

**THE  
MACARONI  
JOURNAL**

**Volume 55  
No. 10**

**February, 1974**

FEBRUARY, 1974

# Macaroni Journal

February  
1974  
Vol. 55  
No. 10

Official publication of the National Macaroni Manufacturers Association,  
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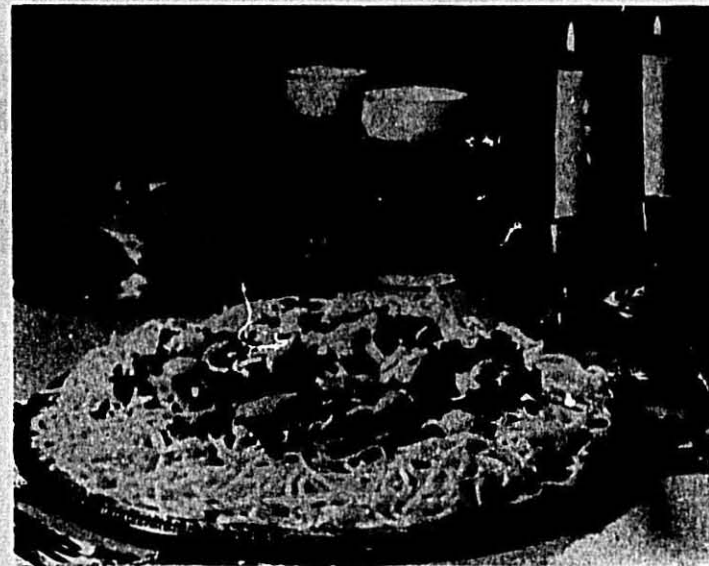
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## MACARONI JOURNAL

Subscription rates  
Domestic . . . . . \$ 8.00 per year  
Foreign . . . . . \$10.00 per year  
Single Copies . . . . . \$1.00 each  
Back copies . . . . . \$1.00 each

The Macaroni Journal is registered with  
the U.S. Patent Office.

Published monthly by the National  
Macaroni Manufacturers Association  
its official publication since May, 1919.



Spaghetti with Buttered Crab Sauce. (Courtesy U.S. Brewers Association)

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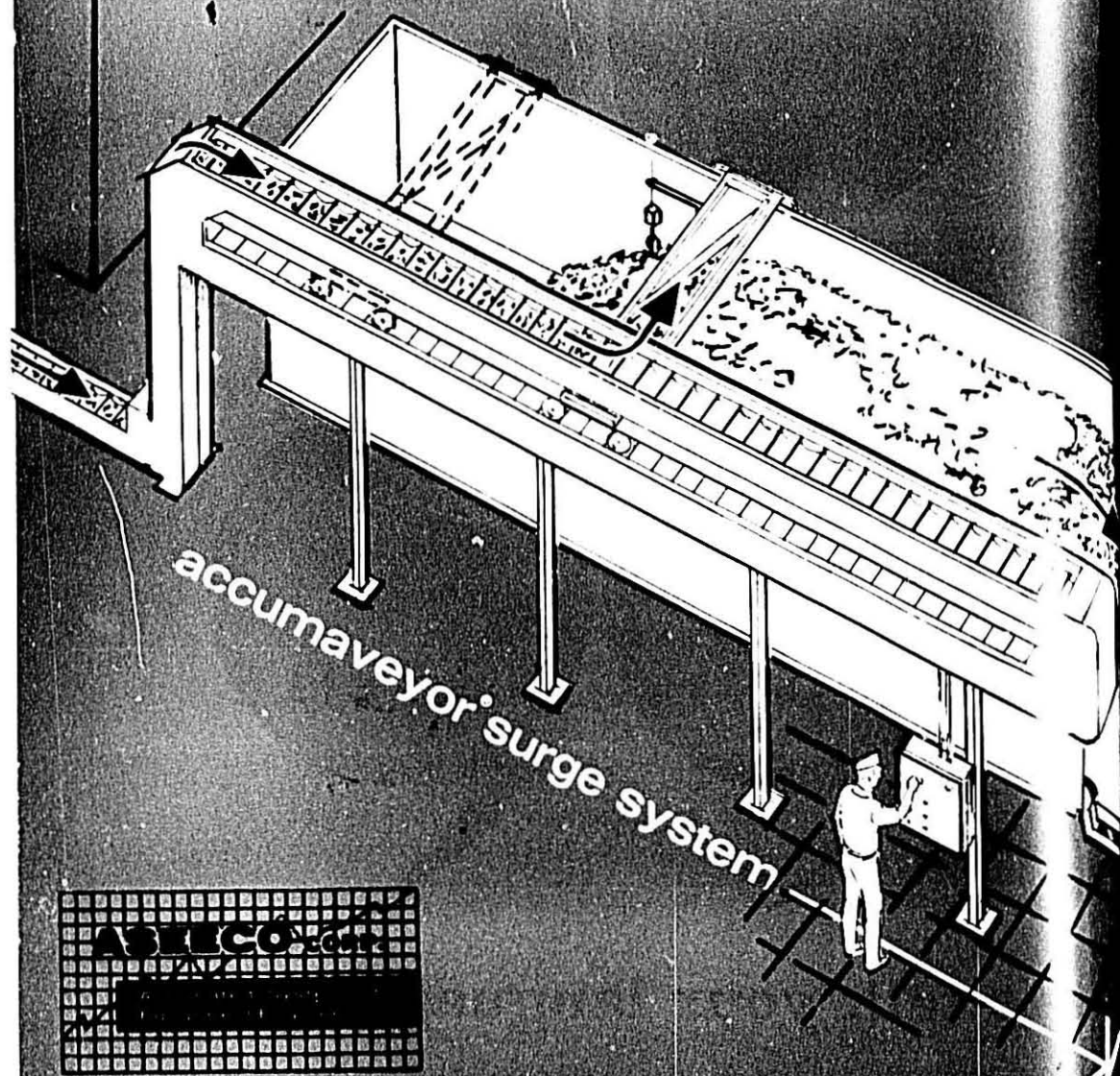
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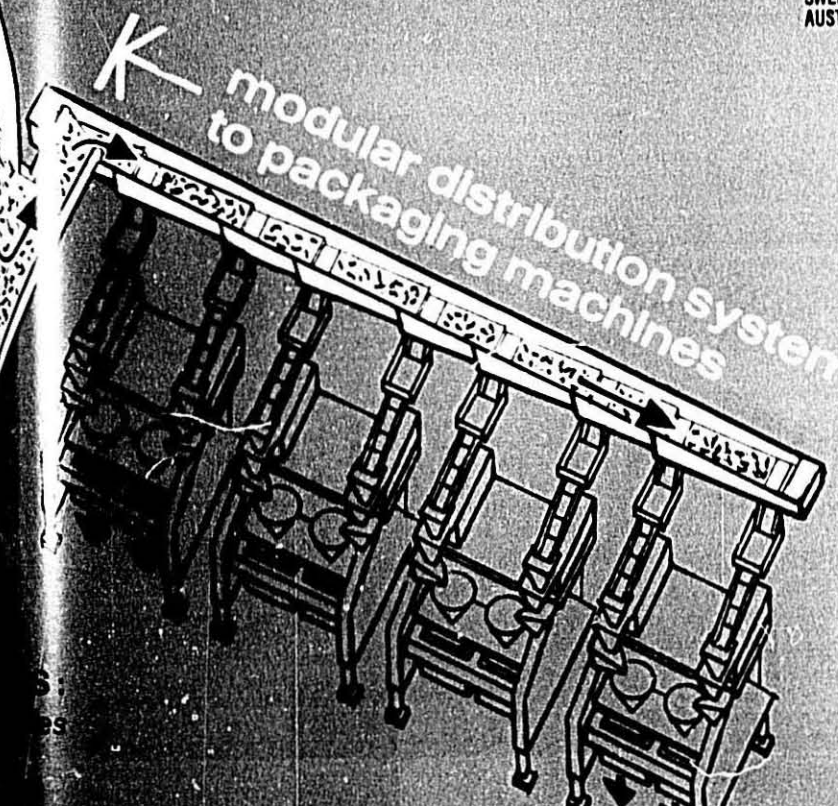


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MAJOR SYSTEMS IN OPERATION WORLD WIDE FOR OVER  
 FOR NON FREE FLOWING MATERIALS  
 potato chips, cereals, confectionery, etc.

8857 W. ...

## Prosperity with Problems

WITH Government controls, rampant inflation, material shortages and an energy crisis exacerbated by the war in the Middle East, United States businessmen had to kick and scratch to stay one up on the competition in 1973. At the same time, the economy boomed. In a number of industries, macaroni included, plants operated at capacity, customers clamored for goods, and consumers appeared to buy up everything in sight.

Public confidence in the economic outlook has been blighted, says Chase Manhattan Bank, by the virulent rise of prices, especially for food. Food prices shot up 17.8% in the first ten months of 1973, accounting for 40% of the overall increase in the cost of living as measured by the consumer price index. And many people are quite familiar with the causes: About 18 months of unusually bad weather in many places of the world cut global crops far short of needs, while demand was climbing because of population growth and increasing affluence. Many nations came to the United States both because there were available supplies here and because two dollar devaluations made United States commodities all the more attractive.

For years economists have said that farmers are becoming more and more businesslike. The day will come, they said, when farmers will no longer be primarily interested in the rural way of life, growing crops and livestock because that's all they can do and accepting whatever price the market grants. Well, that day arrived during 1973.

Consumers tried to resist with the boycott on meat, but they soon relearned what had become almost forgotten in the prosperous decades since World War II: How to cope with shortages and too-high prices by doing without, by cutting down, by looking hard at personal priorities.

Supermarkets discovered that even increasingly affluent consumers would tolerate price increases only up to a point, and beyond that they would not go.

### Grocers Have Problems

Editor Ken Partch of *Chain Store Age* observed that price is no longer something to gag, kid or crow about. He asked the question: "If price is fast becoming a matter of bitter acrimony—and something better left undiscussed for the present—then what will most likely get customers to shop for most of their needs at a given store?"

Another question: "If the whole idea of abundant, low-cost food is dead in the United States, then in what kind of atmosphere will customers want to shop for their food?"

If cheap food is gone forever, then what happens to the implications of expensive packaging and design? What happens to the notion of built-in service and conveniences with respect to consumer attitudes? Will the relationship between private labels and brands become even more significant?

The questions, of course, are easier to ask than to answer. One thing is certain: If Americans are going to have to get used to shopping for food in competition with consumers of the world, then we can be sure that the habits of this consumer are going to change significantly.

### Pasta Sales Boom

Surveys show that increased buying of fresh fruit, vegetables, macaroni products and cereals are compensating for small portions of meat, fish and poultry being served. The pasta boom began with Lent and hit a crescendo with the meat boycott, and it has run strongly through the rest of the year with the durum mill grind for the first ten months better than 12% over the preceding year.

At mid-year, however, the imposition of the price freeze with the domestic durum mills out of the market for six weeks, saw exporters move in and run the price of No. 1 Hard Amber Durum from \$2.90 a bushel to \$9.00. In October this receded to a \$5.00 to \$6.00 range, but it was back up to \$8.00 in mid-December with export demands still running heavy.

The industry was concerned over government statistics which originally were in conflict between the Departments of Agriculture and Commerce on export commitments. Commerce indicated that commitments exceeded the crop forecast and Agriculture disputed this. After the Farm Bill gave Agriculture the responsibility, it turned out that Commerce wasn't so far off.

The demise of the baby chicks at the time the price freeze went into effect demonstrated the dilemma of the poultry growers. Frozen eggs doubled in value from the first of the year to mid-August then lost about a quarter of that gain by the end of the year. Dried yolks went from a low of \$1.25 in February to \$2.80 in August and ended up the year between \$2.00 and \$2.30.

### Outlook

**Progressive Grocer** gave, as the best information available in key food commodity categories, the following information. **Meat**—good selection of high quality meats in coming months. Prices starting to drop a bit more. **Poultry**. **Eggs**—Lower production than last year, but should not affect stabilizing prices, adequate supplies. **Wheat**—already skyrocketing prices in for more jumps; spring shortage foreseen. **Milk**—Dairy farmers: tightening the pipeline due to increased costs; prices will wander upward. **Canned Vegetables**—Tomatoes, corn, peas will be in short supply in May and June; lowest carryover of fruits, vegetables in twenty years, crop failures, reduced inventories. Result—heavy stockouts.

### Looking Back at Food Prices

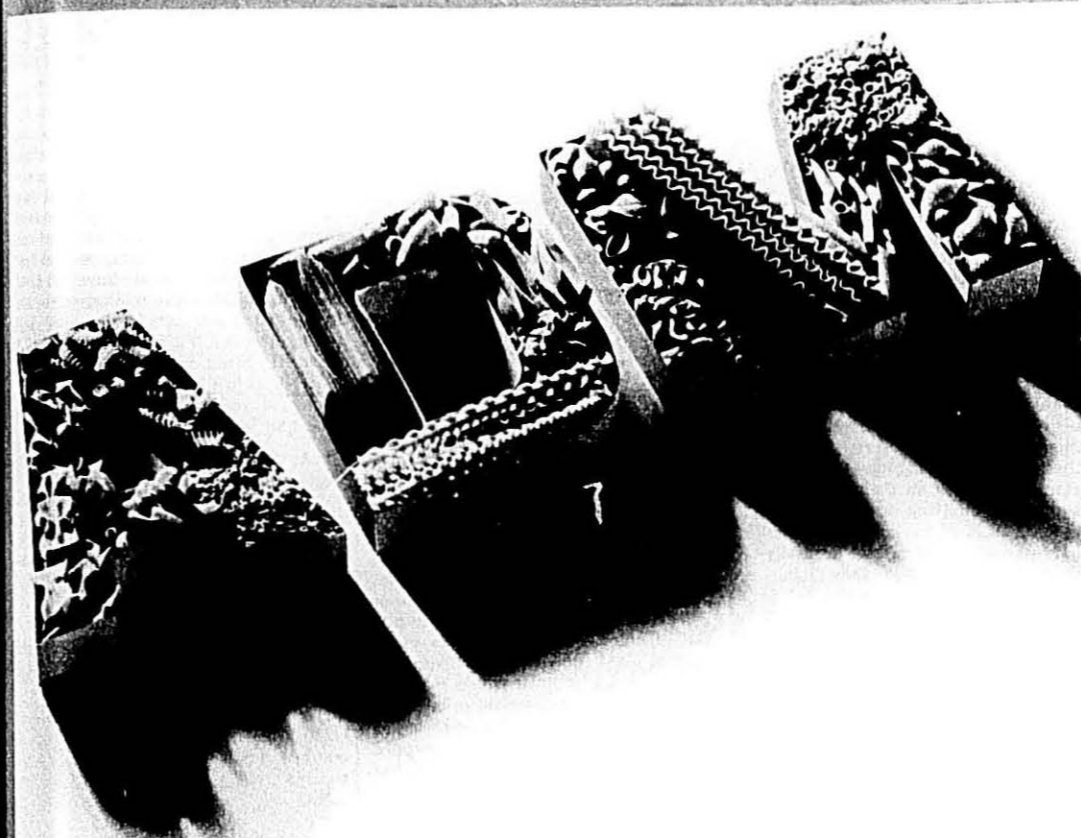
by John A. Prestbo,  
*Wall Street Journal*

Almost everybody is aware of what has happened to food prices: They shot up 17.8% in the first 10 months of last year, accounting for 40% of the overall increase in the cost of living, as measured by the Consumer Price Index. And many people are quite familiar with the causes: About 18 months of unusually bad weather in many places of the world cut global crops far short of needs, while demand was climbing because of population growth and increasing affluence. Many nations came to the U.S. both because there were available supplies here and because two dollar devaluations made U.S. commodities all the more attractive.

