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JOURNAL**

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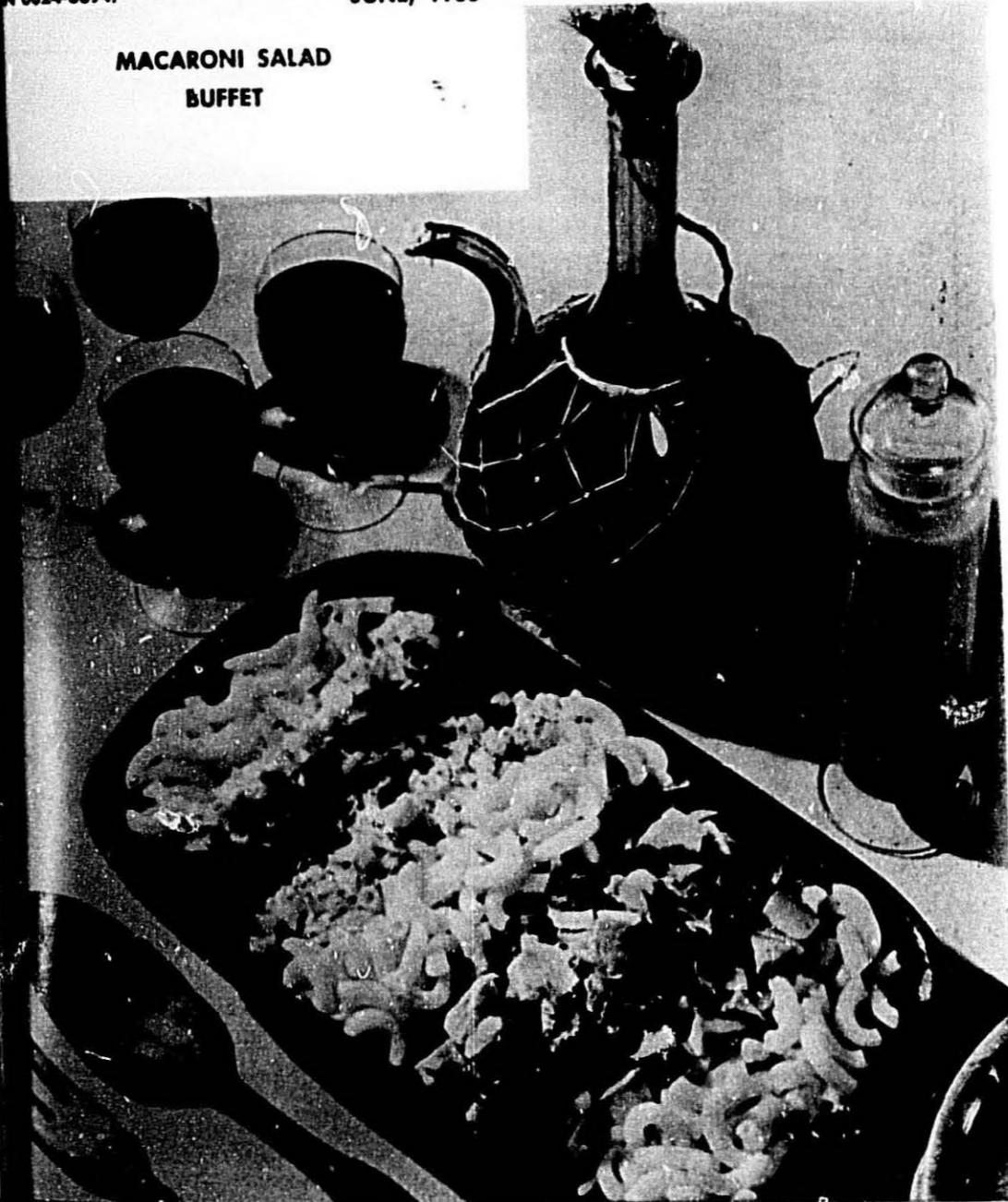
June, 1983

Macaroni Journal

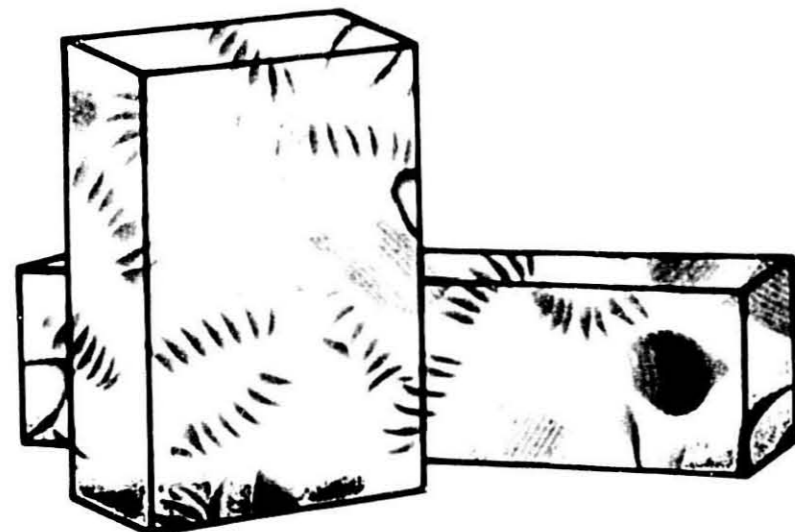
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The

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Officers

In This Issue

Columns

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79th Annual Meeting

Pasta Makers in America

WALL STREET JOURNAL STORY

On March 29, 1983, Betsy Morris, staff reporter of the Wall Street Journal, headlined: "U.S. Pasta Makers Are Angry at the Italians, Saying Cut-Rate Imports Are Stealing Sales."

Highlights of the story:

Pasta is as Italian as apple pie is American. But U.S. pasta makers want Americans to believe that the U.S. variety is superior in quality to most of what's made in Italy — and a more patriotic purchase.

The problem is that cut-rate Italian imports are penetrating the U.S. market with the help of European subsidies. U.S. pasta makers contend those subsidies are illegal. "In a fair fight, we don't want any help. But this isn't a fair fight," says Joseph P. Viviano, chairman of the National Pasta Association and president of San Giorgio-Skinner Co., a pasta unit of Hershey Foods Corp. "The Italians are playing by a different set of rules."

The two sides are vying for shares of a U.S. market that already is outpacing most segments in the country's food industry. By 1991, the pasta industry is expected to top \$3 billion a year in sales, compared with about \$1 billion this year, according to FIND/SVP, a New York market-research firm. In the past decade, Americans have increased their average annual pasta intake to 11 pounds from 8.6 pounds.

As part of this strategy, domestic pasta makers are pushing the issue of quality. They claim American pasta is just as smooth, tasty and firm as Italian pasta. They note that the ingredient critical to superior pasta is American-grown durum wheat. American factories are more sanitary, they say, sometimes citing a 1979 survey in Consumer Reports magazine that found unacceptable level of bug bits and rodent hairs in two Italian imports.

Trade Complaint

They also claim that Italian imports are threatening their livelihoods. Many of the imports are selling at 10 cents to 15 cents a package less than domestic brands. In the past year, imports have cut a 6% to 20% chunk out of the robust \$90 million New York pasta market, according to U.S. industry

claims, and have begun to reach places such as Tennessee and the Dakotas.

The National Pasta Association, the trade group representing U.S. pasta makers, has filed a complaint with the U.S. Trade Representative's office claiming that the subsidies — of as much as 12 cents a pound — violate international trade agreements between the U.S. and the European Economic Community. The complaint is pending before a judicial panel of the Geneva-based General Agreement on Tariffs and Trade, which is expected to present findings in the case next month.

In the meantime, the association has joined a growing number of groups lobbying Congress for protection from the subsidies.

Not everybody is sympathetic. Michael Karas, Jr., a Buffalo, N.Y., importer, has struggled unsuccessfully for two years to get Italian imports out of gourmet shops and onto supermarket shelves. "The fairness of a subsidy is in the eye of the beholder," he says.

Pasta Is Suddenly Chic

Mr. Karas believes the pasta makers' real concern isn't surviving but rather having to share the burgeoning U.S. pasta market. "All those years they had the supermarkets to themselves," he says. "Now they see their sacred ground being stomped on by importers, and at a time when pasta is really taking off."

Pasta, once considered starchy, bland and pretty much blue-collar, is suddenly chic. In recent months, pasta has been featured on the covers of Weight Watchers, Runner's World Magazine and Bette, Homes and Gardens. "The Beautiful People have discovered it," says Joseph Pellegrino, president of Prince Co., a Lowell, Mass., pasta maker. Food experts say pasta's popularity was spurred considerably by the recession and carbohydrate loading, the theory popular among athletes that energy can be stored with a high-carbohydrate meal.

The growth has caused representatives of the EEC to question how the imports, which make less than 5% of the overall U.S. market, can be a threat. Domestic pasta makers decline to give specific numbers on their suffering. But they insist that the low prices and glamorous image of the im-

ports are luring away customers. Among chic consumers, "it's essential to eat pasta imported from Italy," says Mr. Pellegrino. Market-share figures from Selling Areas-Marketing Inc. indicate that the grip of major U.S. pasta companies on the domestic market slipped slightly last year.

U.S. pasta makers are trying various ways to offset the supposed glamour of Italian imports. On the East Coast, domestic brands have cut prices by as much as 10 cents a box. U.S. spaghetti companies, normally strict with retailers, "are dealing like crazy," says a buyer with a large New York-area grocery chain.

Quality is the dominant theme in new advertising campaigns for Ronzoni Macaroni Co. and San Giorgio-Skinner. The pasta association has been urging retailers to stand by American brands for their quality and cleanliness. Domestic pasta makers say Italian quality controls are lax and manufacturing facilities old-fashioned.

Italian importers and retailers note that imports are carefully screened by the Food and Drug Administration. An FDA spokesman says some insect and rodent "filth is unavoidable" in commodity-based foods, and that he has no evidence that Italian pasta is filthier than domestic pasta. The agency randomly tests 15% to 20% of all imports and refuses any that contain more than the U.S. acceptable level of filth, which is 225 insect fragments and 4.5 rodent hairs per 225 grams — about eight ounces — of pasta. The spokesman said the agency has not found that Italian products exceed those levels.

A lot is riding on the GATT case. The major issue is whether the subsidizing of Italian pasta violates international trade agreements that prohibit subsidies on processed products. The pasta association claims that pasta—made primarily of wheat ground to flour, mixed with water and other ingredients, cut into shapes and dried—is processed and should not be subsidized.

Similar Case

The EEC claims it is subsidizing the wheat in the pasta, not the pasta itself, and that the subsidies aren't in conflict with trade agreements. The pur-

pose of the subsidy structure, according to an EEC spokeswoman, is to keep prices of European wheat in line with world prices. The subsidies aren't designed to undercut U.S. pasta makers, she says.

In a similar case earlier this month, a GATT panel found insufficient evidence to rule that European subsidies of wheat-flour exports were illegal. Two other cases involving subsidizing of poultry and canned fruit and raisins have been brought, respectively, by the National Broiler Council and a group headed by the California Cling Peach Advisory Board.

But the pasta case is next in line before the GATT panel and comes at a time of increasing disillusionment with the GATT system and increasing pressure on Congress to make changes in domestic trade policies to protect domestic industries from the subsidies.

If the GATT panel's ruling favors the U.S., it could include recommendations that the EEC either stop or reduce the pasta subsidies. But the ruling isn't binding, and the GATT panel has no means of enforcement. Italy would not have to follow the recommendations. If the panel rules against the U.S. pasta industry, the pasta association will probably urge the U.S. government to institute some kind of retaliatory trade sanctions.

Says Mr. Pellegrino of Prince: "I supposedly believe in free trade. But right now, I'm hoping first for anything that will benefit me and my company."

U. Durum Export Promotion Programs Proposed

After meeting with U.S. Department of Agriculture officials concerning proposed U.S. durum exports, the National Wheat Commission and the U.S. Durum Growers Association prepared after the administration's sale of flour to Egypt.

"An export PIK for semolina and pasta products would fit in with the current popular issue of increasing U.S. exports of value added products and at the same time help to preserve and recapture markets for producers, millers and manufacturers," Maier said. Scheflo said USDGA officials said at their meeting in early March that certain provisions must be met before

"The bid would be the per bushel amount necessary to sell durum at competitive prices in the world market place," Maier said. "The value of the certificate would have to be approximately equal to the difference in the U.S. durum price and the lower price of durum available from other origins in the export market."

If CCC accepts the bid and the exporter has proven that a quantity of durum has been exported, Maier said, CCC would issue to the exporter a devisable/transferable certificate equal in amount to the per bushel bid times the quantity exported.

"These certificates would be redeemable from CCC only by durum producers," Maier said. "The exporter could sell the certificate to anyone, but eventually someone would have to use them to buy durum directly from U.S. producers. Upon receipt, the durum producer would have the option of redeeming them in cash at face value or in exchange for durum stocks in the three year reserve program."

EEC Production Increases

Monroe Scheflo, USDGA president, said it has been well documented by USDA and other U.S. trade officials that durum production in the EEC has dramatically increased in the past two years as a result of EEC's Common Agricultural Policy and its domestic price and restitution (subsidy) structure which encourages increased EEC durum production.

"Subsidized EEC durum and durum product exports are largely responsible for the 30 percent decline in U.S. exports of durum to Mediterranean Basin countries, which have historically accounted for 50-60 percent of annual U.S. durum exports," Scheflo said.

