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In This Issue:

"Big Businses" and "Small Business"

While "big business" seems to be singled out by many for criticism and as a target for regulation, negative attitudes toward it did not appear to be single minded.

To the public, "big business" relates to the large, highly visible industries like auto, oil and utilities which are inescapably associated with and blamed for some current economic problems. When asked to evaluate the positives and negatives of "big business," however, the public's opinion is found to be ambivalent. On the one hand its economies of scale in product price and quality are appreciated by 45% and its creation of jobs by 30%, particularly by blue collar workers. On the other hand "big business" is believed to have monopolistic tendencies (40%), to have excessive political power, specifically with respect to taxes (19%) and to dictate prices (17%).

"Small business," which is widely not regarded as an area for regulation, is perceived as the foundation of free enterprise (32%). It receives recognition for providing better and more personal service (26%) and for producing high quality products (11%).

NATIONAL MACARONI MANUFACTURERS ASSOCIATION

WINTER MEETING

Hotel Diplomat, Hollywood, Florida 33022

SUNDAY, FEBRUARY 5

Convention Registration Desk opens in lobby of Diplomat West.

2:00 p.m. Executive Committee Meeting— West Card Room

6:30 p.m. Welcoming Reception— Diplomat West Pool

No planned dinner function

MONDAY, FEBRUARY 6

Business Session in Mezzanine Theatre, Diplomat East

9:00 a.m. Greetings from President Lawrence D. Williams

Creative Marketing
Lester R. Thurston, Jr. President, C. F. Mueller Company

Creative Strategy—Facts and Trends—
Philip F. Connolly, Vice Pres., A. C. Nielsen Company

Creative Packaging—
Irv Koons, President, Irv Koons Associates

Creative Advertising—
Robert S. Marker, Chairman of the Executive Committee, Needham, Harper and Steers, Inc.

Creative Merchandising—
Eugene S. Mahany, Director of Merchandising Services, Needham, Harper & Steers, Inc.

Adjournment at noon

2:00 p.m. Tennis Mixer at the Tennis Courts— Golf Tourney sign up in advance

6:30 p.m. Suppliers' Social—Regency West in Convention Center, East Side

7:30 p.m. Pasta Party—Regency South

TUESDAY, FEBRUARY 7

Business Session in Mezzanine Theatre, Diplomat East

9:00 a.m. Outlook in Washington— Counselor Harold T. Halfpenny

9:30 a.m. Wheat and Wheat Foods Bill—
Robert J. Wager and John O'Neil, American Bakers Association

10:15 a.m. Wheat Outlook—
Mel Maier, North Dakota Wheat Commission

10:45 a.m. Product Promotion—
Elinor Ehrman, Burson/Marsteller

Discussions— adjournment by noon

Afternoon at leisure— continuance of committee meetings

6:30 p.m. Suppliers' Social— Diplomat West Pool

No planned dinner function

WEDNESDAY, FEBRUARY 8

9:00 a.m. Co-chairmen: William A. Henry and Earnest J. Ravarino

Robert L. Siler, Executive Vice President of Sales, Force Companies, Inc., will lead discussions on

(1) Setting standards and evaluating your broker sales force;

(2) Developing an effective liaison between your management and sales force;

(3) Motivating your sales force

Adjournment by noon

Afternoon at leisure— continuance of committee meetings

6:30 p.m. Suppliers' Social—Country Club

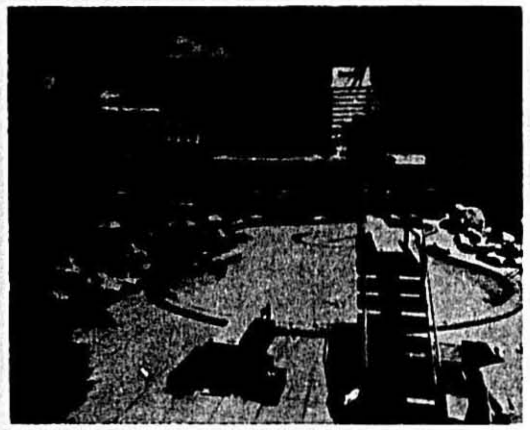
7:30 p.m. Dinner Dance

THURSDAY, FEBRUARY 9

9:00 a.m. Board of Directors Meeting in West Card Room

Adjournment by noon

Above: Diplomat West.
Right: Diplomat West Pool.
Below: Diplomat Golf.
Lower right: Diplomat Tennis.



The Place

Hotel Diplomat, Hollywood, Florida, was built in the late 1950's in an area that had been a mangrove swamp. It was an engineering marvel to put a lush 18-hole golf course and resort hotel complex in such a site. The National Macaroni Manufacturers Association first met there in January, 1959, and were among the first to use the facilities.

Diplomat East, the main house flanked by the convention center, is on the east side of the main North-South highway fronting the ocean. Directly across the street is Diplomat West, a complex of two-story units around a pool where the Macaroni delegates gather for socials and conversation. It is backed by the causeway that carries boat traffic into the ocean.

On the other side of the causeway is the country club complex with the tennis courts and championship golf facilities.

Over the years the Diplomat has become reknowned as the home of big name entertainers in the Cafe Crystal and the Tack Room.

There are many attractions in the north Miami area, and the Diplomat offers all the facilities that a convention delegate could want.

The Program

The first day's program of the Winter Meeting of the National Macaroni Manufacturers Association will be a marketing seminar. Lester R. Thurston, Jr., president of the C. F. Mueller Company, is bringing a team of experts who will look at trends and discuss creative packaging, advertising, and merchandising to capitalize on them.

The second day takes a look at Washington developments, the Wheat and Wheat Foods Bill, the Wheat Outlook, and an update on National Macaroni Institute product promotion and research for the Foodservice field.

On the final day Robert L. Siler, executive vice president and member of the board of Sales Force Companies, Inc., Schiller Park, Illinois—largest food brokers in America—will lead discussions on human resources in selling. He comes directly from an American Management Association workshop to make this presentation.

The Speakers

Philip F. Connolly is a vice president of the A. C. Nielsen Company, Retail Index Division, which provides marketing research and other business services worldwide serving food, drug, confectionery, tobacco, and other industries. Mr. Connolly first joined the Nielsen Company in 1949 serving as

(Continued on page 8)

Speeches

(Continued from page 5)

Philip F. Connelly

a Presentation Analyst. He has subsequently risen to the post of Manager of the New York Retail Index Client Service Presentation Analysis department. He became an Account Executive in 1968. He was elected a Vice President in 1974 and since then has had corporate responsibility for a number of important clients including Mueller, Warner-Lambert, and the Best Foods Division of Corn Products International.

He works out of Hackensack and is the father of six sons.

Irv Koons

Irv Koons is president of Irv Koons Associates, Inc., an industrial design firm specializing in packaging, product design and corporate image through packaging. The company, established more than thirty years ago, is particularly oriented to consumer products. Mr. Koons is past chairman of the Package Designers Council and a member of its board of directors.

With an impressive background, he is currently lecturing throughout the United States and Canada on Packaging: Planning-Marketing-Design, under the auspices of the New York University School of Continuing Education. He is a frequent contributor to packaging publications.

His firm has been retained by many major corporations in addition to the Mueller Company including Gulf and Western Industries, Consolidated Cigar Corporation, Fairmont Foods, American Can Company, Joseph E. Seagram & Sons.

Robert S. Marker

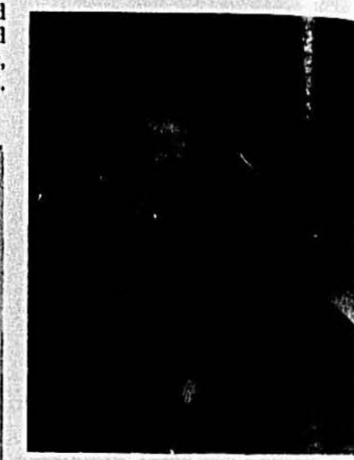
Robert S. Marker has been chairman of the executive committee of Needham, Harper and Steers, Inc., since 1975. He was President of the Dallas Times Herald Company and the former chairman of the board of McCann-Erickson Worldwide, Inc.

He was with McCann-Erickson for 13 years and the General Motors business in Detroit. He was elected president in 1968, moving from Detroit to New York, and in 1971 was elected chairman of the board.

He is a graduate of the Emory University advanced management program and the American management course for presidents. He has published papers in the field of management development and training and spoken to an illustrious group of business organizations.

Mr. Marker is married and the father of two sons.

Eugene S. Mahany, senior vice president and director of merchandising services for Needham, Harper and Steers, graduated summa cum laude from Xavier University in Cincinnati and has a masters degree in marketing from Michigan State University. He attended the marketing management and advertising course sponsored by the American Advertising Federation at the Harvard Business School in 1967.



Eugene S. Mahany

Mr. Mahany has 15 years experience with Kroger and 12 with Needham, Harper and Steers where has has been rendering marketing and merchandising counsel to virtually every account the agency handles.

He is a regular columnist for Advertising Age and a past board member of the American Marketing Association and the Premium Advertising Association of America.

Robert Leonard Siler is executive vice president of Sales Force Companies, Inc. Schiller Park, Illinois, largest food brokerage organization in America with some 400 people in branch offices from Indianapolis to El Paso.

Bob Siler is a highly respected executive in the food industry, having spent 23 years with Ralston-Purina where he held a number of positions including national sales manager and vice president and director of administrative services.

He has been an instructor of music, a principal of a high school and taught at the college level. He is a member of the AMA Marketing committee.

He was the recipient of the Central Methodist College Distinguished Alumni Award.

He is married and the father of two sons.

The Glamour Market

Glamour Magazine has recently surveyed its 18-35-year-old readers (three out of four who are working women) and came up with these highlights:

Nutrition, good health, and maintaining weight are dominant influences of the food buying habits of Glamour readers.

Half of them shop once a week for food. Another 20 percent shop more often, the remainder less often.

More than half the readers (56 percent) changed their food buying habits because of inflation. The large majority of these readers eliminated or cut back on a particular food, e.g. meat. Significantly, few readers cut down or eliminated prepared, frozen, or other convenience foods. They feel the extra cost of buying convenience foods is worth it since their time for food preparation is so limited.

Nearly half (45 percent) prefer to buy canned, frozen, or prepared food packaged in portions for two, and 17 percent want a portion for one.

Glamour readers have diverse food tastes. Italian food mentioned by 60 percent, Chinese by 53 percent, and Mexican/Spanish by 40 percent are the principal foreign prepared foods they use at home.

Staples on Hand

Glamour readers report they keep a wide variety of staples on hand. The top mentioned items are: eggs (95 percent), milk (93 percent), cheese (88 percent), juices (85 percent), fresh fruit/vegetables (82 percent), tuna fish (80 percent), cold cereal (76 percent), rice (74 percent), noodles/macaroni (74 percent), cracker (74 percent), canned vegetables (72 percent), frozen vegetables (68 percent), soda (65 percent), canned fruit (59 percent),cold cuts (4[illegible] percent), and cake mix (45 percent).

Information about nutrition, calories, and ingredients on food packages, labels, and advertising is important to the readers.

Glamour readers cook dinner at home an average of four times a week.

Three out of four readers say they serve wine with dinner, and nearly as many report they order wine with dinner in a restaurant. In their cooking, too, a majority (62 percent) of readers use wine.