On the face of it, higher food prices would seem to be the result of a rare combination of circumstances that eventually will go away and allow things to return to normal. But a closer look indicates that last year marked a turning point in the relationship of farmers and consumers in this country. The way we go about producing and consuming food may never be quite the same again.

First of all, consider the farmers and ranchers. For years the experts have said that farmers are becoming more and more businesslike; the day will come, they said, when farmers will no longer be primarily interested in the rural way of life, growing crops and livestock because that's all they can do and accepting whatever price the mar-

(Continued on page 8)



# Pasta-Perfect

You can expect nothing less than pasta-perfect flour from ADM.

We select only the finest Durum—quality mill it into that golden flour and the best Semolina you want. Clean. Consistent.

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## Looking Back at Food Prices

(Continued from page 6)

ket grants. Well, that day arrived during 1973. Not literally, of course, since such changes occur slowly over many years. But farmers provided several examples of acting resolutely in their own economic self-interest—examples that would have astonished farmers themselves two years ago.

For instance, last spring when groups of housewives organized a week-long consumers' boycott against high-priced meat, cattle feeders and hog farmers withheld enough supplies from market to counteract the dip in demand; as a result, the boycott did nothing to lower prices. Grain farmers also are attempting to gain more influence over market prices. Many of them have erected substantial grain-storage facilities on their farms in recent years, allowing them to store their crops instead of having to sell them at their lowest—because they have no other place to put them. In July, winter-wheat farmers were selling much less of their just-harvested crop than usual; the price went up, and only then did the grain begin flowing in normal amounts.

### Cattle Feed and Cash

Another example: For much of last year, cattle feeders were putting fewer cattle on feed than a year earlier because, they say, prices for the animals are too low, despite last summer's run-up, to cover increased costs of feed and other things. They say they aren't going to boost their production until they are assured of an adequate rate of return.

"Farmers want to see the color of their customers' money before they produce," says Lane Palmer, editor of *The Farm Journal*, a trade magazine. "They've answered the cries for more food in the past, only to find that they've produced huge surpluses and prices have fallen flat. I don't think that they'll do it again. Now they have one eye on the market instead of both eyes on the furrow."

And a good thing, too, because the market—namely, consumers—has been changing almost as much as the farmers. Through the 1950s and 1960s consumers seemed to be on a straight-line trend toward eating a little more and a lot better as their affluence increased. When housewives occasionally became upset over high prices, as they did in the late 1960s, their demonstrations and supermarket picketing were largely disorganized and ineffectual.

That, too, changed last year. The afore-mentioned spring meat boycott turned out to be rather well organized for a national effort and would have had considerably more market impact if the farmers hadn't countered with their own moves. And the sentiment expressed by the boycott was quite genuine, as shown by last fall's decline in meat sales in response to high prices reached in summer.

### Eating Habits Adjust

Indeed, consumers adjusted their eating habits considerably because of higher food prices. In September, for instance, the Consumer Price Index showed that retail food prices rose 21.5%, but dollar sales volume of grocery stores rose by just 12.5% above the year-earlier level. The conclusion: People began eating a little less and a lot cheaper—breaking a habit that's at least 20 years old and which some observers assumed would never end.

Of course, people did not do this gracefully. They bellyached like crazy, and presumably for political reasons President Nixon felt compelled to placate them. He attempted to do so by placing food under strict Phase 3½ price ceilings, a move which made no economic sense: Many food prices were frozen below the cost of production, so some food companies simply stopped making or distributing them. As a result, shoppers encountered some bare shelves along with high prices during the summer.

Dismayed at the prospect of shortages, many consumers began hoarding. At first, supermarkets began rationing meat and other popular items. Then they got the idea that if they supplied beef they would have a competitive advantage over stores that couldn't get any. So they bought the high-priced cattle themselves and paid closed-down meat packers to custom-slaughter the animals for them. This tactic headed off a widely predicted beef shortage, but about the same time consumers decided that even at ceiling prices beef was too expensive, so they slowed their buying. The supermarket chains were stuck with a glut of expensive beef and losses of millions of dollars.

Meanwhile, the farmers were throwing a punch at Phase 3½ that ended up rebounding against themselves. They were enraged by the food price ceilings and, using their new-found market muscle, proceeded to strike back. Their first efforts—notably drowning baby chicks on the six o'clock news—generated considerable public outcry (and helped spur hoarding, incidentally) but didn't budge the bureaucrats. Then the

cattlemen decided once again to withhold beef from market, waiting for anticipated higher prices when the ceiling was taken off in mid-September.

Like many others, they apparently figured consumers' taste for beef would be so strong that they could sell their over-fattened cattle without any problem. Instead, consumers weren't buying, the chain stores were trying to unload their custom-slaughtered beef, and the cattlemen ended up taking a considerable loss on the animals they had held back. In addition, the market prices for live cattle and wholesale beef fell throughout the fall because of the glut of meat; retail prices didn't drop as much or as fast because the chains were trying to recoup some of the money they had lost earlier.

### A Cast of Changing Characters

Thus was the food price drama of 1973 played out by a cast of changing characters who learned not only about each other but about themselves as well. Farmers discovered that they could indeed influence the market they once had endured so passively; but they also learned that they couldn't stretch this influence to the point of dominating consumers and dictating prices.

Consumers relearned what had become almost forgotten in the prosperous decades since World War II: how to cope with shortages and too-high prices by doing without, by cutting down, by looking hard at personal priorities. Perhaps the lessons of these hard choices at the supermarket last summer will help people cope with the fuel crisis.

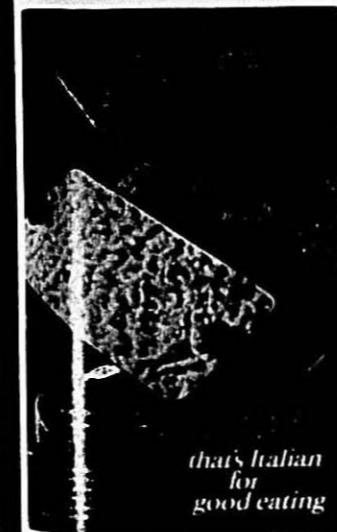
But consumers also learned they could contribute to the very problems they must deal with. They found that their considerable political muscle was capable of economic overkill—in forcing price controls on food they could precipitate production cutbacks—which would eventually lead to their bare shelves or even higher prices.

The supermarkets discovered that even increasingly affluent consumers would tolerate price increases only up to a point, and beyond that they would not go. Whether they actually learned anything from this discovery remains to be seen. What they should learn is that their retail prices must closely and accurately reflect changes in wholesale and commodity prices; too much "retailers' lag" is liable to distort the messages that the new breeds of farmers and consumers are sending each other and thus accentuate price swings rather than minimize them.

And the government learned . . . well, it's too chancy to assume the gov-

ernment learned anything. A lot of government officials warned against the folly of imposing price controls on food but the controls were put on anyway, so apparently foreknowledge is no certain deterrent. It is hoped, though, that the government from President Nixon on down has gained some respect for the ability of the marketplace to perform its functions better than any price control system—especially now that farmers and consumers are becoming more alert and vigorous practitioners of their economic roles.

Weather, insects, blight, foreign demand and other factors will still influence food prices, of course, sometimes dramatically. These factors could even produce surpluses again for a time, returning food to a take-it-for-granted status from which the next rude awakening could be even more painful. But for now, the fresh assertiveness of farmers and consumers is one of the more hopeful signs to emerge from the troubles of 1973.



### Ronco Advertising

"Fifteen minutes from start to finish" is the copy theme for Ronco Macaroni ads that will appear ten times in *Family Circle* and *Southern Living*.

The four-color ads stress that only mother knows how her family likes their macaroni and cheese, and she can season it to their taste.

The magazine ads will be backed by 60-second radio and 30-second television spots in selected markets. Greenhaw & Rush, Inc. of Memphis is Ronco's agency.

### National Macaroni Institute Advertisements in Progressive Grocer

The advertisement below appeared in the January issue of *Progressive Grocer* magazine.

This is a continuation of the campaign begun a year ago with the ads: "Here's How to Turn a Short Shopping List into a Long One" and "Here's How to Direct Traffic into Every Section of Your Store."

Ads are being prepared for future placement stressing pasta's profitability and virtue of generating related item sales.

### Hellmann's Mayonnaise Advertising/Merchandising Promotion

Two page full color advertising showing six pasta dishes is scheduled to run in the March issues of *Family Circle* and *Better Homes & Gardens* and in the April issues of *Good Housekeeping* and *Sunset* magazines. The ad follows in black and white.

Robert J. Dixon, Assistant Product Manager, Hellmann's Best Foods Mayonnaise, CPC International, Englewood Cliffs, New Jersey is coordinating the program.

## PUSH PASTA FOR PROFIT . . .

1973 Pasta Store Volume . . . More than \$450 Million  
1973 Pasta Consumption . . . A record 1.8 billion lbs.

A record 9 lbs. per capita

How profitable is Pasta or Macaroni Products?

**Average gross margin is 19.3%, reports one major survey.** (Progressive Grocer, Super Store, July '73)  
Random comments from your peers on macaroni profitability . . .

"Total store up 15½ percent, Macaroni up 39%."

"Macaroni sales 1.3 percent of dry grocery, right up there with baking mixes 1.1 percent and canned fruit, 1.5 percent."

"Macaroni products are 4 percent grocery footage and deliver 20 percent gross profit."

Kick off 1974 by expanding your macaroni section and expand your pasta and related item profits at the same time.

THE NATIONAL

# MACARONI

INSTITUTE

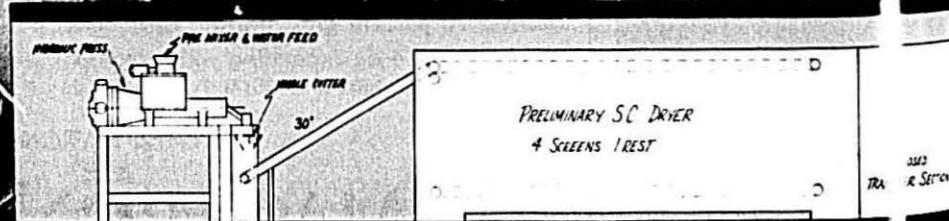
## PUSH PASTA FOR PROFIT

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## To dress up pasta deliciously,

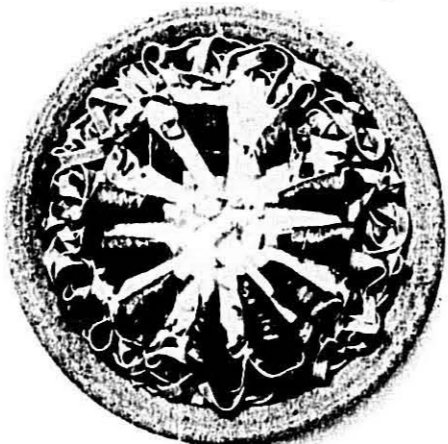


### MANICOTTI

An Italian favorite with an especially creamy filling

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| 1/2 pound ground beef               | 1/2 cup HELLMANN'S Real Mayonnaise |
| 1 clove garlic, crushed             | 8 manicotti, cooked and drained    |
| 1 cup creamed cottage cheese        | 1 jar (16 oz) spaghetti sauce      |
| 4 ounces shredded mozzarella cheese | 1/2 tsp dried oregano leaves       |
| 1/2 tsp salt                        | Parmesan cheese                    |

Brown beef and garlic, drain fat. Mix next 4 ingredients in bowl, stir in beef. Fill each manicotti with about 1/4 cup cheese-meat filling. Place in baking dish; cover with sauce. Sprinkle with oregano and cheese. Cover with foil. Bake in 350°F oven 15 minutes. Remove foil, bake 10 minutes longer. Serves 4.

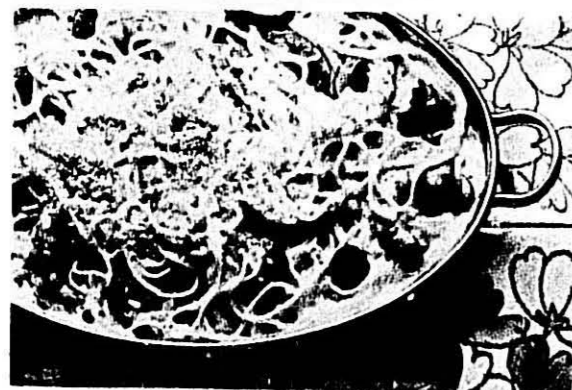


### NOODLES AND PROSCIUTTO

The velvety cheese sauce takes just minutes to make

- |                                    |   |
|------------------------------------|---|
| 1 Tbsp margarine                   | 1 Tbsp prepared mustard                                     |
| 1/2 cup chopped green pepper       | 1/8 tsp pepper  |
| 1 cup grated Swiss cheese          | 1/4 pound thinly sliced prosciutto                          |
| 1/3 cup HELLMANN'S Real Mayonnaise | 1 hard salami, cut in pieces                                |
| 1/3 cup milk                       | 1 package (8 oz) green or white noodles, cooked and drained |

Melt margarine in saucepan; saute green pepper until tender. Add next ingredients. Cook, stirring constantly, until cheese melts. Spoon over noodles. Garnish with prosciutto, if desired. Serves 4.



### SHRIMP TETRAZZINI

For variety, replace shrimp with chicken

- |  |   |
|--|---|
| 2 Tbsp margarine                                 | 1/4 cup HELLMANN'S Real Mayonnaise                  |
| 1 medium onion, chopped                          | 1 tsp salt  |
| 8 ounces shelled, deveined shrimp                | 2 cups milk   |
| 8 ounces fresh sliced or canned drained mushroom | 1/4 cup sherry                                      |
| 1/4 cup flour                                    | 1 package (8 oz) thin spaghetti, cooked and drained |
| 1/4 cup HELLMANN'S Real Mayonnaise               | Grated Parmesan cheese                              |

Melt margarine in skillet, saute onion until tender. Add shrimp and mushrooms. Cook 5 minutes, stirring often, remove from skillet. Mix next 3 ingredients in skillet; add liquids. Cook until thickened. Toss with shrimp and spaghetti. Turn into 1 1/2-quart casserole. Top with cheese; bake in 350°F oven 30 minutes. Serves 4.

Best Foods, a Division of CPC International Inc. **EPC**

## start fresh with Real Mayonnaise.

### Thank goodness for Hellmann's.

It's easy to make family-priced pasta taste like company's coming. Just start with Hellmann's Real Mayonnaise. No other mayonnaise freshens up pasta better than creamy-smooth Hellmann's. It's the really fresh Real Mayonnaise. These days more than ever, thank goodness for Hellmann's.



### LASAGNE FLORENTINE

Everyday ingredients made into something special

- |                       |  |
|-----------------------|--|
| 2 Tbsp. margarine     | 1/3 cup HELLMANN'S Real Mayonnaise                           |
| 1/3 cup chopped onion | 1 package (10 oz) frozen chopped spinach, thawed and drained |
| 2 Tbsp. corn starch   | 2 cans (7 oz each) tuna, drained                             |
| 1/2 tsp. salt         | 6 lasagne noodles, cooked, drained and cut in half           |
| 1/2 tsp. pepper       | 2 Tbsp. grated Parmesan cheese                               |
| 1/2 tsp. ground thyme | 1/2 cup milk   |

Melt margarine in saucepan; saute onion until tender. Add next 6 ingredients. Heat until thickened; stir in spinach. Mix 1/3 cup sauce with tuna. Spoon 2 tablespoons mixture on each noodle and roll up. Pour half of remaining sauce into baking dish; place roll-ups on top and pour on rest of sauce. Sprinkle with cheese. Bake in 325°F oven 20 minutes. Serves 4 to 6.