Maier said the second of the two proposals "export payment-in-kind program for U.S. semolina and finished pasta products" is patterned after the administration's sale of flour to Egypt.

"An export PIK for semolina and pasta products would fit in with the current popular issue of increasing U.S. exports of value added products and at the same time help to preserve and recapture markets for producers, millers and manufacturers," Maier said.

Scheflo said USDGA officials said at their meeting in early March that certain provisions must be met before

government-supported efforts will be implemented to enhance commercial markets durum and for durum-based products.

"Any subsidy for market enhancement initiative requires that a specific country or area be targeted with a particular commodity or product for export," Scheflo said. "The goal of such measures is to demonstrate that the U.S. is serious about protecting the markets established for its products without prompting a full scale trade war."

Target Markets

Maier said target markets for these export PIK program would be those countries that are already substantial markets of durum and also import substantial quantities of semolina and/or pasta. "Algeria and Tunisia meet these criteria and both could qualify as recipients in such export enhancement programs. Both import U.S. durum but also import durum semolina and pasta products largely from the European Economic Community."

"We think we can learn from the recent subsidized sale of U.S. flour to Egypt," Scheflo said. "That kind of initiative could help us protect the world market for durum and products of the U.S. durum industry."

Scheflo said the U.S. durum industry needs to take a holistic approach towards expanding markets and support these proposals which he feels will enable U.S. durum, semolina and pasta products to be competitive in today's world market.

Eating Patterns Change

In the five years between 1976 and 1981, Americans drastically changed their eating patterns, according to a report from the Center for Science in the Public Interest, a consumer activist group. Biggest increase was corn syrup, up 67.6%. Biggest drop was beef and veal, down 19.4%. Soft drinks were up 25.3%, soybean oil, up 20.6%, poultry up 20.3%, and low-fat milk 20%. Biggest gainer among the meat group was pork, up 19%. Whole milk was down 19%, coffee down 17.6%, sugar down 14.9%, and citrus fruits down 12.6%. Fish consumption was almost level, as was use of flour and cereal. Eggs were down 2%, butter up 2.3%, margarine down 5.9%, cheese up 9.3%.

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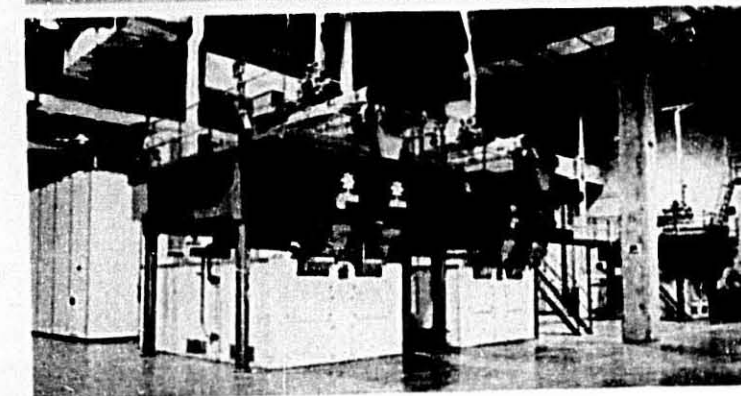
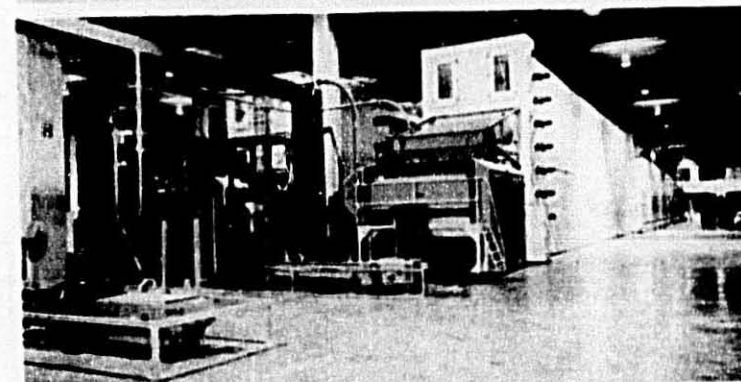
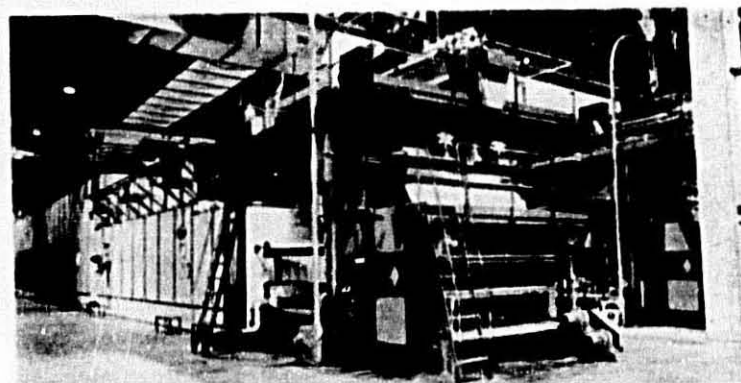


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- 2 in SWITZERLAND
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- 1 in BOLIVIA
- 1 in CZECHOSLOVAKIA
- 1 in FINLAND
- 1 in GREAT BRITAIN
- 1 in GREECE
- 1 in INDIA
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E.E.C. and U.S. Fail to Agree

Political high-level trade talks between the U.S. and the European Community ended in Mid-March in Washington with no agreement reached on the agricultural disputes. U.S. Trade Ambassador Bill Brock and USDA Deputy Secretary Richard Lyng met with EEC Vice President for External Relations Wilhelm Haferkamp, EEC Agriculture Commissioner Paul Dalsager, and Roy Denman, Head of the EEC Delegation to the U.S. for two days in what some European observers described as a "last ditch effort" to avoid a full-scale trade war. The EEC's market disruptive use of export subsidies on farm products remains the focal point of discussions from the U.S. side. Perhaps the one common point of agreement between both sides is the fact that a full-fledged trade war would be a losing proposition of enormous economic consequences for both sides of the Atlantic, particularly when both economies are sitting on voluminous surpluses of farm products. The U.S. has recently conducted private, bilateral talks with several major trade allies seeking a basic overhaul of the international trading rules presently set by the GATT.

U.S. Wheat Associates

U.S. Wheat Newsletter states: "Government of the United States and the European Economic Community based in Geneva met last week over the subsidized sale of U.S. wheat flour to Egypt. During the meeting, the EEC representatives vigorously complained about the wheat flour sale and demanded \$30 million from the United States in compensation for alleged losses to the Community as a result of the sale. Moreover, the EEC officials claimed that \$200 million in balance of payments losses will be incurred by the Community from lost flour sales and that the sale price for the flour negotiated with Egyptian Government officials was well below domestic U.S. and world market prices—a claim not surprising to U.S. agriculture officials, but yet somewhat humorous in the face of burgeoning EEC subsidies for flour and other agricultural products that permit the Community effectively to dump surplus commodities on the world market. Trade observers have indicated the EEC requested specific de-

tails about the wheat flour transaction and have indicated further action may be taken before an arbitration panel of the General Agreement on Tariff and Trade. The U.S. Government is expected to reply to the Community before April 1, 1983. Notwithstanding recent Community reactions on this issue, EEC flour millers have been highly critical of the EEC for what they assess as no meaningful retaliation against the United States for the subsidized flour sale. The Community has, however, filed a complaint with the GATT over the flour sale—the outcome of which will be interesting following the decision last week by a GATT panel on a similar complaint filed by the U.S. against the EEC. In that case, the panel ruled the Community had not captured an unfair share of the world flour market as a result of subsidized sales and, therefore, was not in violation of the GATT subsidies code. This decision by the GATT panel further brings into question what many U.S. agricultural observers have doubted for many years—the validity and effectiveness of the GATT dispute process. This decision will only serve to further exacerbate an already difficult situation involving trade disputes between the U.S. and EEC and eliminate any chances for meaningful resolution of these issues in the immediate future.

How to Avert Trade War

A three-step approach to preventing an agricultural trade war between the U.S. and Western Europe was proposed by Michel Fribourg, president, Continental Grain Co., in an address to the annual convention of the National Grain and Feed Association in Washington on March 15. Stressing the immediacy of a potential conflict that he described as posing a threat not just to trade in agriculture but to the economic health of the Western world, Mr. Fribourg acknowledged the great complexity of the issues involved. "This crisis was created by real problems that require real solutions," he declared.

His three-step approach which he stated "might avoid the war," included: (1) Elevation of the U.S.-European Community agricultural trade dispute to the highest levels of political accommodation and reality; (2) adoption by both parties of a five-

year interim agreement, first freezing, then gradually reducing the gap in their respective agricultural support prices; and (3) development by both sides (U.S. and E.C.) of a joint effort to stabilize the economies of the developing nations.

In presenting a positive means of averting a trade war, Mr. Fribourg also warned against actions that cannot work, such as unilaterally aggressive U.S. action, adoption of international cartels, fostering protectionism, and aggravating political differences.

Algerian Crop Cut

Algeria's imports of wheat and flour in 1982-83 are projected to be up slightly from the prior year, said the Foreign Agricultural Service. The latest import estimate is 3 million tonnes, of which 2.2 million will be as wheat and the balance in flour equivalent. In 1981-82, Algeria imported 2.6 million tonnes of wheat and flour. Drought and high temperatures during the growing season cut the 1982 crop, with durum production off 15% from the previous year and soft wheat down 27%. F.A.S. noted that the U.S. share of the Algerian market will be affected by agreements in place with Canada and Argentina and competition from the European Community.

Nisshin Imports Italian Pasta

According to *World Food Report*, Nisshin Flour Milling Co. has started selling Italian-made pasta in Japan, and plans eventually to produce an Italian-type product for the Japanese market. Nisshin's arrangement is with De Cecco of Italy. Under the agreement, Nisshin is marketing a total of 24 different varieties of pasta.

Nippon Flour Mills has entered into a similar arrangement with Farilla, the leading Italian pasta manufacturer, and Kagome, a leading tomato processor in Japan, has concluded an agreement with Industrie Buitoni Perugina.

"The growing interest in pasta is part of the general trend towards European and North American food," said *World Food Report*. "In 1982 Japanese imports of pasta increased by about 20% over the prior year to nearly 14,000 tonnes."



From left to right: Mr. Salvatore Di Cecco, Mrs. Laura Ricciorelli, Mr. Mario Ricciorelli, Mr. Aldo Ricciorelli, Mrs. Mirco Di Cecco, Mr. Alessandro Di Cecco.

NORTHERN CROPS INSTITUTE

by Barry Brissman, North Dakota Farm Research Bimonthly Bulletin

Ask people around the world what they know about North Dakota crops and from many you will get a very short answer.

That's a problem.

Part of the solution may be the newly organized Northern Crops Institute which soon will be teaching world food industry leaders how to purchase, process and use the crops of North Dakota and adjacent parts of Montana, South Dakota and Minnesota.

Operating from a new building on the campus of North Dakota State University, the Institute will offer educational programs to all manner of food industry professionals, from brewers and bakers and pasta makers to millers and commodity traders. The purpose of the programs: to attract new buyers of northern crops in developing areas of the world, particularly in Africa, Asia and South America, and to provide better service to established buyers at home and abroad.

Attracting buyers requires making people aware of what crops the northern plains region has to offer. It is common knowledge that California has grapes, Iowa has corn and Hawaii has pineapple, but not so commonly known that North Dakota leads the United States in production of barley, sunflower, pinto beans, flax, durum and hard red spring wheat. The Northern Crops Institute will inform prospective customers what crops are available in the region and will teach them how these crops may be efficiently purchased, processed and adapted for specific uses. It will aim to solve problems of present and potential customers which, unattended, might cause them to opt for crops from other regions of the world.

What kinds of problems? Take, for example, a foreign grain buyer who requires high-protein wheat to mix with locally grown low-protein varieties. North Dakota grows high-protein wheat to suit his needs, but he has a problem if he hasn't the expertise to mill that wheat and mix it with other wheats to serve the particular baking requirements of his company or country.

He also faces problems when he goes to buy the Dakota wheat he needs. For one thing, he must master the intricacies of the Federal Grain Inspection Service grading system. If he doesn't, he is not likely to get the quality he thought he'd bargained for, and his disappointment when his shipment arrives will do neither him nor Dakota growers any good.

For another thing, buying American means he cannot deal with a single governmental office which handles all foreign grain sales, as he could if he bought from Canada or Argentina. Buying American means finding his way through a strange landscape of futures, selling short, hedging, selling long, and so forth. Though theoretically it may be possible for him to get the best and cheapest wheat by buying in the competitive American market, he can do so only if he understands the system.

Training him to understand the system, and to effectively process the commodities he purchases, is part of the mission of the Northern Crops Institute.

The Institute will also provide better service to established buyers of northern crops. Mel Maier, administrator of the North Dakota Wheat Commission, believes "we need to greatly expand our ability to provide technical and marketing assistance to our customers, both domestic and foreign, not only for wheat but for all other commodities. We need a focal point in the state to do this, a facility that has access to research and that is able to demonstrate in a laboratory setting the various methods of handling and various uses of the crops we grow."

Maier has been instrumental in getting the Institute established, largely because he expects it to be just such a focal point.

One way the Institute will carry out educational programs is through two-day to two-week short courses designed to meet whatever buyer, processor or consumer needs come up. Presently five courses have been developed. These include Management of spring grains procurement for importers, Barley malt and beer quality evaluation, and Durum wheat production, marketing and utilization.