Nearly twice as many readers take vitamins as the national average for women.

Since they spend for nutrition and convenience and tend to be brand loyal, food marketers should be reaching these readers at an age when food buying habits are being formed, particularly as the Glamour reader moves into her first apartment either as a single working woman or a working wife.

Recipe Sources

The chief sources readers report using for recipes are cookbooks (91 percent) magazines (85 percent) relatives (75 percent), and friends (74 percent).

The magazine mentioned most as "being read for recipes" are: Woman's Day ([illegible] percent), Good Housekeeping (29 percent), Family Circle (28 percent), Glamour (25 percent), and Better Homes & Gardens (23 percent).

Nine out of 10 readers named the cookbooks they have. Heading the list are Betty Crocker (51 percent) and Better Homes & Gardens (28 percent).

The most popular foods "generally" eaten for dinner are: meat (90 percent), vegetables (92 percent), salad (80 percent), poultry (66 percent), fish (55 percent), macaroni/noodles (45 percent), rice (42 percent).

Convenience Foods

Glamour readers have a high rate of buying convenience foods. Since their time for food preparation is so limited it appears that readers feel the extra cost is worth it. (Few have cut back on convenience foods because of inflation, as they indicated in replying to another question.)

The most popular convenience foods mentioned are: canned soup (82 percent), canned fish (77 percent), cold cuts (68 percent), prepared salad dressing (67 percent), cold cereal (67 percent), canned vegetables (67 percent), tomato sauce (65 percent), cake mixes (58 percent), canned fruit (54 percent), rice/rice mixes (52 percent), instant soup mixes (46 percent), noodles/macaroni/spaghetti (45 percent) and spaghetti sauces (40 percent.)

Practically all—93 percent—of Glamour readers eat in fast food restaurants.

The largest group—51 percent—are eating there on a weekly basis or almost every week while an additional 13 percent go to fast food restaurants a few times a week or more often.

More than 1 in 5 readers (apparently much more than the national average) eat in health food restaurants—mainly salad and vegetables but also a variety of other foods.

Convenience Foods

"Which of the following types of convenience foods have you bought in the past three months?"

	Single Readers	Married Readers	Total Readers
Instant Soup Mixes	47%	56%	46%
Canned Soups	78	88	82
Instant Potatoes	22	24	22
Canned Potatoes	7	8	11
Packaged Prepared Dinners	27	25	26
Packaged Sauces/ Gravy Mixes	12	23	16
Spaghetti Sauces	40	42	40
Rice/Rice Mixes	48	57	52
Noodles/Macaroni/ Spaghetti Dinners	46	47	45
Canned Main Courses	17	17	18
Tomato Sauce	58	73	65

Frozen Foods

"Which of the following types of frozen foods have you bought in the past 3 months?"

Pasta Dishes	7	6	6
Foreign Dishes	9	7	8

Foreign Foods

"Which of the following prepared foreign foods do you use at home?"

Chinese	53	53	53
Japanese	13	14	14
French	12	8	11
Italian	62	57	60
Greek	4	3	4
Mexican/Spanish	39	39	40
Other	8	7	8

Staples

"Which of the following staples do you usually keep on hand?"

Milk	92	96	93
Cheese	86	92	88
Eggs	94	98	95
Yogurt	27	31	30
Rice	93	85	74
Noodles/Macaroni	69	83	74
Fresh Fruit/ Vegetables	80	85	82
Canned Sauces	36	42	38
Canned Vegetables	70	75	72
Canned Fruit	56	64	59

Household Study

A new study of U.S. population characteristics just issued by the Bureau of the Census indicates that size and make-up of households will have a growing impact on selection and use of food products by American families.

The study affirms that the American family continues to grow smaller in size and that the number of households containing persons living alone or with non-relatives has increased 48% since 1970 and now makes up 24% of total households. These trends suggest the possibility of a growing demand for smaller portion sizes in packaged foods.

Two Most Common

In 1977, the Census Bureau states, the most common family size is the smallest possible family unit of two persons. "Thirty-eight per cent of all families were in this smallest size category," it says, "whereas relatively large families (six or more persons) accounted for only 9% of the total."

Following is the text of the Census report, entitled "Households and Families by Type: March 1977":

During the first seven years of this decade (1970 to 1977), the number of households increased by 10.7 million (17%) to a total of 74.1 million. This compares with an increase of 6.4 million households (12%) during the first seven years of the 1960's.

Since 1970, households containing persons living alone or with nonrelatives only (primary individuals) have shown the highest rate of increase (45%) of the various household types, and have increased their share of all households from 19 to 24%. By contrast, households maintained by two or more related persons (primary families) increased by 10% between 1970 and 1977, and their proportion of all households declined from 81 to 76%.

Reduction in Household Size

The rapid increase in primary individual households has consequently contributed to the recent reduction in average household size, which declined from an estimated 3.14 persons in 1970 to 2.86 persons in 1977. All but about one of every 10 primary individual households contains only one person.

There were 15.5 million persons maintaining households who were living alone in 1977. Most of these persons (64%) were women, and one-third of the total (33%) were older women, age 65 and over. Despite the fact that most persons living alone were women, it has been men, and young men in particular, who have demonstrated the most substantial recent rates of increase among households occupied by solitary primary individuals. Overall, there were 35% more women living alone in 1977 than in 1970. The corresponding rate of increase among men was 60%.

The number of young women (under age 25) living by themselves has doubled over the past seven years. Their male counterparts, however, have tripled. Although the highest rate of increase since 1970 in persons living alone has been for those under age 25, it should be borne in mind that these 1.3 million persons constituted less than 9% of all people living without families or other household companions in 1977. Far more significant in terms of absolute numbers were the 6.5 million persons of retirement age (65 years and older) who accounted for 42% of all those residing alone in 1977.

Profile of the American Family

There were an estimated 56.7 million families in 1977. The following characteristics provide a general profile of these families:

- Most families lived in cities and their environs; two-thirds (67%) of all families reside within one of the country's metropolitan areas. Only 4% of all families were living on a farm.
- Families tended to be small. The most common family size is the smallest possible family unit—two persons; 38% of all families were in this smallest possible family unit—two persons; large families (6 or more persons) accounted for only 9% of the total.
- About 88% of all families were white, 10% were black and the remainder were American Indian, Asian, or of some other race.
- An estimated 5% of the families covered by the survey identified themselves as being of Mexican, Puerto Rican, Cuban, or of other Spanish origin.
- The baby boom is generally considered to have ended in the early 1960's. Despite the decline in the birth rate which began around 1961 a majority of the families (53%) in 1977 still included at least one parent with a child under 18 present in the home.
- About one-third (34%) of all family members were under 18 years old, 59% were 18 to 64, and 8% were age 65 and over.
- Seven out of 10 families (72%) have managed to purchase or were in the process of purchasing their home; 26% of all families were renters.
- More than one-third (35%) of the men and women maintaining families in 1977 had never completed high school. An equal proportion finished high school, but advanced no further in the formal educational system. About 14% had completed from one to three years' college and 17% had completed at least four years' college. In sum, only about three of every 10 men and women maintaining families in 1977 had any formal education extending beyond the high school level.

One-third White Collar

- About one-third (34%) of the persons maintaining families held white-collar positions. This category includes persons employed in a broad range of professional, managerial, sales, and clerical occupations. A slightly smaller proportion (31%) were blue-collar workers (i.e., craft workers, machine operatives, nonfarm laborers, etc.). Much smaller proportionate shares of those maintaining families were engaged in service work (6%), farm-related occupations (3%), or were in the Armed Forces (1%). The remainder of these men and women were either unemployed (4%) or were not in the labor force (22%). Included among those not in the labor force were persons of retirement age as well as younger workers who have never entered or have dropped out of the labor force.

Spaghetti Sauce

San Giorgio Macaroni, Lebanon, Pa., a subsidiary of Hershey Foods, is introducing an all-natural spaghetti sauce. The introduction will be supported by radio and TV ads, point-of-sale materials and a special Buy One, Get One Free offer. It is available in 15.5-oz. and 32-oz. jars in both meat flavored and plain versions.

Distribution Takes More of Food Dollar

The share of consumers' food dollars funneled into transporting, processing and distribution of food is expected to be up 6-7 per cent this year from 1976's $116 billion.

That the word from the Agriculture Department's Economic Research Service in a study on the nation's food marketing bill. The report by Andrew Weiser, USDA economist, is in the current Agricultural Outlook.

Weiser said this year's expected rise is in marked contrast to the sharp increases of more than 10 per cent in 1974 and 1975 and 9 per cent last year. The marketing bill represents an estimate of the costs and profits involved in processing, transporting and distributing U.S. farm foods between farmer and consumer.

USDA economists attributed much of the rise in U.S. food prices this year to those marketing costs.

Labor Costs

Labor costs—the largest component of the farm food marketing bill—are expected to increase more slowly as the general inflation rate ebbs. During the first half, hourly wage increases were only two-thirds that of the previous year, Weiser pointed out.

In 1976, labor costs accounted for 47 per cent of the total marketing bill, at $54.3 billion, up about a tenth from 1975. Fringe benefits have been the fastest growing part of the labor bills.

The fringe ratio—which is the value of benefits received over base wages—is lowest for the retailing sector at 13 per cent. This ratio is 14 per cent for wholesaling and 19 per cent for food and kindred product processing. These ratios have gone up a fourth in the past four years, Weiser said.

Packaging Costs

Containers and packaging materials—the second largest part of the marketing bill—probably will continue to rise about 7 per cent a year through 1980, Weiser said.

Just last year, packaging costs were $15 billion, an increase of about 12 per cent from 1975. Higher wholesale costs for packaging materials accounted for half of the increase, while a rise in the use of these materials and a change in the mix of them resulted in the other half. "The largest increase (18 per cent) was in the cost of metal cans, which represented a fifth of total packaging costs for fruit and vegetable processing," he said. Metal cans, along with plastic packaging materials, are expected to have the highest annual rate of increase through 1980 at 10 per cent.

Transportation Costs

Intercity truck and rail transportation costs—the third largest component of the marketing bill—is expected to be up about 5 to 7 per cent over last year, Weiser forecast. In 1976 transportation costs were $9.5 billion, a 14 per cent increase over 1975.

Railroad freight rates will average 6-8 per cent higher for 1977, while truck rates may be up an average of 2-4 per cent, he said.

Energy Costs

Energy costs—which account for 3-4 per cent of the marketing bill—are expected to continue to be one of the more rapidly increasing cost components.

"Energy costs in food processing (where half the total energy costs are incurred) were up about 70 per cent from 1972 to 1975," said Weiser. This compares with a 50 per cent increase in the value of shipments and a 23 per cent rise in labor costs.

"The cost of energy used by food retailers, roughly one-fourth of total food marketing energy costs, also have been increasing faster than other costs," Weiser added. "In 1976, energy costs averaged about 1 per cent of retail food store sales."

Advertising Costs

Advertising costs, although not going down, are not rising as quickly as they have in the recent past. "Advertising costs were estimated up about 8 per cent about a year ago, in the first half of 1977," he said. "The total volume of advertising is increasing as processors and retailers vie for a more slowly growing market in 1977."

In 1976, advertising costs totaled $3.3 billion, an 11 per cent increase from the previous year. Half of this is accounted for by food processors, while most of the rest is spent by retailers.

Too Much Private Label?

