

**THE
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JOURNAL**

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December, 1978

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Season's Greetings



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The Macaroni Journal

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Decorate with Pasta

Dear Mr. Syntax says this unique wreath makes a lovely holiday accent for your door or mantle. Glue or staple a series of four stiff cardboard rings from 14 inches to 9 inches, and build with a variety of macaroni pieces to a thickness of an inch at the center and a half-inch at the edge, using linoleum paste or Elmer's glue.

Spray the entire wreath with white enamel. Add ribbon bows and colored balls for a festive touch.

More ideas on page 26.

Label Hearings

Consumers complained that Federal food labeling rules not only are often inadequate but sometimes work to the detriment of the public's health.

Through three days of hearings in Washington, almost 90 persons appeared before a tri-agency government panel to express their qualms that labeling requirements are too complex and inappropriate to help a person work out a good nutrition strategy.

Instead of the current requirements, most of those present asked the panel to enact "easily understood" rules, and to require food manufacturers to list every food ingredient.

Food industry representatives generally concurred that many of the labeling requirements leave something to be desired, but urged the Government to assess the economic cost to the consumer of writing new

labeling and disclosure requirements.

These views were expressed at the third of five hearings on food labeling, sponsored jointly by the Food and Drug Administration, Agriculture Department and Federal Trade Commission.

"Food labeling has not kept up with the changing times," FDA Commissioner Donald Kennedy stated at the opening session.

"The Government too often has responded to technological change by generating a patchwork system of regulation that is complex, duplicative, sometimes outdated and not likely to serve the best interest of consumers," Kennedy stated.

These hearings, therefore, will be a catalyst, Kennedy said, spurring the three Federal agencies to propose a new framework of food labeling and nutrition regulations sometime "after spring of 1979."

International Durum Forum

The Second International Durum Forum held at Minot, North Dakota, was well attended by macaroni manufacturers, durum miller, grain buyers, and farmers, although the good weather kept some farmers away who were harvesting sunflower seeds.

The international aspect of the meeting came in the participation of the Canadian growers who increased durum production 100 percent this year but got caught by bad harvesting weather and a strike by Canadian seamen operating laker vessels between the Great Lakes and St. Lawrence Seaway—and the U.S. durum growers interests in the world export market.

Exports

Tom Hughes, administrator of the U.S. agriculture department foreign agricultural service, told the group that grain exports are the nation's ace in the hole in international trade.

Joseph Halow, executive director of the North American Grain Export Association, said activist farmers should shift their emphasis from bigger government subsidies to a stronger export program.

Both men foresaw a good year for U.S. farm exports in 1978-79, though perhaps not quite as good as the current year. They both predicted an excellent longer term future for exports.

Hughes described the Carter administration goal for farm exports as "long-term, stable, sustainable export growth—the kind that you can depend on when you make planting and marketing plans." He praised the agricultural trade bill just passed by Congress saying it would give added tools in developing markets. He also lauded the Intermediate Credit program designed to help develop port and other facilities in foreign countries to encourage greater imports of wheat.

Domestic Use

NMMA President Paul Vermeylen reported the macaroni business had been so so up until mid-summer, but had been picking up in the past couple of months. He expressed concern that new durum varieties be developed with improved quality of roots, good percentage of protein, and



Bringing in the samples. Open Division is one quart, hand picked.



Commercial Division requires one gallon uncleaned sample. Samples cleaned on dockage machine before display.

color of the product. He noted that ten years ago the macaroni industry was composed of unsophisticated family organizations, but this is changing with larger concerns entering the business and demanding stricter controls and management and quality control. He urged the growers to look upon the macaroni business as an opportunity field as important as exports.

Mel Maier, Administrator of the North Dakota Wheat Commission, described the durum picture as having 68 million bushels carryover plus 128 million bushel production for supply of 192 million bushels. With domestic demand taking 51 million bushels and exports 70 million, there would be a 71 million carryover into the crop year.

He noted that sunflowers have now become a more valuable dollar crop on fewer acres than durum, the number two crop in the state, and concluded that a rotation plan, durum following sunflower, was good agricultural practice.

Quality Report

Dr. Bryan Donnelly of North Dakota State University Cereal Technology department, reported that yields were up on durum this year from 24 bushels to 30 bushels per acre. In a preliminary quality data test weight averaged 62 pounds to the bushel compared to last year's 60.8; moisture percentage was 11.6 against last year's 12.4; protein was down slightly from 13.9 to 13.4 percent on an as is basis. The percentage of vitreous kernels was 88 this year against 77 last year, and the falling numbers test averaged 436 this year against last year's 275 when there was

a considerable quantity of sprout damage.

Mickey Skinner noted that the sprout damage infected much of the supplies throughout the year and undoubtedly contributed to lower consumption during the first half of 1975.

Dr. Quick Honored

The first day of the Show was called Jim Quick Day as the durum plant breeder from North Dakota State University was honored for his contributions to industry progress.

Samples were displayed in an open division, with hand-picked samples, a youth division including 4-H and Future Farmers of America and the commercial division with one gallon of uncleaned samples. Tim Schwab, 16-year-old boy from Devil Lake, won both the open and youth divisions and was awarded the U.S. Sweepstakes award by the National Macaroni Manufacturers Association president Paul Vermeylen. He entered a 63-pound sample of Ward 1 durum.

Prize Winners

Open Division

1. Tim Schwab, Devils Lake, Ward
2. A. C. Hendrickson, Sawye, Ward
3. Brad Aho, Mohall, Ward
4. Lawson Jones, Webster, Rugby
5. Sylveo Chaput, Langdon, Crosby
6. Mark Kirk, Devils Lake, Ward
7. Tom Sautner, Harvey, Rugby
8. Dennis Rehek, Cando

Youth Division

1. Tim Schwab, Devils Lake, Ward
2. Brad Aho, Mohall, Ward
3. Tom Sautner, Harvey, Rugby

Commercial Division

(Continued on page 8)

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Prize Winners

(Continued from page 4)

Commercial

1. Jerry Thuesen, Dagmar, Mont., Crosby
2. Donald Swentsen, Keene, Crosby
3. George Lauenger, Karlsruhe, Crosby

Exports Are Ace in the Hole

Tom Hughes, administrator of the U.S. Agriculture Department's Foreign Agricultural Service, told durum farmers, buyers and processors that grain exports are the nation's ace in the hole in international trade.

Joseph Halow, executive director of the North American Grain Export Association, said activist farmers should shift their emphasis from bigger government subsidies to a stronger export program.

Both men foresaw a good year for U.S. farm exports in 1978-79, though perhaps not quite as good as 1977-78. They also predicted an excellent longer-term future for exports.

World Production Up

Hughes forecast that world durum production will exceed 20 million tons this year, about 50 percent more than last year. World trade in durum therefore will be down from last year's 4 million tons to the more normal level of 3 million tons, he said. Accordingly, U.S. durum exports will drop to about 50 million bushels (1.4 million tons), 20 percent less than last year.

World wheat production for 1978-79 will likely be below the record of two years ago but well above last year, bringing a slight increase in stocks. "World wheat trade is expected to be about the same as last year, and we look for U.S. exports to continue strong," he added.

World trade in coarse grains, including U.S. exports, should be near or above last year's record levels as well, Hughes said. World production is expected to set a record, swelling stocks by 10 million tons or more.

"Right now, we think U.S. agricultural exports for the fiscal year just started will total near or above the record level of \$27 billion in fiscal 1978," he said.

The \$27 billion is \$3 billion higher than the 1977 amount and four times as much as in 1970, Hughes continued. The growth of agricultural exports have made them basic to eco-



NMMA Sweepstakes Award Winner was Tim Schwab of Devils Lake, a sixteen-year-old high school student who won the Open Division and Youth Division.

nomie health in business and industry as well as on the farm," he said.

What Exports Mean

He quoted figures showing how farm exports help suppress the U.S. trade deficit, and outlined what the loss of export markets would mean to farmers.

"Without exports, for example, you would be faced with a 50 to 60 percent setback on wheat every year. . . . The harvest from almost one third of our cropland is sold overseas."

Wheat farmers rely more heavily on exports than most other farmers, he said. "Final figures for the 1977-78 marketing year show that 54 percent of your production of wheat was exported, and that includes an unusually high 78 percent of your harvest of durum."

Moving on to an export forecast, Hughes said that the fiscal 1978 export level probably can be sustained or even bettered. "For the long term, import demand—particularly in the developing and the Communist countries—is almost certain to continue to grow," he added.

Hughes described the Carter administration's goal for farm exports as "long-term, stable, sustainable export growth—the kind that you can depend on when you make planting and marketing plans. Secretary Bergland has rejected the 'fire sale' approach to exports" because it sacrifices long-term for short-term gains.

Without going into detail, Hughes praised the agricultural trade bill that

Congress passed in its closing hours. He said it will give the Foreign Agricultural Service some "added tools" to use in developing markets.

"It will mean more agricultural trade offices like the one we have opened in London, for example, and higher rank and more clout for our agricultural attaches in important countries," he said.

He also hailed the "intermediate credit program" designed to help develop port and other facilities in foreign countries to encourage greater imports of wheat.

International Agreement

During a question period, Hughes said current negotiations for an international grain agreement are more or less stalled by opposition from the European Economic Community (the Common Market).

"There's little disagreement between the United States, Canada, Australia and Argentina; the difficulty is the European Community," he said.

The Carter administration wants minimum and maximum prices to prevent wild swings in the market, plus a world grain reserve so the U.S. doesn't have to spend as much of its own reserve, he said.

The administration opposes the proposal of Sen. George McGovern, D-S.D., for a grain "cartel," Hughes said. Officials fear it would cause problems for importing countries and affect the nation's non-farm exports.

Halow Advocates Aggressive Exports

In pointing to a bright future for U.S. grain due to rising consumption abroad, Joseph Halow, executive director of the North American Export Grain Association, warned that current governmental policies are not fostering, and indeed are serving as brakes, on sales growth.