1981 Ranking Among All States of North Dakota, Minnesota, South Dakota and Montana in production of Commodities to be Addressed by the Northern Crops Institute*

Commodity	ND	MIN	SD	MT
All wheat	1	7	—	4
Hard red spring wheat	1	2	4	3
Durum	1	6	5	4
Barley	1	3	5	4
Sunflower	1	2	3	—
Pinto beans	1	7	—	10
Flax seed	1	3	2	—
Navy beans	2	3	—	—
Dry edible beans	2	8	—	—
Sugar beets	4	2	—	9
Rye	4	2	1	—
Oats	5	1	2	—
Potatoes	6	8	—	—
Mustard seed**	1	—	—	—
Buckwheat**	1	2	—	—
Rapeseed**	1	—	—	—
Canary seed**	1	2	—	—

* Rankings below top ten not listed. Data from North Dakota Agricultural Statistics, 1982, compiled by North Dakota Crop and Livestock Reporting Service.

** Specialty crop, data from private communication of industry estimates.

Courses will emphasize practical application and will be taught through lectures, case histories, tours and laboratory demonstrations. Experts from the faculty of North Dakota State University and from private industry will serve as course instructors and as consultants for a number of other Institute programs, including the preparation of publications for distribution in the U.S. and abroad, on-site consultations to solve crop problems, identification of marketing problems abroad, and short-term research to solve all kinds of crop problems.

The director of the new Institute is Dr. Brendan Donnelly. Before coming to the Institute he was manager of the North American Plant Breeders cereal quality lab in Colorado and affiliate professor in the department of food science and nutrition at Colorado State University. Prior to that he was associate professor in the department of cereal chemistry and technology at NDSU. Like Maier, Donnelly sees the Institute as a place for bringing into clear focus the agricultural products of the entire region, both to solve problems relating to them and to publicize them.

(Continued on page 12)

THE MACARONI JOURNAL



Experts don't kid around when it comes to digging into good tasting, nutritious pasta dishes.

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Northern Crops Institute

(Continued from page 10)

"In the past, trade teams have shown a great deal of interest in the traditional crops of our region, in hard red spring wheat and durum, and when they came to campus we dealt with those crops only. Now we'll be able to call their attention to other crops as well, to say to them, 'While you're here, have a look at this display of edible beans, or potatoes, or buckwheat.' We'll have an excellent opportunity, in convenient surroundings, to tell the right people about the wide range of quality crops available in the Dakotas, Minnesota and Montana."

Donnelly believes he is promoting high-quality products. To do this he intends to provide high-quality educational programs. He considers it important that trade teams know they are dealing with high quality from the moment they enter the Institute.

At present the three-story building stands barricaded and desolate. The only sign of life is the twinkle of construction lights seen through an expanse of glass above the entrance. By February the barricades will be down, the Institute will be open. By early fall it should be fully operational.

Visitors will approach it across a patio of red brick. On entering they will find themselves in a professionally-designed display room where all commodities of the region are presented to view in glass cabinets. The walls will be hung with large color photographs of agricultural scenes.

"We want people to feel almost as if they are entering an art gallery," says Donnelly. "And we want this same sense of solid quality to be evident to them as they visit all areas of our facility."

The flags of forty or fifty nations will hang under a skylight just to the right of the display room, and whenever a national group visits the Institute their nation's flag will be highlighted. Hard to the right of the display room is the director's office and reception area.

Behind the display room a tiered and carpeted auditorium is under construction. Designed for formal intimacy, it will seat thirty people at executive-style desks. Each wooden desk will be trimmed with brass and equipped with headphones for listening to simultaneous translation of lectures, films and slide/tape presentations. Two booths for translators and

a projection booth are at the rear of the auditorium.

The second floor of the Institute features a conference room which on one side looks out through an expanse of glass to the street and on the other side looks in through a glass wall to the bake shop and the food and pasta processing laboratory. Also located on the second floor will be a library and reading room.

On the top floor two analytical labs and a commodity grading lab are being built. Like the bake shop and the food and pasta processing laboratory, these will be used to demonstrate the handling and processing of northern crops. Office space also will be located here.

At all three floors the Institute will adjoin the old cereal chemistry building — appropriately enough, since the Institute will depend heavily on personnel from the cereal chemistry department to carry out its programs. In fact, the Institute evolved from a program begun more than ten years ago when the department of cereal chemistry and technology at NDSU began hosting foreign trade teams on campus and began sending faculty abroad to report to customers on the quality of the spring and durum wheat crops, and to help them solve problems in the use of these wheats. Trade team traffic to Fargo grew heavy over the years (last year thirteen teams came to NDSU), and in 1980 department chairman Orville Banasik requested funds for an addition to the cereal tech building so that visiting trade teams could be accommodated more easily and effectively. His request was denied by the state Board of Higher Education.

But in November of 1980 his idea was taken up by a Durum Growers Association meeting in Rugby, and enlarged. Soon commodity groups throughout North Dakota and Minnesota took hold of it and decided they wanted not merely an addition to the cereal tech building, but an independent crop institute. A bill was drafted, was sent to the North Dakota State Legislature in January 1981, and was passed in March. Nine months later ground was broken for the new Northern Crops Institute building.

The Northern Crops Institute is the first separate and distinct facility of its kind in the U.S. Similar in function to the Canadian International Grains Program which is housed with-

Crops of the Four-state Region - Percent of Total 1981 U.S. Production*

All wheat	26
Hard red spring wheat	89
Durum	82
Barley	50
Sunflower	99
Pinto beans	32
Flax seed	100
Navy beans	25
Dry edible beans	19.2
Sugar beets	21.7
Rye	40
Oats	94
Potatoes	19.7
Mustard seed**	100
Rapeseed**	100
Canary seed**	100

* Data from Crop Production: 1981 Annual Summary, SRS/USDA.

** Specialty crop, data from private communication of industry estimates.

in the department of grain science and industry at Kansas State University, its programs will deal with far more crops (see chart) than either of those institutions.

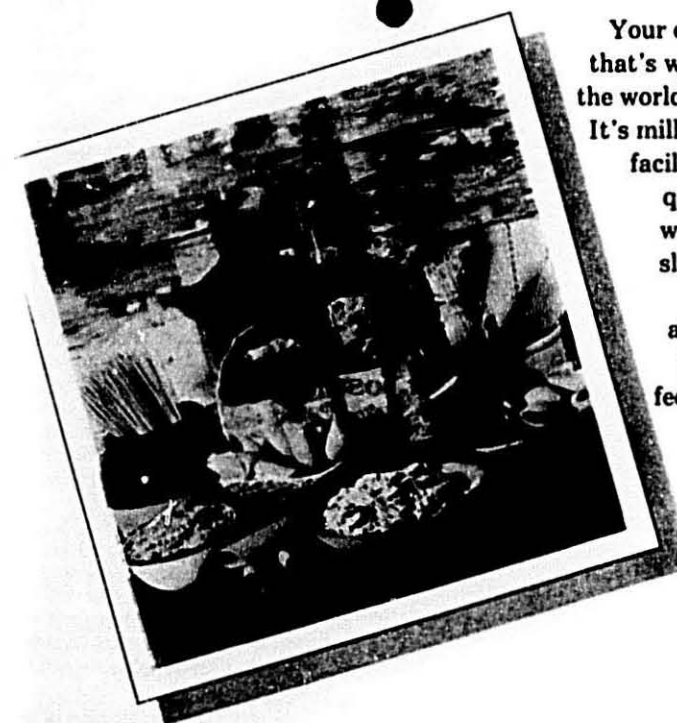
The director of the Institute is responsible to the director of the North Dakota State University Agricultural Experiment Station in matters administrative, and to the Northern Crop Council in matters of policy. Dr. Ronald Lund is director of the Experiment Station. The Northern Crops Council is made up of northern crop producers plus state, university and commodity group officials.

Producer members of the first Northern Crops Council are chairman George Sinner, Ed Ross, Jim Johnson, Art Grandalen and Wes Tresselt. Ross is from Minnesota and represents Minnesota wheat growers' interests on the council. The rest are from North Dakota. Other council members are Kent Jones, North Dakota commissioner of agriculture (or his designee, Dina Butcher); Dr. Joseph Stanek, NDSU acting vice president of agricultural affairs; George Howe, chairman of the North Dakota State Wheat Commission; and Mary Klevorick, chairman of the National Sunflower Association.

To get the Northern Crops Institute project started, the Legislature appropriated \$1.5 million to construct the new Institute building and committed \$60,000 to defray operating expenses in the 1981-82 biennium, but did not commit funds for staff. Commodity groups, farmer organizations,

(Continued on page 14)

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Northern Crops Institute

(Continued from page 12)

market development organizations, private industry and other organizations have provided approximately \$100,000 to support the Institute till July 1983 when the new budgeted biennium begins. Efforts are under way to have wheat producers in South Dakota and Montana be active participants in the Northern Crops Institute, and the Institute is seeking three-quarters of a million dollars from the North Dakota Legislature to cover initial equipment purchases plus operating expenses and staff salaries for the 1983-84 biennium.

Donnelly hopes the Legislature will grant the Institute permanent salary funding for a director, assistant director, technician and secretary.

What will be the return for this expense?

Probably no one will ever know, exactly. Mel Maier points out that "in order to be competitive in marketing you've got to be price competitive, you've got to be quality competitive, and you've got to be competitive in trade service. And the effect of trade servicing is probably the hardest to measure."

But one thing is certain. If prospective customers don't know what northern crops are available, or how to use them, or how to acquire them, they won't buy many.

The northern plains region has a whole lot of agricultural produce to offer, but for every crop raised on the northern plains which may interest a prospective customer, there is a competitive or alternative crop raised somewhere else that might interest him instead. North Dakota raises wheat, but so do Canada and Argentina and Brazil — and at the moment Canada can offer lower freight rates than the U.S. and a good many countries have come to enjoy reputations as more reliable commodity suppliers than the U.S. All this means that it is more important than ever for North Dakota region producers to be certain that prospective buyers fully understand the advantages of purchasing high-quality products of the northern plains.

In offering educational programs, the Northern Crops Institute will work closely with the Foreign Agricultural Service of the USDA through U.S. Wheat Associates, a promotional organization with offices in Chile, China,

Egypt, Holland, Hong Kong, India, Japan, Korea, Mexico, Morocco, Philippines, Singapore and Taiwan. U.S. Wheat Associates is supported by commodity groups in North Dakota and twelve other states. Donnelly expects to use its vast network to make initial contact with a number of the trade teams that will come to Fargo for training. Because wheat is the best-known crop of the northern plains, it is a very good starting point for introducing the world to other crops of the region. Later, the Institute hopes to work with market development organizations such as the U.S. Feed Grains Council.

Donnelly is optimistic about what the Northern Crops Institute will accomplish for agriculture in North Dakota, Minnesota, Montana and South Dakota over the long term. He gets a little nervous, however, when anyone suggests that the Institute is going to turn up quick bucks for northern plains farmers. Education does not turn up quick bucks. It isn't a quick fix.

"Running a crop institute," says Donnelly, "is rather like running a farm. You cultivate, you sow, you wait. Maybe you make money the first year and maybe you don't. But if you do the job right, you expect to come out ahead over the long haul. We intend to do a good job of informing the world about northern crops, and in the long run we expect this to pay off."

Durum Release Named Lloyd

A new variety of durum wheat has been named "Lloyd" in honor of Lloyd Skinner, Chairman of the Board of San Giorgio-Skinner Company.

San Giorgio-Skinner Company is the pasta division of Hershey Foods Corporation. The company is headquartered in Hershey but has operations in Lebanon, PA, Omaha, NE, and Louisville, KY.

The new variety was developed in 1974 by the North Dakota Agricultural Experiment Station of North Dakota State University in cooperation with the Agricultural Research Service of the United States Department of Agriculture.

According to Roy Cantrell and Joel Dick of North Dakota State University, the new strain was developed from a cross between Cando and Edmore durum. It has been in testing

since 1974 and has been found to be equal to or better than some other varieties in yield, root rot resistance and disease reaction.

Cantrell and Dick said that new durum varieties are generally named after counties or towns in North Dakota, where most of the durum in the United States is grown. But they said they found it appropriate to make an exception in order to honor Skinner and his lifelong dedication to the pasta industry.

Skinner, who has been active in the industry since 1933, has been a member of the Board of Directors of the National Pasta Association since 1950 and was its president from 1957 to 1958. Through that organization, he has been a strong advocate of durum improvement research at North Dakota State University. In 1975, he received a merit award from the U.S. Durum Wheat Growers Association.

Wheat Stocks Grow

Higher than expected participation in the 1983 payment-in-kind (PIK) and acreage reduction programs is expected to reduce this year's U.S. wheat production, but much of the potentially positive effect will be offset by year-end carryover stocks, according to a state wheat economist.

Neal Fisher, North Dakota Wheat Commission marketing specialist, said preliminary estimates project a 1983 U.S. wheat crop of 2,265 million bushels down 544 million bushels or 20 percent from 1982.

"Despite this decrease in wheat production, the potential for reduced stocks is largely offset by growth in 1982-83 carryover stocks, currently expected to increase 418 million bushels or by 35 percent over the previous year," Fisher said. "But without a PIK program this year, U.S. wheat production would have again increased making an already price depressing situation even more serious."

Enrollment analysis of U.S. wheat acreage indicates that 35 percent or 32 million acres, of the 90.8 million acre total U.S. wheat base will be planted this year leaving 65 percent or 58.8 million acres of the total national base still available for planting and harvest in 1983.