### CHICKEN-FILLED SHELLS

Leflover chicken a fresh way

- |  |  |
|--|--|
| 2 cups cubed cooked chicken                        | 1/2 cup HELLMANN'S Real Mayonnaise                 |
| 1 cup cooked peas                                  | 1/3 cup finely chopped onion                       |
| 1/2 cup HELLMANN'S Real Mayonnaise                 | 1 package (12 oz) jumbo shells, cooked and drained |
| 1/3 cup finely chopped onion                       | 1 can (10 3/4 oz) condensed cream of mushroom soup |
| 1 package (12 oz) jumbo shells, cooked and drained | 1/2 cup water                                      |

Mix together first 4 ingredients. Stuff shells. Arrange in single layer in baking dish. Stir water into soup, pour over shells. Cover with foil. Bake in 325°F oven 25 minutes. Garnish with chopped parsley, if desired. Serves 6.

BRING OUT THE HELLMANN'S AND BRING OUT THE BEST.



### MACARONI FRANKS DINNER

A savory main dish made a quick no-oven way

- |  |
|--|
| 1 package (8 oz) macaroni, cooked and drained  |
| 1 pound frankfurters, cooked, in 1-inch pieces |
| 1 cup HELLMANN'S Real Mayonnaise               |
| 1/2 cup julienne American cheese               |
| 1/2 cup sliced green onion                     |
| 2 Tbsp. prepared mustard                       |
| 1/2 tsp. salt                                  |
| 1/4 tsp. pepper                                |

Heat all ingredients in large saucepan. Serves 6.







Arch M. Booth

## Fuel Shortage Worse Than You Think

to suffer, no matter what else does. There are other "priority" users too, such as bus lines, electric power generation, emergency vehicles, and heavy industry.

What it inevitably comes to is that the average citizen is going to have to bear the brunt of the cutbacks—not to the degree of freezing in the winter, but certainly to the extent of a sharply curtailed life-style.

### Fuel Allocations

Harold Halfpenny, general counsel of the National Macaroni Manufacturers Association, outlines the Mandatory Fuel Allocations Program for middle distillate fuels and propane allocation with suggestions for what you can do.

**Energy Crisis**—A serious problem of energy shortage is facing the nation. As usual the nation is overacting, and there is much exaggeration going on. It is extremely serious, but controllable. Emergency planning is prudent. The government has announced mandatory allocations for propane and middle distillates, and much attention is being given to possible programs involving gasoline.

**Mandatory Fuel Allocations**—The Mandatory Allocation Program for "middle distillate fuels" became effective Nov. 1. A middle distillate fuel is any derivative of petroleum—including heating oil, diesel fuel, and kerosene. A second set of allocation regulations is already in effect regarding propane fuels. An end user of these fuels, who is having trouble receiving sufficient supplies, will have different options open to him depending upon the specific fuel involved.

**Heating Oil—Diesel Fuel**—Each state has a reserve of up to 10% of each fuel distributor's total allocation which may be allocated to alleviate "end-user" cases of hardship. Application for hardship relief should be filed by your fuel supplier with the designated state official within your state. Each state can establish such an office within the state government, and it is expected that all states will do so. This state officer will process all applications for exceptional hardship and inform a federal allocation officer (which has been designated for each state) of his recommendations regarding the individual situation. The federal officer will review those recommendations and issue the orders he considers necessary to carry out the objectives of the Mandatory Fuel Allo-

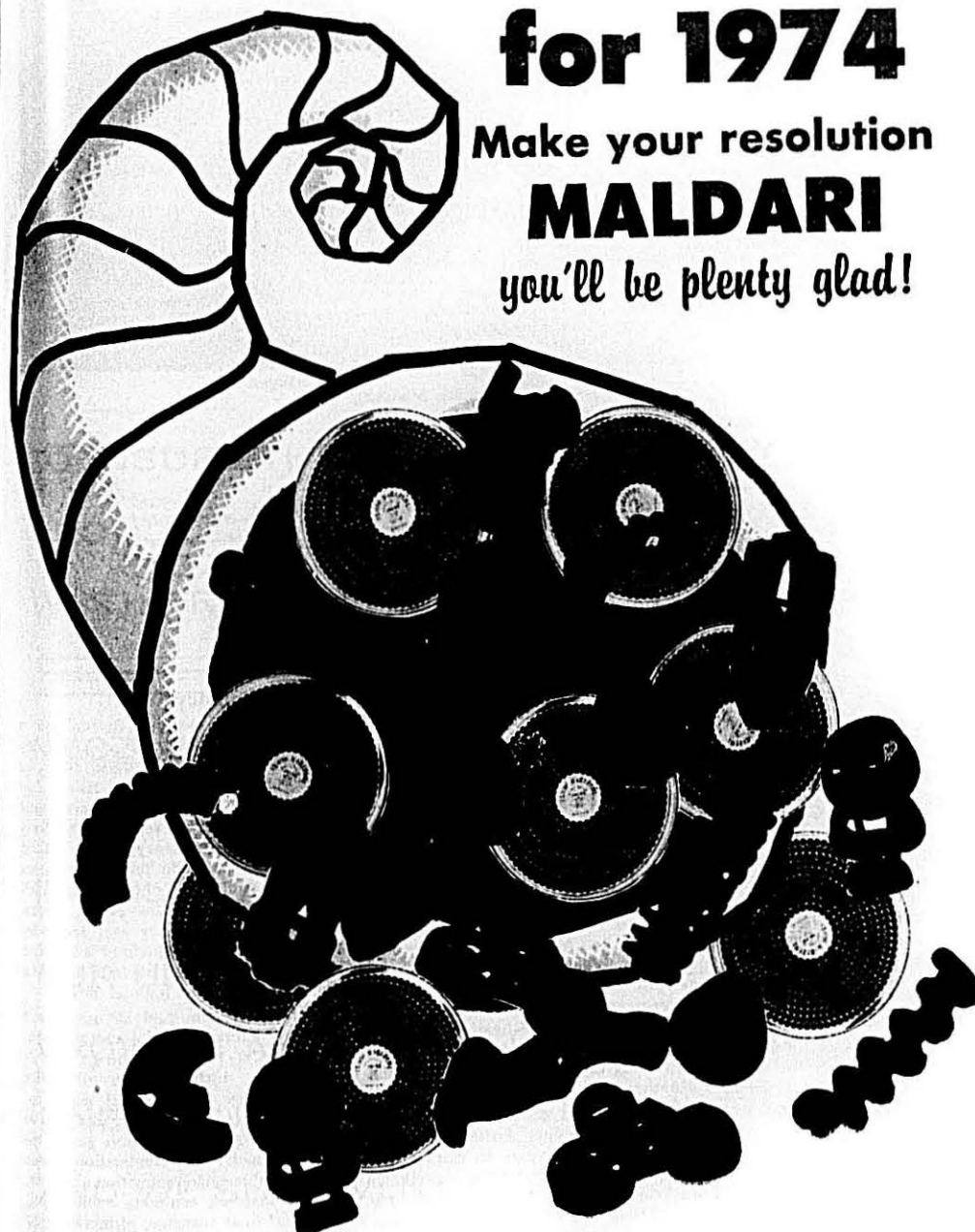


Harold T. Halfpenny

cation Program. An end-user will have to request this filing be done by his fuel supplier. The regulations do not allow for an end-user application for relief from exceptional hardship. The application must be sent from his supplier. Unlike the propane regulations, the oil allocation setup does not contain a priority user system. It is based on "historic" use patterns stipulating that the same amount of fuel used during the corresponding month of 1972 will be sold to the fuel distributor by his supplier during that same month during the program. Should any problem develop in receiving sufficient supplies of heating oil or diesel fuel, a request should be made to your supplier to file for hardship relief with the appropriate state official immediately. Should an overall shortage of these types of fuel occur during the upcoming winter months, the regulations stipulate that the shortage will be spread out proportionally to each fuel distributor, and he should proportionally restrict his sales to end-users.

Unfortunately, there are no regulations requiring that a fuel distributor must distribute his fuel to end-users on an allocation basis comparable with the same months during the previous year or that he sell his supplies proportionally to every end-user. If you have not already done so, you should strengthen the relationship between yourself and your supplier as soon as possible to avoid any more problems than necessary. The program does state that it is implied the fuel distributor will handle his customers on an equitable basis, using the same formula as the allocation program, but regulations regarding this are not contained in the program. If you believe for some reason that your supplier is not treating you as he should, a complaint should be registered first with him and if that is non-productive with the appropriate Regional Office of Oil and Gas contained at the end of this memo.

(Continued on page 16)



**for 1974**  
Make your resolution  
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you'll be plenty glad!



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

Arch Booth, executive vice president of the U.S. Chamber of Commerce says: "Our energy shortage is much worse than most people yet realize."

But the most important preparation of all is psychological. Life is not going to be "normal" for any of us this winter, or for the next few years. Accepting that and doing a little advance planning will minimize the effects of the shocks when they come.

**1. Why is the shortage so serious?**  
We get only 6% of our petroleum needs from the Arabs.

We had shortages of heating oil last winter and gasoline last summer, even when Mid-Eastern oil was still available. These shortages were caused by a combination of bad government policies, which decreased the incentives to search for new sources of natural gas and petroleum; mistakes in forecasts of demand by the petroleum industry; the effects on fuel usage of new environmental regulations; and our tremendous national appetite for energy of all kinds.

**The Arabs turned off the tap.** That had three effects: (1) It cut off most of our direct supplies from the Middle East; (2) It caused shortages in the rest of the world; (3) It put Europe and Japan in direct competition with us for the remaining sources of petroleum from such places as Iran, Indonesia, Venezuela and Canada. We have been importing 19% from all overseas sources combined—and a shortage of as much as 19% is a very serious shortage.

**2. Does this mean that we can lick the problem by using our cars 19% less?**  
No, it's not that simple, unfortunately.

There are some activities that cannot be cut back at all, without disastrous consequences. For example, there are spot shortages of the diesel fuel used for drilling oil wells, mining and transporting coal, and growing, processing and transporting food. Obviously, we cannot allow any of these activities

## Fuel Shortage

(Continued from page 14)

**Mandatory Propane Allocation**—This program differs somewhat from the "middle distillate fuel" allocation in that it contains a priority setup for the distribution of propane. The Mandatory propane regulations define certain priority customers as those end-use customers using propane for a number of uses where no feasible alternative fuel is available. Of the greatest interest to business are the following priority uses:

(1) Industrial vehicles or equipment (such as fork-lifts and other similar equipment used primarily in enclosed facilities where alternative vehicles or equipment cannot be utilized because of gaseous emissions).

(2) Commercial requirements with total consumption not to exceed 15,000 gallons per year per location.

Certain customers, such as farmers, food processors and government services, are also entitled to priorities under the program. All propane suppliers and resellers must first provide propane for the normal priority requirements of their priority customers and shall sell his remaining supplies equally to his non-priority customers. Under the propane regulation, the inability of non-priority customers to obtain propane is not deemed in itself an "exceptional hardship." Any person who suffers an exceptional hardship as a direct consequence of the Mandatory Propane Allocation Program may petition the Regional Administrator of the Office of Oil and Gas for relief. The petition must contain all information necessary to establish the petitioner's hardship as "exceptional." The Regional Administrator will consider each petition and notify the petitioner in writing of the disposition of his request. Should you not agree with that decision, a review may be sought from a director of the Office of Oil and Gas in Washington.

The Offices of Oil and Gas regional offices and their specific addresses are as follows:

### OOG Regional Offices

#### Petroleum Allocation Program

Region 1—Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut. Regional Dir., Office of Oil & Gas, 150 Causeway St. (Rm. 607), Boston 02114

Region 2—New York, New Jersey, Virgin Islands, Puerto Rico. Reg. Dir., Office of Oil & Gas, 252 7th Avenue, 4th Floor, New York, NY 10011

Region 3—Pennsylvania, Delaware, Virginia, West Virginia, Maryland, District of Columbia. Reg. Dir., Office of

Oil & Gas, Federal Office Bldg., 600 Arch Street, Room 7248, Philadelphia, PA 19106

Region 4—North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, Canal Zone. Reg. Dir., Office of Oil & Gas, Suite 750, 1375 Peachtree St. NW, Atlanta 30309

Region 5—Michigan, Illinois, Wisconsin, Minnesota, Indiana, Ohio. Reg. Dir., Office of Oil & Gas, Fed. Office Bldg., Rm. 218, 536 South Clark Street, Chicago, Illinois 60606

Region 6—Texas, Louisiana, Arkansas, Oklahoma, New Mexico. Reg. Dir., Office of Oil & Gas, 2320 LaBranch St., Rm. 2104, Houston, Texas 77004

Region 7—Iowa, Nebraska, Missouri, Kansas. Reg. Dir., Office of Oil & Gas, Fed. Office Bldg., Rm. 2511, 911 Walnut St., Kansas City, Missouri 64106

Region 8—Montana, Wyoming, North Dakota, South Dakota, Colorado, Utah. Reg. Dir., Office of Oil & Gas, Bldg. 67, Rm. 1470, Denver Fed. Center, Denver, Colorado 80225

Region 9—California, Nevada, Arizona, Hawaii, American Samoa, Guam, Trust Territory of the Pacific Islands. Reg. Dir., Office of Oil & Gas, Federal Office Bldg., 450 Office Bldg., Box 36032, San Francisco, California 94102

Region 10—Washington, Alaska, Oregon, Idaho. Reg. Dir., Office of Oil & Gas, Fed. Office Bldg., 909 1st Ave., Rm. 3098, Seattle, Washington 98104

**Possible Future Action**—There is a distinct possibility that allocations may become even more stringent and may take in gasoline at a later date. Congressional activity is continuing with regard to even more stringent allocations and fuel conservation programs. The President has been given sweeping authority to declare fuel shortage emergencies, and to require state and local government action to meet these emergencies. Rationing of heating oil could become a possibility should the measures being taken now fail to relieve the situation.

It is clear that we will be faced with a petroleum product shortage situation for a number of years to come. It is thus very important that you establish a secure, long term source of supply for your products in order to avoid potential costly disruptions to your business.

### Other Things You Can Do . . . About the Energy Crisis

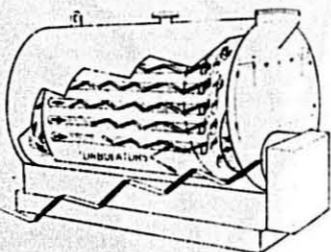
1. Develop and promote energy conservation programs in your community. Organize discussion sessions with local government officials and other organizations to formulate community conservation programs.

### Issues could include:

- Car pooling
- Reduce operating hours in business and shopping districts
- Curtail Christmas lighting
- Adjusting work hours
- Promoting use of mass transit.

Background material is available from Office of Consumer Affairs, Washington, D.C. 20508. Write for "Citizen Action Guide to Energy Conservation." Government Printing Office, Washington, D.C. 20402. Request Stock Number 4000-0030.

2. Urge Congress and the President to adopt policies now which will limit the duration and intensity of our energy shortages.



### Fuel Efficiency




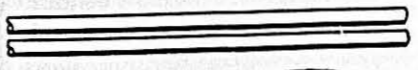











An 8 to 12% savings in fuel and a corresponding savings in cost can't be ignored—especially in these times of scarce fuel supplies and rising fuel costs. This written guarantee of fuel savings is a part of every sales contract made by Fuel Efficiency, Inc. in selling Turbulators, a baffle for the fire tubes of gas- and oil-fired boilers. These guaranteed savings are the result of improved boiler efficiency and are independent of burner adjustments that can result in additional savings bringing the total savings as high as 25%.