He suggested that the U.S. should adopt an aggressive export program that would in turn prevent many of the problems that both the administration and Congress have had to face in the past year in dealing with farmers.

"There is no way," Mr. Halow stated, "that the U.S. can avoid facing up to an increased demand. There is

(Continued on page 10)

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Aggressive Exports

(Continued from page 8)

no way that anyone can shelter the U.S. market from that impact. The well-being of agriculture depends on how the U.S. meets it. If the U.S. understands the demand and the reasons for it, the U.S. will be able to prepare for and respond to it. The result will be a healthier agricultural plant in the U.S.

"If the U.S. attempts to avoid demand growth, it will depress agriculture and ultimately bring on a chaotic situation when there is an outbreak from the pressures which weigh down on the market. Modified attempts to avoid squarely facing world demand will only help exacerbate the type of price-extremes market which government states it is attempting to avoid."

Action Needed

Mr. Halow suggested a number of steps that the U.S. should pursue in best serving and meeting the potential growth in world grain demand. He said the first step "is obviously the realization that the U.S. has to export." He pointed out that more than half of the agricultural land is now used to grow crops for export, and if no exports were made, "the price for the production from the reduced acreage would be at least as high as the price for the production from the total acreage."

As a second step, he suggested learning to understand increased demand, its causes and the extent to which it can be satisfied. The latter he said includes measuring the extent to which needy nations might be able to finance purchases and distribute grain domestically.

He said such an analysis would indicate clearly that the socialist nations and the developing countries offer the best market opportunities, and that efforts to negotiate trade advantages with Western Europe and Japan represent no more than marginal undertakings. He said socialist and Third World countries are eager to purchase grain from the U.S., but serving their needs means that the U.S. must be prepared to say to the world, "We are here to meet your demand."

As a third step, Mr. Halow said the U.S. must be price competitive in world grain markets. "This means," he said, "that the U.S. must be prepared

to deal with price-cutting by other exporting countries. Most of the world buys on the basis of price first, and when some of the other exporters have quantities to ship, they cut prices in order to capture the market and dispose of their stocks.

"The U.S. should have standby authority to fight such price-cutting with subsidies, if necessary. We do not advocate the use of subsidies, but without the standby authority to institute them, the U.S. is virtually weaponless to urge other nations not to use subsidies."

He also suggested that the U.S. must also have available a wide range of credit programs, and he particularly urged that "credit availability should not be tied to political considerations." Along this line he cited legislation that extends credit to Eastern Europe and China, but "risks seriously offending the largest single buyer of U.S. grain, the Soviet Union, which is excluded."

Mr. Halow said the U.S. "cannot permit work stoppages or labor disputes to impede the flow of grain."

For Major Inspection Review

He also suggested that the time has come for a major review by Congress of the grain inspection and weighing system, suggesting that the Federal Grain Inspection Service and its operations are a great burden. He said:

"Some feeling has been expressed that it may be too soon for Congress to review the system, but my feeling is that if Congress does not soon do so, it may be too late. There must be something wrong with a system with which no one is happy: neither farmer, grain dealer, grain exporter, flour miller nor importer. Even the officials in F.G.I.S. do not appear to be happy and suggest they are having a difficult time trying to serve an industry and still comply.

"The current system has proved to be very costly and cumbersome and, as such, it is serving to decrease U.S. price competitiveness and efficiency. This can hardly have been the intent of Congress. If the system continues to be as oppressive, one of the dangers is that there will be a great movement to shipping without grade to circumvent the system, and I do not feel it would be in our best interests to do so."

Government, Mr. Halow stated, "should get off the back of the industry and should let the industry perform its function."

"If government will not help exporters, it could at least stop burdening them with a great deal of the regulation which decreases efficiency and really only adds to the tax burden," he stated. Mr. Halow recommended as additional actions continued improvement in "market servicing" through the private trade and the U.S.D.A. co-operator program. He said the U.S. must be sure its trade policies "permit it the greatest degree of flexibility in trading grain in world markets." He cited current negotiations of a new wheat agreement and talk of a cartel among major exporters as examples of concepts that can restrict sales.

Special Recognition of U.S.S.R.

"There can be no real export expansion program which does not give special consideration to the needs of the Soviet Union," Mr. Halow stated. "The U.S. cannot sell to the Soviet Union, or to any other customer of any size, as though it were doing that country a favor by doing so. If the Soviet Union is dependent on the U.S. for supplies, it is an interdependency. The legislators who continue to urge discrimination against the U.S.S.R. have provided no alternative to the nation's farmers or nation's economy. The sales restrictions are a negative effort. The U.S. should extend to the Soviet Union the credit facilities which it offers to other nations. They may not be used, but the Soviet Union might begin to get the feeling that we value their business."

Mr. Halow also recommended that "if there must be a U.S.-U.S.S.R. grains accord, it should be re-examined in the light of today's conditions. This means, he said, that the level should be increased, and he noted, "It might not be unreasonable to suggest that the minimum quantity be raised in exchange for an increase in the maximum quantity."

Mr. Halow suggested that the U.S. has become inward looking, as reflected in the increase in price support loan rates, which makes U.S. grains, specifically wheat, less competitive and holds an umbrella over production in other nations; by under-

(Continued on page 12)

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Photo: Mama D'Agostino, of tv-cooking and cookbook fame, serves up proof-packed pasta at Minneapolis' popular Sammy D's restaurant

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Aggressive Exports

(Continued from page 10)

taking unilateral cutbacks in production, "which have continued to puzzle foreign grain buyers;" by imposing controls on exports of grain to certain destinations, such as the U.S.S.R., by selectively applying limits based on "human rights" issues; by the complex and oppressive export grain inspection and weighing system; by a negative attitude in government toward grain exports, and by moving to change the export reporting system "in such a manner as to place the exporter of U.S. grains at a distinct disadvantage with the sellers of foreign grains."

French Buy U.S. Durum

A wheat trade mission from France, which visited the U.S. in the fall of 1977 under sponsorship of Great Plains Wheat, Inc., was cited by a G.P.W. marketing specialist as "an outstanding example of the success of the efforts to convince foreign buyers to use additional quantities of U.S. wheat." Nicolaas Konijnendijk, European marketing specialist for G.P.W. at Rotterdam, made this comment following a visit to Le Havre where he witnessed the discharge of 1 million bus of U.S. durum.

Purchases Double

Oscar Goldstein, director of Semoulerie Normandie, who was a member of the French mission, told Mr. Konijnendijk during the unloading that the trip to the U.S. had made him confident about buying U.S. durums. As a result, Mr. Goldstein's purchases of U.S. durum have doubled during 1978. He uses 10,000 tonnes of durum per month in his own pasta plants and for semolina sales into other parts of the European Community.

Mr. Konijnendijk pointed out that this year France has imported 100,000 tonnes of U.S. durum and 88,000 tonnes from Canada, while in the previous year 44,000 tonnes came from the U.S. and 82,000 from Canada. In addition, France this year has imported about 80,000 tonnes through Italian ports, of which about 70% is U.S. origin.

"The U.S. has risen rapidly from second to first place in selling durum and the outlook for next year is very promising," said Mr. Konijnendijk. He

pointed out that Mr. Goldstein is also very optimistic about sales of U.S. durum into France for the 1978-79 season since the French government is no longer fixing the sales price of semolina. This had led to production of improved semolina, adding to demand for better quality products from the United States.

French Production Down

Mr. Konijnendijk also observed that French durum production in 1978 is projected at a low level, probably no more than 250,000 tonnes, against the recent average of 500,000. Quality is expected to be below average, meaning that France may need to import between 250,000 and 300,000 tonnes of durum in 1978-79. "Great Plains Wheat will continue to make every effort to increase the U.S. market share in this highly competitive French market," Mr. Konijnendijk pointed out in his durum review.

Rain Hurts Canadian Crop

Canada has brought in most of its 1978 grain crop, a harvest substantial in volume but below normal in quality.

Rain reduced the average quality of the grain so Canada should be providing more than usual competition in world markets for the lower-quality grades of wheat and barley that are used as animal feed, analysts say. It would thus become more of a competitor for U.S. corn and soybeans, of which record crops are forecast this year, the analysts add. Normally, Canada's high-quality wheat is used to make bread.

Statistics Canada, a government agency, estimates the Canadian wheat crop at 761.8 million bushels, up 4.5% from last year's 729 million bushels, but 12% below the record 868.7 million-bushel crop of 1976. As usual, the province of Saskatchewan accounts for the bulk of this year's wheat crop, with an estimated 487 million bushels, or nearly 64% of the national total.

However, like the other two Western grain-growing provinces of Alberta and Manitoba, Saskatchewan had heavy September rains that reduced the quality of the crop. Canada classifies its wheat into at least four basic grades, which reflect varying amounts of damage due to mildew, frost and other factors.

Normally, as much as 80% of Saskatchewan's wheat is in the two top grades, but this year only about two-thirds of the crop is likely to make those grades, an official of the province's Agriculture Department says. Nevertheless, he adds, 1978 was "by no means" the worst recent year for wet weather.

There's even a bright side to the wet weather, he asserts. Saskatchewan now has good moisture reserves in its soil, promising for early growth in 1979, he says.

Sales Prospects

As for the sales prospects for Canada's crops, an analyst at the Alberta Wheat Pool, a farmers' cooperative, notes that China traditionally is a big buyer of the lower grades of grain that are being harvested in greater abundance this year. China was Canada's largest customer for grain last year, accounting for 26% of its total wheat exports and about 17% of its total grain shipments abroad.

The Canadian Wheat Board, the state-owned marketing agency for wheat, oats and barley, says that for the current Canadian crop year, which started Aug. 1, its sales have made a "good" start. An official predicts that Canada's grain storage-and-transportation system will again be heavily tested this year as large amounts of grain will have to be moved by rail from inland elevators to eastern and western ports.

"The grain is there and the market is there," the Wheat Board official observes. It will be a question of moving it, he adds.