"Final estimates of planted acreage will vary somewhat with the intentions

(Continued on page 16)

THE MACARONI JOURNAL

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Wheat Stocks Grow

(Continued from page 14)

of those producers who are only in the 20 percent acreage reduction program," Fisher said. "These producers may decide not to certify their acreage until later this summer, effectively increasing their acreage for harvest. Producers in the PIK program do not have that option without paying substantial penalties."

Although 1983 acreage is expected to be reduced to the same level as in 1973, Fisher said this year's harvest is expected to be substantially larger due to more extensive use of fertilizer and weed control measures on fewer acres. As a result, USDA expects average yields to be a record 36-40 bushels per acre as compared to 31.7 in 1973.

Fisher said export market opportunities for U.S. wheat have diminished this year as a result of diplomatic disputes, a worldwide recession and increased competition from other exporting nations.

Reduced U.S. exports to the USSR, China and several other important customers have contributed to price depressing carryover stocks," Fisher said. "A reversal of this trend and a renewal of an aggressive decisive U.S. acreage reduction programs and reduce stocks to price recovery levels. The supply and demand situation implied by preliminary analysis of the PIK program does not indicate substantial price improvement for hard red spring wheat and durum by itself."

Farmers Will Idle 35.5% of Wheat Acreage

Wheat farmers plan to idle 32,052,569 acres out of a cropland base of 90,806,013 acres, or 35.3% of the base, under the 1983 crop wheat programs, the Agricultural Stabilization and Conservation Service of the U.S. Department of Agriculture revealed March 22.

Enrollment in the programs, including the 20% acreage reduction, with 5% as paid diversion, and the supplemental payment-in-kind, covers 86.2% of the wheat crop land base. Growers of corn and sorghum plan to idle, 39,429,878 acres out of a cropland base of 101,059,533 acres, or 39% of the base, with 78% of the base enrolled.

Farmer participation in the programs for both food and feed grains

greatly exceeded trade expectations and triggered a surge in future prices. "The sign-up was beyond my wildest expectations," said Secretary of Agriculture John R. Block.

Growers in the spring wheat states enrolled a larger portion of their acreage in the programs than producers in other wheat regions. This was hardly a surprise as farmers in the Upper Midwest are not only more receptive to government loan programs but also because winter wheat had been planted before p-i-k details were announced in January.

In the four major spring wheat states — North Dakota, Montana, South Dakota and Minnesota — wheat growers enrolled 96.4% of the cropland base in the programs, resulting in the withdrawal of 41.2% of the base from production. Spring and durum farmers put a larger proportion of their land under p-i-k rather than in the 20% acreage reduction program alone, with 84.8% of the idled acreage in p-i-k and 15.2% in acreage reduction only.

Conrail Increases Grain Shipments

A major restructuring of a century-old set of grain tariffs, truck-competitive rates and special efforts to meet shipper requirements helped spur Consolidated Rail Corporation to a 15 percent increase in moving grain shipments in 1982 vs. 1981 (88,685 carloads vs. 76,826 carloads, respectively).

That trend has continued in early 1983 with 10,432 carloads of grain and grain products carried by Conrail in January, about a 50 percent increase over January, 1982.

James A. Hagen, senior vice president, marketing and sales, said that "a 1981 revision of our 4,000 page-plus grain tariff to two concise documents totaling less than 40 pages, and selected lower rates, have enabled Conrail to respond quickly to shipper needs and we have been able to increase our share of the available market."

In the grain rate restructuring, one tariff sets rates for grains and grain products for human consumption; the other deals with feed grains and other grain products generally not for human consumption.

Another tariff, commonly referred to as the "one-cut", was designed for the large-volume grain shipper to encourage greater efficiency in the loading, unloading and utilization of rail cars and results in substantial savings for the shipper. Specifically, the one-cut tariff, introduced by Conrail in 1980, and later modified, enabled Conrail to set competitive rates resulting in one grain marketer locating two new grain elevators with a combined capacity of 500,000 bushels on Conrail's Detroit-Chicago main line in Michigan. In 1982, the first full year of operation at the elevators, Conrail handled over 4,000 carloads of export grain. Conrail's low rates enabled the marketer to sell his Michigan grain in the export market for the first time.

Lower Rates

Lower rates have also enabled Delaware Peninsula (in Delaware) grain growers to tap new markets previously inaccessible to them because of high transportation costs. Marketers shipped 450 carloadings of feed corn via Conrail out of that region to other areas of the country, none of which had previously moved by rail.

In late 1982, in another action to compete with trucks, Conrail slashed its rates for corn and grain from northwestern and north central New York State to dairy and poultry farms in the Southern Tier of the state. The rates are nearly 50 percent lower than truck rates and were established to capture the intrastate feed grain market. In the last two months of 1982, Conrail handled 75 carloads (7,500 tons) of that traffic, all of which had moved by truck. Conrail in 1982 also increased its share of the interstate grain traffic moving into New York State. It carried out 1,500 carloadings of corn into the state from other areas in 1982, vs. about 700 carloadings in 1981.

In 1983 Conrail is continuing to work with customers to develop attractive rates and service packages tailored to marketers' individual needs.

Arizona Mill to Open

ConAgri is the nation's largest flour miller with 25 mills and total wheat flour-durum-rye daily capacity of more than 210,000 cwt. It recently completed expansion of its Oakland, Calif., mill and early this summer will open a new mill at Tolleson, Ariz.

near Phoenix. The Arizona unit will include a 5,000-cwt hard winter wheat mill and a 3,000-cwt durum mill.

Record Earnings By Multifoods

International Multifoods Corp. posted record earnings in the fiscal year ended Feb. 28 and higher earnings from continuing operations for the 15th consecutive year, according to William G. Phillips, chairman and chief executive officer. Mr. Phillips noted that Multifoods in fiscal 1983 also increased its common stock dividend for the 11th consecutive year and achieved record return on common stockholders' equity.

Net earnings of Multifoods in the year ended Feb. 28 totaled \$35,493,000, equal to \$4.32 per share on the common stock, up 7% from \$33,153,000, or \$4.07 a share, in fiscal 1982. Sales in the year aggregated \$1,118,242,000, down from \$1,147,659,000 the previous year.

In the fiscal year ended Feb. 28, 1981, Multifoods had net income of \$28,387,000, equal to \$3.49 per share on the common stock, on sales of \$1,088,110,000.

Earnings in the fourth quarter ended Feb. 28 totaled \$9,807,000, or \$1.20 a share, up from \$9,004,000, or \$1.09 a share, in the year-ago fourth quarter. Sales in the 12-week period aggregated \$291,317,000, up slightly from \$280,100,000 a year ago.

Peso Devaluation Hurts

Phillips noted that fiscal 1983 earnings would have been higher were it not for the adverse impact of the devaluation and lack of convertibility of the Mexican peso. These factors resulted in an estimated loss equal to 6% of common share.

Prices were off in the year because commodity costs to Multifoods translated into reduced product prices. Mr. Phillips said the volume of unit sales was virtually unaffected from the previous year.

Commenting on results from Multifoods' 45% interest in a diversified Mexican agribusiness, Mr. Phillips said, "We are extremely proud of the job our Mexican management team has done. Operationally, measured in pesos or volume, our affiliate again posted record results. However, due to the lack of exchangeability between the currencies of the United States and

Mexico we changed the method of accounting for our Mexican investment from the equity method to the cost method. Recognition of future earnings will be deferred until a free flow of funds between the two countries is restored.

"Thanks to our many capable and hard-working employees, we have been able to create an enviable 15-year record of growth. We are confident that together we will be able to add fiscal 1984 to our record of successes."

Worldwide Earnings Up

In commenting on the results, Darrell M. Runke, vice-chairman, said, "Worldwide operating earnings increased 14%, with the strong performance from non-U.S. businesses more than offsetting a decline from U.S. operations."

"For the third consecutive year, Consumer segment results were very good, with record performances in the United States and Venezuela, and another fine year in Canada."

In the Industrial segment, an earnings decline reflected a reduction in grain merchandising, flour exports and a decline in the price and demand for durum products in North America.

The Agriculture segment recorded "a significant turnaround over the depressed level of last year," Mr. Runke said, "due to improved margins and the results from Dynamino, a swine feeding program we introduced in the United States."

In the Away-From-Home Eating segment, earnings declined as customer counts in U.S. restaurants were down.

General Mills Loss

An after-tax foreign exchange loss of \$10.1 million, equal to 20¢ per share on the common stock, led to a decline in earnings for General Mills, Inc., in the third quarter ended Feb. 27 from the year-ago period.

H. Brewster Atwater Jr., chairman of General Mills, noted that the company's second quarter report had indicated that the decline was anticipated. He said the fourth quarter will show a large profit gain over the comparable 1982 period, when earnings were reduced by charges related to dispositions, and will result in the 21st consecutive year of growth in earnings and earnings per share.

Third quarter net totals \$36 million

Net income of General Mills in the third quarter was \$36.4 million, equal to 72¢ per share, compared with \$42.2 million, or 84¢ per share, restated, a year ago. Sales aggregated \$1,280.6 million, up from \$1,233.8 million in the third quarter a year ago.

For the 39 weeks ended Feb. 27, General Mills had net income of \$190 million, or \$3.76 per share, off slightly from \$190.8 million, or \$3.78 per share, restated, a year ago. Sales totaled \$4,209.5 million, up from \$4,073.5 million in fiscal 1982.

Foreign exchange after-tax losses for 13 and 39 weeks ended Feb. 27 were \$10.1 million and \$14.4 million, respectively, compared with foreign exchange after-tax gains of \$800,000 and \$1.1 million for the corresponding periods in fiscal 1982. Most of the foreign exchange losses related to devaluations of the Mexican peso.

Mr. Atwater said operating profits before last-in, first-out adjustments showed a 5% gain in the quarter, with particularly strong gains from Consumer Foods, Restaurants and Toys. Only the Fashion Group operated below year-ago levels, he said.

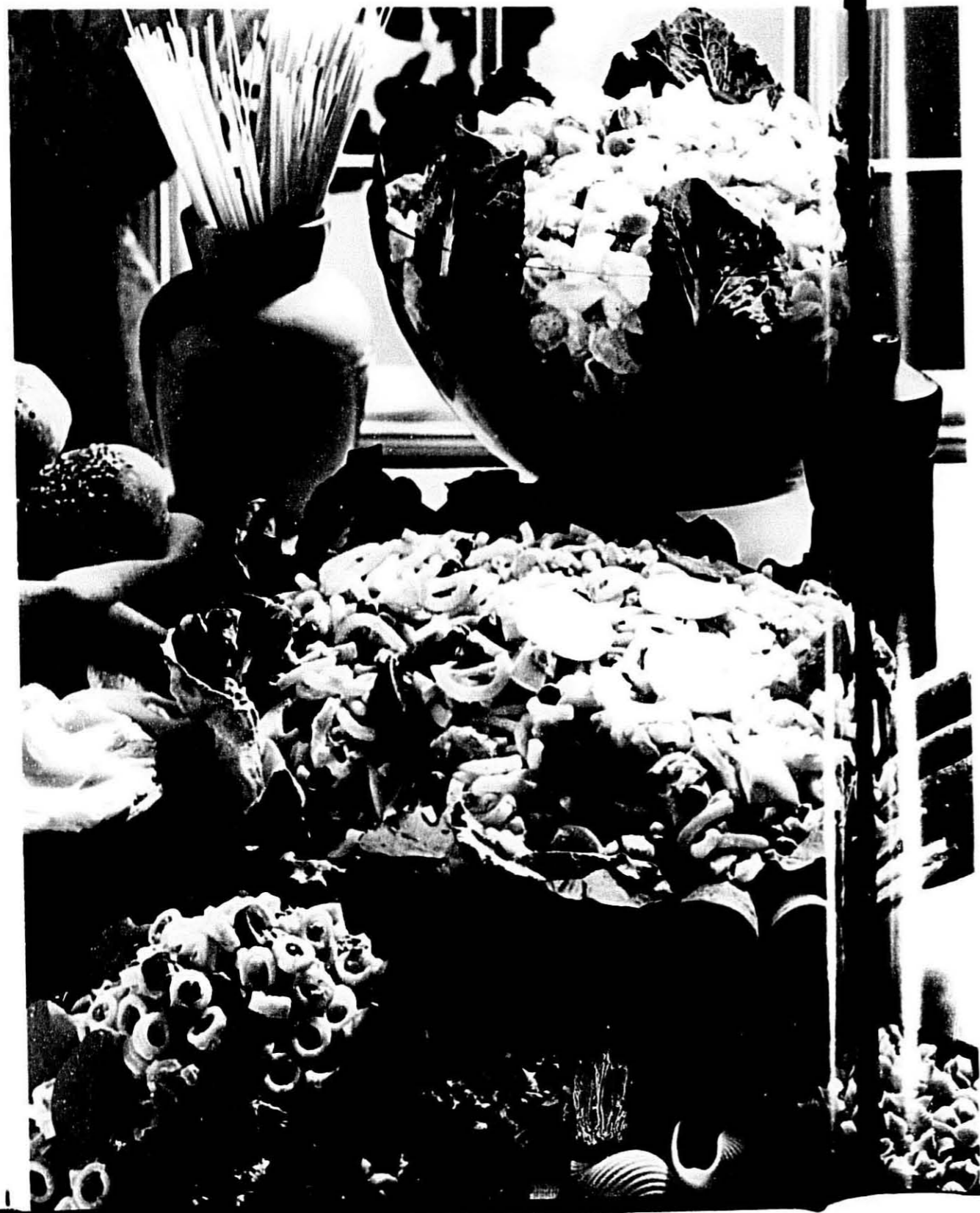
A D M Stock Offering

Archer Daniels Midland Co. on March 18 filed a registration statement with the Securities and Exchange Commission covering a proposed public offering of common stock, the second for the company this year.