Technically, the fuel savings result from a combination of factors: an increase of CO<sub>2</sub> in combustion gases; balancing the draft through all boiler tubes so they all do equal work, reduced stack temperatures; elimination of excess air in combustion gases; reduced velocity of combustion gases through tubes and combustion chamber, thereby insuring complete combustion; improved heat transfer; elimination of hot spots and uneven heat distribution and reduced soot build-up.

Turbulators are easily inserted in the fire tubes of most boilers, and it isn't necessary to modify boilers to accommodate them. They do not damage boilers in any way and are easily removed and replaced for cleaning. Since they improve combustion, soot formation is reduced and less frequent cleaning is required.

(Continued on page 38)



TO INSURE THE QUALITY  IN ANY MACARONI PRODUCT  ALWAYS SPECIFY  WHETHER YOU'RE MANUFACTURING LONG GOODS  OR SHORT , EGG NOODLES  OR OTHER SPECIALTY SHAPES,  YOU'LL FIND  IS ALWAYS UNIFORM IN COLOR AND GRANULATION.  BECAUSE OF OUR UNIQUE AFFILIATIONS IN THE DURUM WHEAT GROWING AREA,  WE CAN SUPPLY  THE FINEST DURUM  WHEAT PRODUCTS AVAILABLE. AND WE SHIP EVERY ORDER  AT THE TIME  PROMISED. BE SURE... SPECIFY 



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## National Food Brokers Association Convention

Steve Weinstein writes in Supermarket News:

Brokers' sales and market share have been rising, with a definite trend for manufacturers to drop direct sales forces either companywide or on selected lines. In fact, NFBA claims food brokers now handle more than 53 per cent of all manufacturer sales. With supplier costs increasing and added complications caused by the energy crisis, it seems likely that the trend, if anything, will accelerate.

But there's the rub. Growth and sales success have brought the broker added problems and have not necessarily been translated into profits. Margins actually have dropped considerably. Part of this, brokers feel, is attributable to the same cost increases that have hit other businesses. But some stems from added problems that come from growing bigger; the request by principals for more marketing and editorial services, and the changing nature of the food business.

### Upward Tilt

As one means of restoring an upward tilt to broker profitability, NFBA commissioned a program by Herron-Kinzie Associates, Westport, Conn. It involves development of a system to help brokers set up financial and control techniques, and something called Principal Value Analysis. This includes measuring work performed in servicing principals; isolating precise reasons for discrepancies between income and work done to earn it, and developing a dollar value for each component of a broker's service. It also provides guidelines for evaluation of a new principal or product and specific costs of product introductions.

For brokers, the price of sales success has been and will be change. This was brought out at a workshop called, not uncoincidentally, Management of Change. Among the points brought out:

—The broker is in a better position than ever to represent firms which have been selling direct.

—To do this, he will have to modernize—setting up his organization along the lines of major manufacturers; upgrading employees; instituting more controls and computerization; increasing employee benefits, and diversifying lines.

—As brokers expand, there has been a surge of mergers, and from all indications this will be accelerated.

Perhaps the biggest "immediate" crisis the industry faces is the gasoline shortage. This is of great concern to



Mark M. Singer

brokers, because of the vast territories covered by many firms' salesmen. For example, one California broker said his company has 12 salesmen covering an area 500 miles long and 200 miles wide. Among the solutions being discussed are fewer visits to stores, reducing mileage by rescheduling sales calls, car pools and even using public transportation.

The advent of the superstore and the hypermarket also will affect brokers. This, along with the trend to catalog showrooms, is pushing them more and more into general merchandise, and they realize they need, as one executive said, "a different kind of man and training" if they are to succeed in this area.

### Name May Change

Conceivably, the growth of general merchandise could even change the name of the association. At the workshop, one broker suggested the group consider a name change next year to eliminate the word "food" from the name. A show of hands indicated that the proposal had some support, though it was not the sentiment of the majority.

A show of hands in another area showed that women have made a surprisingly strong impact in the sales offices—if not in executive suites—of brokerages. A majority of those present said they employ women in their sales forces.

For a business-oriented group, the brokers came up with some surprising answers when the session's moderator asked them to list the areas of change today causing them the greatest concern. There were some long-standing problems such as spill-out—spill-in and too much paperwork, and some new ones including the fuel crisis, the breakdown in shipping and product shortages.

But there were many concerns stated which had no specific relevance to the food industry: Erosion of ethics, lack of motivation and leadership, international politics and Watergate.

While most brokers spoke of the need for hiring salesmen with college degrees—even on the graduate level—one panelist disagreed. He did, however, put it in context by stating that what is needed is a new type of selling, if not a more educated salesman.

According to Robert W. Zinn, Crown Brokerage, Los Angeles, the changes in the industry do not necessitate employing MBAs, but they will lead to "the end of the back slapping and football host kind of selling. It's not a back-slapping business anymore," he said, "but a nose-to-nose and eyeball-to-eyeball business."

### Brokers Study Fuel Problem

Food brokers, faced with fuel shortages, may be forced to reduce visits to stores.

Brokers at a panel discussion of the National Food Brokers Association convention said such a move was a possibility, if gas shortages worsen.

A resolution urging that the food industry be given highest priority in fuel allocation, introduced by the association's president, Mark Singer, was passed.

The resolution stated the brokers would endorse meaningful measures of fuel conservation and would work with the Government on plans to conserve fuel.

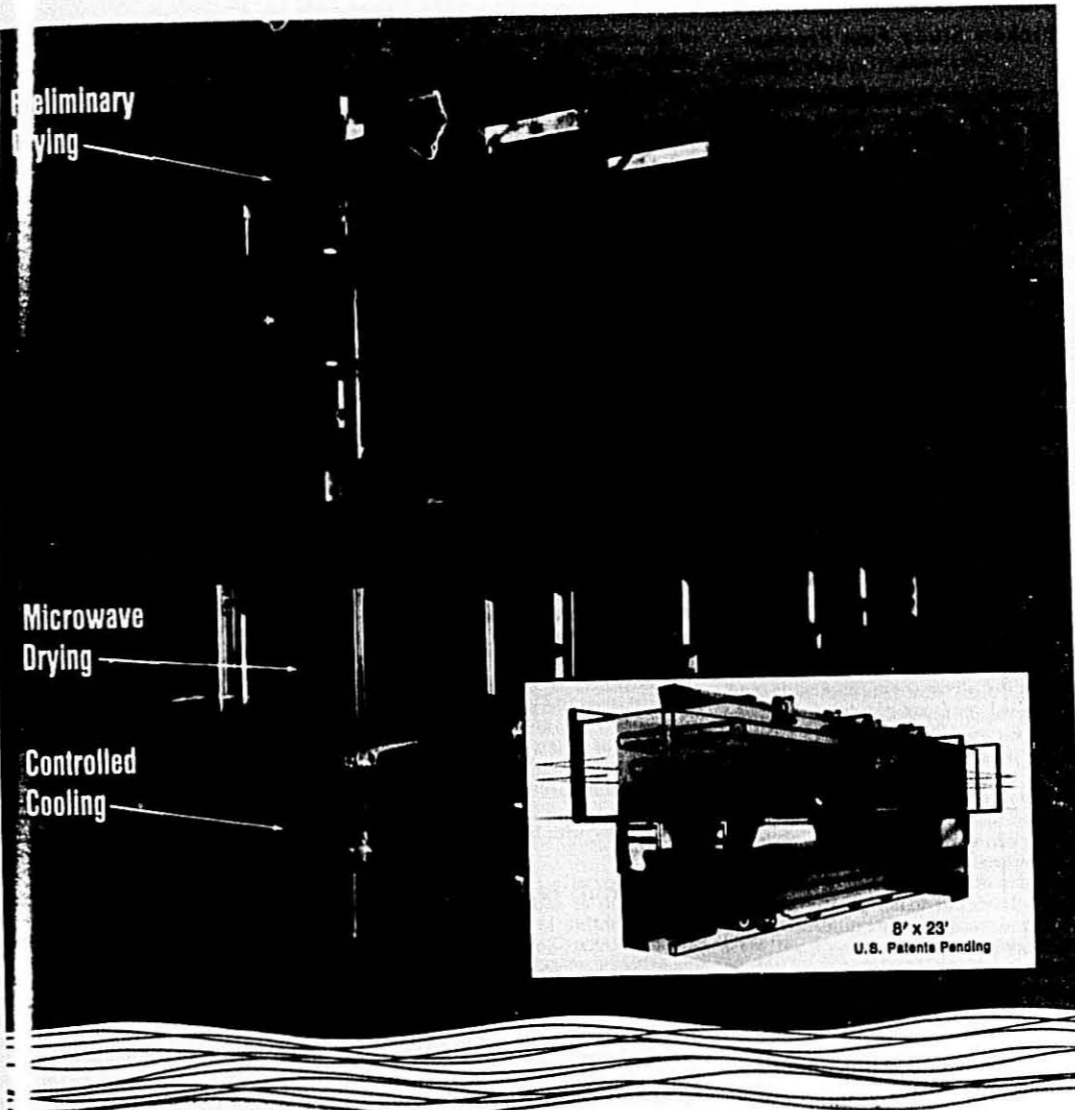
A panel, whose topic was "how can food brokers continue their expansion pattern?" included: Walter E. Chan, marketing vice-president, Peter D'Amico, Inc.; Basil M. Winstead, Eastern vice-president, Safeway Stores and vice president; Douglas R. Sandbo, president, O. G. Sandbo Co., Columbus, Ohio; Alfred Schroeder, vice-president, Amberg, Bergida & Danks, New York, and Mike Haffner, president and general manager, Haffner-Anderson, Spokane. The discussion was moderated by Laurence J. Taylor, management consultant.

### Salesman Car Pools

Mr. Schroeder said ways to reduce a broker's mileage must be developed, perhaps by using public transportation when possible; by forming car pools of salesmen, dropping them off at nearby accounts; and by cutting the frequency of visits to each retailer, making each visit more extensive.

Mr. Haffner said brokers would have to tighten their routes geographically. Mr. Sandbo, who said he was thinking

(Continued on page 20)



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## Brokers Study Fuel Problem

(Continued from page 18)

of using more than one person to a car added; "We are attempting to look at this in a positive way, to see what efficiency we can gain. It could be a cost saving opportunity."

Mr. Singer said the automobile was the second-largest cost to food brokers.

### Smaller Cars

A spokesman for Food Associates, Kearny, N.J., said he is looking for smaller cars. In addition, the firm is hoping to be able to rework schedules, with cooperation from stores, to make fewer but more extensive calls on each store.

"Now," he said, "it isn't always possible to call on grocery and frozen-food buyers on the same day in some stores."

Another area broker said it might be necessary to curtail some services to some outlying stores.

Mr. Winstead called on brokers to help sell some retailer ideas to manufacturers on how to increase productivity in food distribution.

The first was for grocery manufacturers to allow more backhauls and palletized receiving plants to the grocery.

He urged that greater attention be given to outer case packaging, with regard to product identity, use of standardized pallets and durability. The use of shrink wrap to aid in disposing of solid waste also was suggested, as was inclusion of the Universal Product Code Symbol on consumer packages work toward developing more pilferage-proof packaging.

Mr. Cohan said food brokers could play a big part in identifying problems in distribution links.

## Promotions and Allowances

Contending that retailers' promotion performance is far from satisfactory, manufacturers questioned whether their trade-promotion dollars are being well spent. At the same time, retailers voiced dissatisfaction with manufacturers' stipulations and called for simplified trade-allowance requirements.

Addressing themselves to the topic, billed as "a frank discussion on how the over \$1 billion spent annually on promotions and allowances can be used more effectively," were Thomas L. Quinn, vice-president, Spartan Stores, Grand Rapids, Mich.; Lewis B. Perry, director of merchandising, Winn-Dixie Stores, Jacksonville, Fla.; Burton J. Weinbaum, executive vice-president, Food Marts, Holyoke, Mass.; Charles J. Chapman, vice-president, marketing, Ragu Foods; Calvin S. Hatch, group

vice-president, Clorox Co., and Leo E. Shepherd, vice-president, corporate sales, General Foods Corp.

### Too Many Deals

Mr. Quinn said Spartan (a wholesaler supplying more than 1,200 stores) likes promotions and allowances with simplicity and minimum restrictions, adding that stores and salesmen should work together on timing.

He also singled out the problem of too many deals and too little ad space to promote them.

While calling for manufacturers and retailers to work together, Quinn later acknowledged different aims for the two groups: "A manufacturer wants his deal to increase sales of his product. A retailer's goal is to sell as much of every product as possible."

Mr. Shepherd asked if the money spent in trade support was being used wisely. He said retailers have a vested interest in trade offers but manufacturers demand they be properly executed. Manufacturers question whether that's done, he added.

A trade promotion, as defined by Mr. Shepherd, is a stimulant to persuade the retailers to do something: Reduce price; use the product in a dominant ad or story display, or create new-item acceptance. He voiced doubt if these aims are being met. "Most money is used to subsidize the retail food industry with little benefit to giver or receiver."

Money spent in trade support is not as important as dollars spent in advertising, according to the executive. But he noted that advertising-promotion money had declined 24 per cent while trade-promotion dollars rose 43 per cent, from 1968 to 1972.

Trade support was given to gain new distribution, generate incremental volume, support distribution, maintain and build inventories and maintain a competitive price, Shepherd said.

He cited multiplicity of offers, complexity of specifications, timing of announcements and duration of deals as retailers' major complaints regarding promotions.

### Shared Blame

Manufacturers and retailers must share the blame for some gripes, Mr. Shepherd told the group. Competitive activity forces offers to be made on low-velocity items to keep them alive, and that's a manufacturer problem. Complexity of specifications often is mandated by fair trade laws, but "also created by less-than-optimal performance by the trade."

Continuing, Mr. Shepherd said he understood that retailers want to have

their own marketing strategy, but admitted the law was for making the promotions available to all.

He also questioned the duration of some promotions: "Continual offers are trying to maintain an unrealistic price."

Since most manufacturers plan six to eight months ahead on deals, Mr. Shepherd stated: "I don't think there's a reason in the world why manufacturers can't give retailers at least four weeks notice. Unless it is to match a competitor's situation, and I think retailers understand this."

Regarding strategy, he maintained that promotions must differ by product category. For example, promotions must be different for salad dressing, a \$200 million item in 95 per cent of the homes, compared to barbecue sauce with a \$55 million market and in use in only 30 per cent of the homes.

### Panel Discussion

In a panel discussion sparked by audience questions regarding justifications for withholding payments of promotional allowances, Mr. Quinn said it is impossible for retailers to fulfill all manufacturer demands.

Mr. Perry stated manufacturers have come a long way in allowances but noted: "If they are lax, we are; we don't have any objection to performing."

With stores being offered an average of 165 new deals weekly, Mr. Quinn said it is impossible to provide the ad support manufacturers demand. "Don't give us anymore. We'd love to have better control over inventories and items we'd like to promote."

Mr. Perry answered, saying he could see a manufacturer's point of view but that retailers with extensive private label products need flexibility in advertising merchandise.

## Automobile Mileage

The Federal Environmental Protection Agency (EPA) recently published a list of "average" mileage figures for a number of U.S. and foreign automobiles sold in this country. If you supply salesmen with automobiles, the information may help you in your decision on which cars to buy in light of the current fuel crisis. Some 376 models of cars and light trucks were tested. The complete report, "Automobile Gas Mileage Test Results—1974 Cars and Light Duty Trucks," is available free from EPA Press Office, 401 M St., S.W., Washington, D.C. 20460. Some results of popular cars were: Chevrolet Vega Hatchback, 24.6 mpg; Ford Pinto, 22.8 mpg; Ford Comet, 19.9 mpg; Chevrolet Nova Hatchback, 15.7 mpg; Chevrolet

Impala Sport Sedan, 11.0 mpg; Cadillac Eldorado, 10.4 mpg. (The figures are based on a "simulated" 7.3-mile trip in a city, and with a top speed of 57 miles per hour. The probability of your salesman getting anything like these mileage figures is remote, but they give the comparative economies of each car by using one standard method for the entire test.)