"The contrast between us and the chains is that national brands prevail throughout our stores with extreme visibility (compared with) private label. We feel some chains have hurt themselves by going overboard on private label, giving the customer a feeling of no choice."

An in-depth exploration of the balance between private label and national brand products in stores was presented last week by Daniel Roche, president of Roche Bros. Supermarkets, four-store operation based in Dedham, Mass., which does annual volume of $43 million.

Speaking at a meeting of the Grocery Manufacturers of New England, Roche said that during a recent price check at a competing chain's store, he spent several minutes looking for national brand peas.

"The store brand was so prevalent that the brands Mrs. Consumer sees day in and day out on TV, and reads about in newspapers and magazines, seemed buried."

However, he emphasized the growing importance of private label to independents, saying a few years ago Roche Bros. carried just 20-25 items and didn't care whether it sold private label.

Attitudes Change

"Our attitude then was much like (that of) a lot of independents today: (1) Our customers are different from a chain store customer—they don't want First National peas, they want Del Monte. (2) We don't own the label, the wholesaler does, and they make more money on it than we do. God knows an independent doesn't want the wholesaler to make more money.

"(3) Ignorance—when we have no knowledge of a product or a business, we will do one terrible job of selling it."

The Company realized a year ago that its customers weren't different—that its own potato chips and bread were the largest selling items in those categories. It was also realized that the biggest merchandising advantage the chains had was private label.

Chains such as Stop & Shop were giving customers at least three prices from which to choose—Del Monte, Stop & Shop and Sun Glory—Roche said.

"We had Del Monte and Libby at the same price and about 25 Sweet Life (private label) items, at slightly lower prices. In place of Sun Glory, we used any number of brands . . . but only as in-and-out sale items. If we got stuck, they went on the shelf and gathered dust. We had no customer acceptance of those brands. And because of our attitude toward Sweet Life, customer acceptance wasn't there either."

The company did a price check on private label and found it was priced higher than at the chains. One chain was selling some private label at close to cost, and it made sense, he said.

"If Clorox sells for 69¢ with a 5 per cent profit, it's foolish to sell private label at 59¢ and a 20 per cent profit. Drop it to 49¢ and make 10 per cent."

100 Items Now

At present, Roche Bros. has approximately 100 private label items in its stores "priced with the chains and lowering the price on deal," and wants to increase the number of items to 300, but no more than that.

"Private label, as we see it now, will not dominate our stores. We place it next to the fastest moving national brand and allocate both according to their movement."

For instance, Skippy peanut butter has more space than the private label brand, but private label peas get more facings than a top selling national brand.

"We use private label for two purposes—to increase gross margin and, in some categories, for price image," Roche commented.

"In the future will this pattern change? No way! An example is fast foods, which is a real problem. The forecast is that three out of five meals will be eaten out in the next few years. The way business has been this summer, I think they already are."

Convenience Store Volume Moves Up

The convenience store industry will capture nearly 6%—almost $9 billion worth—of total grocery sales in 1977, according to the 7th Annual Report of the Convenience Story Industry published in the September/October 1977 issue of Convenience Stores, a Progressive Grocer publication. This represents an increase of $2.6 billion, up a full percentage point in market share, over the $7.4 billion figure for 1976.

The report cites growth patterns in every measurable area of the industry. In the ten year period since 1967, the number of stores has risen from 8,000 to a projected 30,000, with a jump in sales from $1.3 billion to close to $9 billion by the end of this year. Per-store dollar volume is also on the rise—from $162,500 per store per year in 1967 to more than $270,000 in 1976 and approaching $300,000 in 1977.

Net Earnings Rose

Despite increases in operating costs, inflation and product shortages pretax net earnings for the industry rose to 3.4% in 1976. The increased earnings stem from an upturn in gross margins and growing sophistication in managerial techniques, according to the study.

Skyrocketing costs have put greater emphasis on per-store volume. In one year, costs to inventory rose $4,000, site costs $6,000 and those of fixtures $3,500. In addition, owners and operators must contend with a decreasing customer count per store, due to competition and saturation, and climbing labor costs.

The report focuses on the methods being used to combat such problems. An increased number of companies are remodeling and refixturing as an alternative to building. Many plan more energy efficient equipment and 28% are now open 24 hours each day. Better planning and better merchandising are raising per-store volume.

The report analyzes sales and profits by product category; merchandise stocked and source of supply; percentages selling fast foods and gasoline; demographics of customers and their purchases by category; allocations for advertising and promotion; and the 1976 census of convenience stores.

Reprints of the 7th Annual Report of the Convenience Store Industry are available from The Progressive Grocer Company, Magazine Resources, 708 Third Avenue, New York, New York 10017.

More Eating Out

Eating place sales posted substantial advances in the second quarter of 1977, according to the economists of the National Restaurant Association. The industry recovered nicely from a relatively poor start in January and February due to unusually frigid weather conditions in much of the country. Eating and drinking place sales totaled $27.6-billion in the first half, a 10.4% increase from the same period last year. These figures were compiled by the Bureau of the Census, but the NRA focuses attention on eating places (those establishments primarily engaged in the sales of prepared meals and snacks). Those establishments accounted for approximately 84% of total eating and drinking place sales in 1976. Eating place sales totaled $18.9-billion in the first five months of 1977, and the NRA estimates that the total reached $23.3-billion for the first half, up 10.9% over 1976.

Menu Prices Up

Menu price increases, however, accounted for approximately two-thirds of the rise in eating place sales. Over the six-month period, food-away-from-home prices averaged 7.2%, compared to 6.7% for all items other than food on the Consumer Price Index. One of the factors was that the prices reflect the high cost of coffee. In addition, a 12 to 13% jump in average hourly earnings for foodservice employees, plus inflation, have added to the increase. The NRA estimates the total 1977 prime increase will be about 7-8%.

Supermarkets as Fast Food Outlets

Supermarkets, with their vast parking lots empty most of the day, are naturals to sell fast foods, in the opinion of M. Eugene Stone, president of Seattle's Skipper's Fish & Chips Inc. Stone, in his effort to make Skipper's a national chain within two years, is banking on convincing supermarkets that they should sign up as fast-food franchisees, and thereby take advantage of a big opportunity. Letters are going out now to grocery operators. "Supermarkets have the real estate and the resources, and fast foods fit very nicely into their business," says Stone. Skipper's, whose 82 units are now all company-owned, is also directing its franchise sales program at McDonald's and Burger King franchise holders who want to expand their business. Stone says he is looking for people who have demonstrated that they know how to run fast-food operations.

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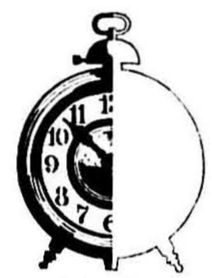
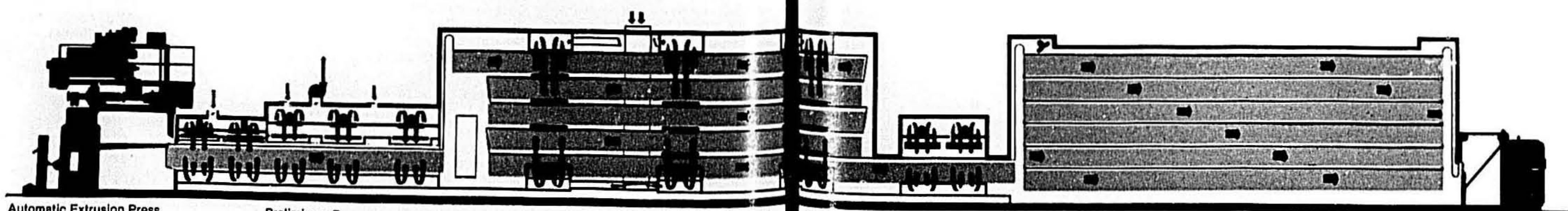


Drying Time Chopped.



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Fast Food Threat Exaggerated?

The threat to supermarkets posed by fast food restaurants "appears to have been somewhat overstated," a report presented during the FMI fall conference concluded.

Russel E. Shaw, vice president of A. C. Nielsen Co., and David Pinto, editor of Chain Store Age, said the dramatic growth of the fast food industry "has turned sluggish" and cited financial reports of a nun [illegible]r of chains to bear this out.

Rather than attempt to compete with the food service industry on its own terms, the report advocated that supermarkets continue to concentrate on improving the activities they do best. This was stated as variety, quality, price, pleasant atmosphere and helpful personnel.

80% Enjoy Cooking

Contrary to opinion, it was stated that consumers do not dislike supermarket shopping, nor do they have trouble deciding what to buy. More than 80 per cent of those queried said they enjoy cooking.

Michael De Fabis, president of Preston-Safeway Supermarkets, Indianapolis, said his firm had taken advantage of this with a new ad approach, designed to help consumers shop (particularly new shoppers).

Nielsen and Chain Store Age said the food service industry had not outstripped supermarket growth in the past few years. Supermarket sales in constant dollars have been up slightly since 1971, except for 1974 and 1975. Restaurant sales were off 1 per cent in 1971, gained 5 and 4 per cent, respectively, in the next two years, lost 2 per cent in 1974 recovered in 1975 and gained only 3 per cent last year.

Scanners Boost Sales

Although not all scanner-equipped stores have obtained sales increases, those with scanners have realized hikes of at least 16 per cent, according to results of a survey performed by IBM.

The figures, released for the first time at a Food Marketing Institute seminar on scanning held in Chicago, were relayed at FMI's fall conference by Willard Bishop, operator of a consulting firm bearing his name, based in Barrington, Ill.

According to Bishop, the study found the benefits of scanning have come close to previous estimates made by McKinsey & Co., New York based consultant, using about 17 companies as the test group. The scanning systems at the firms surveyed have averaged a 49 per cent return on equity, saving an average 2 per cent of sales.

Regarding conversion to the Universal Product Code, Bishop said 5,600 companies now are members of the UPC Council and 99 per cent of grocery commodity volume is coded.

There is still a wide difference regarding symbol marking between supermarket departments. The gap ranges from better than 90 per cent symbol marking in grocery, to about 1.9 per cent in floral, Bishop said.

Jewel Offers Generic Labeling

Jewel Cos. said it added a number of "generic label" food products to its supermarkets that will result, it said, in savings of 10% to 35% for shoppers.

Instead of offering only name- or house-brand items, Jewel said it put 85 generic products on its shelves, with stenciled typefaces reading "apple sauce," "orange soda" and the like.

Jewel began testing the program in February, It said 53 of its stores in Chicago, Rockford, Ill., Milwaukee and the Quad Cities area around Davenport and Rock Island carry generic labels and another 17 will be added by the end of the year. Jewel has 218 food stores in all.

Items include canned fruits, vegetables, juices, baking supplies, household products, condiments, cereals, soft drinks, dog food and paper products. More will be added, the company said.

The generic products generally are of standard-grade levels, as opposed to fancy grades that shoppers usually buy under some national-brand and house labels, the company said, adding that nutritional contents compare "favorably."

The generic labels are being carried in special sections of each store instead of being mixed in with national and house brands.

Jewel said it is able to sell these items cheaper because of selective purchasing, the absence of extensive promotion, limited sizes and varieties and the simple labeling.

Price specials on brand-names occasionally may result in prices lower than those for the generic labels, Jewel said.

Too Much Meat

The average American eats at least 25 per cent more meat than is recommended in a Senate report on nutrition, an Agriculture Dept. specialist said.