ADM said the proposed offering of 5 million shares will be underwritten by a group managed by Goldman, Sachs & Co.; Merrill Lynch White Weld Capital Markets Group, Salomon Brothers Inc., and Kidder, Peabody & Co. Inc.

The company said proceeds from the sale will be added to its general funds and will be available for general corporate purposes, including additional working capital, capital expenditures, possible acquisitions of or investments in assets and other businesses, and the repayment of indebtedness originally incurred for general corporate purposes.

A D M on January 31 completed a public offering of 6 million shares of common stock at a price of \$22 1/4 per share.



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SKINNER - ORGANIZATION and the ORGANIZATION MAN

Lloyd M. Skinner of Omaha, Nebraska established the Skinner Macaroni Company in 1911.

Mr. Skinner had three sons. The most energetic of the three boys was Lloyd E. Skinner.

Brought up in Omaha, Lloyd went to Creighton Prep and then Creighton University, ending up with a bachelor of arts degree in 1936.

While at the university, he started door to door selling of hosiery. He became so successful he nearly was not graduated. At first, outside work kept him from completing the thesis necessary for graduation. Finally, he completed his paper of 6,000 words and won a sheepskin.

As a part-time salesman, he ranked second in the country for the company's sales contest. After he graduated, the hosiery company made him supervisor for four states.

Military Service

Mr. Skinner went to work for his father's company in 1938 as a district sales supervisor in Iowa. He returned to Omaha in 1940 as assistant traffic manager and superintendent. His father died in 1940. Lloyd went into the Army Quartermaster Corps in 1942.

He was commander of the 227th Salvage Collecting Company and got as far forward to take part in campaigns in Tunisia, Rome, southern France, the Rhineland, and Germany.

Out of the Army as a Major, Mr. Skinner stayed on for seven months as the military government's industrial officer in charge of getting the famed leather industry of Offenbach, Germany, back in operation. He returned to Skinnery in 1947 as secretary and three years later was elevated to president of the company. The firm had wide distribution of its products in the middle west, southern, and southeastern states. Lloyd E. Skinner cultivated that business by attending virtually every grocers' meeting in the territory and made it a practice to turn industry activities to public service ends.

Civic Service

He was a pillar of civic endeavor in his own community. In 1949 the



Lloyd E. Skinner

Omaha Jaycees honored him as the "Young Man of the Year". He was elected President of the Nebraska Small Businessman's Association and was a trustee of the National Small Businessman's Association.

He held directorships in the United Community Services, Salvation Army, South Omaha Youth Center, Douglas County Chapter of the American Red Cross. He was a trustee of the Boy Scouts of America, Mid-America Council, past President of the Camp Fire Girls, and the Iowa-Nebraska River Development program. An active legionnaire, he served as Commander of the Omaha Post #1, the world's largest legion post, in 1954.

Industry Service

He has raised funds and been honored by his alma mater, Creighton University. He served as President of the National Macaroni Manufacturers Association in 1956-58 and has been a member of the Board of Directors for more than 25 years. From 1964 to 1976, he was a member of the Board of Directors of the Grocery Manufacturers of America.

As a director of the National Macaroni Manufacturers Association, he continued to work in durum relations started by Bud Norris and Maurice Ryan. During the 1950's, when Gro-

cery Manufacturers of America held their annual meeting in New York on Veterans Day, it often necessitated flying to Langdon, North Dakota, to make the Durum Show. One year there was snow on the ground, and approaching the airport at Langdon in the twilight of later afternoon, it appeared that the snow cover was concrete. As the small plane touched down, it immediately nosed over when it hit the ground damaging the tail and shaking up its passengers, the pilot, and Mr. Skinner. As the welcoming committee sloshed out through the knee-high snow, they were relieved to find that seat belts had kept the passengers from any serious damage. But they had had a severe shock. Mr. Skinner complained about the newspaper story that appeared on the back page of the weekly press. He asked: "What do I have to do to make the front page? Kill myself?"

He served as director of the Crop Quality Council for many years and as a member of the Durum Industry Advisory Committee as well as the North Dakota State Industrial Advisory Committee. At his own time and expense, he was the Association's representative during the dozen year of the formative stage of the Wheat Industry Council.

While he was President of the National Macaroni Manufacturers Association he established a tradition of observing National Macaroni Week by hosting spaghetti dinners for worthy institutions such as Boys' Town, Nebraska, Boys' Ranch near Dallas, Texas, San Antonio Lions Club, and the Kiwanis in the same city. He worked with the Chamber of Commerce in Devils Lake, North Dakota in staging several of their macaroni festivals.

Cited for Leadership

In 1968, when Mr. Skinner was cited by the College of St. Mary's in Omaha for "his vigorous leadership in socio-economic causes, his uncompromising love of human rights and dignity, and for his boundless generosity in giving of himself and of his means to countless good works!", Donald R. Keough, a vice president of marketing for the Coca Cola Company declared: "Mr. Skinner has demonstrated his

(Continued on page 24)

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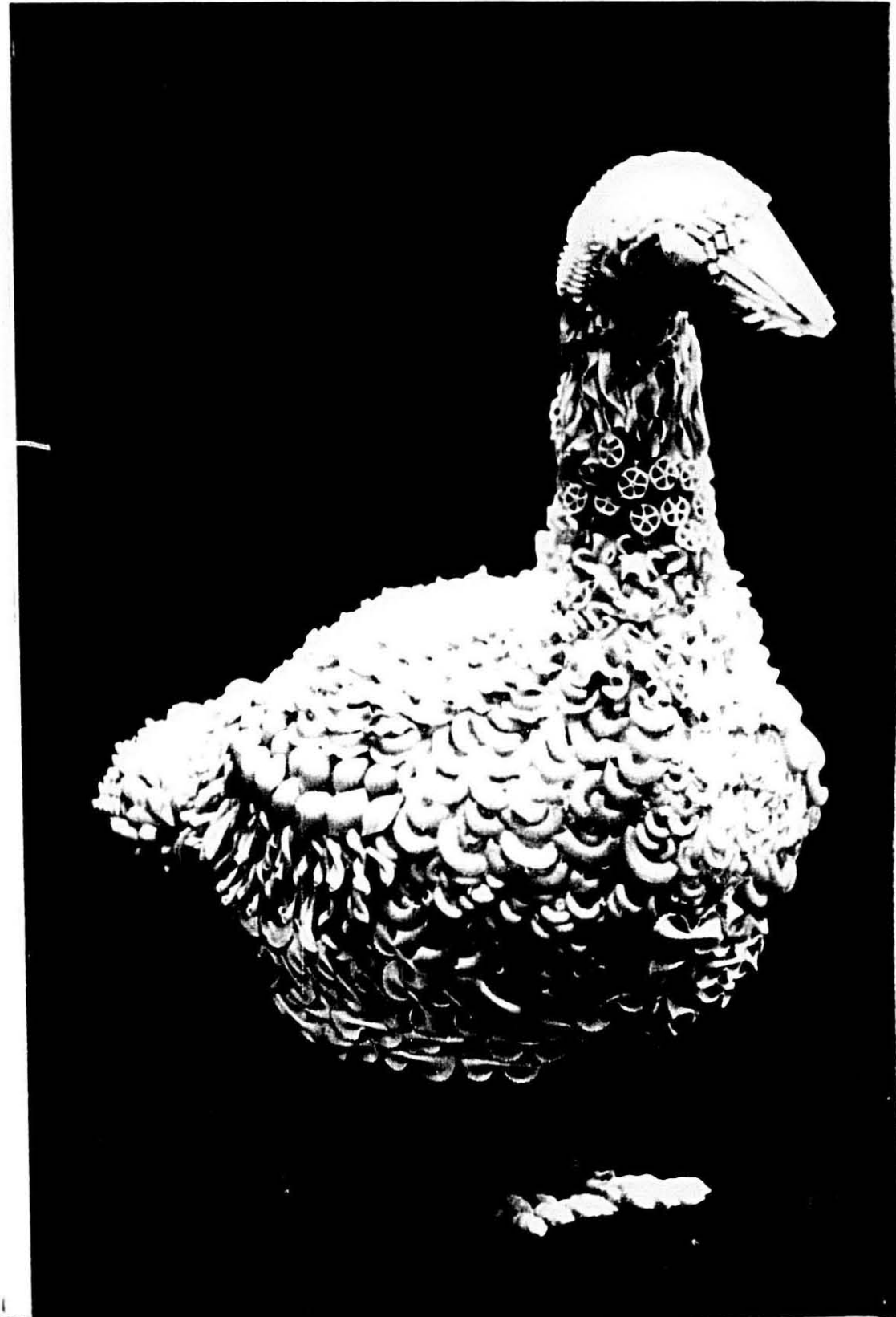
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The Skinner Organization

(Continued from page 20)

commitment to society and has not waited for the ills of our environment to erupt before becoming aware. He hears the signal and becomes involved. He has taken the time to understand the needs of our changing society and has committed himself to the fulfillment of these needs."

Developed an Organization

Lloyd E. Skinner was not only an active participant in organizations, he organized an efficient business utilizing outside talent where many firms indulged in nepotism. He hired H. Geddes Stanway in 1954 as a vice president in charge of production. Stanway had operated his own management engineering firm, had taught at New York University and the University of Southern California, and had experience with E. R. Squibbs & Sons and Washburn Wire Company, New York.

Stanway planned and supervised the construction of a modern macaroni plant for Skinner on the west side of town, and by the time food editors came through on a Durum Harvest Tour in 1960, it was one of the most modern facilities in the country.

After building a model production facility the next problem was selling its output, so Skinner hired William A. Henry as Vice President of Marketing, assistant to the President, and a member of the Board of Directors of the Skinner Macaroni Company in April, 1970. It was announced that Mr. Henry's responsibilities would be long range planning, including the development of marketing plans for new frozen and dried grocery products, packaging design, and the like.

Mr. Henry had been with Glidden-Durke Consumers Food Group for 28 years. He had spent three years in the U.S. Army Air Force, served as vice president of the American Spice Trade Association, chairman of a smaller manufacturers group of Grocery Manufacturers of America, member of the President's Panel of Brandeis University in New York.

Other key men in the organization included John Jeffrey and Bill Clark in sales, Clete Haney, and Alan Pascale in advertising. They both had had previous experience with Bozell Jacobs Advertising and Public Relations Agency.

C. Mickey Skinner

C. Mickey (a family surname) Skinner was a cousin of Lloyd E. Skinner. He started with the company in production in 1956. In 1959 he was named superintendent of production, packaging and shipping. He became executive vice president in 1976.

He carried on the family tradition of being active in community affairs. He was elected Omaha's Outstanding Young Man of the Year in 1966 for his work in fourteen civic and professional organizations. He served as president of the Omaha Junior Chamber of Commerce, and officer of the Nebraska Jaycees.

He served on the Committee for Quality Control of the North Dakota State Wheat Commission and the Cereal Chemists Association. He chaired the Standards Committee for the National Pasta Association.

Packaging Redesign

A packaging redesign program then incorporated dramatic change in service graphics — the universal product code symbol — and new nutritional labeling was launched on the Skinner line of 93 products in the fall of 1973. The Dickens Design Group in Chicago was selected for the project because of its track record in producing successful design program for successful food companies. Among their original observations were the following:

- The Skinner "Golden Glow Quality" is unsurpassed at the shelf level, but the "cluttered" design on the package did not truly reflect the quality of the contents.

- The Skinner serrated logo-type rates high in ease of recognition and recall and has tremendous equity with consumer and customer alike.

- The Skinner colors of red, white, and blue also have equity, but tonal adjustments in the red and blue could further strengthen their impact.

- Shelf level impact of the existing design was lacking, considering the amount of shelf space utilized. True, Skinner product was recognizable, but in total, the Skinner products in the pasta department did not project a cohesiveness that made it stand apart significantly from competition.

Dickens successfully overcame these problems in designing new packaging which was launched with the advertising theme "Good Things Come in New Packages."

Answer to Consumerism

During the consumerism movement of the late 1960's Lloyd E. Skinner delivered a frank and candid rebuttal to those in political circles who were involved with the so-called "consumer protection" movement. At the 9th Annual Freedom of Information Conference at the University of Missouri he made the following statement:

"The demand for 'control' of the manufacturing and distributing process, of advertising, of marketing and merchandising is growing . . . particularly among some segments of government personnel," Mr. Skinner said. "In the final analysis, the demands of these people, who do not fundamentally believe in the American Free Enterprise System, will only be met by the presence of an all-powerful 'Big Brother' who will make the decisions for everyone. They are planting all about us the seeds carrying the destruction of our incentive system of private enterprise.

"There are now within our federal government 253 consumer protective agencies. Here is what Paul Rand Dixon, chairman of the Federal Trade Commission, told a group of advertising executives in New York last month when asked for his views on a Consumer Dept. at Cabinet level. He was opposed to it and said, "All of us are supposed to represent the public and we're all consumers."