## 1973 Durum Crop

Planting was about a week ahead of normal in 1973 and by May 29 virtually all small grains were planted in North Dakota. Dry topsoil conditions, particularly in central and eastern portions of the state, were not favorable for early growth; however, substantial rainfall was received in mid-June and spotty rain again the Fourth of July weekend. Short soil moisture conditions developed in south central counties and by July 24, moisture conditions were the lowest since records began in 1950. Small grains were damaged in areas with chronic moisture shortages. In other areas of the state, western, northern and Valley counties on the eastern border, moisture conditions were better. Sufficient precipitation was received to produce a normal crop.

### Early Harvest

Growth, development and maturity continued about a week ahead of normal to harvest time and harvest of small grains began early and progressed rapidly in southern areas. By September 4, 85 to 90% of the hard red spring wheat, oats and barley, and 68% of the durum had been combined. Heavy showers over the Labor Day weekend delayed harvest in late, northern counties and some grain lying in swaths deteriorated in quality. By September 18, harvest was virtually complete for hard red spring wheat, barley and oats and 92% of the durum harvested.

North Dakota durum acreage and production was up 16% over 1972. 2,680 acres produced 75,980,000 bushels of the national output of 84,800,000 bushels.

## Durum Situation Unclear

Great Plains Wheat, Inc. reports:

Based on the USDA's report on export commitments, the durum situation continues to be somewhat unclear. The beginning carryover of 38 million bushels in 1973-74 and the 1973-74 production of 85 million bushels allow for a total of 121 million bushels to meet both the domestic and export demand for this class of U.S. wheat.

## Durum Supplies Concern Italians

Italian durum millers and pasta manufacturers continue to be deeply concerned over tight world durum supplies and increased prices. They estimate current supplies will last only until March, and they need from 400,000 to 500,000 tons (about 1.5 to 1.85 million bushels) more durum before their next crop is harvested about mid June 1974. Some Italian millers are reported to be negotiating with Argentina for deliveries of new crop Argentine durum, to be harvested December/January, and, according to the reports are receiving offers. Italians apparently feel, however, they may be able to buy no more than from 100,000 to 200,000 tons of durum from Argentina and will have to buy the rest from either the United States or Canada. Many of the Italians have, however, been quite seriously offended by the Canadian Wheat Board's current attitude and their durum offers at prices the Italians consider far too high. Italians note that the Canadians refrained from offering for a long period of time and are now attempting to exact what the Italians consider an unrealistically high price, claiming the buyers will not be able to find other supplies.

## Italian Macaroni

Italian macaroni manufacturers halted deliveries to retailers in early December in protest over a price freeze that has been in effect since last July. Durum costs have more than doubled since the freeze was imposed, making production unprofitable, the manufacturers complained. Curtailment of deliveries threatens to leave millions of Italians without one of their staple foods. The Italian government did not issue an estimate of how long retailers' existing stocks may last. Great concern was that pasta shortages would cause disturbances like the bread riots touched off by shortages in Naples earlier last year.

## Italians Ration Pasta

A Great Plains Wheat team in Italy reports that retailers will ration pasta products to 1 kilogram (2.2 lbs.) per person. Shortages of pasta are aggravated by a manufacturers' strike. Durum costs have more than doubled since a price freeze was imposed on pasta making manufacture unprofitable. Manufacturers are petitioning the government for an increase of 120 Lire (about 19¢) per kilogram, but the government may not be willing to permit more than a 60 Lire increase.

## Peavey doesn't quit working until dinner is served.

It takes more than wheat to make King Midas Semolina and Durum flour.

It takes art and science.

That's why our Technical Center uses the newest laboratory equipment to analyze every crop of durum wheat.

But our field representatives rely on a well-trained eye and a pocket knife. Peavey's newest durum mill, in Hastings, has automated virtually every milling process to maintain quality and uniformity.

But our miniature macaroni press still needs the knowing hand of a pasta maker.

We can precisely graph the color, nutritional content, even shape retention in finished pasta.

But bite and flavor are personal evaluations again.

We're proud of our ability to mix complex systems, human judgment, and the finest wheat into King Midas Semolina

and Durum flour. And we're never more proud than when dinner is served.

**Peavey Semolina and Durum flour.**

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Chicago, Illinois (312) 631-2700

**PV** PEAVEY COMPANY  
Flour Mills



### Peavey Company Report

THE Peavey Company of Minneapolis has long been engaged in milling flour and manufacturing flour-derived products for home and bakery use; supplying agricultural products such as feed and fertilizer to farmers and ranchers; providing agricultural services including grain merchandising, transportation, export and commodity brokerage. In 1973 this base was extended by teaming up with Brownberry Ovens, by retailing lumber through the acquisition of Fish Building Supply, fabrics and home improvement items produced by Northwest Fabrics.

#### Record Grain Movement

Their annual report states that of Peavey's 99 years in the grain business, 1973 was exceptional in a number of ways. It was a year in which the entire U.S. grain marketing machinery was called upon to move record amounts of both food and feed grains. This pressure resulted from a remarkable coincidence of events, trends and forces that had an almost explosive effect on commodity markets as they did their job of reflecting supply and demand conditions. This meant for Peavey a redoubling of efforts at every level to gain reliable information on all the factors, worldwide, to which the markets were reacting. It put a premium on the speed and accuracy of communications—via the "hot lines" linking merchandising offices, and other quick forms of reporting.

The trigger action of these high-impact events was undoubtedly the massive purchases by the USSR and by China. In the case of Russia, this move had two causes: a very serious crop failure due to drought and cold, plus a decision to yield more fully to consumers' demands for more animal products in their diets. This latter demand is in varying degrees worldwide, even in the less developed countries; it has been building gradually and seems unlikely to lessen. What this means as a basic factor in the grain business is illustrated by the fact that it takes several times as much of a cereal grain to feed it to animals and then eat the meat products as it does to feed it to human beings directly as cereal. Thus as people turn toward meat diets, they strongly increase demand for grain. There were other big factors in 1973's rising markets. The U.S. dollar was twice devalued, and this made U.S. grains more attractively priced for foreign buyers. The world added 80 million people. There were also serious droughts in other important grain areas

—Australia, South Africa, India. And there was "El Nino" in the Pacific off-shore from Peru—a rare but profound change in the deep ocean currents which caused the anchovies to disperse. This alone cost the world about two-thirds of its usual fish meal supply—important protein source for animal feeding. Replacement had to come from feed grains and soybean meal.

This all added up to an almost insatiable demand for grain. In the freely competitive marketing system employed in this country, both the cash markets (for immediate delivery) and the futures markets in the commodity exchanges (for deferred delivery) saw trading at record-high prices, reflecting this demand. Logistics—the actual movement of grains in response to these demanding markets—quickly became the all-consuming interest of every manager in Peavey's grain marketing organization. Naturally the higher prices drew out unusual amounts of grain. Peavey's U.S. country elevators handled 42% more than they had the year before. With the heavy emphasis on export, every pound of grain that could find its way by truck, barge or rail to an export terminal, did so. Ultimately, about one-fifth of all grain the company handled during the year went overseas. The transportation challenge began in earnest in January with the cumulative effect of the greatly expanded export sales and a high level of domestic activity. During the first eight months of calendar 1973, the country's railroads moved 45% more grain than in the corresponding months a year earlier. Barge and truck traffic were also at very high levels.

#### Demand for Transportation

Even so there was an enormous and continuous demand for more transportation. Many Peavey people were deeply involved in the effort to get our commodities moved. They even had to make an exception and use open top, plastic-protected coal cars for grain. They made intensive use of their available rail car fleet and their newly installed car tracing system in order to get the maximum ton mile production out of the equipment. Truck operations in South Dakota, serving an area that is without rail service, added a new facility. For the terminal at Shakopee, Minnesota, a facility was added downstream on the Minnesota River to enable barges to be loaded to their maximums. Steps were taken to again expand Peavey's fleet of barges operating on the Mississippi river system—to a total of 217 by December 31, 1973. The company's grain managers also grap-

pled with that basic cause of market uncertainties—lack of enough fast, up-to-the-minute information about demand conditions around the world. In the post-war decades of the heavy influence of government commodity programs, such information was less critical and the systems for reporting it were allowed to deteriorate. Through personal contacts and more thorough communications, Peavey grain men developed a better flow of data to provide the best possible base for the marketing decisions that had to be made each day.

Financially the exceptional grain year had its impact too in the short-term borrowing required to carry the higher priced inventories and to provide the margins for higher-priced futures contracts in the company's hedging operations. At the beginning of the year, short-term debt was about \$20 million; at year's end it was \$51 million. One other significant development was the turn of U.S. governmental policy toward a market-oriented agriculture. This coming crop season will be the first in many decades when there are no governmental restraints on acreage or the growing of grain crops. It is clear that in the role our commercial agriculture is expected to play in satisfying food needs in the world, grain will continue to hold center stage in the action.

#### Durum Products

Products manufactured for the pasta industry from durum wheat include durum flour, semolina and durum blends. Milling is done in Hastings, Minnesota; Buffalo, New York and Superior, Wisconsin. Peavey is the volume leader in this industry.

In 1973: Volumes increased by 3% in line with growing use of macaroni, spaghetti and noodle-type products to extend high-priced proteins. This expanding demand coupled with shrinking supplies of durum wheat prompted the manufacture of more blends, durum with hard wheat flour and durum with hard wheat farina. Future Outlook: Demand will continue to grow; competition in this industry is picking up as a result. Supply of durum wheat, due to substantial export demand, may continue to be a concern. Therefore, they look forward to more blends in the year ahead.

#### Countdown

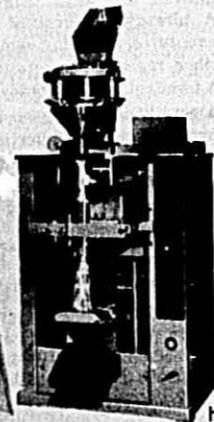
Export commitments for 1973-74 for durum on November 25 totaled 76,600,000 bushels. Available supply was listed at 79,900,000 leaving a carryover of 2,400,000 bushels.

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### GTA Sets Records

Farmers Union Grain Terminal Association scored new records in volume of grain handled and in dollar transactions in fiscal 1973, while earnings, or savings, were second largest of record. B. J. Malusky, president, told the 36th annual meeting of the Upper Midwest grain marketing and processing cooperative in St. Paul recently. Total sales reached a new high of \$571 million, an increase of 49% over the previous year, and the grain handled rose to 286 million bus, a rise of 42%, Mr. Malusky said. GTA's fiscal year ended May 31.

"Financially the year was satisfactory," Mr. Malusky stated, "although we did not make the 'killing' some persons thought all grain firms were making. It was still our second best year for savings and GTA made substantial cash payments to patrons or their estates and still was able to add to net worth and lower long-term debt by \$4 million each.

The two-day program included, besides the report from Mr. Malusky, a presentation by the chairman of GTA, Jewell Haaland of Clarkfield, Minn.; discussions led by division managers that included Eugene W. Kuhn of Amber mill and M. J. Werner of Grain Marketing; an address by Representative Mark Andrews of North Dakota; speeches by Tony T. Dechant, president of National Farmers Union, and by state presidents of Farmers Union in Upper Midwest, and an address by Glen D. Hofer, executive director, National Federation of Grain Cooperatives. Featured speaker at the Wednesday evening banquet was Senator Walter F. Mondale of Minnesota.

### 'Wild Futures' Prevent Hedging

Many operating difficulties prevented financial results from showing same record gains as volume and dollar transactions, Mr. Malusky pointed out. "Wild futures markets made hedging impossible much of the time," he said. Asserting that futures markets did not function as they should, Mr. Malusky said, "GTA operates on close margins, and this made them even closer. We hope the futures markets reforms now being considered by Congress will prevent this situation from happening again."

Mr. Malusky also pointed out that for long periods farmers were unable to sell grain by delivering it to their own elevators. Instead, they had to sell by contract for future delivery far ahead. "Transportation became the

bottleneck for the entire grain industry and as the year went on more and more grain in our area had to be moved by truck rather than by rail."

The past year was the first full year of direct car billings under the 10-hour rule of the BN and Soo Railroads and Mr. Malusky explained that "this new regulation puts a tremendous burden on our terminal elevators to get all these cars unloaded within 48 hours of arrival, regardless of how many cars are billed direct or how badly the railroads bunch them in delivery to the elevators. With everyone wanting to move all possible grain, and railroad congestion in their yards, we had to pay heavy demurrage charges under these changed rules. These penalties added greatly to costs and cut savings especially on wheat and durum."

"Looking back, we see now that the U.S. and the world entered a new era in grain marketing after a generation in a buyers' market plagued with heavy farm surpluses and cheap food policies," Mr. Malusky said. "This brought startling and sudden changes as we moved from regional and national to a world market basis."

With interest costs nearly doubled, rising by more than \$2 million, and costs of marketing plus general and administrative expense up approximately \$1 million, GTA net return per dollar of revenue was 50% less than a year earlier, Mr. Malusky reported.

### Must Gear Production To Market

"It is now abundantly clear we must keep our farm production geared to market demand and we must have access to all markets at home and abroad," Mr. Haaland told the convention. Market access can be gained, he said, by expanded cooperative marketing facilities. Cooperatives must find ways to meet new market demands by streamlining operations and by merging or working out joint ventures with other cooperatives, Mr. Haaland suggested. GTA already is involved in several joint ventures, including ownership with other regional cooperatives of an export terminal at New Orleans, a hedging cooperative operating on the Chicago Board of Trade, and an elevator at St. Louis. Mr. Haaland said the GTA board has met with the boards of several large cooperatives this past year to discuss other possibilities.

"Such cooperation could even go beyond national boundaries and extend to cooperatives in other parts of the world who want our grain and oilseeds and may be able to furnish us needed supplies," Mr. Haaland said.

### 'Bargaining Chips' for Fuel

Representative Andrews told the convention that farmers have "two very good bargaining chips" on their side in meeting the fuel crisis. The first is that people can do without a lot of things, but they can't do without food. The other is that without farm exports this past year, "this nation's balance of payments deficit would have been alarming." Farm exports were enough to offset all agricultural imports plus a national petroleum import deficit of \$2 billion plus another \$2.5 billion to apply against imports of foreign cars, cameras, television sets, electronic equipment and other foreign products, Mr. Andrews pointed out. "In other words," he said, "farmers alone bailed out the rest of American industry on the international trade scene."

### ConAgra Suspends Dividends

Board of directors of ConAgra, Inc., voted to suspend cash dividends on the common stock "to further strengthen the company in the current economic climate," it was announced by J. Allan Mactier, president.

ConAgra has paid dividends on its common stock at a rate of 50¢ per share per year, and it also has paid a 5% stock dividend. The cash dividend decision was announced by Mr. Mactier in a letter sent to shareholders accompanying payment of the 5% stock dividend declared Oct. 30.

Mr. Mactier cited two major reasons for the decision, which followed record sales and net earnings in the 1973 fiscal year. "First, grain prices have doubled and tripled over the last 18 months," he said. "This has required ConAgra to use a great deal more money to operate. Most of this has come from increased borrowings, which increase the need to retain earnings and build additional stockholders' equity. Second, current earnings have been under pressure from (1) record high interest cost, (2) price control programs in the U.S. and Puerto Rico (3) unprecedented fluctuations in feed ingredient markets."