Those who consume drippings and the visible fat on meat eat 48 per cent more, Betty Peterkin told an agricultural conference.

The report, "Dietary Goals for the United States," was issued by the Senate Nutrition Committee and has been criticized by farmers because they fear it could lead to decreased meat consumption with shattering effects on the farm economy.

A committee spokesman said the report will be revised to show how people can shift in several years to healthier, low-fat diets, and Mrs. Peterkin made clear she was not advocating any specific diets drafted on the basis of the current Senate document.

But she said the report's sample diets could be used to show people what changing diet patterns can mean to them.

One sample diet showed that for a man in the 20-to-54 age range, the original Senate report goals could be met by these changes in consumption patterns:

- 69 per cent more bread and grain products; 25 per cent more fruit and vegetables; 21 per cent more dry legumes and nuts; 10 per cent more milk, all of it skim.
- 59 per cent less "visible" sugar, less meat, poultry and fish, 24 per cent fewer eggs; 25 per ar, less meat, poultry and fish, none of the drippings or "separable fat" from the meat.

The original Senate report had recommended more poultry and fish should be eaten to get daily protein requirements, with a reduction in meat consumption.

If this shift were made, meat consumption would have to drop 48 per cent while poultry and fish use would rise 40 per cent under one diet alternative, Mrs. Peterkin said.

National Macaroni Manufacturers Association Sales Index Study

from Ernst & Ernst (1972—100%)

1977	Govt.	Indust. Instit.	Grocery Trade	All Sales
Jan.	58.4	107.5	141.9	133.7
Feb.	65.4	137.0	145.7	141.9
Mar.	48.0	135.6	129.4	128.1
Apr.	83.5	115.9	111.7	111.6
May	63.1	104.4	103.2	102.2
June	47.4	92.3	119.7	113.0
July	49.0	90.3	96.7	94.3
Aug.	74.6	134.0	117.6	119.2
Sept.	46.8	126.4	136.1	131.9
1976				
Jan.	39.7	106.7	140.9	132.2
Feb.	59.5	119.5	140.7	134.8
Mar.	59.1	112.1	129.6	124.7
Apr.	56.6	94.3	111.5	107.0
May	64.4	84.2	108.4	103.0
June	54.6	107.5	119.1	115.3
July	35.6	87.9	96.1	93.0
Aug.	37.2	124.9	114.8	114.3
Sept.	49.5	122.3	133.9	129.5
Oct.	41.5	123.9	126.0	123.2
Nov.	54.3	112.3	116.2	113.8
Dec.	52.3	105.2	120.4	115.8

Quarterly Durum Report

The Crop Reporting Board on Oct. 1 forecast production of durum wheat at 82,000,000 bushels, 39% less than last year's record high 135,000,000 and 33% less than the 1975 crop. Harvested acres declined 33% and average yields were down about 3 bushels per harvested acre from a year ago. The 2% increase in production from Sept. 1 resulted from better than expected yields in both Montana and North Dakota. Harvest progress was slow as cool damp weather moved into the northern areas from mid-August continuing through September. By mid-October harvest was completed, but sprout damage was serious with 19% of the crop affected.

Stocks

Durum wheat stocks amounted to 144,000,000 bushels, 4% less than last year. Growers are holding 107,000,000 bushels on farms while slightly more than 37,000,000 bushels are in off-farm storages. Disappearance of durum wheat during June-September totaled nearly 24,000,000 bushels compared with almost 39,000,000 last year.

U.S. exports of durum wheat during the June-September period totaled 15,900,000 bushels, which was a sharp decrease of 7,800,000 in comparison to the previous year. Algeria was the largest importer with a total of 4,000,000 bushels. Market undertone continued soft with surplus stocks and reduced world demand.

In Canada

According to Canadian statistics released October 7, based on yields indicated at Sept. 15, production of durum wheat for 1977 was estimated at 45,800,000 bushels, which is well below last year's record crop of 105,000,000 bushels. The yield per acre indicated was 25.4 bushels per acre compared to 30 a year ago. Exports overseas of Canadian durum from June through September totaled 38,000,000 bushels. The major markets were Italy, U.S.S.R. and Algeria taking 35,000,000 bushels.

Lower Quality

The overall quality of the 1977 durum crop in North Dakota is lower than in 1976 and is also lower than the five-year average from 1972 to 1976 said Dr. Brendan Donnelly, associate professor of Cereal Chemistry and Technology at NDSU. Average grade for the durum crop should be U.S. No. 2 Hard Amber, Dr. Donnelly explained and added that 55% of the crop is estimated to grade No. 3 Hard Amber or better.

Average test weight arrived at through quality tests at the NDSU Department for the state's 1977 durum is 60.8 lbs per bu. and the average protein was tabulated to be 13.8% expressed on a 14% moisture basis. Dr. Donnelly said that durum moisture content averaged 12.4%, which is higher than the 10.9% average obtained in 1976. Vitreous kernel content of the wheat averaged 77% compared with 88% in 1976.

The combination of lower average grade, test weight and vitreousness was attributed primarily to adverse weather conditions. Cool, wet weather during the latter half of August and through the month of September caused 20 to 25% of the durum wheat crop to be sprout damaged. Falling number, an indicator of sprouted wheat, averaged 275 units compared with 469 in 1976.

Extraction Down

Dr. Donnelly said that semolina extraction of the 1977 durum wheat averaged 50.8% or 2.7 percentage points lower than the 1976 crop. Semolina ash, speck count, protein and wet gluten compared favorably with the 1976 data.

Durum Mill Grind

from U.S. Department of Commerce

1977	Semolina cwts.	% Up-Down	Bushels of Durum	% Up-Down
Jan.	1,466	12.2	3,278	7.0
Feb.	1,511	4.0	3,548	6.9
Mar.	1,632	15.8	3,730	14.8
Apr.	1,131	6.4	2,679	10.2
May	1,125	5.9	2,657	4.4
June	1,245	8.9	2,781	7.7
July	1,147	9.9	2,601	6.6
Aug.	1,442	8.5	3,347	5.0
Sept.	1,453	— 3.0	3,406	3.4
1976				
Jan.	1,306	— 1.1	3,063	— 4.9
Feb.	1,452	25.2	3,318	17.8
Mar.	1,409	34.4	3,249	28.5
Apr.	1,062	6.9	2,431	— 4.7
May	1,062	— 0.7	2,544	— 2.8
June	1,143	24.1	2,581	17.5
July	1,043	4.8	2,438	— 1.8
Aug.	1,329	3.7	3,186	0.1
Sept.	1,497	18.8	2,293	8.6
Oct.	1,379	— 7.6	3,072	— 9.5
Nov.	1,363	21.2	3,034	23.1
Dec.	1,304	0.5	2,917	15.7

The semolina was processed into spaghetti without any problems. Spaghetti color averaged 9.5 compared with 9.2 in 1976. Dr. Donnelly indicated that a color score of 9.5 reflects a bright amber product. Cooking quality is still being determined and final results are not available at present.

The complete quality evaluation of the 1977 durum wheat crop is expected to be completed within the next two weeks.

When this study is completed the final data will be published in detail. The survey is a cooperative effort of the NDSU Cereal Chemistry Department, the Extension Service and the North Dakota State Wheat Commission.

Grain Drain

Russian Premier Brezhnev recently announced that this year's grain harvest will be 194,000,000 tons, 19,000,000 short of the official target and 21,000,000 tons below the last Department of Agriculture estimate.

A former USDA official speculates that Russian purchases from the U.S. will be around the 3,000,000 ton mark (110,000,00 bushels). This is the minimum called for in the Soviet wheat agreement. He calculates that nearly 4,000,000 tons have been sold by Canada; 400,000 tons by Australia; 1,500,000 tons by India as repayment;

Grain Drain

(Continued from page 20)

and he thinks Russia might buy as much as 1,000,000 tons from Argentina.

Congressman English of Oklahoma told a press conference that China was in the market for between 20 and 50,000,000 bushels of wheat from the U.S. but this has not been verified.

Business Week magazine editorialized that it was vital that the Department of Agriculture be on top of any potential problem and not sleeping comfortably as it was in 1972.

Canadian Grain Research Laboratory

1976 Report—G. N. Irvine, Director

Amber Durum Wheat

Alpha-amylase and Cooking Quality. As amylograph viscosity of semolina is not directly related to spaghetti cooking quality, the role of *a*-amylase is being studied further. The level of *a*-amylase in semolina, dried spaghetti and cooked spaghetti has been determined in a number of samples. There is no relation between the level of sprout damage (determined visually) and *a*-amylase activity. Thus the effect of sprout damage on spaghetti-cooking quality may be due to the level of residual *a*-amylase activity in the cooked product.

Another factor associated with sprout damage and cooking quality may be the degree of degradation of starch by *a*-amylase in semolina. This aspect was studied by determining the viscosity of starch isolated from semolina milled from sound and sprouted wheat. For the levels of sprout damage allowed in the Canada Western amber durum wheat grades there is little difference in the viscosity of starch from sprouted or sound wheat. With higher levels of sprout damage, e.g. about 20%, there is a decrease in viscosity, indicating some starch degradation. Starch from malted durum is appreciably lower. The deterioration of cooking quality due to sprout damage in some cases may therefore be due to both the residual activity of *a*-amylase in cooked spaghetti and the degree of starch degradation.

Effect of Gluten Protein Fractions on Spaghetti-Making Quality and Pasta Dough Rheology. Gluten from the amber durum wheat variety Wascana and the hard red spring wheat variety Manitou was fractionated into six components by pH precipitation in dilute lactic acid. The effects of each fraction on spaghetti-cooking quality and garinograph characteristics are being measured by adding small amounts to a base semolina. Gel-filtration profiles and electrophoretic patterns of the fractions showed that the proportion of high molecular-weight protein (glutenins) decreased with increasing pH for both wheats. This project is continuing.

Influence of Protein Content on Some Durum Wheat Quality Parameters. The influence of protein content on some durum wheat quality parameters was investigated for two Canadian durum wheats of differing spaghetti-making quality. A substantial increase in semolina yellow pigment content was observed for one of the two durum wheats as protein content increased. For both cultivars a moderate change in protein content was accompanied by a marked decrease in farinogram mixing time concomitant with an increase in maximum consistency and tolerance index. Cooking quality and tolerance to overcooking continued to improve as protein increased for both cultivars over the complete range of protein content examined. For both durum wheats the proportion of non-gluten protein (the albumins and globulins) decreased significantly with increasing protein content. Gluten characteristics, as measured by the Berliner turbidity test, appeared to improve as protein increased. However, this improvement could not be related to the Osborne solubility distribution of the gluten proteins which revealed an increase in the proportion of gliadins as protein content increased for one of the durum wheats, and no significant change for the other.

Mixing Studies. The question of dough development in doughs mixed at low absorption (about 30%) is continuing. For bread doughs, loaf volume is a good criterion of dough development but for spaghetti doughs there is no readily measurable parameter for assessing dough development. The concept of "bound" and "free" water in dough appears to be relevant in interpreting farinograms. Between 35 and 40% absorption there is a change in farinogram characteristics which may be due to "free" water. This transition point is close to the figure by MacRitchie (Cereal Chem. 53:318-326, 1976) for "bound" water.