"I agree with Mr. Dixon's statement," Mr. Skinner said. "The consumer is pretty well represented in the U.S. government.

"The so-called consumer movement, which has been portrayed as a demand by an 'impatient public,' is to a very great extent stimulated by those people in government who seek to control business," Mr. Skinner said. He then described two different occasions when members of the staff of the President's Advisor on Consumer Affairs visited Omaha for the purpose of organizing a Consumer League. "Their attempts at organization failed in both instances when it became apparent that endorsement of the packaging bill then before Congress was the real purpose of the meetings," Mr. Skinner said. "Of course, if they had succeeded, our Congressman would have received a wire from the newly formed Omaha Consumer League insisting he vote favorably on the packaging bill.

(Continued on page 26)

THE MACARONI JOURNAL



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The Skinner Organization

(Continued from page 24)

"The general tone that surrounds any discussion of 'The Consumer's Right to Know' appears to cast industry on the one hand and consumers on the other in roles which are basically antagonistic. This grossly misrepresents the attitude of the food manufacturer. I would venture to assert that well over 95 percent of the huge volume of food items sold in this country today are beyond serious criticism with respect to display of price and weight, and general packaging practice. The competition between brands is so keen that no manufacturer wants to risk losing a sale because of the failure of his product to give the consumer the facts. You cannot stay in business long on initial purchase. It is the repeat business that is the foundation for success.

"It is obvious that self-interest requires the manufacturer to be in the consumer's camp. He must have the consumer's vote of approval, and election day for the manufacturer is every day."

Mr. Skinner said that should mandatory packaging standards be set by any governmental body, the ability of major firms to re-tool or purchase machinery or equipment is much greater than smaller firms. Thus he pointed out that another result would be a higher concentration of business among a relatively few, large companies.

"Such standardization could force my own small company to make an investment in new machinery and plant expansion that amount to more than one-half of the amount of money already invested in our present equipment. That would force us to raise the price one to two cents per package.

"I think it is obvious," he said in summary, "that big consumer protection programs are neither desirable nor necessary, that such programs would increase the cost of products for the consumer, that consumer bureaucracies would make it more difficult for the small firm to operate or even stay in business, and that the cost of these huge government bureaucracies would represent another burden for the consumer and the taxpayer.

"Private industry working in a competitive atmosphere under our free enterprise system is delivering to the American consumer a far better value for his dollar and a higher standard of living than the world has ever known. Let's keep it that way. Let our com-

merce continue to operate with the absolute minimum of government control and regulation." Mr. Skinner concluded.



Lloyd and Kay Skinner

Lloyd E. Skinner Honored At Retirement Dinner

Mr. and Mrs. Lloyd E. Skinner were honored at a retirement dinner held at the Red Lion Inn, Omaha, on April 20.

Mr. Skinner is Chairman of the Board, San Giorgio-Skinner Company, a division of Hershey Foods Corporation.

Among those who paid tribute to Mr. Skinner were Harold Mohler, Chairman, Hershey Foods Corporation; William Dearden, Vice Chairman and Chief Executive Officer; Richard Zimmerman, President, and Dr. Ogden Johnson, Executive Vice-President Hershey Foods Corporation. Also Joseph P. Viviano, president, San Giorgio-Skinner Company.

The Mayor of Omaha, the Honorable Mike Boyle and Archbishop Daniel E. Sheehan of the Omaha Archdiocese told of Mr. Skinner's many contributions to civic and church activities.

Bob Green spoke for the National Pasta Association and Sal Maritato presented a plaque on behalf of the Durum Wheat Institute for Mr. Skinner's efforts for durum plant breeding.

Among the many other guests were George Koch, president, Grocery Manufacturers of America, many representatives of the Church and Creighton University, employees of the firm and members of the family including Mr. and Mrs. Dennis Diesterhaupt (Kathy), Mr. and Mrs. Kenneth Pinegar (Mary Beth), Mr. and Mrs. James G. Skinner and Mr. and Mrs. Lloyd Skinner, Jr.

C. Mickey Skinner spoke on behalf of the employees and family in lauding "this unique and compassionate man."

Skinner Baking Company Formed

In early May Skinner Baking Co., a newly-formed company headed by Lloyd E. Skinner, reached agreement in principle to acquire Adler-Merger Baking Co., Omaha, from the American Community Stores Division of the Cullum Companies, Inc., Dallas.

Mr. Skinner, recently-retired chairman of San Giorgio-Skinner Co., part of Hershey Foods Corp., and now chairman and chief executive officer of the new baking company, noted he is returning to a business he and his family were engaged in for 40 years. The Skinner family, in addition to its pasta business, owned Quaker Baking Co. at Council Bluffs, Iowa from 1912 to 1952.

Hinky Dinky First Customer

Hinky Dinky Stores, part of American Community Stores Division of Baking's first customer, Mr. Skinner said. Ron Badley, president of Hinky Dinky, said sale of the plant "will enable us to further concentrate our efforts on the main stream of our business, retail supermarkets."

The plant, Mr. Skinner said, will continue to produce specialty bread and pastries. The operation has annual sales of about \$2.5 million.

Company Officers

Joining Mr. Skinner as officers of the new company are R. Louis Kincirk, president and chief operating officer; Klaus Buehring, vice-president, production, and James G. Skinner, secretary-treasurer.

Mr. Kincirk is coming out of retirement to join Skinner Baking. He held executive positions for five years with the Skinner pasta operations and earlier was with Metz Baking Co. and ITT Continental Baking Co. Mr. Buehring has been vice-president, baking operations, with Adler-Merger. James G. Skinner, a son of Lloyd Skinner, currently is quality control director at Hershey Foods.

Pillsbury Third Quarter

Net income of The Pillsbury Co. in the third quarter ended February 28 totaled \$29.1 million, equal to \$1.34 per share on the common stock, up 8% from \$26.9 million, or \$1.24 a share, in the third quarter of 1982. Sales in the third quarter aggregated \$903.9 million, up 10% from \$823.1 million a year ago.

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"I Lost Forty Pounds Eating Pasta"

The following are highlights from an article by Richard Ouzounian in the Winnipeg Manitoba Magazine

Last winter, the perennially chubby artistic director of the Manitoba Theatre Centre eased his weight down to 175 lbs from 215. He swears it wasn't painful.

Over the years I have tried: a) The Stillman Diet, b) The Pritikin Diet, c) The Atkins Diet, d) The Scarsdale Diet, e) The Beverly Hills Diet, f) The "I Love NY" Diet. . .

. . . Not to mention every insane kind of fast, diet pill, water shot, vitamin therapy, and hypnosis. None of it worked. All of it made me feel dreadful. Finally, I bought the right diet book, which I recommend highly. It's called **Craig Claiborne's Gourmet Diet**, and although it's full of great recipes, it wasn't the book itself, but the introduction that changed my life. It was written by a wonderful woman named Jane Brody, a nutritionist who writes regularly for the **New York Times**. In 20 pages, she changed my entire way of thinking about what I eat, and I will always thank her for it.

What does she say? Nothing magical. Something that all doctors have been telling us for years: We eat too much of three things: protein, fat, and salt.

If you think about it for a few minutes, you'll realize that she's right. When we go on a diet, the first thing we cut out are carbohydrates. No bread, no pasta, no vegetables, no fruit. Lots of meat, right? That's what we all do, and then wonder why we feel terrible, and why the weight comes back immediately as soon as we stop. We all say we need a balanced diet, but a balanced diet does not mean two eggs and bacon for breakfast, four ounces and meat on a sandwich at lunch, and couple of pork chops for dinner.

I don't mean to be a nutritionist. Read Jane Brody if you want the whole truth, but do harken on to one fact: If you eat more than four ounces of protein a day, you're eating too much. There are exceptions of course. If you're still growing, recovering from a serious illness, or doing heavy physical labor, you might need more. But for most of us, that four ounces is plenty. And don't take for granted

how much constitutes four ounces. You'd be amazed at how little it is. Weigh it. Measure it.

Now, what are you going to do with your extra calories, the calories you're no longer squandering on steak (1,200 calories for eight ounces of strip loin!) or on pork (800 calories for two chops)? What can you do with those calories? You can eat pasta. No, I'm not kidding. Pasta. Spaghetti, rigatoni, fettuccine. All the things you've dreamed about and never thought you would eat again.

Is there a catch? Yes, but it's a small one. First of all, you have to measure what you eat. Too much of anything will make you fat. Second, on the evenings you eat a pasta meal, it will not be a side-dish to your main course. It will be your main course. And you won't die of malnutrition. Trust me. How many Italians do you know who've died of starvation?

The other important premise behind this diet, as behind any valid diet, is that it is sensible. You must eat balanced quantities of all the major food groups: protein, carbohydrates, fats, etc. Don't cut anything out. You may lose a bit at first, but it will all come back later.

There is no magic to this, or to any diet. Use common sense, balance your food groups, eat reasonably, and think. Don't follow any rules blindly, or you'll be right back where you started. Anybody can lose weight. What's hard is keeping it off. This diet should help.

Buitoni Introduces Six New Frozen Dishes

Buitoni Foods Corporation has introduced "Classic Entrees," an exciting new line of six frozen single dish entrees. The news was announced by Thomas Heffron, director of marketing, Buitoni Foods Corporation. "Classic Entrees" were created to meet the ever-increasing demands of today's busy homemaker and working person," Heffron explained. "These delicious, easy-to-prepare dishes provide the consumer with convenience, quality and variety."

Buitoni's new collection features five boil-in-bag items, one of the largest growth segments in the frozen foods market. These include Breaded Veal Patty Pomodoro, Chicken Fillets Cacciatore, Chicken Fillets Marsala, Sausage & Peppers and Shrimp Mari-

nara. Lasagne Florentine, the "Classic Entree" dish, is a delightful original variation on classic lasagne combining spinach, ricotta cheese and Alfredo sauce.

Buitoni will support its "Classic Entrees" with impactful consumer and trade programs. Couponing and in-store refund offers will generate trial. Consistent quality excellence, strong on-pack advertising, appetizing packaging, and ongoing coupon and refund offers will maintain a loyal customer base. And attractive merchandising, ad slicks, header sheets, shelf strips and retail merchandising stocking guides will support the effort to the trade.

"Buitoni couldn't have picked a better time to introduce its 'Classic Entrees,'" concluded Timothy Altuff, assistant product manager, Buitoni Foods Corporation. "Sixty percent of 25-49 year-old women work. Sixty-three percent of all meals are eaten alone; and thirty percent of all meals are prepared by a single user. With statistics like these, the quality, ease and flexibility of Buitoni's 'Classic Entrees' will be more attractive than ever."

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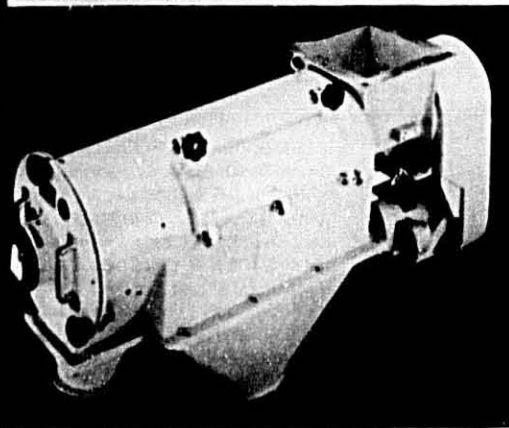
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FAMILY BUSINESS COLUMN

by Frank M. Butrick, Akron, Ohio

PART XII HOW DOES THE SON LEARN TO RUN THE BUSINESS?

Every man is more or less a teacher at heart; each of us enjoys the ego satisfaction of showing others, of advising, of putting our thoughts and ideas into other minds. And every businessman with a young son plans on teaching his boy what he thinks he has learned about all the greater mysteries of life: About women, about business, politics — and how to select the best flours, or what have you. I hope this is normal; it's too prevalent (and satisfying) to be abnormal.

But is it a good idea? George Bernard Shaw once observed: "He who can, does. He who cannot, teaches." The opposite side of this coin would be: "He who teaches cannot do." Of course, Shaw was a famous cynic — but was he not also a pragmatic realist? Can you actually teach modern business methods, how you have run your firm, how it should be run (you think), and how it should be run as times change and the firm grows? And if not, then who can teach your son — who can show him how to become a successful owner/manager/president?

The commonest reaction to this question is, "I'll do whatever teaching is necessary — where else can he learn how to run my business?" So most sons play at work in the business during summer vacations, go to college, off to war, perhaps back to school for an MBA, and finally arrive ready to step in and "learn from dad." With the emotion stripped aside, does that really make much sense? "Dad" doesn't need a student — he needs help. He is much too busy to do a thoughtfully thorough, well-organized teaching job. Look at how it works in practice:

Case History No. 1

This business is a major midwest pasta producer. The father, now in his late sixties, has become wealthy and a leading community citizen, well known for his civic and charitable activities. A man of boundless energy, he heads up a half dozen committees, two fraternal lodges, is director of a bank and a number of small businesses — yet puts in a ten-hour day at

work. He owns a yacht but charters it out because he (realistically) has no time for vacations and similar frivolities. The son is 50 — and has worked for his father full time for 28 years! By now he not only knows the business, and his father's way of doing things, but he has become steeped in it. Unfortunately, as is frequently the case with such a strong-willed father, the son merely does what (and how) he is told. After three decades of "experience," the son knows all he needs to know — except how to think for himself, or to be a dynamic president. He knows nothing about meaningful responsibility, idea generation, venture management, risk taking, or decision making. He has not been permitted mistakes — so he has never had the chance to learn from them; he has never known the pleasure of a good decision nor the educational value of a wrong one. He was not taught by his father — he was drilled.