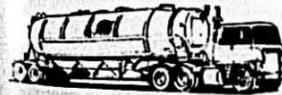
He says it's difficult to sell or future delivery the lower grade of grain that have been harvested this year because the board never knows how much of such grades it is likely to get. It received a lot of such grain last year but little in 1976.

More Durum

Of the total wheat crop, the board will have more durum and less spring and winter wheat to market this year. The durum crop, used for pasta, is expected to total 101.3 million bushels, up 116% from 48.9 million bushels last year. Italy took 39% of Canada's durum exports last year.

NMMA Winter Meeting
February 4-8, 1979
Doral Country Club, Miami

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Preliminary Quality Report

Dr. Brendan Donnelly of the North Dakota State University Cereal Technology Department reported at the Durum Forum that 1978 crop quality was better than a year ago with higher test weight, more vitreous kernels, little or no sprout damage, and acceptable protein.

Durum planting in North Dakota was completed by June 13, about average. By September 12, 85% of the harvesting was completed with warmer, drier conditions than a year ago.

Preliminary quality reports are based on twelve samples from each county in North Dakota.



Brendan J. Donnelly (left) accepts a check for a Cereal Technology fellowship from NMMMA Executive Secretary Bob Green.

Strike Hampers Lake Shipping

A strike by Canadian seamen operating "laker" vessels between the Great Lakes and St. Lawrence Seaway ports may seriously affect shipments of U.S. and Canadian grains. About 75 percent of the "lakers" are Canadian flag vessels. Although there has been little effect yet on export movements because supplies are still available at deeper draft facilities, it is expected that if the strike continues for another week, stocks in position for export, particularly at Canadian ports, will have diminished. Although the strike will affect both U.S. and Canadian shipments, it is likely to affect the Canadian shipments more. While the U.S. has a number of lake port facilities with drafts deep enough to load ocean-going vessels, many of the Canadian facilities are older with shallow drafts that can only load the smaller "lakers." Grain is shipped

	DURUM WHEAT								
	Area Harvested			Yield			Production		
	1976	1977	Est.** 1978	1976	1977	Est.** 1978	1976	1977	Est.** 1978
	1,000 Acres			Bushels/Acre			1,000 Bushels		
Traditional									
Minn.	93	82	95	29.5	34.5	32.0	2,744	2,829	3,040
Montana	295	220	290	29.0	22.0	31.0	8,555	4,840	8,990
No. Dak.	3,620	2,470	3,200	25.0	24.5	30.0	90,500	60,515	96,000
So. Dak.	160	136	185	10.0	24.0	21.0	1,630	3,264	3,885
Nontraditional									
Arizona*	319	85	91	75.0	72.0	70.0	23,925	6,120	6,370
California	80	28	115	80.0	75.0	70.0	6,400	2,100	8,050
New Mexico*	17	4	—	70.0	74.0	—	1,190	296	—
United States	4,584	3,025	4,105	29.4	26.4	31.8	134,914	79,964	126,335

* Included in Winter Wheat prior to 1976.

** Based on USDA September estimates.

1978 NORTH DAKOTA DURUM WHEAT SURVEY WHEAT DATA

	High	Low	Ave.	1977 Ave.	1976 Ave.
Dockage, %	9.5	0.7	2.0	2.1	1.9
Test Weight, Lbs./Bu.	63.7	60.5	62.0	60.8	61.4
Hectoliter Wt., KG.	82.0	77.9	79.8	78.3	79.0
Moisture, %	12.4	10.9	11.6	12.4	10.9
Protein, % ¹	15.0	11.4	13.4	13.9	14.5
Protein, % ²	14.5	11.9	13.0	13.8	14.0
Protein, % ³	18.4	12.0	15.0	16.0	16.3
1000 Kernel Weight	45.2	35.7	41.0	43.1	40.2
Wheat Ash, % ²	1.74	1.47	1.61	1.55	1.58
Kernel Distribution					
Large, %	53	25	38	47	41
Medium, %	72	46	59	50	57
Small, %	5	1	3	3	2
Fall Number, Units	480	309	436	275	469

¹ As a moisture basis.

² 14.0% moisture basis.

³ Dry matter basis.

GRADING INFORMATION

Grade	High		Low		Ave.	
	1 HAD	2 AD	1 HAD	2 HAD	1 HAD	2 HAD
Vitreous Kernels, %	95	72	88	77		
Shrunken and Broken, %	4.2	0.6	2.1	1.2		3
Foreign Material, %	1.2	0.0	0.2	0.3		2
Damage, %	1.4	0.0	0.5	2.1		5
Total Defects, %	4.9	0.9	2.8	3.5		9

Based on all graded samples tested in 1978, 86% of the crop should grade U. No. 3 Hard Amber Durum or better.

Sixty-four percent of the 1978 crop should be between 60 and 62.9 pounds test weight per bushel.

Fifty-three percent of the 1978 crop should be between 13 and 15.9% protein, 14% moisture basis.

from these elevators by laker to the deeper port facilities for export. The problem for the Canadians is complicated in that Canadian rails have been unable to keep the pipeline full to the export points, resulting in ships

turning back or being diverted to U.S. ports for loading. Canadian West Coast ports are also booked to capacity so shipments cannot be diverted there for export.

MILLING AND MISCELLANEOUS DATA

	High	Low	Ave.	1977 Ave.	1976 Ave.
Semolin Extraction, %	56.1	50.0	52.9	50.8	53.5
Semolin Ash, % ²				0.56	0.57
Specks, No./10 in ²	33	17	26	28	25
Semolin Protein, % ²	13.6	11.3	12.2	12.9	13.0
Wet Gluten, % ²				43.3	42.7

Second Largest World Wheat Crop

The International Wheat Council (IWC) is now forecasting 1978 world wheat production at 410 million tons (15 billion bushels), a seven percent increase over the 1977 production of 384.6 million tons, but only two percent short of the record 417.3 million tons harvested in 1976. The IWC reports that the 12 percent reduction in wheat production in the United States and the five percent reduction in Eastern Europe will be more than offset by increased production in other areas, particularly West Europe, the Soviet Union and Asia. The harvest in the European Community is expected to reach 44 million tons, a 15 percent increase over the 38.5 million tons harvested last year, while production in the Soviet Union is expected to reach about 105 million tons, a 14 percent increase from the 92 million-ton outturn in 1977. (The USDA projects the Soviet wheat crop at 110 million tons.) Wheat production in Asia is estimated at 113 million tons, a six percent increase over last year's 106 million tons. Production in the People's Republic of China and India is expected to reach a record 1.5 billion tons, compared with the drought-reduced harvest of 9.4 million tons in 1977, and Argentine wheat production is forecast at about eight million tons, compared to the disastrous 5.3 million tons harvested last year. Most trade observers point out that the final outturn of the Australian and Argentine crops will depend on weather and growing conditions from now until the crop is ready for harvest.

Rain Improves Argentine Prospects

Rains in both the northern and southern wheat producing areas of Argentina have provided relief from the drought that has affected the crop since August and the Argentine wheat crop is now considered to be in good condition. According to the USDA's Weekly Roundup of World Production and Trade, the harvest is now unofficially estimated to reach 7.4 million tons, up 400,000 tons from the last estimate. With the improved harvest prospects, wheat available for export from Argentina is now estimated at almost three million tons compared to only about 1.8 million tons in the current marketing year. A harvest of 7.4 million tons, although above last year's crops, is still below the Argentine harvest of 8.5 million tons in 1975-76 and the 11.2 million tons in 1976-77.

Over-Regulation Faces Grain Business

The executive vice president of the Minneapolis Grain Exchange says the greatest problem facing the grain industry is over-regulation by government and the associated rising costs. Alvin W. Donahoo told the National Grain Grade Council that he sees better education of producers, consumers, country elevator operators, government officials and lawmakers as the answer to the problem.

"The misunderstandings of our business that surface in the living rooms of rural and urban America seem eventually to be reflected in regulatory laws in the halls of Congress and in state legislatures. . . . The challenge, as I see it, is to educate and inform the public of the benefits of our marketing system and the role it plays in the nation's economy," he said.

Donahoo listed "lawmakers and the regulators" as important audiences for the grain trade. "The lack of understanding and misconceptions found in this audience is frightening and poses a constant and seemingly unrelenting challenge to our industry," he added.

The trade needs to study changes that may increase the volume of business and reduce marketing costs, he said, noting that the three major grain exchanges recently agreed to verify inter-market spreads among common clearing members.

The plan, developed by the Minneapolis Grain Exchange, Chicago Board of Trade and Kansas City Board of Trade, has reduced the cost of doing business for members of the exchanges.

Grain Exchange Elects Officers

Merlin W. Mills, vice president, ADM Grain Co., has been elected the 86th president of the Minneapolis Grain Exchange through general balloting, succeeding Duane F. Stich, vice president and Northwest regional manager, Bunge Corp.

Re-elected to two-year terms as directors were: John G. Dill, Jr., Independent Elevator Co., Minneapolis, representing country elevators; Richard W. Goldberg, Goldberg Feed & Grain Co., West Fargo, N.D., representing country elevators; S. L. Matthies, General Mills, Minneapolis, representing terminal elevators; Lewis A. Remele, Peavey Co., Minneapolis, representing milling; and James E. Wilson, Atwood-Larson Co., Minneapolis, representing commission merchants.

Earl N. Sonnesyn, International Multifoods Corp., Minneapolis, representing shipping-cash grain traders, was elected to a two-year term as a director.

The new Board of Directors at its first meeting on Oct. 16, elected other officers. John P. Case, president, Kellogg Commission Co., is the first president, Ralph V. Hayenga, vice president, Honeymead Products Co., is the second vice president. Winston B. Wallin, president and chief operating officer, Pillsbury Co., is the senior director.



He's a Breadwinner

Stunt work demands the strength of a finely tuned athlete — the coordination of a ballet dancer — the nerve of a tightrope walker — the energy of a child. When the crew breaks for lunch he may find himself in a deserted ghost town or barricaded on the 17th floor of a building. Rarely, if ever, is he working near a restaurant.