Durum Wheat Milling. The laboratory's "standard" semolina milling procedure has been modified to increase the yield of semolina to approximately 70%, which is more in line with commercial practice.

Durum Stocks Down

This year's Oct. 1 wheat stocks included 144,170,000 bushels of durum wheat, 4% less than the 149,795,000 bushels on hand the same date a year ago but 25% higher than the 1975 total of 115,063,000 bushels. Durum stocks on Oct. 1, 1974, were 91,573,000 bushels. Included in durum stocks this Oct. 1 were 106,632,000 bushels on farms and 37,538,000 bushels off farms, against 110,224,000 bushels and 39,571,000 bushels, respectively, in 1976, and 87,406,000 and 27,657,000 in 1975.

The June-September disappearance of durum was 23,745,000 bushels, off 14,830,000 bushels, or 38%, from 38,575,000 bushels in same period of 1976. Durum exports in period, at 16,490,000 bushels were off 7,235,000 bushels, or 30%, from year earlier.

Changing Food Industry

Production expansion was emphasized in the decade of the 1940's—learning to produce in quantity and quality for the post-depression, post-war market.

In the late 1940's to the mid 50's the application of new techniques to the management of the business enterprise became widespread—applying to production, personnel and financial management.

Marketing and product innovation—creating demand for products were the benchmarks of the 50's to mid 60's.

Responding to societal demands for fairness to employees, to consumers, to community neighbors—in short, social responsibility was the call of the mid-60's to mid-70's.

Economic constraint has marked the course of business since the mid 70's: learning to conserve resources; the end of cheap power and cheap capital.

International Collaborative Study on Durum Quality

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Agriculture Canada Building 55, C. E. Fam, Ottawa, Ontario, Canada K1A 0C6

Abstract. The International Collaborative Study on Durum Wheat Quality was begun in 1973 when agreement was reached among a total of eleven laboratories in Canada, the United States and Europe. The Study attempts to assess the inter-relationships between those tests routinely performed to evaluate durum wheat for pasta manufacture and the chemical, physical and sensory properties of pasta. The results of the study will be published in 1978.

Introduction. High quality pasta products are made from semolina milled from certain varieties of durum wheats. The main characteristics of durum wheat which are believed to govern its suitability for the production of pasta goods are its high content of yellow pigment, unique properties of its proteins which contribute to important aspects of quality of the cooked product, and its distinctive flavor.

The eating quality of durum wheat pasta is largely controlled by two factors, the composition of the durum semolina and the processing methodology employed in manufacture. Over the years, technologists have attempted to utilize optimization of processing conditions to exploit the inherent functional qualities of the raw material. This has been in part successful, but a lack of predictive tests relating durum characteristics to required processing parameters has hindered progress.

Research and manufacturing concerns are not unanimous in their opinion as to which of the available predictive tests are best suited to assess the various functional properties of durum wheat. This, in part, results from a lack of definition of the specific functional properties which the different tests measure, as well as a general lack of understanding of the functional contributions made by the individual durum wheat constituents.

Mounting interest in the possibility of using pasta as a vehicle for better nutrition has also created a need for better understanding of the functional role of durum constituents. Many organizations throughout the world, including the Food Research Institute (F.R.I.), have interest in improving our understanding of the composition and processing parameters important in controlling the functional properties of durum wheat, as well as an interest in possible means by which to improve the nutritional aspects of durum wheat products without altering desirable functional properties.

Experimental Approach. As envisioned, specific laboratories have been approached and asked to perform certain specific test(s) which may be unique, or are believed to be of special significance, in the assessment of the functional properties of durum wheat.

The collaborative study will be based on results obtained from the evaluation of 10 composite samples prepared from 9 different varieties of Canadian durum wheat grown on 1/6 acre plots in three major durum-producing areas in Canada and one C.W.A.D. (Canadian Western Amber Durum) sample.

Varieties have been selected which represent the widest possible range of physical, chemical and sensory parameters. The samples were grown in the summer of 1975. After harvesting and careful cleaning the samples were milled into semolina at one location and processed into pasta at F.R.I. in Ottawa.

Duplicate samples of the required semolina and/or pasta were then shipped to each collaborating laboratory and each collaborator was asked to perform certain specific physical, chemical or sensory tests on the semolina or pasta samples. For purposes of evaluating the precision of each test, these tests were performed in duplicate.

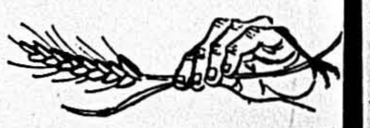
All data from each replicate was submitted to aid in the statistical analysis of the results. There was no restriction on error. All test methods or techniques, their objectives, and the meaning of the results in relation to the final product are to be described and discussed in detail by each collaborator.

Objectives

1. To determine test methods presently used in co-operating laboratories for assessing physical and chemical characteristics of durum wheats and pasta raw materials, and the chemical, physical and sensory characteristics of dry and uncooked pasta.
2. To collect experimental data derived from the application of these methods (in duplicate) to ten samples of durum wheat, pasta raw materials, dry and cooked pasta obtained therefrom.
3. To establish if correlations exist between the physical characteristics of durum wheat and of pasta raw materials.
4. To establish if correlations exist between the physical and chemical characteristics of durum wheat and of pasta raw material and the chemical, physical and sensory characteristics of dry and cooked pasta.
5. To establish if correlations exist between the chemical, physical and sensory characteristics of cooked pasta and the chemical and physical characteristics of uncooked pasta.
6. To select from such correlations as found, those test methods, which when applied to wheat, pasta raw materials and dry pasta, are most predictive of the sensory characteristics of cooked pasta.

Outline and Timetable

'75 Planning and coordination
'75 Production—600 # each of 9 pure varieties and 1 C.W.A.D. sample
Seed cleaning and bagging
Milling
'75-76 Pasta production
'76-77 Data analysis
'77-78 Final report and conclusions



Quality Parameters and Physical and Chemical Assessments

Wheat
grade
1000 kernel wt.
ash
protein
semolina yield
moisture

Semolina
protein
moisture
ash
wet gluten
farinograph
Berliner
Gluten strength
pigment
mixograph[1]
extensograph[2]
alveograph
R-SH/total SH
protein fractionations[3]

Uncooked Pasta
protein fractionations[3]
pigment

Cooked Pasta
taste
cooking time
overcooking
swelling
firmness
tenderness
compressibility
recovery
cooking loss
cooked weight
panel
stickiness

[1] Evaluation of micro rheological techniques of doughs and glutens.
[2] Evaluation of doughs and glutens.
[3] Osbornes, gel filtration, polyacrylamide-gel electrophoresis.

To conclude, this study therefore attempts to assess the interrelationships between those tests routinely performed to evaluate durum wheat for pasta manufacture and the chemical, physical and sensory properties of pastas. This was not designed to evaluate the precision of similar tests performed in different laboratories. This could be the subject of some future study.

Enriched Macaroni

C.F. Mueller Co., Jersey City, is introducing an enriched macaroni. Two main-dish recipes will appear on the back of the 12-oz. box.

Egg Futures to Change

The Chicago Mercantile Exchange is considering a change in shell egg futures contracts which have been changed repeatedly during its 56-year life, because egg marketing has changed radically.

Trading volume dropped to 146,341 contracts last year from a record 678,801 in 1970. Volume so far in 1977 is running slightly behind 1976.

The problem is that speculators prefer trading other types of futures where there are wider price fluctuations and more opportunities to buy or sell profitably.

Egg future problems date to the spot call markets conducted until 1971 at the New York and Chicago Mercantile Exchanges. Buyers and sellers would meet daily to trade actual eggs on the spot. Analysts say the theory worked fine until producers began committing most of their eggs to users ahead of time and agreeing to pay a price based on the spot call market quote.

The Exchanges voluntarily dropped the spot call markets when criticism arose.

Certificates to Buyers

The major delivery change being considered now is to allow futures sellers to deliver egg shipping certificates to future buyers. The Exchange's egg committee has approved that idea, but Exchange directors and the Commodities Futures Trading Commission have yet to consider it.

One of the problems is that eggs tend to be at opposite ends of the country in the northeast, southeast, and California, and a New York futures trader doesn't want California eggs offered against his contract if he can buy eggs closer to home.

Normal shipping certificates satisfy critics who complain that the contract calls for trading the wrong kind of eggs. Many in the industry say nest run eggs—the industry description for eggs just as they come from the hen—are the key market setters and should be the ones to which futures contracts apply. Nest run eggs must be washed, graded, and packed in cases before they can be used for futures trading, and that costs at least 5 cents a dozen. Then the eggs must be rewashed and regraded after they are delivered which adds more cost.

Nest run egg proponents would like to see both their favorites and washed, graded eggs allowed for delivery against the same contracts, with a premium set for the latter. They reason that buyers will choose the cheaper eggs, ultimately making nest run eggs the futures market leader.

Big Egg Exports

The largest single shipload of fresh eggs from the U.S. went to the Near East at the end of October.

A refrigerated cargo ship carried 50,000 cases or 1.5 million dozen, a record sale that couldn't have come at a better time.

October is a typically slow month for egg consumption coming between the start of school and the holiday baking season. It was bad this year as lower feed costs seem to prompt production increases.

The trip to the Mideast takes about 25 days with the eggs kept at temperatures between 37° and 42°. It took 70 semi-trailor loads of eggs from producers to make the shipment. A lot of eggs, but only one-tenth of one day's production in the United States.

Peavey Annual Report

The theme of Peavey Company's 1977 Annual Report "Taking Steps to Meet the Future Today," is highlighted by a wrap-around cover photo showing the ship docking facilities at Peavey's new export grain elevator under construction in New Orleans. It is expected to be operational by next summer.

Along with a major rebuilding and modernization program at Hastings, Minn., flour mill, scheduled for completion in 1979, this building marks Peavey's strategy in strengthening its position in traditional businesses of grain and flour milling.

Decline in Earnings

The company showed a decline in earnings for the year attributed chiefly to the agricultural group performance which was the result of several factors, generally unfavorable industry conditions, and unusually severe winter weather.

Industrial Foods, consumer foods, and specialty retailing all contributed to good performance.

Peavey is the country's largest miller of durum products. Though 1977's volume approximated last year's, dollar sales were down significantly because of lower durum wheat prices. Margins improved somewhat over depressed levels of a year ago.

With the largest durum milling capacity in the industry, uncompromising standards of durum wheat selection, expert milling techniques, and rigid quality control standards, Peavey continued to maintain its leading share of durum product sales nationally.

A slight increase in pasta consumption, resulting from population growth and per capita consumption gains, is projected. Improvements at the Superior, Wis., mill, completed ahead of schedule, provide the ability to increase the variety of durum products produced there and improve quality control procedures in addition to increasing durum capacity there by 20 percent.

Hershey Increases Dividend

Hershey Foods Corporation announced an increase in the quarterly dividend to $.30 per common share from $.28 per common share. Despite the reduced earnings of the Company during 1977, the Board of Directors voted this increase because of the long term prospects and strong financial position of the Company.

The Company also announced consolidated net sales from continuing operations of $453,077,000 for the first nine months of 1977 compared with $404,403,000 for the same period in 1976. Income from continuing operations for this period was $20,883,000 or $1.60 per share compared with $31,267,000 or $2.40 per share in 1976. After giving effect to the profit on the sale of L.D. Properties Corporation, net income for the first nine months of 1977 was $26,183,000 or $2.01 per share compared with $31,347,000 or $2.41 per share in 1976.