OBSERVATION: This is a bad situation, carried to the ultimate. Eventually, the son will doubtless become president — and be utterly unprepared for the responsibilities of the position. Unless the firm runs itself, the son would appear to have only three choices: First, try to find a consultant, advisor, or director who could guide him in learning the responsibilities and decision-making which a president must know. Second, resign and let the fire-ball grandson take over. Third, sell the firm. Whatever the future of this business, the father has come perilously close to wasting his son's entire life.

Case History No. 2

A similar beginning, but here the father let the son "try out" in the various departments, getting a smattering of each, then select the area which he liked best. The business is a pasta maker and the son took over the sales end. He has been quite successful and, at 42, has developed into a fine salesman.

Unfortunately, however, the father is about ready to retire and it has just begun to sink in that the son can sell

pasta — but he has only a vague idea about how to run a pasta business. A bigger firm might have developed people he could lean on — strong production departments under the father — or the son might have become an assistant manager, learning to work with all the departments. But this did not happen. In a sense, the son was not taught at all; he was pushed into sales (which the father did not like) or else he moved toward sales work to obtain independence. Today he knows next to nothing about the business as such.

OBSERVATION: Like the first example, this father is a doer, and either not interested in teaching or is incapable of doing it. The son is a self-taught sales "manager". Fine as such, but a bad risk when he takes over total management. His best bet will be to sell the business to another pasta business which is weak on sales, (which should not be difficult to find). Learning the business will be hazardous at best. Not impossible, of course, but the business will have to be very solid to survive a couple years of his amateur management.

Case History No. 3

This business is a grocery distributor, employs 110, the father is 66 and the son 34. The son worked six years at his father's business through high school and four years of college under his father's guidance, he worked at various jobs for other companies, all in food distribution with between 20 and 300 employees. He has been a foreman, buyer, man, and office manager. He left to rejoin his father and will take over sales management. No fancy title — he will earn his keep. But he has followed a carefully prearranged path worked out years before.

He has knocked about, seen other businesses, worked for other men and has convinced himself that he wants to take over the family business. He brings in the fresh air of outside ideas and experience, and has deliberately arranged for constant replenishment

carefully selected outside advisors. This father has the rare pleasure of knowing that his son has joined him because as an adult, he has decided — not because of habit or ignorance — because he could not make it on his own. The son has learned about business and the world — now he is ready to learn about the family business and about his father's methods.

OBSERVATION: The future looks bright for this business. Not that all will be rosy, or that the son will not have to bring in ideas and methods to make changes which will shock his father. But the son is not just a "sonny", he is an adult and an experienced businessman. Granted, he has not run a company, but he has managed four other presidents run companies; he has seen brilliance and rapidity, good luck and bad, confidence and timidity. He will look at his father as a man of great accomplishment, but not as a demigod. They will make an excellent team — if the father can rise to his own planning.

COMMENTS: The best of these are examples — the last one — has developed a son with considerable outside business experience but no actual experience with management, risk taking, or decision making. These he still must learn — and they are crucial. While this particular company, and father-son team, will probably do all right, it would have benefitted greatly if the son had actually managed a business, no matter how small.

For that reason, we prefer the example by another distributor. Here the son worked only for the family business — one department, was split as a completely separate operation, with the son as manager. It is small (10 people) but he runs every aspect of it. He has his own suppliers and sell to his own customers. The father turned him loose to developing experience at the helm. When the son is ready to begin to apply his knowledge to the larger operation. But he learned management by actually being a manager; a rare and valuable experience.

This article is condensed from a chapter in the author's book, **THE FAMILY IN BUSINESS**, released by

the IBI Press, Box 159, Akron, OH 44309.

MACARONI JOURNAL will be printing key chapters from the book, the first ever devoted exclusively to the personal relationships within the privately-owned business, during the forthcoming months. For information on the book, contact the publisher directly.

Frank Butrick has, for over two decades, been a leading consultant, convention speaker and author on the family-owned business. He has written hundreds of magazine articles through the years and his concepts have been incorporated in numerous books. He averages nearly 50 convention appearances a year, and is active as a consultant, serving business owners all over America. If you have a situation upon which you would like Mr. Butrick's comments or advice, you may contact him through **MACARONI JOURNAL**, or by writing the IBI Press in Akron, or calling him at 216-253-1757. There is no cost or obligation — but if you write, be patient. His heavy travel schedule precludes quick replies to his correspondence.

From Hershey Foods Corporation Annual Report

San Giorgio-Skinner Company achieved record sales and operating income in 1982. This is an especially noteworthy performance in view of the intense price competition in a number of key markets in the Northeast. Generally lower commodity costs made more promotional dollars available which resulted in greatly increased levels of competitive activity among domestic firms. There was also an influx of low priced imports which further disrupted the marketplace.

Pasta is made from semolina flour milled from durum wheat, a specialized hard wheat grown almost exclusively in North Dakota. The 1981 durum crop of 180 million bushels was the largest in history. Responding to the size and the excellent quality of the crop, semolina costs decreased during 1982. This decrease more than offset lower selling prices and increased marketing expenditures, resulting in an operating income margin improvement for San Giorgio-Skinner.

The 1982 durum crop of 150 million bushels was larger than expected and again of high quality.

While the company's San Giorgio brand was impacted somewhat by the influx of imports, the Skinner brand had particularly strong results in its core Southwestern markets. A major packaging change from flexible polyethylene bags to cartons for Skinner in the Southeast contributed to growth for the brand in that marketing area.

The P&R brand recaptured its leadership position in its market area in upstate New York. This was the result of a more aggressive sales effort complemented by a complete redesign of the package graphics for more shelf impact. Three new items were introduced to the P&R line in 1982: large shells, cut fusilli and egg fettuccini.

New Product

A major new product, Light 'N Fluffy elbow macaroni, was launched into test market in the spring. This addition is expected to be an effective complement to the Company's highly successful Light 'N Fluffy noodle line, which offers a light, quick-cooking, fluffier pasta product.

Declining retail prices have fueled an unusual and unprecedented growth in consumer pasta sales. The Company's brands were well positioned to take advantage of this growth with volume gains accounting for all of San Giorgio-Skinner's sales gain. With adequate durum supplies, continued growth is expected for the American pasta industry as a whole and the Company's brands in particular.

To prepare for that growth, additional capacity was obtained in 1982 with the installation of a 4,000 pound-per-hour, microwave, short cut noodle line at the Lebanon, Pennsylvania plant location. Other productivity improvement projects were undertaken which yielded important savings at each of the Company's pasta manufacturing locations.

Jim Feeney Re-elected

James J. Feeney, vice-president and general manager of the Sperry Division of General Mills, Inc., Minneapolis, has been re-elected chairman of the board of directors of Millers' National Federation.

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- Other factors of increased flexibility: less waste from spillage, more exact moisture control

A BETTER PRODUCT

Finally we have the capability we've been trying to achieve for hundreds of years—drying macaroni products from the inside out. Until now we have had to wait for the product to sweat or rest so that the moisture would migrate to the surface when we could again dry some more in small stages. We had to be careful not to case harden the product so the moisture would not get trapped, thereby causing the product to keep drying on the outside but not properly and to check at a later date when that moisture finally did make its escape.

Microdry actually produces a better product than does conventional processing. The superiority is in the cooking strength and texture when ready to eat, and the enhancement and microbial stability when presented in the package. We will be pleased to submit samples of product made on the press same die same raw material but dried in conventional Microdry units. You will read the color difference, cook taste the bite differences, measure for yourself the staling off each product.

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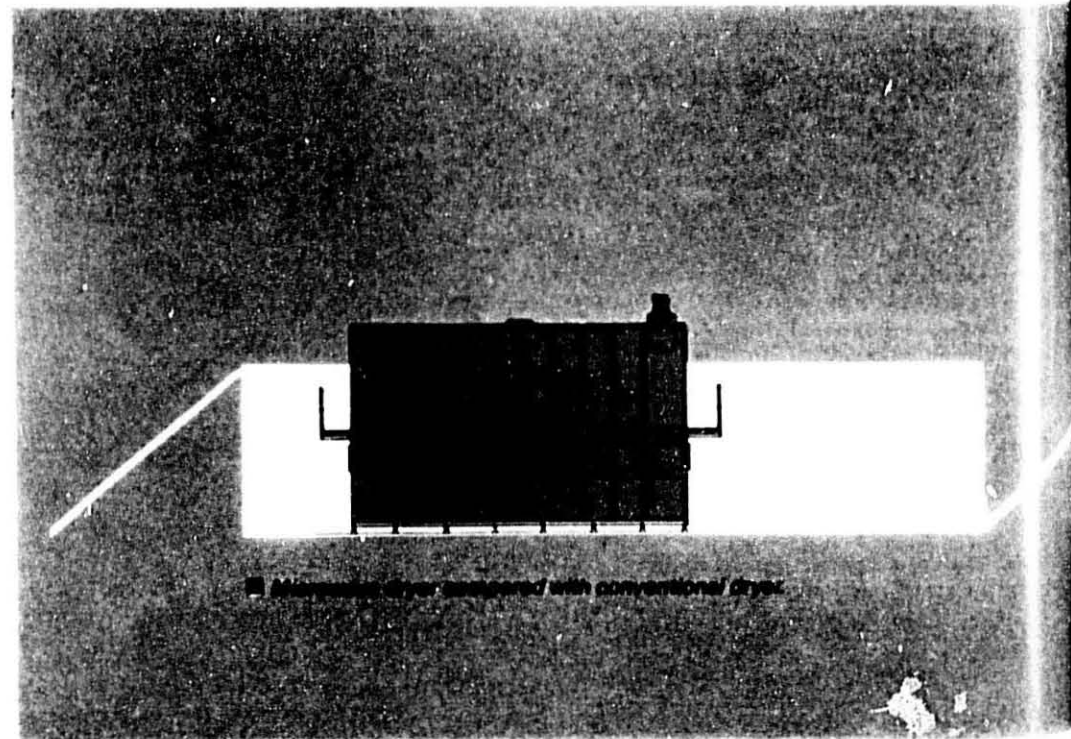
■ I guess the greatest compliment I can pay to Microdry is that if we were going to install another Short Cut line in our Operation, it would definitely be a Microdry Microwave Dryer.
Executive Vice President, pasta manufacturer

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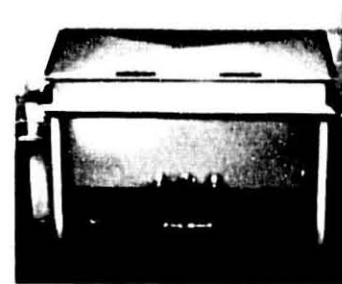
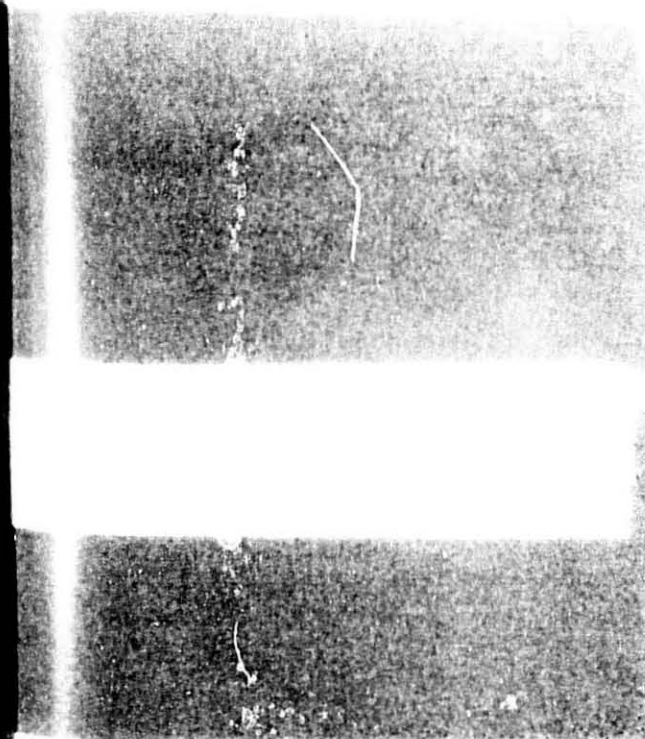
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Viva Italia!

Italians love good food. It is one of the pleasures of life in this southern European country — and for good reason. With its tantalizing array of regional specialties, from the rich tortellinis of Bologna to the spicy, tomato-based sauces of Sicily, Italy is truly an epicure's paradise.

Always flavorful and often piquant and aromatic, Italian cooking relies on a variety of herbs and spices for seasoning. While basil, sage and oregano are used in many Italian recipes, it is garlic that is most often identified with Italian cuisine.

The pungent, fresh flavor of garlic is highlighted in the following collection of recipes, compiled by the home economists at Lawry's Foods, Inc., to help you create an authentic Italian meal right in your own home.

Begin your dinner, or la cena, with Marinated Mushroom Antipasto. For a heartier antipasto, create a colorful platter featuring marinated mushrooms surrounded by overlapping slices of peeled tomatoes, hard-cooked eggs and salami. Pollo Diablo, the main entree, is accompanied by Garlic Cheese Pasta and Italian Vegetable Sauté.