He's learned that the surest way to provide himself with the energy he requires is to bring it with him. He likes macaroni — always has. Aside from tasting good, he needs the energy it supplies and likes to see the versatile ways it can be prepared.

He's probably unaware that his favorite brand of pasta starts at the ADM Milling Company. ADM begins with fine durum, milled into golden semolina. The quality pasta blends are then delivered, clean and consistent, to the pasta manufacturer.

At ADM, we don't mind if this stunt man doesn't know about our contribution to his favorite food. After all, we don't know that much about stunt work. What we do have in common, is the pride we take in the work we do. From the milling center — to the pasta manufacturer — to the consumer.

Breadwinners supplying Breadwinners since 1902.



ADM MILLING CO.

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

Grain Exchange Officers

(Continued on page 18)

Other officers were re-elected, including Alvin W. Donahoo, executive vice president, Robert L. Johnson, treasurer, and W. Dustin Mirick, assistant secretary.

The new president, Merlin W. Mills, who represents futures trading, has more than 30 years of experience in the grain industry in Omaha, Neb., Chicago, St. Louis, Mo., Decatur, Ill., and Minneapolis. He joined ADM Grain Co. in 1942.

Mills was the president of the Omaha Grain Exchange from 1963 through 1964 and was a member of the St. Louis Merchants Exchange and the Chicago Board of Trade. At the Minneapolis Grain Exchange, where he has been a member since 1970, he served as chairman of the Finance Committee and is on the Clearing House Committee.

He is a past president of the Northwest Terminal Elevator Association.

Plenty of Potatoes

Marketing specialists said the fall potato harvest is in and supplies are plentiful. Production is estimated at a record 312 million hundredweight. This is 2 percent over the large 1977 crop and 5 percent above the 1975-77 average.

Prices to growers for round reds and round whites in the midwest are slightly up from last year's low levels, but prices for eastern round whites, as well as western russets are generally below those of a year earlier.

Potatoes, always a staple in the American diet, can be used to serve economical and nutritious meals. Potatoes are lower in caloric value than many people realize. One serving (3/4 cup) contains only 90 calories.

Split Pea Prices Down

Marketing specialists with the department's Agricultural Marketing Service report that this year's crop of dry split peas was more than three times as large as 1977's drought-reduced crop. The heavy supply is depressing prices to below production costs for most producers. Prices that producers received in mid-October were in the \$6.50-\$7.00 hundred-weight range.

Although dry split peas don't provide complete protein, they furnish more protein for one's money than many other foods. A cup of cooked dry split peas provides 16 grams of protein, or 29 percent of the U.S. Recommended Daily Allowance for adults.

Durum Markets in October

from \$3.58 to \$3.85 per bushel Minneapolis with semolina quoted at \$9.20 to \$9.75, granular 15¢ less, durum flour 40¢ less.

Egg Products

October Price Range

Central State Nest Run—\$11.40 to \$14.10

Southeast Nest Run—\$11.40 to \$12.60

Frozen Whole—39.5¢ to 45¢

Frozen Whites—30¢-33.5¢

Dried Whole—\$1.55 to \$1.68

Dried Yolks—\$1.48 to \$1.62

At Marshall Foods

A series of appointments has been made at Marshall Foods, Inc., as part of an overall plan to significantly expand nationwide sales in the company's Egg Products Division, it was announced by David J. Weiner, chairman.

Glen Norin, formerly corporate manager of planning and coordination, has been named head of the Egg Products Division. Mack M. Evans, president of Marshall, said, "Under Mr. Norin's direction, we are making changes that we believe will put us in a position to both enlarge our market share and improve profitability."

Edward D. Hanson has been named national sales manager for industrial products. Mr. Hanson formerly was national sales manager for Seymour Foods, Inc., where he had been employed for 15 years. Irene M. Phillips, also formerly with Seymour Foods, has been appointed director of food technology and home economics. Darrell J. Delarco, previously with John Sexton & Co., has joined Marshall as national sales manager for institutional products. All three will report to Richard McCluskey, general sales manager for the Egg Products Division.

Mr. Weiner also announced the appointment of Thomas P. Brundige

as director of product engineering. Mr. Brundige previously was vice president of engineering and manufacturing at Lee K. Baker & Co., a subsidiary of Rich Products, Inc.

American Egg Board

The U.S. Department of Agriculture is asking certified egg producer organizations to nominate prospective members and alternates to the American Egg Board, Secretary of Agriculture Bob Bergland has announced.

The 18-member board administers the Egg Research and Promotion Order authorized by the Egg Research and Consumer Information Act of 1974.

The nominations, are to fill upcoming vacancies caused by the expiration of terms for nine members and their alternates at the end of 1978. The new terms will be for calendar years 1979 and 1980.

The members whose terms are expired at the end of this year are listed below by geographic area. Names of alternates follow each member's name:

Area 1 (North Atlantic states): Norman J. Hecht, Walden, N.Y. and Albert J. Russo, Hope Valley, R.I.; Emanuel Hirth, Manchester, Conn. and Homer Simpson, Jr., Winthrop, Me.

Area 2 (South Atlantic states): Maurice J. Pickler, Charlotte, N.C. and John W. Hamby, Durham, N.C.; John P. Wallace, St. Petersburg, Fla. and Bernard O. Johann, Jacksonville, Fla.

Area 3 (East North Central states): Ernest E. Brown, Gibson, Ill. and Wyman J. Kastein, Brandon, Wis.

Area 4 (West Central states): Herbert L. Steinbrueck, Trop, Mo. and Garth Rathjen, Mason City, Ia.

Area 5 (South Central states): Thomas E. Darragh, Little Rock, Ark., and Cecil M. Hinton, Arkansas; Elbert C. Hughes, Warren, Ala. and Donald M. Ward, Fairhope, Ala.

Area 6 (Western states): Gerald C. Bookey, Sun Leandro, Calif. and George H. Biddle, Modesto, Calif.

These board members may be re-nominated. Under the terms of the Act, members are eligible to serve three consecutive terms. Nominations are to be made by the 59 egg producer organizations, associations, or cooperatives certified as eligible by the Secretary of Agriculture.

HOLIDAY GREETINGS

and

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HAPPY AND PROSPEROUS

NEW YEAR

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International Multifoods Report

International Multifoods Corp. announced increased sales and essentially equal earnings for the second quarter ended August 31.

Net earnings for the second quarter were \$4,840,000 or 60 cents per share on record sales of \$228,241,000. Last year, second-quarter net earnings were \$4,731,000 or 59 cents per share on sales of \$195,784,000.

For the six months, net earnings were \$7,884,000 or 98 cents per share compared with \$8,736,000 or \$1.10 per share. Unit volume also increased substantially during the quarter and six months and was reflected in record six-month sales of \$438,609,000 compared with \$395,970,000 last year.

William G. Phillips, Multifoods chairman, said that the momentum achieved during the latter part of the quarter enabled the company to exceed its earlier earnings expectations.

All Divisions Up

According to President Darrell Runke, sales in the company's four worldwide market areas—industrial, consumer, agriculture and away-from-home eating—were up from last year's second quarter. Earnings were up in all areas except for industrial.

Runke said that excellent gains were achieved in the animal feed area in the United States, Mexico and Venezuela. Other strong performances in agriculture during the quarter were recorded in veterinary supplies and agri-centers while the commercial egg business operated at a loss. He expressed optimism regarding the outlook for seed corn and foresees ample supplies to meet market demand.

In the consumer area, Runke said that corrective measures were implemented during the latter part of the first quarter and early in the second quarter to restore margins in specialty meats. He added that margins showed marked improvement late in the second quarter and that this could continue. Runke said also that good improvements were made in the decorative accessories area during the quarter.

In the industrial area, Runke said that bakery flour in Canada recovered from the adverse effects of last year's strike and that significant gains were made in Canadian poultry processing.

This was offset by lower results in U.S. and Venezuela bakery flour and bakery mix. He added that price increases which were implemented in the bakery mix area, began to take effect late in the quarter.

Continued growth also was achieved during the quarter in the away-from-home eating area.

Phillips said that the trend of second quarter earnings indicated that Multifoods can look forward to good earnings improvement in the third and fourth quarters. He added that he is confident the company will achieve its 11th consecutive year of earnings improvement.

From Peavey's Annual Report

Peavey is a major factor in the U.S. flour milling industry. They operate approximately 10 percent of the nation's milling capacity and are the leading miller of durum wheat products used in hundreds of pasta-based foods.

During the year under review, the Industrial Foods Group experienced a 4 percent increase in volume, although, as lower wheat prices were passed on to our customers in the form of lower selling prices, dollar sales declined 4 percent. 1978 was the third successive year in which volume has improved while dollar sales, due to lower raw material costs, have declined. Earnings of the group declined 16 percent in 1978 as severe competitive pricing, and low prices for millfeed adversely impacted margins.

With the completion of a major renovation program at Hastings, Minnesota during 1979, more than \$35 million will have been spent since 1973 to remodel and expand Peavey milling facilities. In the six-year period, 1973 through 1979, total Peavey milling capacity will have been increased 16 percent.

Peavey relies on a quality assurance and technical service staff of more than 65 persons whose experience and training is dedicated to product uniformity and customer satisfaction.

Pasta Industry Supplier

Peavey's leading position in serving pasta manufacturers with high quality durum products was maintained dur-

ing the year. Peavey produces semolina—a granular product—and durum flour, both basic ingredients of hundreds of shapes and varieties of spaghetti, noodles, lasagna and other pasta dishes, along with other ethnic foods, are being enjoyed by more people each year. Another factor affecting the pasta market is meat prices. Higher prices tend to encourage consumers to use pasta-based foods as meat extenders. Near-term the market for durum products is expected to strengthen.

Over the last several years, industry production capacity has apparently increased at a rate somewhat in excess of the growth in demand. While the resulting excess capacity condition is expected to be temporary, it may continue to exert pressure on margins in fiscal 1979. In addition, strike activity at flour mills at Hastings, Minnesota and Superior, Wisconsin will impact earnings in the first quarter. For the full year, however, earnings should match or modestly improve over 1978.