Mr. Mactier said the fluctuation in feed ingredients "has been by far the most significant factor affecting earnings this year. It reflects events not normally related to ConAgra's day-to-day business, which has been very good. The unusual earnings pressures seem to be behind us and the last half of fiscal 1974 looks good. The need to retain earnings in our business will continue."

He said the company will resume cash dividends "as soon as earnings and economic conditions allow."

### Three New Durum Wheat Varieties Released

Release of three new durum varieties Crosby, Botno, and Rugby, developed by the North Dakota Agricultural Experiment Station in cooperation with the United States Department of Agriculture, is announced by A. G. Hazen, director, North Dakota Agricultural Experiment Station, North Dakota State University, Fargo.

Crosby, Botno, and Rugby are named after important durum producing areas in North Dakota. Foundation seed of these new varieties will be available for 1974 planting under contracts with county crop improvement associations. Botno is considered a replacement for Rolette, and Crosby and Botno are supplements to Ward. These three new durum varieties join recently released Ward and Rolette durums to provide durum producers with an excellent selection of superior varieties for production, and assure pasta processors and consumers of high quality products.

### Crosby

Crosby has outyielded Leeds, the most popular North Dakota variety during the past six years, by about 14 per cent over a four-year period in North Dakota. Crosby has yielded equal to Ward in North Dakota, and outyielded all varieties in regional tests over Minnesota, South Dakota, Montana, and North Dakota during the 1970-73 period. Crosby is similar in appearance to Leeds, but had a slightly higher kernel weight and a slightly lower test weight. Crosby has been equal to Leeds and Ward in stem rust, leaf rust, and leaf spot disease resistance.

Crosby has been tested for milling as spaghetti since 1971. The overall quality of Crosby has been equal to Ward and Leeds and slightly better than Rolette, Hercules, and Wells. The protein quality and quantity, milling performance, and spaghetti firmness of Crosby were good. The spaghetti color of Crosby was equal to Ward and slightly higher than Leeds and Rolette over a three-year period.

Crosby has been tested in North Dakota field trials under the designation D6715 since 1968. The final selection was made in 1967 from a cross made in 1963 to combine stem rust resistance with early maturity, reduced height, and excellent spaghetti quality. Crosby is a bearded, spring-type durum wheat with yellow chaff and similar to Leeds in height, maturity, and straw strength.

### Botno

A major advantage of Botno is its early maturity. Botno has been equal

to Rolette in days to head and reactions to stem rust, leaf rust, and leaf spot diseases. Botno has outyielded Rolette by about five per cent over a four-year period in North Dakota. Botno has outyielded Rolette by about 10 per cent in regional tests over Minnesota, South Dakota, Montana, and North Dakota during the 1970-73 period. Botno was lower than Rolette and similar to Ward in test and kernel weight in North Dakota.

Botno has been tested for milling and spaghetti quality since 1971. The overall quality of Botno has been equal to Ward and Leeds and superior to Rolette, Hercules, and Wells. The protein quality and quantity, milling performance, and spaghetti firmness of Botno were good. The spaghetti color of Botno was slightly lower than Ward but higher than Leeds and Rolette over a three-year period.

Botno has been tested in North Dakota field trials under the designation D6721 since 1968. The final selection was made in 1967 from a cross made in 1963 to combine stiff straw with high yield, large kernels, and high test weight. Botno is a bearded, spring-type durum wheat with yellow chaff and similar to Rolette in height, maturity, and straw strength.

### Rugby

Rugby has been equal in yield to Ward in North Dakota and slightly higher than Ward in regional tests over Minnesota, South Dakota, Montana, and North Dakota during the 1970-73 period. In North Dakota Rugby had an 11 per cent yield advantage over Leeds. Rugby had a slightly higher kernel weight and a slightly lower test weight than Leeds. Rugby has been equal to Ward in resistance to stem rust, leaf rust, and leaf spot diseases in North Dakota. Rugby had the highest level of resistance to stem rust of all 810 wheats tested in 33 important wheat producing countries in the 1971 International Spring Wheat Rust Nursery.

Rugby has been tested for milling and spaghetti quality since 1971. The overall quality of Rugby is excellent compared with all other North Dakota varieties. The protein quality and quantity, milling performance, and spaghetti firmness of Rugby were good. The average spaghetti color of Rugby was higher than any other North Dakota variety in tests during the 1971-73 period.

Rugby has been tested in North Dakota field trials under the designation D6722 since 1968. The final selection was made in 1967 from a cross made in 1963 to combine stiff straw with high yield, large kernels, and high test

weight. Rugby, Botno, and Ward were all derived from the same cross. Rugby is a bearded, spring-type durum wheat with yellow chaff and similar to Ward in height and straw strength. Rugby is one day later in heading than Ward.

The North Dakota Agricultural Experiment Station acknowledged the cooperation and assistance of the former Plant Science Research Division, Agricultural Research Service, United States Department of Agriculture, in the development of Crosby, Botno, and Rugby durum wheats. The USDA cooperators were especially helpful in providing spores and facilities for stem and leaf rust testing and evaluation of milling and spaghetti quality.

Breeders' seed of Crosby, Botno, and Rugby durum wheats will be maintained by the Seedstocks Project of the Agricultural Experiment Station, North Dakota State University, Fargo, N.D. Foundation seed will be made available to other North Central states or durum producing states wishing seed. Allocation of seed of Crosby, Botno, and Rugby for increase by County Crop Improvement Associations and the North Dakota Seed Trade will be announced in early 1974 in adequate time for 1974 seeding.

### International Multifoods Raises Forecasts

International Multifoods Corp. has boosted its earnings estimate for the year ending Feb. 28 to \$3.20 a share from the earlier target of \$3.07 a share, William G. Phillips, chairman, said. In fiscal 1973, the diversified food processor earned \$2.79 a share.

The sales target was also raised to about \$725 million from the previously projected \$650 million. This year's revised anticipated total would represent a 35% jump from fiscal 1972's \$727.7 million volume.

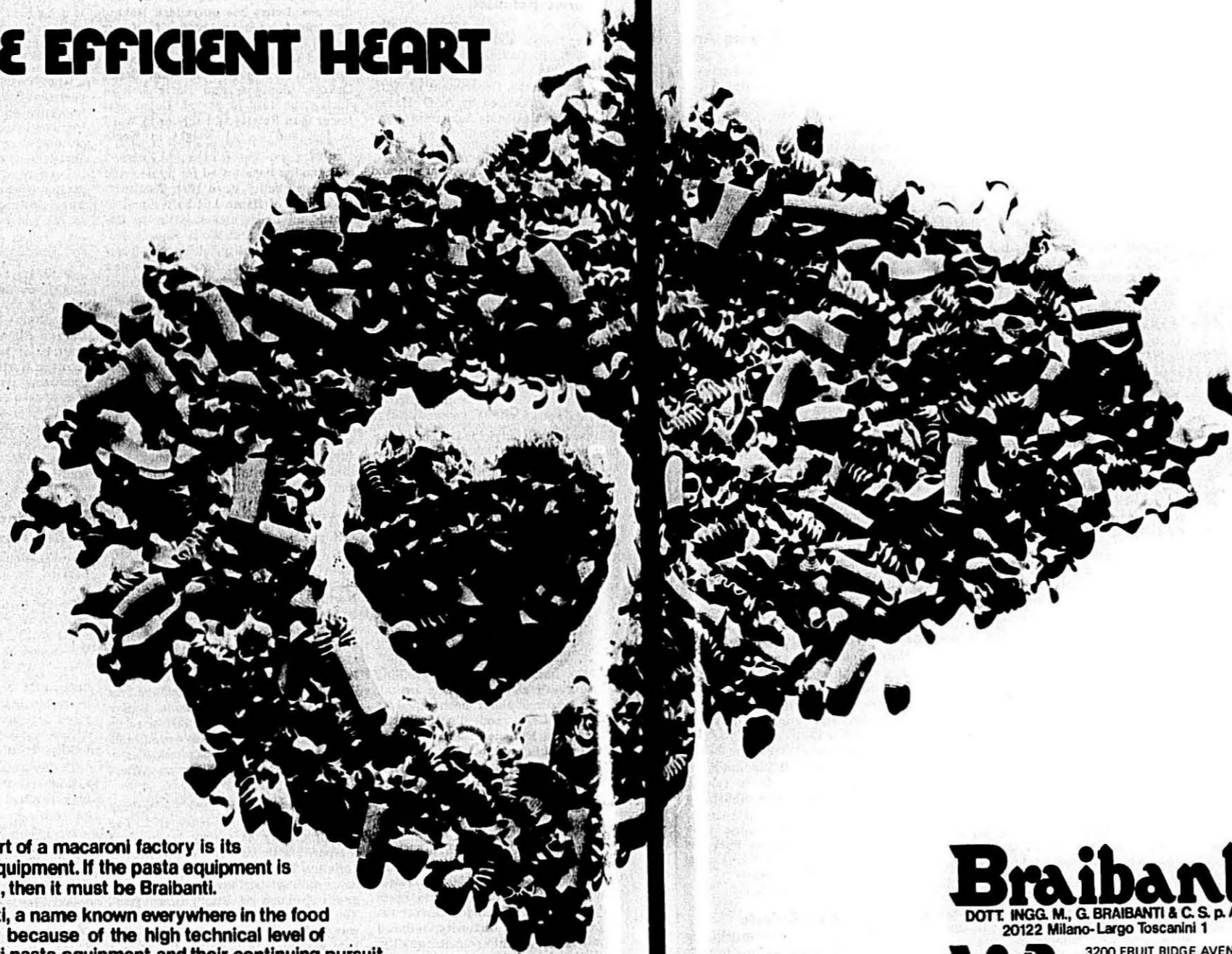
The expected gains stem in part from higher raw ingredient costs, which in turn resulted in higher selling prices, he said.

### New Records

For the third quarter and nine months ended Nov. 30, sales and earnings set records. In the three months ended Nov. 30, the company earned \$3.7 million, or \$1.03 a share, on sales of \$212.9 million. That compared with \$3 million, or 85 cents a share, on sales of \$143.1 million the year before.

Nine-month earnings were \$8.3 million, or \$2.27 a share, up from \$6.7 million, or \$1.84 a share, the year before. Sales rose to \$538.9 million from \$386.1 million.

## THE EFFICIENT HEART



The heart of a macaroni factory is its pasta equipment. If the pasta equipment is efficient, then it must be Braibanti.

Braibanti, a name known everywhere in the food industry because of the high technical level of Braibanti pasta equipment and their continuing pursuit of excellence and efficiency. Braibanti is one of the select group of world-wide food machinery companies associated with Werner/Lehara. Together, we can do almost anything.

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## Paper

Paper promises to be a hot industry in 1974 and probably beyond that—an incredible turnaround from 1970, when the industry stood close to the edge of disaster.

Demand for paper and paper products is strong worldwide—so strong that many companies are now able to cut off production of less profitable lines. And the energy crisis should add to demand in 1974. It takes either natural gas or crude oil to make plastic film and packaging materials, and with those two items in short supply, there will be a big swing back to the use of paper.

The industry uses fuel, of course—coal, oil, and gas. But it can also burn processing waste to generate power. Currently, some 65% of the industry's power is purchased; the rest comes from burning bark, sawdust, and other waste materials. By 1975, industry sources say, purchased power should be down to less than 60%.

## Lowers Outlook For Fibre Boxes

"The Arabian oil embargo will inevitably result in a more modest advance in fibre box shipments than had been forecast," according to John W. Enders, industrial economist for the New York consulting firm of Lionel D. Edie & Co., Inc.

"The worst of the problem will occur at a time when shipments are at a normal seasonal low," early in the year, Enders said, "and the impact therefore should be of less significance than it might otherwise be." This assumption is based on a lifting of the oil embargo by the end of March.

He estimated 1974 growth for the industry at 1.5 per cent, down slightly from the 3.3 per cent forecast made in early October.

Enders presented his periodic update of corrugated box demand estimates to industry executives at a meeting of the Fibre Box Association. The trade group represents almost 90 per cent of the \$4.7 billion industry, which is closely tied to total U.S. industrial output.

## Aluminum Packing

A record year for the aluminum packaging industry was forecast by Paul Murphy, vice president of the Packaging Division of Reynolds Metals Company. Mr. Murphy noted that aluminum use in packaging is expected to be up 8.1 per cent over last year, spurred principally by the growth of aluminum in cans and by the dramatic

consumer acceptance of aluminum's recyclability.

Mr. Murphy pointed out that even more growth in the industry, especially in the flexible packaging area, is being hampered by a tight supply situation in most raw materials, which has resulted in premium prices for these materials.

"These rising costs have made it a necessity for packaging producers to offset them by increasing prices on many forms of packaging," Mr. Murphy said. "The situation probably will continue because demand is outrunning capacity for many items."

One of the significant growth areas for aluminum packaging, Mr. Murphy noted, is that of the all-aluminum beverage can. The aluminum packaging industry estimates it will produce 10.4 billion beverage cans, up more than two billion from 1972 production.

Another area of significant growth in the years ahead is that of shelf-stable packaging, the Reynolds executive said.

## Foil Packaging

"The aluminum foil packaging industry has been at the forefront in the development of aseptic and autoclavable packaging. In 1968, the first aluminum foil laminated autoclavable pouch was developed and work has continued with several major food companies to get the package to commercial reality," he said.

The autoclavable pouch offers many benefits, such as its light weight, minimal storage requirements and shelf stability. It is now awaiting government approval.

Mr. Murphy said that the U.S. Army Natick Laboratories have tested the autoclavable pouch in conjunction with Swift & Co. and have had good success.

"Natick's success is a big step forward and the time will soon be ripe for commercial production of the pouch in this country," he said. "The popularity and feasibility of the autoclavable pouch has been shown in Europe and Japan where some million-plus pouches are sold every day."

Mr. Murphy said that Reynolds has developed autoclavable container technology which will offer added convenience and quality to the shelf-stable packaging family. In addition, he said that aseptic packaging has been developed to a point that containers and membranes are available and that several companies are currently working on a heat or chemical sterilizing system to carry the package to commercial realization.

"These new developments, along with the increased usage of aluminum in all areas of packaging, make for a

dynamic era in packaging," Mr. Murphy concluded.

## Viability of Packaging Arts

"There are many reasons for the contemporary viability of packaging arts. Ours has become a self-service society. Lacking the old-time persuasion of retail salesmanship, therefore, a product relies heavily upon the impact of its package to influence consumers' point-of-purchase buying decisions. This selling environment has given enormous impetus to impulse buying, which also serves to increase the significance of an effective, attention-getting package. Moreover, the average supermarket now displays nearly ten thousand items, each vying for the customer's eye and each with mere split seconds to close the sale. Here, then, is where packaging performs its most valuable service. Here, too, is where an individual package—and the product it contains—achieves success or failure.

"Another marketing consideration is that among these tens of thousands of products flooding the marketplace, there is often little meaningful difference in quality or performance among competing items within the same product categories. Packaging can be a firm stepping stone to successful performance in this type of non-price competitive situation, inasmuch as it establishes and maintains a favorable product image, as well as makes a direct appeal to the market segment involved."

Walter P. Margulies  
in "Packaging Power"

## Executive Vice President

Norman E. Anseman, vice-president and sales director of National Food Products, Inc., has been named executive vice-president, effective January 1.

Upon his termination of duty with the U.S. Marine Corps as a fighter pilot, Mr. Anseman was employed by the company in 1945 in its accounting department. He transferred to sales in 1948 and was made sales manager in 1951.

National Food Products, Inc. is located in Elmwood Industrial Park near New Orleans and manufactures macaroni and egg noodle products.