In Italy, bread is always served with meals, but without butter. You may wish to complement your dinner with warmed, Italian rolls and an Italian wine. Soave — Italy's best-known white wine — is recommended. Complete your meal with a light dessert of fruit or cheese and a demitasse of espresso. Buon gusto!

Marinated Mushroom Antipasto

This elegant, first-course salad features fresh mushroom slices in a marinade of olive oil, red wine vinegar and garlic. Add garnishes for extra taste and color appeal.

- 1/2 cup olive oil
- 1/4 cup red wine vinegar
- 1 Tablespoon Lawry's Garlic Salt
- 2 teaspoons minced chives
- 1 Dash Lawry's Seasoned Pepper
- 1 pound fresh mushrooms, sliced 1/4-inch thick
- 2 quarts torn salad greens

Garnishes: Tomato slices, Slice hard-cooked eggs, Chopped green bell pepper.

Combine first 6 ingredients in bowl; blend thoroughly. Add sliced mush-



rooms; stir to coat thoroughly. Cover and refrigerate 3 to 4 hours, stirring occasionally. Serve on crisp greens garnished with tomato, egg and green pepper.

Makes 6 servings.

Pollo Diablo

Broiled chicken is seasoned with a flavorful blend of garlic, herbs, minced green onions and Dijon mustard.

- 2 1/2 pounds chicken parts
- 2 Tablespoons butter, melted
- 1 Tablespoon salad oil
- 2 Tablespoons Lawry's Garlic Spread Concentrate, melted
- 2 Tablespoons minced green onions
- 1 Tablespoon Dijon mustard
- 1/4 teaspoon thyme, basil or tarragon

1 cup coarse, fresh white bread crumbs

In small bowl, combine butter, salad oil and Garlic Spread Concentrate. Broil chicken parts for 15 minutes on each side, basting with seasoned butter mixture. Combine green onions, mustard and choicof herb. After broiling chicken, drain drippings from broiler pan, reserve. Combine half of drippings with green onion-mustard mixture. Spread 1/2 of this mixture on underside of chicken parts. Cover with a layer of bread crumbs and baste with reserved drippings. Broil 5 to 6 minutes or until crumbs are brown. Repeat seasoning and crumbs on skin side of chicken parts. Broil until golden brown.

Makes 4 servings.

Italian Vegetable Sauté

A colorful combination of zucchini, onion and tomatoes to complement your favorite Italian entree.

- 3 Tablespoons olive oil
- 2 zucchini, sliced in thin strips
- 1 large onion, halved and sliced in half rings
- 2 large firm tomatoes, cut in large pieces
- 1/2 teaspoon Lawry's Seasoned Salt
- 1 teaspoon oregano
- 1/2 teaspoon Seasoned Pepper
- 1/4 teaspoon Lawry's Garlic Powder with Parsley

In large skillet, heat olive oil, sauté zucchini and onion. Sauté on high heat until almost tender. Add tomatoes and seasonings. Stir together until thoroughly heated. Serve immediately.

Makes 6 servings.

Garlic Cheese Pasta

A deliciously rich side dish made with fettucini noodles, butter and fresh grated Parmesan cheese.

- 1/2 cup butter, melted
- 2 teaspoons lemon juice
- 1 Tablespoon basil leaves
- 1 teaspoon each: Lawry's Garlic Powder with Parsley, Lawry's Seasoned Salt
- 8 ounces fettucini noodles cooked according to package directions and drained
- 3/4 cup fresh grated Parmesan Romano cheese
- 2 Tablespoons chopped parsley to garnish

In medium bowl, combine butter, lemon juice and seasoning; gently coat thoroughly. Serve on platter; parsley sprinkled over top to garnish.

Makes 4 servings.

Interest in Nutrition

"Interest in nutrition by consumers stops short of commitment and responsible behavior, and they are not really willing in today's cost-conscious society to pay a premium for nutritional enrichment. There is interest and a degree, commitment, in foods that have lower amounts of ingredients that consumers perceive to be harmful." — Bruce R. Stillings, Nabisco Brands, Inc.

The 79th Annual Meeting Silverado Country Club and Resort Napa Valley, California July 17-20, 1983

Silverado is a cluster of balconied condominiums, built around the original mansion houses — 265 one, two and three bedroom condominiums and studios.

Year round golf and tennis resort. Formerly a private estate set among towering trees and gardens on 1200 acres in the heart of the Napa Valley wine district. 55 minutes north of San Francisco. 65 minutes, 90 miles from San Francisco International Airport.

Golf is a way of life at Silverado. Both championship courses were designed by Robert Trent Jones and are the home of the Kaiser Invitational Open and Pro-Am every year. The North Course is 6680 tricky yards long, par 72; and the South Course is 662 yards, par 72 par 72. Both have side water hazards and gently undulating greens, as well as a meandering creek and lots of sneaky oak trees dotting the fairways.

Eight Plexipave composition tennis courts each have permanent viewing stands. Not to mention a well-stocked tennis shop, and an excellent pro who will give lessons.

All of Silverado's swimming pools are unobtrusive and pleasant. Located near all the suites so you can trek across a fairway for a quick swim before dinner.

Other activities available at or near Silverado include bicycling, horseback riding, and hiking, along with all the beauty of the Napa Valley.

"The cuisine" is taken almost as granted in Northern California as in France. Wine countries (and this is definitely wine country) take pride in what is served with their wines, and so does Silverado.

There are about forty wineries within a half hour's drive of Silverado. Many of them have regular tours and tasting rooms.

Write the National Pasta Association, P.O. Box 1008, Palatine, IL 60078 for more information and reservation forms.

JULY, 1983

SILVERADO



PROGRAM HIGHLIGHTS

Sunday, July 17

- 10:00 a.m. Executive Committee Meeting
- 3:00 p.m. Board of Directors Meet
- 6:30 p.m. Newcomers Reception
- 7:00 p.m. Welcoming Reception
- 8:00 p.m. Dinner in the Oak Grove — Casual Dress

Monday, July 18

- 9:00 a.m. General Meeting
- 2:00 p.m. Tennis Mixer
- 6:00 p.m. Robert Mondavi Winery Tour — Testing, Reception and Dinner

Tuesday, July 19

- 9:00 a.m. General Meeting
- Noon Board of Directors Luncheon with spouses

Spouse's Program

- 10:00 a.m. Ladies Golf Tournament — South Course
 - 10:00 a.m. "The Marriage of Food and Wine" — A Nouvelle Cuisine Cooking School. Andre Mercier, instructor and chef at Mondavi Vineyard. Registration limited to 25. Course repeats on Wednesday. \$20.00 includes school, lunch and wine.
 - 1:00 p.m. Men's Golf Tournament — North Course
- Golfers may complete tournament round prior to this time if card is validated by NPA, Mickey Skinner, before play and the golf pro after play.
- Open Evening

Wednesday, July 20

- 8:00 a.m. Council Breakfasts
- 9:00 a.m. General Meeting
- Noon Board of Directors Meeting
- 7:00 p.m. Reception
- 8:00 p.m. Dinner, Program and Dance

Spouse's Program

- 10:00 a.m. Repeat of "The Marriage of Food and Wine" Mondavi Vineyard — Limit, 25 persons

Thursday, July 21

- Departure

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CLASSIFIED ADVERTISING RATES

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Minimum \$5.00

WANTED: Demeco used presses, spreaders. For information write P.O. Box 1008, Palatine, IL 60067.

FOR SALE: 1 Ambrette stainless steel press, 1 Clermont needle cutter, 1 stainless steel conning conveyor. Call 216-481-8170.

Buyer's Guide Listing:

Bender Goodman Co.,
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Nationwide suppliers of liquid, dried and frozen eggs; custom blends, and dark color for the Pasta Industry.

Arizona Durum

William Corpstein, Chairman of the Board of Directors of Southwest Marketing Corporation, is pleased to announce the election of Dennis C. Giaccone to the position of President and Chief Executive Officer of Southwest Marketing Corporation. Mr. Giaccone will, in addition, remain a Board member.

Southwest Marketing, a public corporation, has been serving the Imperial Valley Growers since 1934. During the last 12-month fiscal year, its sales surpassed \$50 million. SMC has offices and seed cleaning facilities in Imperial and Brawley, and grain facilities throughout the Imperial Valley and Blythe.

The company sells seed throughout the Southwest and Overseas and sells grain to the local markets, domestic mills, and exporters.

SMC is a part owner of Western Plant Breeders, a Phoenix, Arizona, based plant breeding firm with several patented varieties of wheat, barley, and durum grown in the Southwest, the U.S., and Europe.

Prior to his appointment, Mr. Giaccone was an Executive Vice President for SMC and also an Executive Vice President with Valley Seed Company in Phoenix. Mr. Giaccone will continue his affiliation with Valley Seed Company as an EVP.

Valley Seed Company is in the seed, grain, and bermudagrass business. They serve the U.S. Market, as well as Europe, the Middle East, North Africa, and Australia.

Western Plant Breeders has developed a new durum, WestBred® 881, that has caught world attention for its gluten strength and color.

Presently, Southwest Marketing Corporation and Valley Seed Company are the distributors of the planting seed for this product for the Southwest.

In its first year of commercial production, there are approximately 20,000 acres of WestBred® 881 grown. The average yield is 80 bushels.

Borden Announces National Expansion of New Backhaul Program

The Borden Consumer Products Division has expanded its new Backhaul Program to a national scope after successful in-market testing. The program is a result of over two years of research, analysis and development including extensive discussions with Borden customers from coast to coast.

"Based on the company's research," states John Sarefield, Director of Distribution, "we believe our approach to backhaul is one of the most comprehensive in the industry."

"According to comments from customers, one reason the program works so well is that our people have been properly trained to execute it." A task force of sales and distribution people has been sent to the field to present Backhaul to customers. Borden also has a customer logistics group specially set up to help sales with any customer requirements. One of the group's major emphases is the ongoing

support of the Borden Backhaul Program.

Backhaul is designed to help customers achieve a higher level of cost efficiency. "We want to provide customers with more options in the purchasing and distribution of all Borden dry grocery and confection products," says Sarefield. "Our program offers an effective and efficient method of getting the product to the customer while keeping costs to a minimum and maintaining service."

Borden Backhaul offers a cost justified pick-up allowance based on the distance of the customer's warehouse from the assigned Borden warehouse. The savings in distribution helps retailers put product on their shelves at the best possible price.

Before rolling out nationally, Borden tested its Backhaul Program for nine months in four different geographic areas in the United States. "This was to ensure that the program provided the benefits our customers wanted," states Sarefield. "At the end of the test period, over 50% of the warehouse tonnage in the test area was picked up by participating customers with an average savings of \$140 per order in off-invoice pick-up allowances."

In conjunction with the backhaul program is a change in Borden's bracket pricing for delivered orders which reflects actual distribution costs and includes a cost justified decrease in best price brackets.

Ragu Records

Chesebrough - Ponds' P. kaga Foods Division achieved outstanding increases in sales and profits for 1982. Ragu Homestyle spaghetti sauce, introduced near the end of 1981, has proven highly successful in sustaining solid growth in the overall spaghetti sauce category and in further strengthening the Ragu brand's leadership position. Ragu Homestyle sauce, designed for consumers still making their own sauce, has been one of the most successful grocery products launched in the U.S. in the past decade. Also contributing to the division's impressive 1982 performance were additions to the Ragu Pizza Quick line — the new "chunky style" sauces and a new mix.

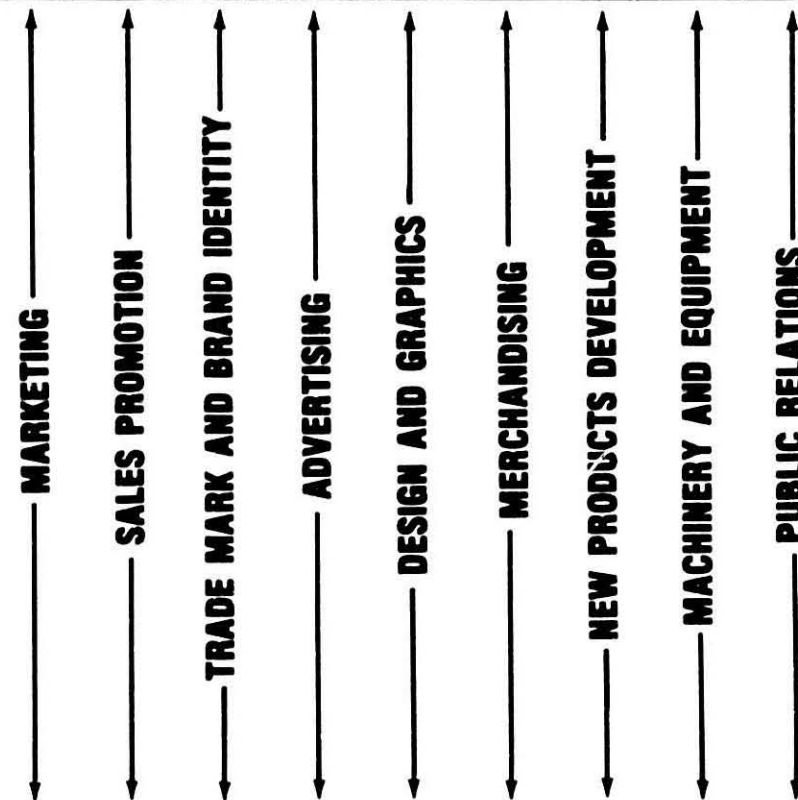
Fritz Mondale's favorite dinner pasta, says the Washingtonian magazine.

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