Seaboard's Earnings Rise

Net sales of Seaboard Allied Milling Corp. in the first quarter of the current fiscal year, the three months ended Aug. 26, increased 40% over a year ago, while net earnings climbed 82%.

Net earnings of Seaboard in the first quarter of fiscal 1979 amounted to \$2,043,200, equal to \$1.51 per share on the common stock, compared with \$1,125,031, or 84¢ a share, in the same three months of 1977.

Earnings before income tax in the June-August period totaled \$4,342,000 and provision for income tax was \$2,021,000, against \$2,255,000 and \$1,130,000, respectively, a year earlier. Seaboard's sales for the quarter totaled \$21,849,145, against \$3,465,228 in the quarter ended in August, 1978.

Citing a continuation of the "upward earnings trend," Seaboard says that domestic unit sales increased 18% over the first quarter of last year, and that this contributed to the sharp gain in profits.

"A growth in volume in our overseas mills offset higher wheat costs, increasing the foreign contribution to overall profits," the company also says.

Campbell's Soup Business from the Annual Report

Campbell manufacturers and markets a wide variety of prepared convenience foods, and considers itself to be predominantly engaged in this industry.

The Company is also engaged in the restaurant, candy, pet food, garden center, mail order and fresh mushroom businesses.

Campbell acquired all of the stock of Vlastic Foods, Inc. in May. Vlastic processes and markets a line of vegetable products which includes pickles, relishes, peppers and sauerkraut.

The Company has operations in the United States, Canada, United Kingdom, Belgium, France, Germany, Italy, Australia, Mexico, Brazil and Japan, and markets its products in these and other countries. The Company's products are primarily for home use; however, various items are also manufactured for restaurants, vending machines and institutions.

The Company distributes its products through wholesalers, distributors, chain store organizations which maintain central warehouses, institutional and industrial customers, and certain government agencies. In the United States, sales solicitation activities are conducted primarily by a subsidiary sales force. Sales of some products are made through brokers and franchised distributors.

Intense Competition

The business in which the Company is engaged is characterized by intense competition from other manufacturers of food products competing for the same consumer dollars. The Company's food products face competition from national, regional and local manufacturers, and from private label products (primarily house brands of major supermarket chains). As a result, the number of competitors cannot be reliably estimated. The principal areas of competition are price and quality.

The Company believes it is the largest manufacturer, in the United States and Canada combined, of condensed and ready-to-serve Soups, canned spaghetti products, vegetable juice and frozen prepared dinners; and a major manufacturer of canned beans, macaroni products, tomato juice, frozen meat pies, frozen pastries

and cakes and various specialty food items. The Company also believes that it is the leading processor and marketer of pickles in the United States.

Wide Variety of Ingredients

The ingredients required for the manufacture of the Company's food products include a wide variety and large quantities of fruits and vegetables, as well as poultry, eggs, meats, seafoods, dairy products, grain products, spices, and other edible commodities. Ingredient prices follow an erratic pattern with significant swings in poultry, grain and bean prices.

Procurement of ingredients is also subject to the vicissitudes of crop-growing conditions. Generally, raw product inventories are at a peak during the late fall and decline during the winter and spring.

Campbell manufactures substantially all of the metal containers for its canned and frozen food products. Glass containers and closures for pickle products are purchased from independent suppliers.

The Company's cash needs are met principally from current earnings and when needed from short-term bank borrowings and the issuance of commercial paper.

During the last fiscal year, the Company spent \$16.5 million on research activities relating to new products and the improvement of existing products and had 247 employees engaged full time in research activities.

Marketing

Campbell's rate of product introduction, which had been accelerated in the previous year, moved forward at a steady rate this year as additional varieties and sizes of established consumer favorites were offered in a number of product categories.

Consolidated expenditures for selling, advertising, promotion, market research, home economics and related marketing activities totaled \$163 million, representing 8% of net sales in fiscal 1978. This compares with \$152 million, or 8% of net sales in fiscal 1977.

On Heinz Board

Albert Lippert, president and chairman of the board of Weight Watchers International, Inc., Manhasset, N.Y., was elected to the board

of directors of H. J. Heinz Co. Heinz recently completed acquisition of Weight Watchers.

R. Burt Gookin, vice-chairman and chief executive officer, said Mr. Lippert is largely responsible for the "close to 12 million enrollments in the Weight Watchers program since its conception, and his concern for nutrition and the problem of obesity meshes well with our own."

Mr. Lippert was elected chairman of Weight Watchers in 1968.

Heinz Acquires Weight Watchers

H. J. Heinz Co. announced consummation of a merger whereby Weight Watchers International, Inc., becomes a wholly-owned subsidiary of Heinz.

Stockholders of Weight Watchers will receive \$24 for each share of stock held prior to the merger in a transaction valued at approximately \$71 million.

Weight Watchers, headquartered at Manhasset, N.Y., had earnings in the 1977 fiscal year of \$3.7 million on sales of \$39.2 million. In the nine months ended June 30, the company posted earnings of \$4.2 million on sales of \$39.5 million.

Weight Watchers operates and franchises weight-control and weight-maintenance classes in the United States and overseas and licenses manufacturers to produce foods that conform with its specifications for marketing under the Weight Watchers trademark.

Heinz is a diversified producer of consumer and pet foods, including Heinz baby food and catsup, Star-Kist tuna, Ore-Ida potatoes, Mrs. Good-cook unbaked frozen cookies and pizza. Its operations also include Hubinger Company, producer of high fructose corn syrup.

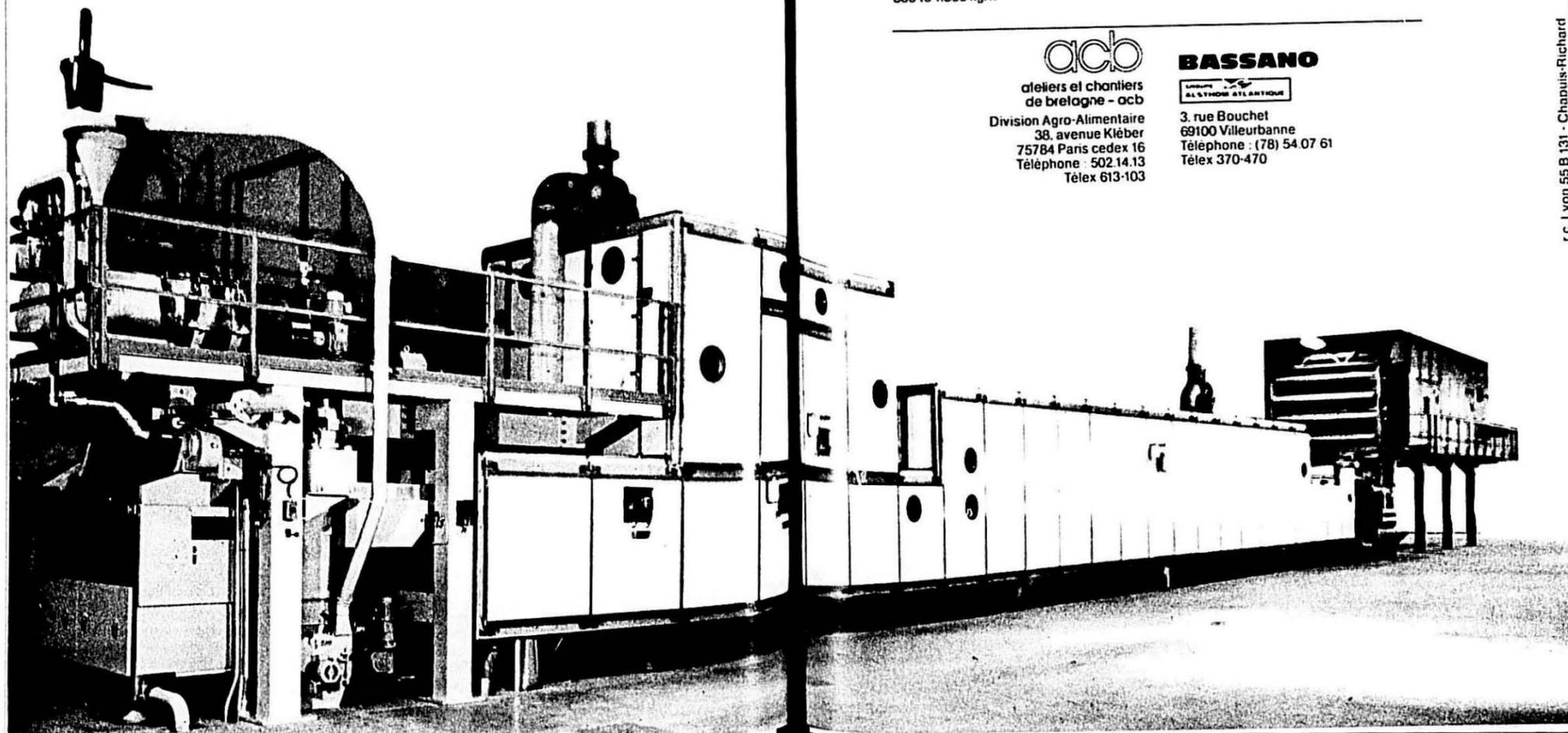
In its 1978 fiscal year, Heinz had net income of \$99,171,000 on sales of \$2,150,027,000.

Stouffer Construction

Stouffer Corp. said its Stouffer Foods division will start construction of a \$33 million frozen prepared foods plant near Gaffney, S.C.