Sales from continuing operations for the third quarter of 1977 were $169,492,000 compared with $140,038,000 for the same period in 1976. Net income was $7,806,000 or $.60 per share in 1977 compared with $10,417,000 or $.80 per share in 1976.

Hershey is a leader in the manufacture and sale of chocolate and cocoa items through its chocolate and confectionery divisions. The Company is also a major factor in the coffee service and pasta industries through its subsidiaries Cory Food Services, Inc. and San Giorgio Macaroni, Inc.

Foremost-McKesson Net Rises

Foremost-McKesson Inc.'s fiscal second quarter earnings "will approach, but fall a little short of" the 36% gain achieved in the first quarter from the year-earlier first quarter, William W. Morison, president and chief executive officer, said.

In the year-earlier second quarter, ended Sept. 30, the diversified concern with interests in food, drugs, chemicals, wine and spirits and land development earned $7.2 million, or 53 cents a share.

Combined with a strong first quarter, first half earnings were well ahead of the year earlier, Mr. Morison indicated, when it earned $13.7 million, or $1 a share. For fiscal 1978, ending March 31, he reiterated an earlier prediction that earnings will exceed the company's goal of a 10% improvement from fiscal 1977's $35.5 million, or $2.62 a share.

Two Factors

Two factors were major contributors to the strong second quarter, Mr. Morison said. One was "an unusually strong" property-development operation, and the other was the inclusion of the C. F. Mueller Co. business, which was acquired in October 1976. The Mueller acquisition began contributing to Foremost-McKesson's earnings in the year-earlier third quarter.

Even without the strong property and Mueller contributions, however, all major lines of Foremost-McKesson's business fared better in the second quarter from a year earlier, with the exception of chemicals, whose earnings contribution was flat with the year-before period.

Mueller Plans Market Expansion

Foremost-McKesson, Inc. has unveiled its market expansion plans for its C. F. Mueller brand of macaroni, spaghetti, and noodles.

Mueller, headquartered in Jersey City, New Jersey, currently distributes its advertised branded pasta products in 22 eastern states, an area representing about 51 percent of the U.S. population. The brand expansion plan will increase Mueller's marketing area into Tennessee, Kentucky, and portions of the midwest. This market expansion program is the first major expansion effort by Mueller in some years.

"Mueller's continued success is a vital element to the corporation's emphasis on building on its base in the consumer products business," explained Thomas E. Drohan, Foremost-McKesson executive vice president.

Williams Papers to Formosa

Los Angeles macaroni manufacturer, Bob William, has been invited by the Chinese government to present his father's books and papers to the National Archives in Taipei. His father, Dr. Maurice William, was the author of "The Social Interpretation of History" which influenced Dr. Sun Yat Sen, China's first President, in his conversion from communism to American Democracy. The book fell into the hands of Dr. Sun at a time when he was already lecturing on communism. However, after reading Dr. William's book, he turned his back on communism and stated in his writings that he no longer believed in the Marxism "class struggle" as the road to social progress. In his final lectures, Sun freely quoted Dr. William who advocated "class cooperation" as the vehicle toward the solution to man's problem of subsistence. Dr. Sun's death, which was before he could express his new views to all of his people, resulted in the Civil War in China from which his brother-in-law, Chiang Kai-Chek emerged victorious, and according to a New York Times editorial, "gave us 25 years of friendly relations with the great nation of China." This relationship existed until Chiang and his Nationalists were driven from the Mainland by the Communists. It is William's hope that he may pursuade the state department in Washington to adhere to its treaty agreements with Taiwan.

Why Positive-Thinking Helps

"Businessmen can be just as wrong about the future as economists or government officials; but when the executives are frightened, they can make decisions in their own companies that turn fears into self-fulfilling prophecies."—Dan Cordtz, economics editor of ABC News, Washington.

ENERGY IS YOUR BUSINESS

by

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

It's becoming a cliche to say that energy is the lifeblood of our society, but the observation is no less true for that. Our phenomenal standard of living has been built by the progressive substitution of mechanical for human energy.

As more energy is harnessed, more can be produced for a given amount of human effort. It doesn't take an economist to see that more production per-person equals more products per-person, or a higher standard of living.

But today, we are literally playing with the fire that powers our civilization. Government policies —foreign and domestic—have created energy supply problems that are being used as excuses for new government policies that will create still more supply problems.

IF the process continues, we will lose both our freedom and our prosperity. The cycle that gave us our standard of living can be made to run backwards, too: Human energy is substituted for mechanical energy, and less is produced per-person. Less production per-person equals fewer products per-person, and so on, down to the level of a typical "underdeveloped" country.

All of which is preamble to my major point: It is essential for every conscientious American citizen to understand what's at stake in the "energy crisis" game, and what steps we must take to head off an economic, political, and even military disaster. But that's not easy. Even the experts disagree over the nature of the problem and the proper approach to a solution.

People who already have an understanding of market economics—business people—are in a good position to help other citizens sort out the complex parts of this puzzle.

TO facilitate that educational mission, the National Chamber has developed a comprehensive, six-part slide program entitled "Energy Is Your Business." The kit contains over 500 slides, in full color; instructions on how to set up and stage a successful presentation; a script marked for slide changes; a cassette with professional narration; and a discussion leader's guide.

Part I, "Energy Is Your Business," gives an overview of the problem and sets the stage for a more detailed examination of the component parts.

Parts II through V discuss the problems and the potential of four major energy sources: Coal, oil, natural gas, and nuclear power.

Part VI, "The Political Answers," presents the steps needed at the local, state and national levels of government to put our energy supply back on a firm foundation.

The entire package is available from the National Chamber for $200. For more information—or to order your kit—write:

Mr. Robert Moxley, Project Director
Chamber of Commerce of the United States
1615 H Street, N.W.
Washington, D.C. 20062

Cheap Energy

Cheap energy from the sun and the wind isn't likely to solve our problems.

That, at least, is the contention of one expert. James J. Skiles, a University of Wisconsin engineering professor and director of that school's energy research center, says development of such energy sources "involves large investments of men, money and material." He notes that "it takes 6½ years to gather as much energy with a solar collector as it took to manufacture the collector in the first place." Therefore, he contends, it's "virtually impossible" to expect solar, wind, geothermal, tidal or other "exotic" energy sources to provide even as much as 25% of our energy requirements by the turn of the century.

Even looking beyond that, says Prof. Skiles, we can never hope to run factories on solar energy. One answer to the energy problem, he indicates, lies in large-scale commercial generation of power from nuclear fusion, an energy source still in the testing stage.

Prof. Skiles also notes that if the world's oil is depleted after the turn of the century, as expected, the U.S., because of its huge coal supplies, may be cast in an OPEC-like role, dispensing scarce coal to a fuel-hungry world.

Winter Energy Reminders

As the nights get cooler, add a blanket instead of raising the thermostat. You'll save heating costs, even if you use an electric blanket.

If you have to turn up the house heat, keep the thermostat at energy-saving 65 degrees during the day and 55 degrees at night.

Before you face winter driving:

- Get the summer clutter out of your car trunk. Every extra 100 pounds costs about one percent in fuel economy for average-size cars, even more for small models.
- Check whether your engine is due for a tuneup. A poorly tuned car uses three to nine percent more gasoline than a well-tuned one.
- If the public transportation isn't available, join a carpool to and from work. You'll save on car maintenance costs and parking fees as well as gasoline.

Save Energy—Reduce Waste

High priority consumer issues of energy and resource depletion and increases in waste can be in part resolved if proposals by The Packaging Institute, USA are adopted. The 38 year old non-profit professional society suggests that a national package resource recovery program be implemented.

In assessing the multitude of propositions which would legislate or regulate packaging, the institute noted that most were negative, that is directed towards restricting packaging. The Packaging Institute, USA analyses clearly demonstrate that a comprehensive packaging resource recovery program would represent a positive approach to an issue which is larger in the consumer's mind than in reality. More dangerous to this country than litter, waste and depleted resources erroneously attributed to packaging is the economic and human disruption which restrictions on packaging would cause.

Several Problems

Several problems are presented by our free enterprise system and the resulting convenience market economy: litter solid waste and energy depletion. The one million men and women in packaging industries, all of whom are consumers too, believe the solution to these problems lies not in negative simplistic answers of restrictive legislation and regulation, but in a positive one of "resource recovery:" recycling and recovery of all solid waste—paper, plastic, metal, glass—including packaging which constitutes only 13% of our solid waste.

The optimum solution should be offered on a comprehensive level. Regional, state or local solutions are at best unfair, inadequate, or excessively expensive.

If a proposed national law were passed to ban or restrict the sale of non-returnable packaged products, the minimum cost of conversion would be in the billions of dollars, according to U.S. government data. If these billions were spent, it would produce zero growth in production capacity in the industries. And the cost of this conversion would, of course, be borne by the consumer.

Consequences of Regulation

The consequences of such legislation or regulation would be for example,

—an increase in unemployment among highly-skilled, highly paid workers (estimated at 45,000 to 58,000 in can manufacturing alone) —in the food and packaging manufacturing industries,
—higher prices to the consumer,
—lower tax revenues,
—elimination of freedom of package choice for the consumer, a basic tenet of our economic system,
—little lasting effect on the litter problem,
—elimination of less than 1.4% of total solid waste, and
—net energy savings of less than 0.2%.

The estimated cost of a permanent and continuing national program of resource recovery is only $3.8 billion, according to Packaging Institute, USA information sources.

Such a program is feasible because the engineering concepts and hardware for such nationwide installations are available. Several are already operationally successful.

Resource Recovery

Resource recovery from municipal waste will conserve at least four times as much energy, dispose of eight times more solid waste, and save at least twice as much aluminum, ferrous metals and glass, as would reverting to a returnable package system.

Further, resource recovery programs would create a new American industry, resulting in increased employment, and would generate other benefits such as:

—no increase in consumer prices,
—increased tax revenues,
—reduction of municipal costs for disposal of solid waste, and
—conservation of landfill areas, which are rapidly disappearing.

Americans have a choice—to return to the days before convenience packaging or to move forward to resource recovery. This choice belongs to the American consumer who in his or her wisdom in the free marketplace has usually selected the most beneficial alternative.

A Better Idea on Energy

"A better way to achieve higher production and conservation of energy is to lift restraints currently imposed by government on the market system and to unleash the creative abilities of America's producers and processors of energy."—Dr. Richard L. Lesher, president of the Chamber of commerce of the United States.

What's a Billion?

Most people in Washington have lost sight of what a billion dollars is. One billion seconds ago, the first atomic bomb had not been exploded. One billion minutes ago, Christ was still on earth. One billion hours ago, men were still living in caves. Yet, one billion dollars ago (in terms of government spending) was yesterday.
—Hugh Rutledge, Indianapolis News.