## Quaker Pushes Celeste

Quaker Oats will expand distribution of its Celeste frozen-pizza line to additional markets in the Southeast, Southwest and North Central regions of the country. The Celeste brand is distributed in about 56 per cent of the country. AdCom, Quaker's in-house agency, handles the brand.

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

How does your package rate?

As a container?

As a salesman?

Display well?

Eye-catching?

Invite handling?

Look like  
good value?

Easy to  
price mark?

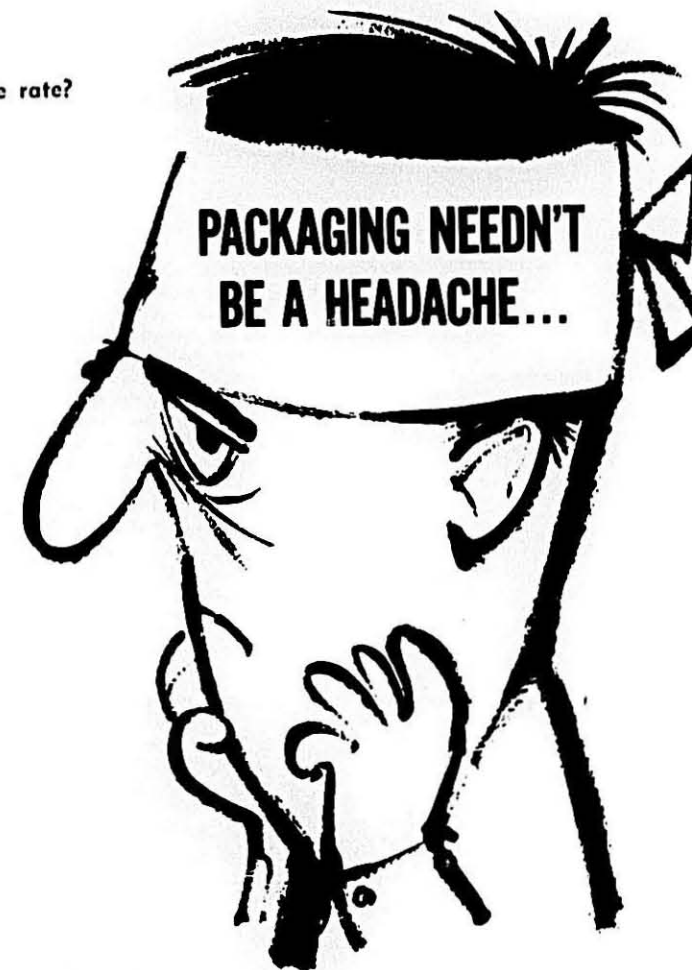
Do you picture  
the product?

Are product name,  
brand name  
easy to identify?

Have you given  
complete  
directions,  
suggested uses?

Is your package  
easy to open,  
close, store?

Bring your  
questions  
to a panel  
of experts.

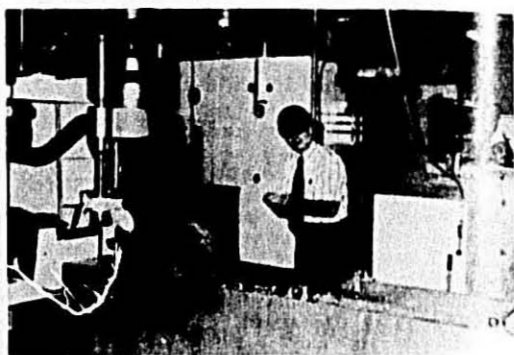


At Hotel St. Moritz On-the-Park, 50 Central Park South, New York City  
close to the Coliseum, site of the Packaging Show, April 22-25.

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



Alvin M. Karlin, president, Mrs. Grass Division, Hygrade Food Products, keeps things buzzing in Bellwood in the office and on the production line.



## Little Mrs. Grass

Little Mrs. Grass, as she characterizes herself on radio advertising, is doing quite well in the noodle and noodle soup mix business.

Established in Chicago in 1911 when Mrs. Grass literally made the noodles in the kitchen and had them sold around the neighborhood, the company has enjoyed a reputation for quality products with home-made flavor. They have specialized in noodle and egg macaroni products.

Mrs. Grass had two sons, Irving and Sidney, who built the business and were one of the first in the dehydrated soup products packed in cartons prior

to World War II. The can shortage during the war boomed packaged soup sales, but in the shake out that followed, Mrs. Grass was one of the few who had a franchise that kept them going. Consumers still like Mrs. Grass' noodles and the chicken fat in the soluble capsule. Irving's son-in-law, Alvin M. Karlin, has been president of the Mrs. Grass' Division since it became a part of Hygrade Foods Products Corporation of Detroit in 1961. Under his stewardship the company has introduced new products, the latest of which are new instant soups in beef and chicken flavor. Grass noodles are distri-

buted within a 350-mile radius of Chicago, while their soup mix products are sold coast-to-coast.

A year ago last June, manufacturing facilities were transferred from the southside of Chicago to suburban Bellwood, where capacity was doubled and full production achieved in April of 1973. The present plant employs about 135 people.

The Karlins have a married daughter and a son, Mitchell, who has just joined the company as an industrial engineer and production coordinator. Alvin M. Karlin has been on the Board of Directors of the National Macaroni Manufacturers Association for the past several years.

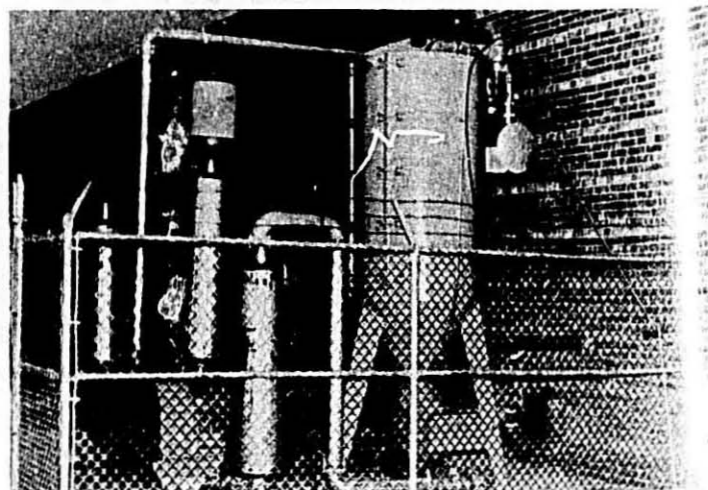
## Flour Handling System

An automated pneumatic flour and semolina handling system to meet the expanded need for Mrs. Grass Division, Hygrade Food Products Corporation has been installed in the company's new Bellwood plant in Chicago.

Flour is handled at the rate of 18,000 lbs. per hour, and semolina at 13,000 lbs. per hour, in unloading rail cars and moving the ingredients to storage. The entire system designed by SEMCO, Houston, is automatic from unloading, through storage and sifting, to discharging into three macaroni press collection hoppers.

Mrs. Grass Division is using as much as six cars of flour and semolina a week, with ample capacity built into the pneumatic system to handle substantially more, according to Alvin M. Karlin, general manager.

The new system represents salvage of system components originally designed and manufactured by SEMCO



Shown here are the major new components for the pneumatic flour and semolina handling system for the new Mrs. Grass plant in Chicago. In the foreground is a filter receiver. Not shown is a vacuum/pressure unit which powers an undercar unloader and conveys materials to storage at up to 18,000 lbs. per hour. The entire system, much of which was adopted for usage in the new plant was designed and erected by SEMCO, Houston.

for the Wentworth Avenue plant which Mrs. Grass had occupied since the 1920s, conversion of equipment which had been used for sugar handling by previous occupants of their new building, and the integration of new components to make the resulting system one of the most efficient in the industry.

The 10-ft. diameter skirted flour storage bins formerly located at the old plant have been moved to the new facility and erected along the railing siding. A new vacuum filter receiver and a vacuum/pressure unit to power it have been erected nearby to unload rail cars and to convey the materials to the storage bins. A vacuum, undercar is used to withdraw product from the rail cars.

Flexible line couplings also permit conveying materials directly to either of the 15-ft. diameter converted sugar bins previously located inside the new plant. Through use of rotary valve feeders and blower packages, the ingredients are conveyed through an in-line sifter to the three macaroni collection hoppers. Flour and semolina may be conveyed directly from outside storage tanks.

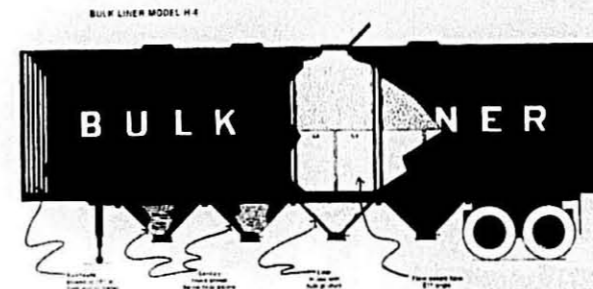
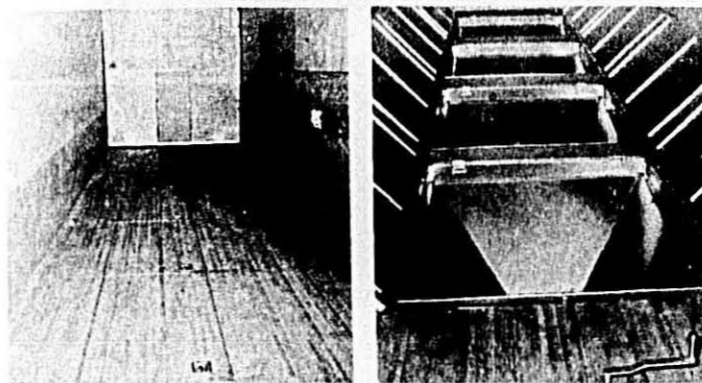
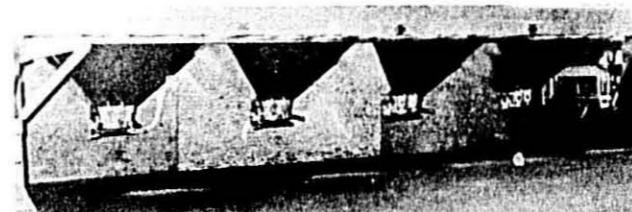
The entire system was engineered, manufactured and erected by SEMCO including the electrical control panel located inside the plant to activate and monitor operation of the system.

Mrs. Grass Division is one of the nation's largest manufacturers of noodles, and with the advent of the dehydrated packaged soups which it makes and markets through a network of food brokers, became a major customer for its own egg noodles.

## Dry Bulk/General Cargo Van

A new convertible dry bulk/general cargo van featuring an ingenious new design concept has just been introduced by Bulk Liner Corporation, Allentown, Pa. The Model H-4 convertible van is equipped with four separate compartments each with a sanitary vinyl-laminated nylon bag-type liner for handling bulk materials. It can easily be converted into a single compartment general cargo van.

Each of the four separate bulk compartments is equipped with an 8" butterfly valve discharge outlet that can be piped as a single conveying line with a pick-up manifold for pneumatic unloading. Or the four components can be used as individual gravity discharge gates into a mechanical conveying system. Flexible, tight connections make the compartments completely dust-free.



The Bulk Liner Model H-4 convertible van is equipped with four discharge outlets (photo top) one for each compartment. The hopper openings of each discharge outlet are positioned manually (photo right) to allow for full opening and rapid discharge of the product.

When converted to a general cargo van (photo left) the separated bulkheads are easily rolled out and stored against the front wall. The bag-type liners are stored in the hoppers below the floor panels (photo bottom).

The bulk liner units also assure total product purity by separation of the bulk cargo from the trailer's interior.

Conversion to clear, unobstructed general cargo area is a one-man job taking less than 10 minutes. The separating bulkheads, which roll out conveniently on ceiling tracks, are stored against the trailer's front wall taking less than 15" of floor space.

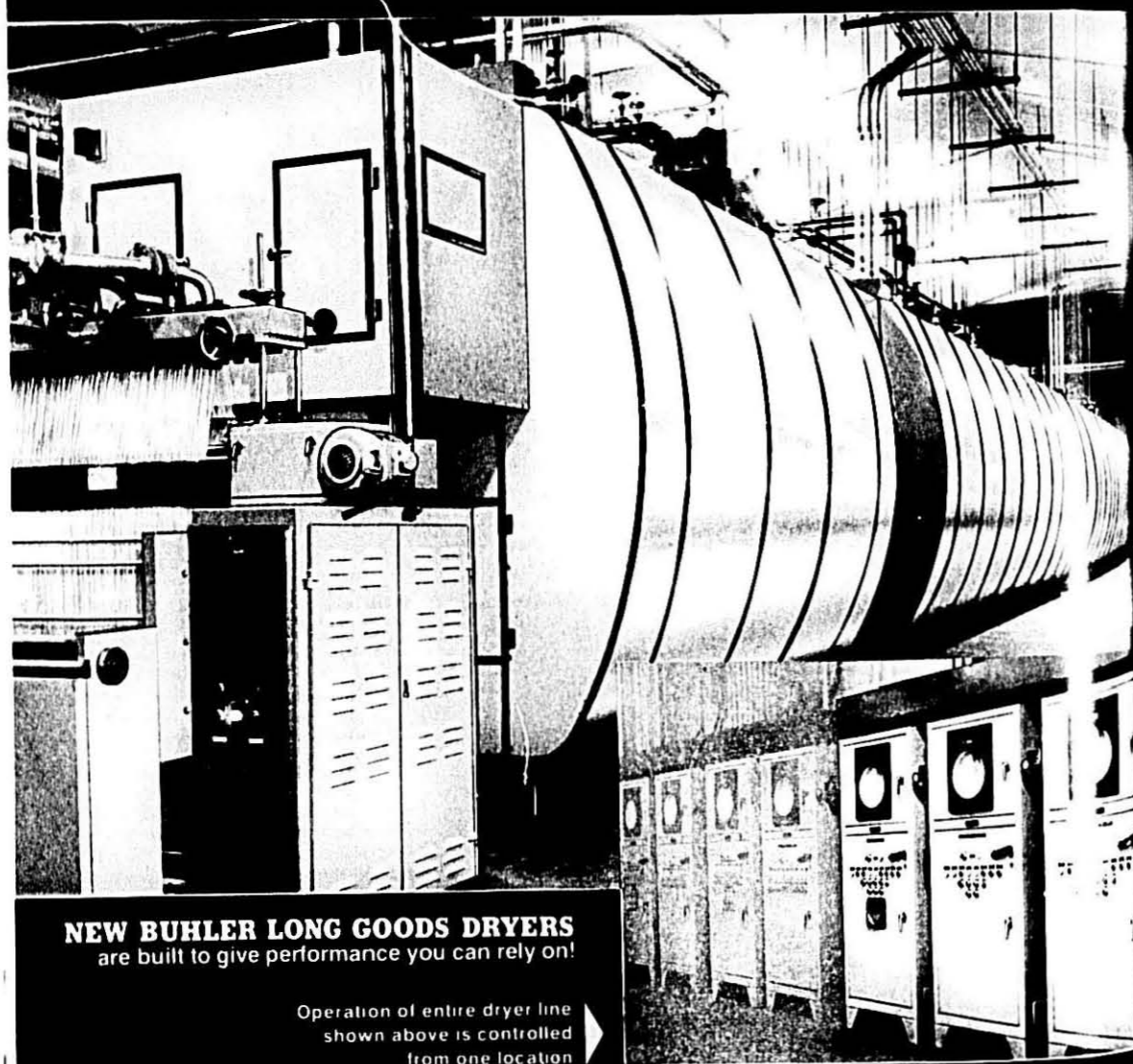
A mechanical device positions compartment liners and hopper cross members for maximum access to the hoppers and allows for full opening. The full opening feature not only permits rapid discharge of product, but also allows storage of the liners in the hoppers. By storing the liners in the hoppers,

permanent sealed connections between liners and their respective hoppers are possible. The bag-type liners are FDA approved for use with dry food-stuffs. Optional materials are reinforced Hypalon and Neoprene Fiberglass.