(Continued on page 24)

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 bassano pasta equipments



long pasta line

Rollnox



- Bassano exclusive patent
- Macaroni, Ziti and special pasta
- Fast drying at medium and high temperature
- Standardized productions : 500 to 1.800 kg/h

Cannelux

- Traditional process on canes
- Spaghetti
- Medium and high temperature drying
- Standardized productions : 250 to 2.500 kg/h

short pasta line

Processing and drying lines for

- Soup, noodles or small sizes pasta
- Pasta of all sizes
- Large pasta
- Standardized production from 250 to 2.500 kg/h according to the different dryer lines



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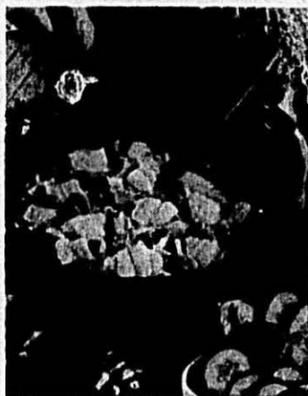
Stouffer Construction
(Continued from page 21)

The 225,000-square-foot plant is scheduled for completion in the spring of 1980. Initial employment will be about 2000 persons, but when the plant reaches full capacity, with five production lines in operation, employment will reach a maximum of 750, the company said.

The plant will produce as many as 45 of the company's 80 frozen foods products.

Stouffer Foods already has a frozen foods plant at Solon, Ohio, near Cleveland, and a bakery plant at King of Prussia, Pa.

Stouffer, which also has restaurant, hotel and institutional foods divisions, is a subsidiary of Nestle S.A., Vevey, Switzerland.



Fish Soup-Stew with Macaroni.

Ring the Dinnerbell with Seafood and Pasta

It's almost time to ring the dinner bell, and you, like many others in this era of high-cost foods, are wondering what to serve. Feeding a family with tasty, nourishing food when prices continue to spiral is a challenge for any homemaker. Let your challenge be a positive one, eliminate negative thinking, and see how much fun it can be to keep the family well-fed with the least amount of money. From such challenges as this, many intriguing recipes have been developed over the years and some of these are now a part of our cherished heritage.

One fact to remember when planning your menus is that a little fish goes a long way. That isn't all that fishery products do, however; they are valuable nutritionally with high-quality protein and other essential nutrients, and the little fat contained in fish is polyunsaturated. Fish and shellfish are easily digested, require little preparation and cooking time, and are great to eat whether as the main entree or when combined with other foods in casseroles, chowders, soups, and stews.

Booklet

The National Marine Fisheries Service is so excited about the possibilities of fishery products for hearty, satisfying, low-cost entrees, that they have developed a new booklet named *A Little Fish Goes A Long Way*. This booklet, just the right size to fit into your purse or pocket, may easily be

taken along on shopping expeditions to help you buy. It has 25 recipes, a full section of menu suggestions and ideas, and is bound to become a favorite reference for homemakers who accept the challenge of a positive approach to food budgeting. Send for your copy today. It sells for 50¢ and is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

One of the recipes in this clever booklet is *Dinner Bell Fish Soup-Stew*. This hearty soup-stew requires only one pound of fish fillets cut into bite-size pieces and makes 8 cups of chowder or 4 to 6 servings. The fish is extended with macaroni, carrots, onion, a can of condensed split pea with ham soup, milk, and seasonings. Hearty, flavorful, satisfying—this fish soup-stew can be ready to serve in about 30 minutes. Try it for lunch, brunch, or a Sunday night supper entree. You'll like it and the booklet has 24 more recipes which are just as intriguing and tasty.

Dinner Bell Fish Soup-Stew

- 1 pound fish fillets, fresh or frozen
- 2 cups water
- 1 cup elbow macaroni
- 1 cup sliced carrots
- 1 1/2 cups chopped onion
- 1/2 teaspoon salt
- Dash of cloves
- Dash of pepper
- 1 can (11 1/2 ounce) condensed split pea with ham soup
- 2 cups milk

Thaw frozen fish; cut into 1/2-inch pieces. Combine water, macaroni, carrots, onion, salt, cloves, and pepper in large saucepan or Dutch oven; bring to a boil. Cover and cook slowly about 15 minutes or until carrots and macaroni are both tender. Stir in soup and milk; heat and stir until well mixed. Add fish pieces. Cover and cook about 10 minutes or until fish flakes easily when tested with a fork. Makes about 8 cups chowder, 4 to 6 servings.

Source: National Marine Fisheries Service, National Oceanic & Atmospheric Administration, United States Department of Commerce, 100 East Ohio Street, Room 528, Chicago, Illinois 60611.

Television Script

from National Macaroni Institute

We are celebrating National Macaroni Week, October 5-14. Home economists of the National Macaroni Institute have created a series of "Quarter-of-an-hour" menus . . . all geared to a theme of "America Entertains at Home . . . with Pasta." They show us how easy, fast and fun it is to enjoy our meals at home as an alternate to dining out.

Let's begin our program by looking at a new recipe booklet. You'll note the title carries out the theme mentioned earlier. Let's see how these menus work. They are developed in tune with today's cooking techniques . . . using food processors, blenders and microwave ovens. This delicious linguine with parsley pesto sauce is a fine example. The sauce is made in the Blender as the linguine cooks. Thinly sliced ham is arranged with melon to serve as a first course. Romaine salad and cheese complete the meal. This is only one of the thirteen appetizing menu suggestions in the colorfully illustrated booklet. For those who have more time to spare in the kitchen or do not have some of the work-saving appliances, conventional cooking directions are given. If you would like a copy, send 55 cents to cover handling and postage to "Pasta Entertaining Booklet," National Macaroni Institute, P.O. Box 336, Palatine, Ill. 60067.

Let's move along to some more of these fifteen minute wonders. Here's

(Continued on page 26)

ASEECO BIN STORAGE SYSTEMS

BIN STORAGE

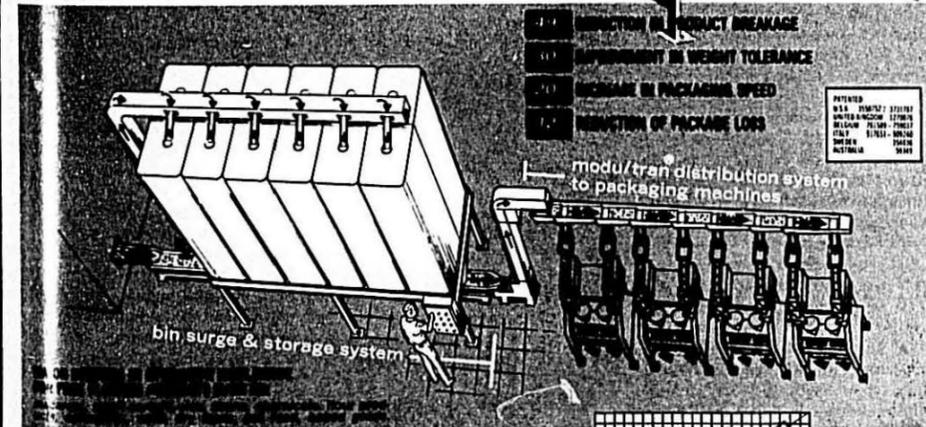
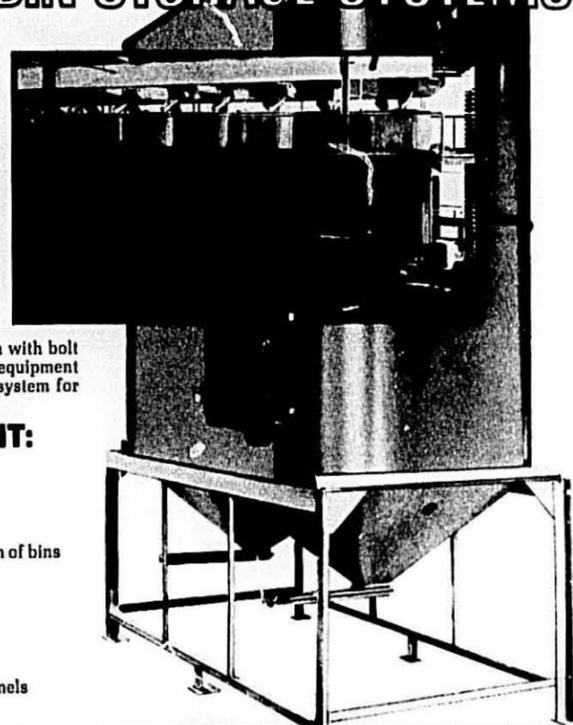
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Television Script

(Continued from page 24)

macaroni and cheese with a sauce made in the processor as the pasta boils. Mix together and microwave about seven minutes. Notice the handsome sunbeam electric wall clock. When you turn beautiful food out in a quarter of an hour, you really need to keep an eye on the clock, and this one is a very decorative addition to the kitchen.

Soups are another excellent choice. This nutritious noodle dish is a tasteful blend of egg noodles and vegetables . . . hearty enough to offer as a main course.

Spaghetti Carbonara is a classic. Here we do a switch by using elbow macaroni. Start this menu with chilled pineapple juice. Toss a green salad as the carbonara cooks. Have fresh pears for dessert.

Slow cookers are another boon for on-the-go cooks. Here is favorite chicken cacciatore prepared in the crockpot. When you are ready to eat, simply cook the spaghetti. Offer fresh fruit as an appetizer. Follow with the chicken cacciatore accompanied by romaine salad. Spice cake purchased at the store completes the repast.

Wonderful Foods

Let's take a moment to look at the base of all the wonderful food we've talked about . . . elbow macaroni, spaghetti and egg noodles. They offer us fine nutrition in addition to great eating. We are urged to increase our carbohydrate intake. Enriched pasta is an excellent source. It offers us the B vitamins—niacin, thiamine, riboflavin—along with iron. These foods have a good distribution of amino acids to provide protein. They are low sodium, low fat, easily digested foods. And remember, there are only 210 calories in two ounces of uncooked spaghetti and elbow macaroni . . . 220 in egg noodles.

Recipe Leaflet

Here is a recipe leaflet you'll want to have for National Macaroni Week, and excellent meals the year 'round. See how effortlessly meals can be on the table in fifteen minutes.

We hope today's program has inspired you to enjoy pasta meals at home as a happy alternative to eating out!