For Rats

Supermarkets and food warehouses, plagued by rat problems, are seeking to control them with poison and elaborat traps. Now a new way to keep the pests away has been devised. Thomas J. McCormick, president of Micro-Sonics Inc., of Scarsdale, N.Y., says he has a system that sends the rodents running by bombarding them with high-frequency sounds. The units, which sell for $3,500 each, plus installation, are designed primarily for large warehouses. One of Micro-Sonics' first customers was Charlie Bros. Co., a part of Super Valu Stores Inc., which uses six of the units in a 300,000-sq.-ft. warehouse for dry groceries in Greensburg, Pa. Lester A. Bowen, vice-president of Charlie Bros., says the units have succeeded in reducing his rat problem. McCormick foresees a sizeable U.S. market but thinks that his company will do particularly well overseas. Of the 57 units sold since May, 40 have gone to overseas buyers. The Micro-Sonics units are designed so that the frequency can be changed. This feature, says McCormick, prevents the rodents from learning to adapt to a certain frequency

1977 Packaging Values to Reach $38 Billion

The value of packaging materials in the United States in 1976 reached a record $35 billion, an increase of 13% from the previous historic 1975 high, according to a Packaging Institute, USA analysis of government data. 1975 quantity deliveries were down for most packaging industries. The gain in value resulted from price increases caused by significantly higher costs for material, labor, energy and transportation.

Packaging business in 1977 should reach $38 billion. The $3 billion gain over the 1976 record should result from economic growth plus only moderate price increases reflecting a combination of higher rates of container production, increased raw material costs, wage, transportation, fuel and energy costs.

The non-profit Packaging Institute, USA derived its information from the government's "U.S. Industrial Outlook, 1977." Packaging Institute, USA, noted that the continued strength of the packaging industry reflects a robust economy and consumer confidence in packaging's indispensable role in the country's consumer goods distribution system. All sectors of packaging are projected to increase in 1977.

Glass

Shipments of glass packaging recorded their fifth straight growth year in 1976. Demand for glass containers were paced by non-returnable beer bottles, which benefited from favorable systems price advantages over metal cans. Shipments of glass containers are expected to total almost 300 million gross in 1977, an increase of 2% over the 1976 level of 293 million gross. A trend to larger bottle size, continued in carbonated beverages non-returnable packaging. Food, the largest single user category with about 30% of all glass packaging shipments, is expected to maintain its share of glass packaging output. A trend has been observed to larger size units for such foods as ketchup, peanut butter and apple sauce. Glass packaging prices increased almost 16% in 1975, and about 9% in 1976.

Cans

Metal can volume is projected to grow 3% in 1977 following a 4% growth in 1976. Growth should occur in beverage cans which are converting from traditional three piece to two piece style. Two-piece beverage cans exceeded three-piece for the first time in 1976, accounting for 54% of all beverage cans. Metal can shipments are projected at 191 million base boxes (a base box is 31,360 sq. inches of metal) in 1977, 3% above 1976's 185 million. 1976's volume represents a 4% increase over 1975's 177 million. The value of metal cans should be $7.8 billion, a 10% increase over 1976's $7.1 billion.

About half of all cans are for beverages, with beer cans the largest single end-use category in cans. Carbonated beverage cans, showed the largest increase in 1976, representing about 20% of all cans. Food can volume remained constant in 1976. Although steel continues to be the dominant metal used in metal can production, aluminum is increasing its market share. Aluminum now represents an estimated 27% of the metal used in can making.

Paperboard

Paperboard carton shipments grew in 1976 with dollar volume expected to exceed $2 billion in 1977.

The corrugated case industry is projected to ship a record 230 billion square feet of product with a value of $7.6 billion in 1977. Volume in 1976 gained 12% with value up 18% of the previous year.

Packaging Institute, USA emphasized the inverse economic correlation between per capita value of packaging and cost of consumer goods. "As we invest more in packaging, the cost of products purchased at retail level declines. And we are spending only $167 per person annually for packaging in the United States, a very small price to pay for the goods we receive in perfect condition."

Corrugated Shipments Up

"There is some cause for satisfaction—and some cause for caution, too," in corrugated box shipment data for 1977, according to the industry's statistician.

Robert F. Rebeck, vice president of the Fibre Box Association, presented nine-month data to industry executives at the Association's Annual Meeting. These were the highlights:

- Shipments of corrugated boxes have produced gains of 2.0, 5.1 and 4.1 percent in the first three quarters over comparable 1976 periods, for a year-to-date gain of 3.9 percent. While positive, these figures are lower than expected.
- The pattern of movement of the national overall corrugated price trend was erratic in 1976 and generally lower in 1977, although it has been inching up for the past two quarters. The third quarter average of $28.31 is 0.1 percent below the year-ago third-quarter level, while the 1977 average to date of $28.22 is 0.9 percent below 1976's comparable $28.49.
- Average weekly production of containerboard by the mills is up 2.9 percent for the year to date, at 330,800 tons. The rate of increase for the third quarter, 2.8 percent, was slightly lower than the second quarter's 3.1 percent.
- Consumption of containerboard by box plants has increased so far this year by 4.3 percent, to a weekly average of 313,600 tons. Consumption has been particularly high in recent weeks, suggesting that initial fourth-quarter shipments should be strong.
- Although consumption rates have increased faster than production rates, the higher production tonnage has added to inventories. With 3.7 percent of production diverted to other end uses, and certain other allowances, industry inventories (box plants and mills) are at an all-time-high 2.64 million tons. With high consumption levels, however, the weeks of supply stand at 8.1, the same as they were on January 1.

Shipments & Price Trends

Rebeck went on to analyze shipment and price trend information on a geographic basis.

Shipments are strongest, he found, in the South Central states, led by the Texas-Oklahoma area. In fact, he said, business has been good across the "Sun Belt" with the exception of Florida.

The weakest gains appear in the East Central states. However, there are both good and bad local situations around the country.

Price trends are down slightly in all areas of the country except the East Central states, which are even, and the Western states, which moved up 15

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Corrugated Shipments

(Continued from page 32)

percent. Changes in product mix, Rebeck cautioned, can play a role in these trends.

"In terms of the economic impact of (all of) these trends and developments, a series of observations can be made," Rebeck noted. They include:

- "Volume increases industry-wide this year will be less than the rate of increase in inflation. . . . and, therefore, unit costs in 1977 will go up again;
- ". . . Unit cost will also be adversely affected by higher wage settlements . . ."
- "Higher containerboard cost in 1977 as compared with 1976 seems to be a foregone conclusion;" and
- "The behavior of the overall corrugated price tends to suggest that these increases in operating expenses are not being recovered."

Pacific Paperboard Products

Pacific Paperboard Products, Inc. completed purchase of the major elements of Fibreboard Corporation's Carton Division to become the largest supplier of folding cartons in the West.

Assets included in the sale are a recycled board mill and carton plant in Stockton, California, a carton plant in Portland, Oregon and 11 waste paper processing centers in California, Oregon and Washington. Annual sales of the combined facilities are $70,000,000.

PPP was organized earlier this year by a group of former Fibreboard executives headed by William S. Hart. Hart will serve as president and chief executive officer of the new company.

Employee Ownership

Organized under an Employee Stock Ownership Plan, Pacific Paperboard will be supplying cartons and recycled paperboard to an impressive list of national and regional customers, according to Hart.

"C&H Sugar, Carnation Company, Procter and Gamble, General Mills, Safeway Stores, Golden Grain Macaroni and The Clorox Company are just a few of the more than 50 customers we will be supplying," he announced.

Initial capitalization combines loans from a major bank, an institutional lender, and the U.S. Economic Development Administration plus limited equity participation.

Top Carton Producer

The company ranks first in carton production with annual output of 69,500 tons, representing more than 20% of the Western market. With mill capacity of 92,000 tons per year, PPP is the second largest producer of recycled board on the Pacific Coast. The company's Independent Paperstock Company subsidiary is the major processor of waste paper in the West. The company has more than 900 employees at 14 locations.

First year sales of $70,000,000 are projected, according to Hart. The company is expected to be profitable in it's first 12-month period.

Pacific Paperboard Products, Inc. executive offices are located at 2351 Powell Street, San Francisco.

New Training Course Volume

The Packaging Machinery Manufacturers Institute has published a new volume in its series of "Packaging/Converting Machinery Components Training Course" materials.

Titled "Blueprint Reading Industrial Machinery," the volume is a self-instructional course which, according to PMMI Education Committee Chairman John M. Johnston, Doboy Packaging Machinery, was written "to assist companies using packaging and converting machinery to train their mechanics to read the blueprints and machine drawings of their machines."

The lessons in the soft-bound volume include exercises involving prints of mechanical, electrical, and fluid power machine systems.

"A self-instruction format," notes Johnston, "is used to take advantage of each student's experiences and abilities and make efficient training possible in large and small plants as well as in school classrooms."

There are now 10 schools in the country using the PMMI materials in classroom work and hundreds of individual companies have adopted the course to their in-plant training programs.

Like the other volumes in the set, this one contains all the directions and information that the student will need to work alone, but it can also be used in small groups or as a part of a formalized classroom instruction situation. The volume can also be used alone or in conjunction with the complete training course.

"Blueprint Reading" sells for $20. Additional information is available from PMMI, 2000 K Street, N.W., Washington, D.C. 20006.

Wright Machinery Announces Expansion

Wright Machinery Company is expanding its plant for developing and manufacturing packaging machinery. Completion target is mid-1978 on adding 25,000 square feet to the facility's current 60,000 square foot building, located on 22 acres off I-85 North in Durham County.

President Daniel J. Bullard said, "The addition will improve manufacturing efficiency and provide more space needed in Assembly. Our business continues its steady growth."

Wright is observing its 10th anniversary under present officers. An investor group, including a number of company officers, purchased the firm in 1967 from Sperry Rand Corporation. The original firm was founded in Durham in 1893 to serve the tobacco industry, and as such is the oldest packaging machinery firm in North America. Wright has occupied the present plant since its construction in 1969.

Wright develops, manufactures, assembles and sells automatic packaging systems. Its principal customers are the food, cereal, snack, nut, coffee and tea, bakery, pet food, and confectionary industries.

CANNERS CONVENTION
February 12-15, 1978
McCormick Place, Chicago

Source of Red Tape

A Washington political scientist, Herbert Kaufman, has written a book claiming that the real cause of government red tape is not official stupidity or bureaucratic perversity. He says: "We accuse them (the bureaucrats) because, intuitively, we want to divert the guilt from the real cause: ourselves."

Most red tape results from our hallowed Constitutional principle: Taxation with representation. It makes for "a greater profusion of elaborate and incomprehensible statutes and regulations than one would find in an autocratic system."

He's a Breadwinner

He'… Resitern (Resident Intern) in a hos… emergency ward. He's been wor… non-stop since coming on duty just …fore the dinner hour. A steady rain has …de driving hazardous, and there's bee… …ore than the usual number of acc… …t victims coming into the em… …ncy ward.

He'… …ed and he's hungry. As usual, there wo… …e time to take a leisurely supper bre… …the hospital cafeteria. He'll follow his …nal routine of having macaroni sent in… the kitchen. He likes its taste, and ma… …n provides him with the energy he ne… …keep the pace.

W… …e expends precious energy in a life sa… …apacity, ADM works hard to replenish the energy through quality pasta flour.

ADM selects the finest durum and quality mills it into clean, golden semolina. The semolina is then shipped to pasta manufacturers in the industry's most modern conveyances. And for emergency delivery, ADM maintains a ready supply of first rate pasta flour. ADM also offers product tests to pasta manufacturers upon request.

The Resitern performs an invaluable service to our society. At ADM, we strive to continually supply pasta manufacturers with the finest high energy blends, so that the Resitern and Breadwinners of every category can perform their tasks under peak conditions.

