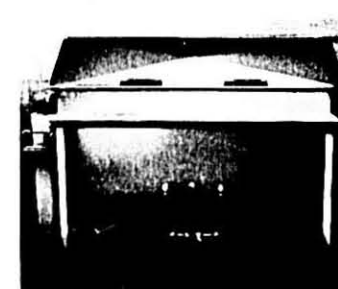
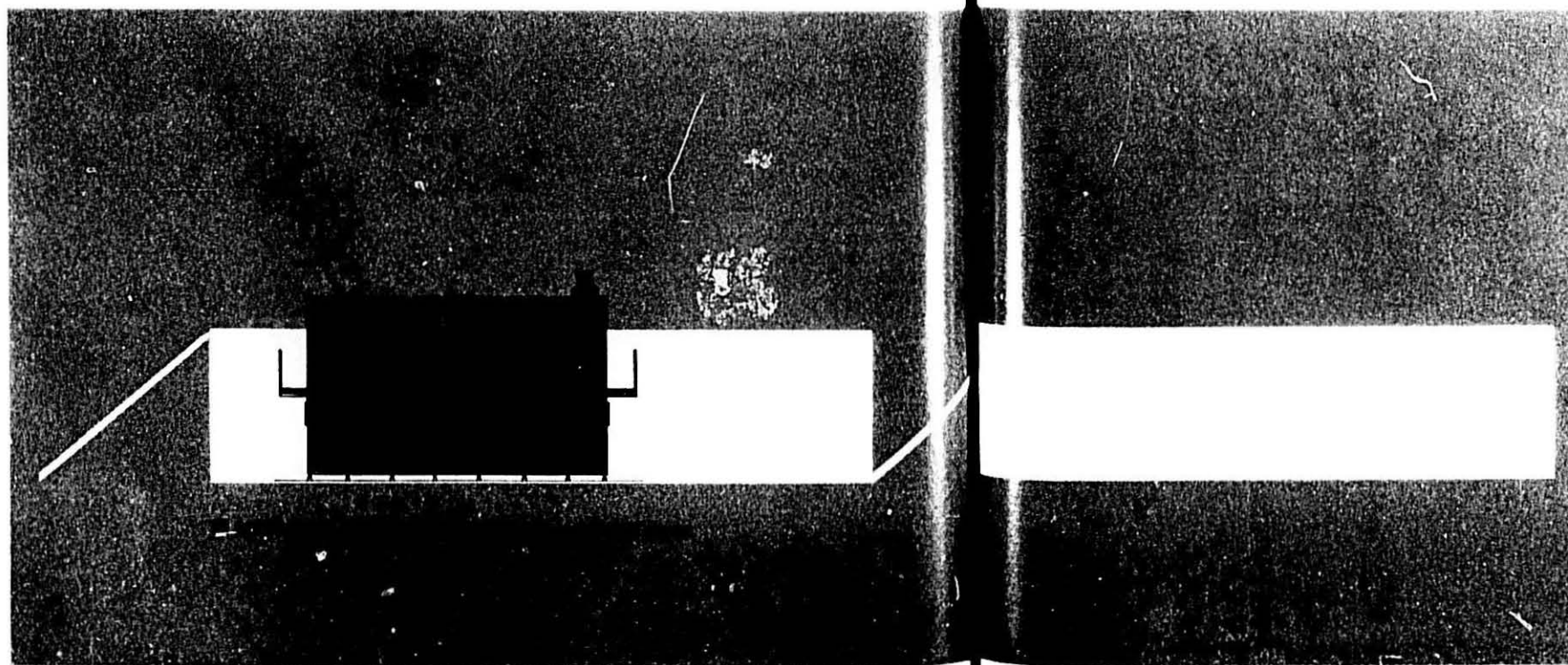
Pasta drying operation from production line comparisons by two processors. Shows total energy required.

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Cook in One Pot

(Continued from page 42)

from pineapple), chicken broth, lemon juice and pepper; bring to a boil. Gradually add uncooked noodles so that liquid continues to boil. Reduce heat, cover and simmer for 5 minutes. Add pineapple and green pepper. Cover and simmer 5 minutes more.

Break tuna into chunks. Blend water and cornstarch. Stir tuna and cornstarch mixture in pot. Stir constantly and gently for about 2 minutes or until mixture is thickened. Garnish with maraschino cherries and water-cress, sprigs. Serve immediately.

Martha Gooch Advertising

Full-page, four color ads for Martha Gooch pasta products continue to appear in Midwestern regional editions of Family Circle and Better Homes and Gardens. Over 60% of homemakers in the Gooch marketing area are seeing the ads—part of a continuing promotion for Martha Gooch pasta products under the theme of "Put a smile on a pasta-loving face."

The promotion will be backed by Best Food Day cents-off coupons delivered to key cities during the January-through-May period, plus 30-second television spot commercials.

The campaign will be carried out at store-level with free recipe offers for shoppers. Other items available to stores include full-color banners, package stickers and "put-a-smile" campaign newspaper ad materials.



Ted Settany Promoted

Joseph P. Pellegrino, President of Prince Industries has appointed T. J. Settany to the new position of President of the Food Division of the Prince Company.

Prior to joining Prince Macaroni at National Sales Director in 1961, Settany was the Eastern Region Manager for the Pillsbury Company. He is being promoted from Vice President Marketing & Sales to the Presidency of the Food Division.

Conrad Lundell is replacing T. J. Settany as Vice President Marketing & Sales for the Prince Food Division. Prior to joining the Prince Company, Lundell was National Sales Director for the Salada Tea Company.

Quality Assurance VP at Prince

T. J. Settany, President of Prince Foods Company, announces the appointment of Farook Taufiq as Vice President Quality Assurance of the Prince Foods Co. He will be responsible for Product Quality, Plant Sanitation and Product Development at Corporate level.

N.M.M.A. Technical Seminar:
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Marshall Names Foods Group VP-Sales and Marketing

Marshall Foods, Inc. has announced the appointment of J. David Thomas as vice president-marketing and sales of the Foods Group.

Formerly regional sales manager of the Yoplait subsidiary of General Mills in Minneapolis, Thomas earlier had served as director of marketing for Food Producers International, a division of Beatrice Foods.

Thomas, 37, was graduated with a B.A. from the University of Minnesota, and has a MBA in marketing from the University of Illinois.

Also announced was the appointment of Michael Sebring as general manager and John Nordmark as manager of flock operations of its Egg Product Division.

Sebring, 43, spent the past 16 years with Armour Foods, from 1970 to 1979 as operations manager of its poultry, dairy and food oils division, and earlier as section head of egg products development in the food research division.

He holds a B.S. degree from Southwest Missouri State College, and a M.S. in food service from the University of Missouri, where he specialized in egg products development. He is chairman of the processing committee of the Poultry and Egg Institute of America.

Nordmark, formerly manager of pullet operations for Yoder's, Inc., Kalona, Iowa, earlier had spent 17 years with Land O'Lakes, New Richmond, Minn., as a feed and livestock specialist.

Marshall Foods, whose operations include wholesale food distribution, meat packing and service merchandising, is the nation's leading processor of egg products.

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

We have experience in these areas.

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Jack E. Rossotti, Vice President

George Leroy, Vice President and Marketing Director

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