Deck the tree with bows of pasta—Several girls at Elizabethtown College wanted to decorate the Christmas tree in their school cafeteria in an interesting way. San Giorgio pasta proved to be good food for thought. The girls made Christmas ornaments, using a variety of San Giorgio pasta shapes, including shells, manicotti, pot pie bows, and lasagne. Betsy Morris (left) of Media, Pennsylvania, and Louise Meszaros of Little Falls, New Jersey, are shown here, adding the finishing touches to the tree. Others who helped make the decorations were Arlene Green, Basking Ridge, New Jersey; Wendy Chin, Potomac, Maryland, and Goye Travis, Pottsville, Pennsylvania.

Aisle One

Marsha James, Rosauers Supermarket's home economist in Spokane, Washington, has recently produced an eight-page brochure called Rosauers Aisle One, Volume 2, No. 5.

Pictured on the cover in full color is a plate of spaghetti with meat sauce.

The inside front cover has the story of pasta poking good-natured fun at some of the legends of pasta's origin.

Then Ms. James gives tips to homemakers and a half dozen recipes illustrated in full color. These include Cannoli Cheese Pastries, Italian Spaghetti, Manicotti with Meat Sauce, Fettuccine with Beef, Macaroni Salad Pita Pockets, and Pineapple Bread.

She has some information on new wave cookery explaining multiple use of microwave cookware, and she gives some Golden Rules for Pasta preparation.

On the back cover is a glossary for the many shapes of pasta.

A good performance on Aisle One.

America Entertains with Pasta—20 page full color booklet—\$5¢ each.

Mission Spaghetti Sauce

Mission Macaroni Company of Seattle has introduced a new spaghetti sauce—the ready to use sauce you can buy in a can.

Mission Spaghetti Sauce is made the same way as home prepared sauce. The finest California tomato puree, pure olive oil, and Italian seasonings and spices are blended together and simmered for hours. The full fresh flavor of the tomatoes and seasonings is retained. Full nutritional value of the sauce is one of its unique characteristics.

Mission Spaghetti Sauce is featured in an extensive promotional and advertising campaign which includes T.V., starring "Morty" the Mission Meatball, couponing, point of purchase, and recipe ideas which will appear in local papers.

Louisville Legend

This year Delmonico Foods celebrates its 50th year producing macaroni products in the United States.

The history of Delmonico is inextricably linked to the Vivianos, a family with its roots in Palermo, Sicily.

In 1899

Joseph C. Viviano, grandfather of the present president of Delmonico Foods, came to the United States at the turn of the century—in 1899. Joseph and four brothers opened a bakery and butcher shop in St. Louis. It was only a matter of time before they tested the local appetite for two foods on which they were raised—spaghetti and noodles. They began by preparing small batches daily by hand, selling them while still wet to curious neighborhood customers.

Their spaghetti and noodles found favor so quickly that the Viviano brothers decided to drop butchering and baking and focus all of their considerable energies on the burgeoning pasta business. Fortune smiled on them.

The Viviano family took another fateful step forward in 1919 when they dispatched Joseph and two of his brothers to Chicago to open and manage a plant. Sales grew to such an extent that in 1928 Joseph, though still young, sold his share of the business and retired. Almost immediately he regretted his decision for he was restless and couldn't put the pasta business out of his mind.

Kentucky Macaroni Company

Joseph wasted no time; he looked over the country, saw that in Kentucky he would not be competing with others, and set about building a plant on Floyd Street, in Louisville.

The new plant opened as the Kentucky Macaroni Company in the fall of 1922. William B. Harrison was mayor of Louisville at the time, and he rolled out the red carpet. While it was a day for the fledgling company as a more auspicious one for the city desperately needing industry and the new plant, employing 350 persons, was one of the largest employers in Kentucky. Of even greater significance, the plant continued to prosper all through the Great Depression, when businesses everywhere were folding or shrinking.

And this in spite of two early setbacks. The first was a fire only months after opening which gutted the entire two floors, leaving only the walls. Restoration was rushed, and a third floor added. Another, more disastrous fire in 1932 destroyed all three floors. Extensive changes were made.



San Giorgio Harvests Philadelphia Addy Certificates. Warren Ashburn, Marketing Director for San Giorgio Macaroni, Inc., takes a look at the Addy Certificates awarded to Bofinger and Associates Advertising, Inc., in Glenside for the preparation of a 60 second radio spot for San Giorgio spaghetti sauce, a full-color newspaper ad for San Giorgio Spaghetti sauce, plus a label design for the sauce. The certificates are being shown to Mr. Ashburn by Bernice Slosburg, Vice President, Account Supervisor at Bofinger & Associates. San Giorgio, a division of Hershey Foods is based in Lebanon, Pennsylvania.

Delmonico Foods

Other changes were in the making. In 1946 the company adopted the name Delmonico, borrowing it from a New York restaurant famous throughout America for over a hundred years for the excellence of its menu. Joseph's son, Peter J. Viviano, became president in 1960. Grandson, Joseph P. Viviano, served as secretary and treasurer.

Delmonico Foods became a subsidiary of the Hershey Chocolate Company of Hershey, Pennsylvania shortly afterward, in 1966. No changes in the management of personnel of Delmonico Foods were made. Joseph P. Viviano succeeded his father, Peter, as president in 1972.

In January of 1975 Delmonico Foods became a division of San Giorgio Macaroni, Inc., also owned by Hershey Foods Corporation. Joseph P. Viviano was named president of the combined San Giorgio and Delmonico Foods operation in 1975, a reaffirmation of Viviano leadership.

Present Plant

The present plant, which was doubled in size in 1962, at a cost of over two million 1962 dollars, remains

at the original location on Floyd Street. It is one of the most modern and efficient plants of its kind in these United States and the business is recognized as one of those outstanding in Kentucky. The San Giorgio-Delmonico Foods combination is now the seventh largest macaroni products supplier in the U.S., and is still climbing. Just this year San Giorgio purchased another macaroni manufacturer, Procino-Rossi Corporation located in Auburn, N.Y.

The red, yellow, and blue packages of Delmonico's 36 products are now familiar to pasta lovers in 26 states—from Michigan to Florida and from Wisconsin to Pennsylvania. The Louisville plant produces 1,200,000 pounds of macaroni products weekly, has the capacity to produce 1,500,000 pounds, has a yearly payroll of \$1,700,000 and annual sales of over \$10,000,000.

Agency Appointment

Procino-Rossi Corporation, a pasta company located in Auburn, New York, has appointed Bofinger & Associates Advertising, Inc., of Glenside, Pa. for advertising and sales promo-

P-R Appoints Agency

(Continued from page 27)

tion. Supervisor on the account is Bernice Slosburg, V.P. Client Services; account executive is Joy Bellis.

"P & R" located in Auburn, New York since 1919, was officially acquired by San Giorgio Macaroni Inc. on April 26, 1978. San Giorgio will operate the company as a manufacturing facility and retain most of the Procino-Rossi brands which are marketed throughout New York & Pennsylvania. "P & R" presently produces 76 different sizes and shapes of pasta.

Bofinger & Associates handle sales promotion for San Giorgio Macaroni products and advertising, public relations, sales promotion and package design for the San Giorgio Sauce that was introduced last year.

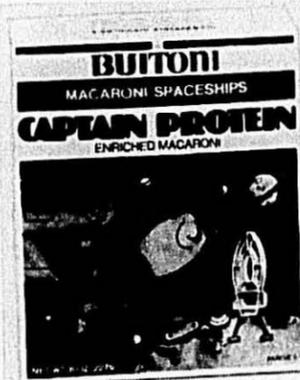
Buitoni Launches Captain Protein

Buitoni Foods Corporation, S. Hackensack, New Jersey, has introduced "Captain Protein Macaroni Spacemen" and "Captain Protein Macaroni Spaceships" in the New York market. Both products are high in protein and a 2 ounce dry serving contains 12 grams of protein or 18% of the U.S. recommended daily allowance (U.S. RDA) as well as thiamine, riboflavin, niacin, iron, calcium and vitamins A and C.

The new product introduction comes as a direct response to the growing list of space oriented entertainment and leisure products, as well as addressing the need on the part of the grocery industry to provide new products which afford better nutrition and more food value. The products are designed to make mealtimes entertaining and nutritious for young people.

Spacegrams

In September, a series of attention getting "Inter-Planetary Spacegrams" announced the coming of Captain Protein to the Planet Earth from the Planet Proteinus, "teasing" trade and consumer press and buyers until the arrival of the final space-gram. It arrived accompanied by sample packages of the two new products, 8 ounce packages containing pasta shaped spaceships and spacemen.



Aimed at Youngsters

Billed as the first macaroni products targeted solely for the 6 to 12 year old market, Captain Protein Spaceships and Spacemen macaroni shapes are designed to appeal to youngsters' imaginations to get them to clean their plates in this "Star Wars" era. Nutritionally, the new products, as fun food products, are sure to have great acceptance from mothers who search daily to find better protein sources for the youngsters who all too frequently consume fun food products with little nutritional benefit.

Good Reaction

Before putting Captain Protein into orbit, Buitoni considered the market for more than a year, not only with respect to these two initial products but also with regard to compatible products to extend the line significantly. Initial reaction to the products in the New York metropolitan area



has been good and the company is presently making plans for a national rollout early in 1979.

In addition to its colorful packaging, which uses cartoonlike graphics of a smiling Captain Protein and the new shapes, Buitoni is supporting the initial introduction with 600 line newspaper ads to appear throughout the area on October 25th. The ads, which contain a store coupon, are scheduled for the New York Daily News, Newsday, Newark Star Ledger, Bergen Record, Passaic Herald News, and Ashbury Park Press. Attractive point of sale material is also available.