Bulk loading is by gravity through four 20" diameter loading hatches with water and dust tight covers. Conversion to blow-loading is as easy as using a cyclone or swivel nozzle and a venting filter bag.

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Operation of entire dryer line  
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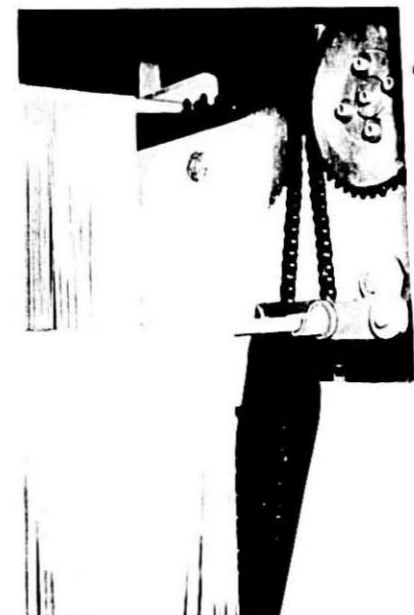
Extremely tight enclosure with Buhler patented "Delta T" control allows high temperature, high humidity drying environment.

**Capacity range 500-4,000 lbs/hr.**

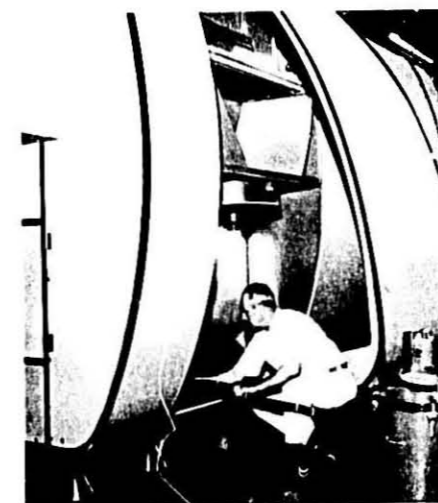
Standard stick lengths: 60 or 80 inches.

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



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Complete Macaroni Plants by

**BUHLER-MIAG**

### Dwayne O. Andreas of A-D-M

Dwayne O. Andreas, chief executive officer of Archer-Daniels-Midland, has been in soybeans for thirty-five of his fifty-five years. His business background is described by Irwin Ross in the October issue of Fortune magazine.

Andreas's initial wisdom, back in 1938, lay in selecting a product with a huge growth potential. Although the soybean plant had been cultivated in China for over four thousand years, it was not taken seriously in the United States until the early 1920's, when the plan began to be grown for use as hay. In the mid-1930's the bean attracted increasing interest as a cheap source of protein. The soybean itself is 40% protein; after its oil is extracted, the meal that is left is between 44 and 50% protein. Soybean meal significantly reduced the cost of raising chickens and hogs. In the 1940's soybean oil came to be used more and more in margarine, just as margarine production was beginning to boom. Now the only limit on its growth is the end of hunger—and that limit is not in sight.

#### Business Career

His business career is traced from the suggestion of A. E. Staley that the Andreas family build a soybean crushing plant in Iowa in 1938 to the success of the Honeymeade Products Co. which made him a millionaire by the age of twenty-seven in 1945. He prepared to go to war and sold some plants to Cargill. But he didn't go to war, he went to work for Cargill for seven years, then back again with Honeymeade for another seven years. In 1960, M. W. Thatcher, veteran manager of the Grain Terminal Association, told Andreas that farmers wanted to process their own beans and enticed the Andreas brothers into the First Intercoastal Corp. and they prospered. In the fall of 1965 the Andreas brothers were invited to provide new leadership to Archer-Daniels-Midland. This proved to be "a most stimulating experience" with expansion and tight management. For some years now A-D-M's dollar volume of sales has been around 60% in soybean processing, 21 to 28% in flour milling, and the rest in miscellaneous activities.

#### Worldwide Demand

Worldwide demand for soybeans shows no signs of slackening as affluence continues to let more people satisfy their craving for protein. The other major producers—China and Brazil—are far behind us, though Brazil is likely to increase production much faster than China. Andreas believes there will be enough business for every-

body, and has plans under way to build crushing plants in Brazil and Australia. As ever, he is an expansionist, but one who in a long career has never forgotten to hedge his bets.

### Egg Review

The nation's laying flock produced 5,393 million eggs during November, 2% less than in November 1972 and 2% less than October.

Layers on hand during November averaged 293 million, 3% below year earlier. Average rate of lay during month was up 1% from year earlier to partially offset the fewer layers.

Layers on farms Dec. 1, 1973 totaled 294 million, down 3% from 302 million a year earlier but 1% more than a month earlier. Rate of lay on Dec. 1 averaged 61.9 eggs per 100 layers, up from 61.0 a year earlier and 60.8 on November 1, 1973.

On Dec. 1, pullets 3 months old and older, not of laying age, totaled 51.9 million up 6% from Dec. 1, 1972.

Potential layers (Hens and Pullets of laying age plus pullets 3 months old and older not of laying age) totaled 346 million, down 2% from same date year earlier.

Egg-type chicks hatched during Nov. totaled 40 million, up 25% from the 32 million produced during November year ago. The Jan.-Nov. hatch of 496 million was 8% above the corresponding period a year earlier. Egg-type chicks in incubators on Dec. 1, 1973, at 34 million, were 10% above a year ago.

Chickens in egg-type breeder flocks tested during Nov. 1973, totaled 452.6 thousand, down 9% from last November. The number in flocks tested January through November was 4.5 million, down 9% from the same period a year earlier.

### Processed Eggs

A total of 45.1 million dozen shell eggs were broken during the period October 14 through November 10, 1973 under the USDA's Egg Products Inspection Act, down 1 per cent from the same four weeks last year. Per cent decreases by regions from last year were: South Atlantic, 16; South Central, 8; North Atlantic, 6; and West, 4. Eggs broken in the North Central region were up 7 per cent from the 4-week period of last year.

During the four weeks, 68 million pounds of liquid egg items were used in processing, up 1 per cent from the same period last year. Ingredients added in processing totaled 4.1 million pounds, 61 per cent more than a year ago.

### Liquid Production Up

Liquid egg products (including ingredients added) produced for immediate consumption and for processing totaled 22.9 million pounds during the 4-week period—up 7 per cent from the same period last year. Products produced for immediate consumption totaled 8.8 million pounds, compared with 9.9 million a year earlier. Those produced for processing totaled 14.1 million pounds, compared with 11.5 million last year. Frozen egg products amounted to 25.9 million pounds—3 per cent less than last year. Dried egg production was 6.8 million pounds, 28 per cent more than during the 4-week period a year ago.

Cumulated totals July 1 through November 10, 1973 and percentage decreases from the corresponding 1972 period are as follows: Shell eggs broken, 219 million dozen, 6 per cent; liquid egg used in processing, 320 million pounds, 6 per cent; liquid products for immediate consumption and processing, 100 million pounds, 4 per cent; and dried products produced, 26.2 million pounds, 13 per cent. Frozen products produced at 137 million pounds were up 2 per cent from last year.

### O. W. Cotton Dead

Owen W. Cotton, vice-president and western area manager for ConAgra, Inc., at Oakland, Calif., died Dec. 14, at Nebraska Methodist Hospital in Omaha. Mr. Cotton, 52, was recuperating from brain surgery.

Mr. Cotton, a native of Plattsmouth, Neb., joined ConAgra, then Nebraska Consolidated Mills Co., in 1954 as chief industrial engineer. He became general manager of the Nixon Feed Division, then vice-president and assistant president, and later was named executive vice-president and general manager of Molinos de Puerto Rico in San Juan.

Prior to joining ConAgra, Mr. Cotton was associated with the Koppers Co. and American Airlines, Inc. He was active in Omaha civic activities and Nebraska political affairs. Mr. Cotton was named Omaha's Outstanding Young Businessman in 1953 by the Omaha Junior Chamber of Commerce, and was president of the United Community Services of Omaha in 1957. In 1966-67, he was president of Nebraska Association of Taxpayers.

Surviving are his wife, Mrs. Margaret Cotton; three sons, Steven, John and Robert; a brother, Allen of Bellevue, Neb.; a sister, Mrs. Laura Welch, Richmond, Va., and a grandchild.

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

Macaroni Journal  
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### Turbulators

(Continued from page 16)

ing is often possible. Turbulators are low in cost and generally more than pay for themselves within the first year. Their service-life is usually equal to that of the boiler.

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### Short February Is Long On Promotion Events

Dr. Edward A. Brand, in his book "Modern Supermarket Operation," states: "The number and kind of promotions used by any retail outlet determines to a considerable extent the personality image of the store. This per-

sonality image is what people think of the store as a place to shop—favorable or unfavorable. Other factors that affect the store image include location, price, merchandise, employees, and the building and the decorative scheme.

"Competing on price only makes the operator vulnerable to price cutting. Competition based on store personality image is broader and safer. Customers shopping on the basis of liking the total operation are more permanent than price shoppers. Distinctiveness is achieved by the use of many promotional devices."

### Opportunities

Although February has only 28 days, it abounds in promotional opportunities.

Ash Wednesday falls on February 27, and Lent is still the time to sell meatless dishes, even though the religious dietary restrictions have been eased. It was because of these restrictions on the use of meat that consumption of fish traditionally climbed during Lent. But seafood has overcome this difficulty and has been promoted to become popular all year round. Nevertheless this is a particularly good time for promoting macaroni products with seafood.

Similarly, combinations of macaroni foods with eggs and cheese products fulfill the old tradition of meatless meals during this period.

### Famous Birthdays

Abraham Lincoln, whose birthday is celebrated every February 12, has been honored by placing his portrait on the five dollar bill and his profile on the one-cent coin. Penny-savers or one-cent sales to salute Lincoln's birthday make a lot of sense in a time of high prices. Probably one of the most successful single retail promotions in the country is the annual One-Cent Sale promoted nationally by a drug store chain. Margins in the supermarket business are not such as to permit doing this on a large scale, but it is possible to find many items that can be sold for a penny when a certain number of the same items are bought at the regular price.

There is a tendency to think in terms of Valentine's Day, February 14, as a great time to sell candy, flowers and greeting cards. And it is a great time to sell all of those things. But most supermarket shoppers are females, and their valentines want such non-hearts-and-flowers items as a spaghetti and meatball dinner, chicken and noodles, or a Macaroni Sweetheart Salad. Heart-shaped showcards can promote these ideas, so it will be love at first bite.

George Washington's birthday on the 22nd has been associated so long with

cherries that cherry pie or cherry tarts are an obvious dessert, but something has to be served for the main course, so suggest a macaroni products dish as the entree for a Washington's Birthday menu.

### Food Festivals

International Food Festivals are always good promotional themes, and the related items sold by macaroni, spaghetti and egg noodles are infinite for such a possibility. Because these products are universal in appeal, they can tie-in with almost any ethnic promotional theme.

Help your customers to help themselves, and you will boost the sales of your products.



Art Linkletter talks with Paskey DeDomenico, President of Golden Grain Macaroni Co., at Seattle Motivational Seminar. At left is Mark DeDomenico, Assistant to the President.

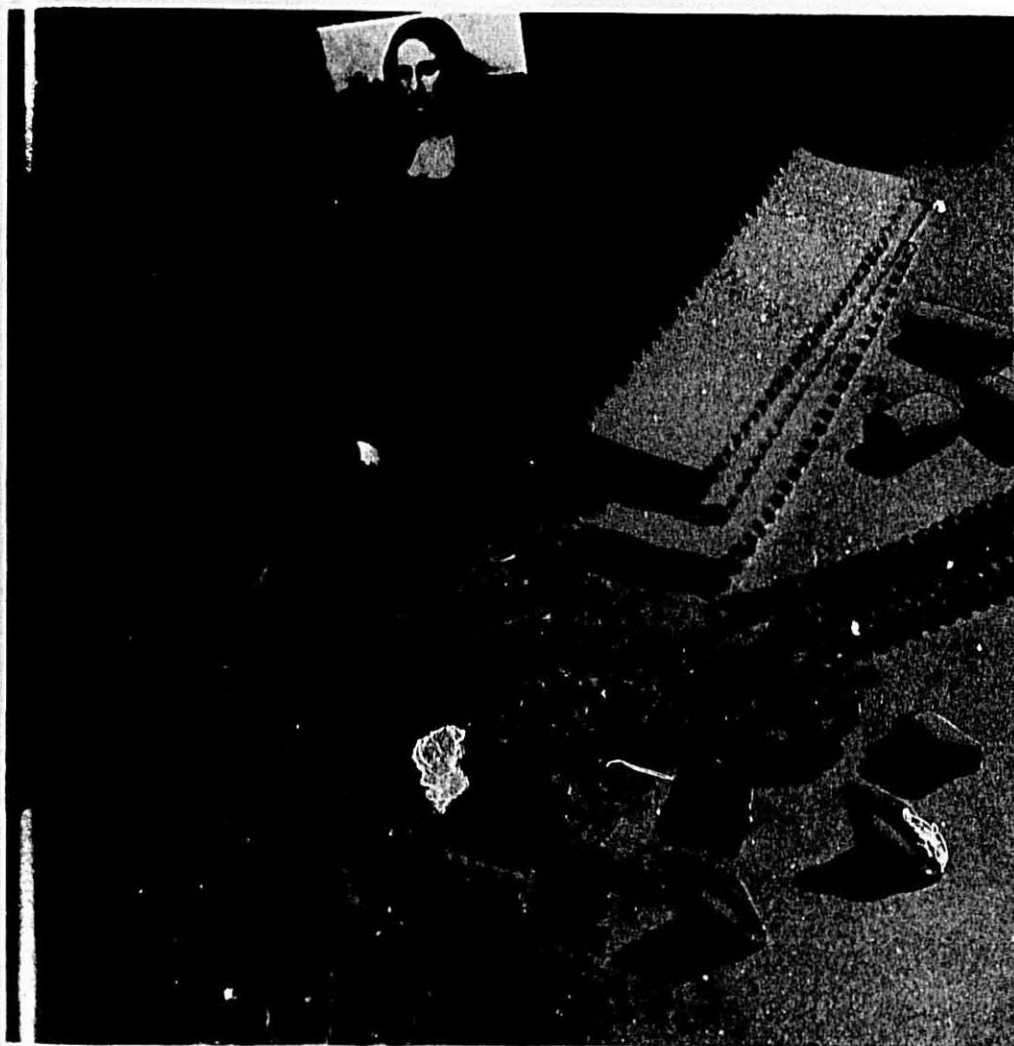
### Motivational Seminar

All Golden Grain Macaroni Company and Mission Division salesmen from Washington, Oregon, Idaho and Montana were in Seattle recently to hear two of the top inspirational speakers in the country, Art Linkletter and Dr. Norman Vincent Peale. These two were among the featured speakers at a two-day motivational seminar which took place at the Opera House in the Seattle Center. Nearly forty Golden Grain people were in attendance.

Mr. Linkletter spoke about the importance of believing in what you are selling. He made many of his points by relating stories about outstanding sales and marketing men whom he had known and with whom he had worked. Dr. Peale spoke on his favorite theme, the power of positive thinking.

Golden Grain personnel attending the meetings included Paskey DeDomenico, President of the Company, who said:

"Listening to these men opens your eyes to new horizons. I congratulate the American Motivational Association which arranged these stimulating meetings."



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