Breadwinners supplying Breadwinners since 1902.

ADM MILLING CO.

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

Snack-A-Roni

An entirely new way of preparing egg noodles has been developed by the National Macaroni Institute. Crisp and crunchy, the noodles make a sweet —but not too sweet—snack.

Any one of several kinds of egg noodles can be used to make this intriguingly different sweet snack. Wide noodles, or those called wide-wide or dumplings, or even egg noodle bows could be used.

The noodles are cooked in boiling water, then drained and fried in deep fat. The crisp noodles are then sprinkled or shaken in a bag with confectioners sugar. An alternate would be a mixture of cinnamon and sugar. Crisp, and not too sweet, these "Snack-A-Roni" are delicious with tea or coffee, with fruit or ice cream. They serve equally well between meals and at dessert time.

Egg Noodles "Snack-A-Roni"
(Makes about 2½ quarts, loosely packed)

1 tablespoon salt
3 quarts boiling water
8 ounces wide egg noodles
(or egg noodle bows or egg noodle dumplings)
Hot salad oil for deep frying
Confectioners sugar

Add salt to rapidly boiling water. Gradually add noodles so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander. Rinse with cold water; drain again.

Separate any noodles which may cling together and drop a few at a time into hot fat (375°). Deep fry just enough at one time to cover bottom of fry basket or fryer. Fry about 3 minutes or until evenly and lightly browned. If necessary, separate noodles while frying. Spread on paper towels to drain. Sprinkle, or shake in paper bag, with confectioners sugar. (Or shake with mixture of cinnamon and granulated sugar). Serve with coffee or tea, fruit or ice cream.

Variation

As a variation of the Egg Noodles "Snack-A-Roni" recipe, here is another unusual new snack food made from— of all things—spaghetti. The spaghetti is cooked as usual; then, after draining, it is fried in deep fat. The spaghetti is twisted into amusing shapes as it fries. A sprinkle of salt and dill weed is the finishing touch. Or if preferred, onion salt is the zesty seasoning. This fun-to-eat, crunchy accompaniment to cold drinks is shown on our Front Cover this month.

(Makes about 4 quarts, loosely packed)

1 tablespoon salt
3 quarts boiling water
8 ounces spaghetti, broken in half
Hot salad oil for deep frying
Salt and dill weed

Add 1 tablespoon salt to rapidly boiling water. Gradually add spaghetti so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander. Rinse with cold water; drain again.

Separate pieces of spaghetti which may cling together and drop a few at a time into hot fat (375°). Deep fry just enough at one time to cover bottom of fry basket or fryer. Fry about 3 minutes or until evenly and lightly browned. If necessary, separate spaghetti pieces while frying. Spread on

(Continued on page)

RICE-A-RONI ON 21 TV NETWORK GAME SHOWS

Look who's selling Rice-A-Roni: Gary Owens, Peter Marshall, Geoff Edwards, Bert Convy, Bill Cullen, Gene Rayburn, Monty Hall, Mike Darrow, Sarah Purcell, Jim McKrell and many more stars. Rice-A-Roni is seen on such top-rated TV shows as "Hollywood Squares", "The Price Is Right", "Celebrity Sweepstakes", "Treasure Hunt", "Tattletales", —a grand total of 21 popular shows.

In addition, colorful Rice-A-Roni recipe ads appear the year 'round in 14 of the nation's leading women's magazines. These national advertising schedules plus heavy regional and local advertising help keep Rice-A-Roni the top seller among rice mixes.

INDEX TO ADVERTISERS

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KLUSKI NOODLES

Manufactured and packaged to your specifications. Bulk to 350 lbs., poly or cello bags 8-12-16 oz. Modern plant near all major Midwest markets. Let our expertise expand old and open new markets for your product line. Reply to Box 336 in care of this magazine.

Edna Vagnino Dead

Mrs. Edna Eilerman Vagnino, wife of Louis S. Vagnino, retired president of the American Beauty Macaroni Company in St. Louis, Missouri, and mother of Steven L. Vagnino, died of a brain hemorrhage on November 19. She was 69.

Mrs. Vagnino was an alderman in Clayton from 1961 to 1965. She was a supervisor for the Visiting Nurses Association and former president of the Clayton League of Women Voters.

Snack-a-roni

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paper towels to drain. Sprinkle with salt and dill weed. (Or sprinkle with onion salt only.) Serve with choice of cold beverages.

Warning: When you think you've made enough, make that much more. The appealing shapes, delightful crunch and tangy flavor are reasons why this unusual snack food will disappear quickly. If there's any left over, store in a tightly covered container.

On Its Way—the Half-Trillion Budget

The new federal budget, which went into effect Oct. 1, calls for federal expenditures of $458.2 billion. Thus, the United States is moving rapidly into a period when we start calculating the yearly budget in trillions of dollars. Nation's Business magazine reports that spending will cross the half-trillion-dollar level in fiscal 1979-80 and stand at $586 billion in 1982.

1978 Thomas Grocery Register

The 1978 Thomas Grocery Register has added 6,000 companies and has been expanded to three volumes over the two-volume 1977 edition, making it the world's largest annual food industry directory of manufacturers and distributors, according to Thomas Publishing Company.

Now in its 81st year of publication, TGR-78 contains more than 55,000 companies in the food and related industries, an increase of 10 per cent over the previous edition.

In completely updating the directory, emphasis was placed on the burgeoning food service market and on exporting. More than 140 wholesalers covering the institutional field have been added.

Export Section

The export section has been expanded and now lists more than 70 nations with their commercial, trade or consulate address and telephone number in the United States. The bulk of the thumb-indexed section has a geographical listing of food manufacturers who's products are exported.

A new aid to facilitate entering or expanding the export market is provided. Companies desiring commercial and economic information on most trading partners of the United States may now call the marketing manager for a particular country or region worldwide. The direct telephone numbers for these managers are provided.

A feature added to each volume is a metric system of weights and measures, converting United States measuring units to metric units.

Sales & Distribution

Volume One covering sales and distribution is a series of mini directories—buying offices of supermarket chains including convenience stores; wholesalers in a combined list and separate lists for general line groceries, frozen foods, institutional products, specialty foods, general merchandise, rack jobbers, produce, provisions and meat dealers. Also, brokers, frozen food brokers, exporters and public dry and refrigerated warehouses.

Data on chains and wholesalers where applicable, includes names of key officers and buyers, company size, sales volume, number of stores operated or serviced, names of voluntary groups, cooperatives.

Products & Services

Volume Two, the products and services section with more than 4,000 product categories and references, has added new categories including deli foods, portion control and pack foods, meat analogs, textured vegetable protein, and yogurt and dairy bases. With an increase of 5,500 manufacturers, volume two now contains 40,000 companies including importers for an aggregate in excess of 100,000 listings—each with full company name, address and phone number plus other data.

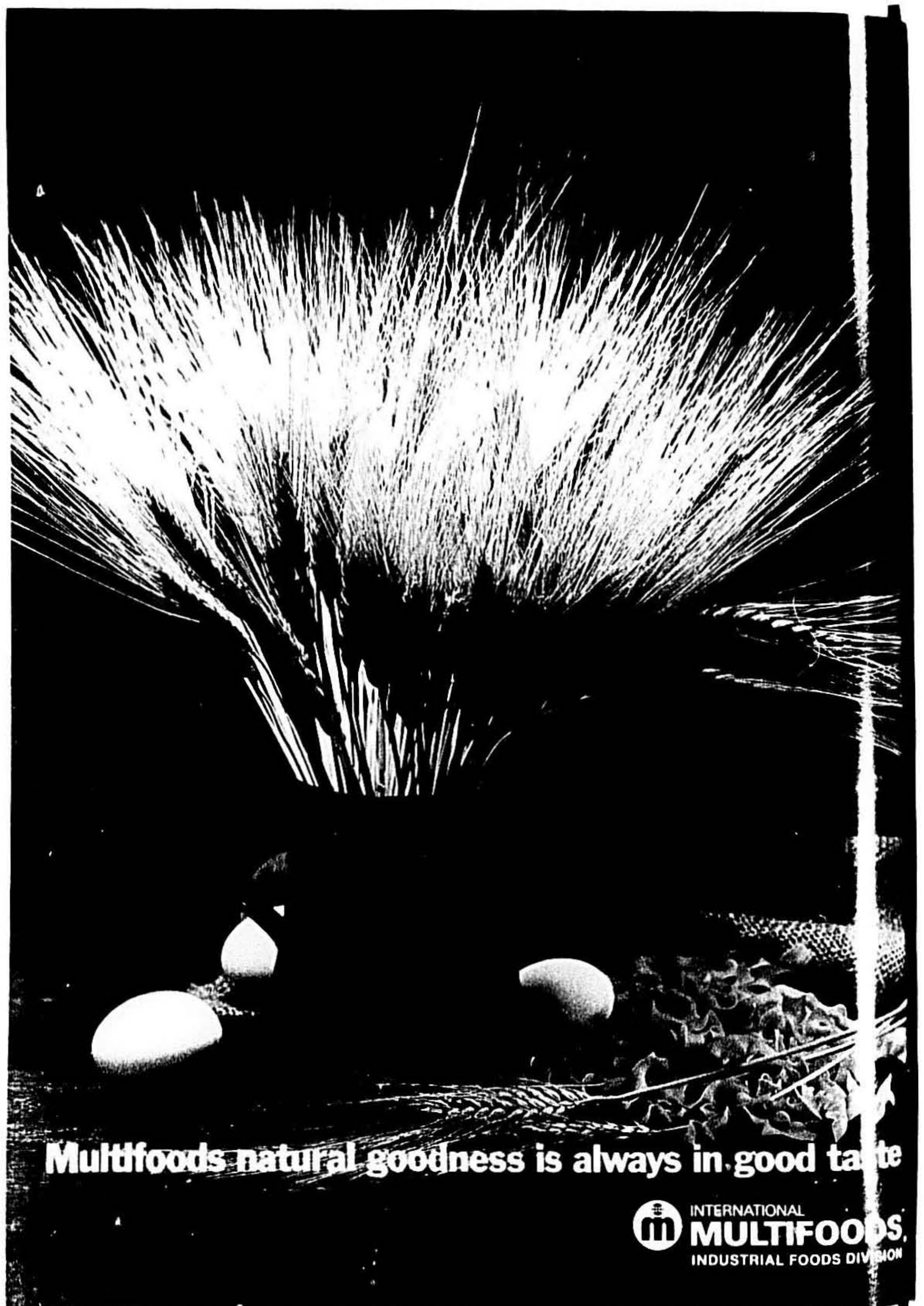
Food manufacturers and importers listings also show if a product is packaged for consumer or institutional trade, in bulk and for private label. The hundreds of non-food categories include health and beauty aids, housewares and hardware products, specific supplies, equipment, warehouse trucks, data processing, materials handling, machinery for industry and freight carriers.

Company Index

Volume Three contains the A-Z Index of 55,000 companies listed throughout Volumes One and Two, and the Brand Names/Trademarks section. Company listings, in addition to address and telephone, provide supportive data such as type of business, cable and teletype number, name of parent firm or subsidiaries and total assets classification.

Canadian as well as United States companies are listed.

The three-volume set is priced at $60. Volumes one and two may be purchased separately for $45, with Volume three being automatically included. Write to Thomas Grocery Register, 1 Penn Plaza, New York, NY 10001.



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