Agency Creative Director High on Alaska

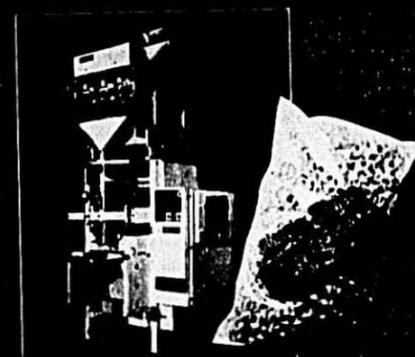
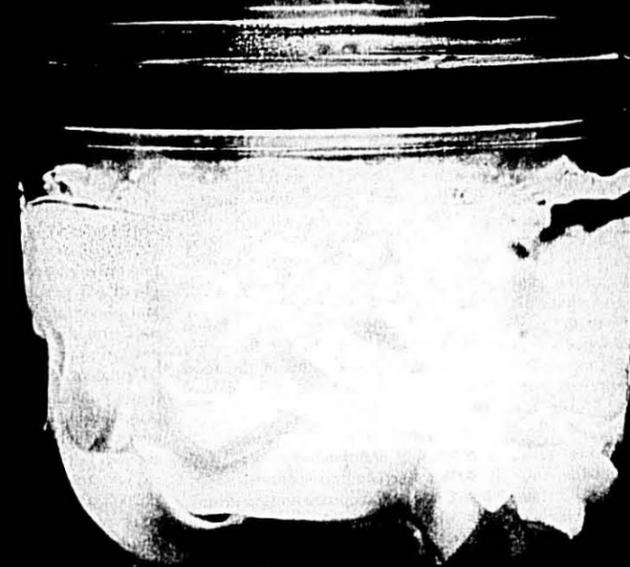
Don Funk, President and Creative Director of Bryan/Donald Advertising, Kansas City, Missouri, recently completed one of his most interesting assignments. Funk, along with Chicago photographer Ralph C. Bush-Pilot as one in a series of "Breadwinner" ads for ADM's Alaska Company. The ad featured Alaska's Prince William Sound and McKinley to photograph an Alaskan Bush-Pilot, Con Bunde, who lives in Anchorage.

"The scenery in Alaska can only be described as awe-inspiring. The impact of the Alaskan wilderness is so immediate and lasting that, after a few days, one gets a feeling of personal insignificance," Funk said.

Funk is shown here (right) with Bunde (left) during a break in a photo session taken on one of the inlets of Prince William Sound.

THE MACARONI JOURNAL

You won't find the top name in pasta in any pot.



TRIANGLE

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Food Service Opportunities

Tremendous opportunities exist in the food service market for those who are willing to meet customer needs and to develop new food products, according to panelists at a food service marketing seminar sponsored by the California Raisin Advisory Board.

David Wexler, publisher of Institutions magazine, Chicago, presented an overview of the industry covered by his publication, and described the growth rate in food service as "fantastic." He defined food service as "everything eaten away from home, any time, any where."

Mr. Wexler pointed to several factors as responsible for the growth in the food service field—including rising income, more women in the labor force, smaller families, less entertaining at home and more single person households. He noted that the latter group now represents 21% of the total number of households and that this will be increasing to 30% in the next decade. Food service now accounts for one-third of the total food dollar and in the 1980's will represent one-half of consumer expenditures for food, he said.

"The market is enormous," Mr. Wexler said, explaining that the commercial segment—including restaurants, fast food outlets and hotels—has shown the fastest growth. The non-commercial segment—schools, hospitals and nursing homes—has shown slower but very steady growth, he continued. Mr. Wexler noted that it should be recognized that two-thirds of hospital meals are served to guests and staff, while only one-third is actually served to patients.

Mr. Wexler said that 20% of the food service companies control 80% of the market. About 57% of the commercial segment is controlled by food service chains while 19% of the non-commercial segment is controlled by this group, he said.

School Feeding

School feeding is the third largest segment of the total food service industry, Frances McGlone, director of food service and nutrition education for the Oakland, Calif., public school system, told the seminar.

She pointed out that nationwide, 26.5 million children are in the daily school lunch program and that 3

million children are now participating in the school breakfast program. A total of 93,600 schools are involved in child nutrition programs, she said, with 4.6 billion lunches served each year.

To demonstrate the size of some school food programs, Ms. McGlone pointed out that in the Oakland system, one of the 50 largest school districts in the nation, there are 147 different lunch programs and 97 different breakfast programs, with a total annual budget of \$10 million. Half of the budget, she said, is for food.

Must Be Merchandised

School lunch meals, Ms. McGlone continued, "must be merchandised." She described school lunch participants as "a captive but selective audience." Food purchasing for school programs, she added, must take into account student acceptance, plate waste and fiscal responsibility.

Ms. McGlone said that school lunch administrators look for the following as among responsibilities of the food manufacturers serving the school lunch program:

- Product uniformity.
- Quality standards
- Keeps customers informed.
- Understands program limitations.
- Knows customer needs.

Prepared foods, Ms. McGlone continued, offer advantages in convenience, menu variety, consistent quality, portion control, ease of preparation, labor savings, reduction of cooking losses, shorter preparation period, less equipment and better inventory control.

"The convenience system is working well for us," Ms. McGlone said, noting that the Oakland district has found that it can bid for a wide range of food products in a competitive atmosphere.

School Lunch Policy

In an effort to be "more responsive to school needs and preferences," the Department of Agriculture has amended its school lunch regulations to allow schools to refuse up to 20% of the foods offered by the U.S.D.A. "The change," explained Carl Tucker Foreman, assistant secretary of agriculture, "will allow schools to substitute other foods given to the states by

the Department to the extent that they are available during the school year."

Under new regulations states are required to send a letter to schools notifying them of their right to refuse donated foods and to receive other foods available to the state during the school year. Beginning with the 1979 school year, states will notify schools prior to the beginning of each school year. In addition, states and schools are required to maintain records of the amounts and values of all foods refused by schools.

The Commissary Market

Military Market, Commissary Edition, says commissary shoppers spent about \$22,000,000 in calendar year 1976 on pasta products. Macaroni was the most popular single item (26.5 percent), closely followed by spaghetti (25 percent) and then noodles and noodle mixes (18 percent). Macaroni, noodle, spaghetti and other pasta dinner mixes made up another 20 percent of total sales; meat extenders and one pot dinners comprised about 6.3 percent. And pizza mixes, which were included, totalled about 6 percent.

The total pasta category was \$22,005,900 compared to the rice total of \$8,425,892. Plain rice accounted for 72.3 percent, special flavored rices 16.2 percent, and rice dinner mixes 11.5 percent.

McDonald's Aim to Offset Rising Costs And Competition

McDonald's Corporation is introducing a chopped Beefsteak sandwich selling for \$1.40 and served only from 4 p.m. to 9 p.m. for test marketing. It is hoped that boosting dinner sales will help meet such problems as higher hamburger costs, the minimum wage, and stepped-up competition from other hamburger chains. McDonald's prices average about 11% higher than a year ago, but consumers have not markedly resisted paying more because they understand meat prices are higher.

Company officials think wage and food costs will continue to rise but probably at a slower rate than this year. They are feeding cattle under contract to help assure an adequate

beef supply even though it will not reduce costs.

McDonald's will pass the 5,000-store mark soon with the opening of a restaurant in Fujisawa City, Japan, about 30 miles south of Tokyo, but saturation isn't in sight. "The trend toward eating away from home is increasing, and we feel there is room for more stores in existing markets as well as in new markets," an official stated.

One reason for that, the executives said, is that McDonald's is gaining new kinds of customers. Breakfast, for example, attracts older customers more than does lunch or dinner, and the company's weakest appeal has been to customers at least 45 years old, they said.

New Ad Campaign

Fred L. Turner, chairman and chief executive officer, said McDonald's is about to start a marketing campaign aimed at people who don't watch television much. The campaign will include advertisements in Sports Illustrated, Life, Time and Family Circle magazines. "Our marketing budget has built up to the point where we can afford to direct part of it to specific audiences," Mr. Turner said. "This is our first concerted effort of its kind."

Another possibility, he added, is advertising aimed at persons interested in nutrition. "We have a good nutrition story to tell, superficial impressions to the contrary," Mr. Turner said. "We've drawn up some ads stressing nutrition, but we haven't decided whether to use them."

Adapt to Reality

The supermarket industry today finds itself in a situation that is "alarming," it was stated during the National-American Wholesale Grocers Association's midyear executive conference.

Ira Herbert, executive vice president of Coca-Cola Co. and president of its food division, said he was confident the industry would respond successfully to the pressures of change. It has done so in the past, he stated, through a combination of good management and "sometimes plain good luck."

But at the moment, in his opinion, there is a tendency for retailers to adopt outdated operational and mer-

chandising practices, which bring neither added sales nor profits.

In this category, Herbert included generic products, undue emphasis on low prices, and for some retailers, new specialty service departments as well as added nonfood lines.

Traditional Period

The problem, according to Herbert, is that this is a transitional period, and retailers have not yet made a transition in their thinking from the plentiful post-World War II period to the current era, which includes such new realities as: Stagnant sales, price increases and a new breed of consumer who is "extremely sensitive to every move we make" and who has less confidence in business as well as more outside competition for the food dollar. Many procedures and modes of thinking that were developed during a period of relative price stability don't work now, he said. In referring to some current practices, Herbert asked whether "short-term profits merit a long-term cannibalizing effect on other lines."

Generics

In regard to generics, Herbert said many generic-product sales are to regular customers and "are just a shift from one item to another, with less profit."

Similarly, while conceding that service departments such as bakeries and delis generate excitement, he asked where the sales come from.

Attacking what he called too much stress on price promotion, Herbert said there clearly is a price-conscious segment of the population that will change shopping patterns to save money.

But, he said, it is a small percentage. Limited-assortment stores can get only a 4-7% market share, and warehouse markets, at best can amass 10-12%. A combination of appeals, in addition to price, is needed.

Herbert suggested retailers try to generate more sales from existing departments. He pointed to a study done for Coca-Cola, which concluded that 10% of dairy items account for 70% of the department's gross profits, but utilize only 20% of the space available. Conversely, 50% of the items account for 5% of the profit, but utilize 34% of the space.

Adjusting the balance between space allocation and sales can increase direct profits and can lower labor costs, he said.

Weigh Consequences

Most important, said Herbert, is that distributors not take action without weighing all consequences. They must use a more deliberate method of evaluating opportunities than taking "ad hoc solutions."

The criteria to be followed, in his opinion, are how much of the sales generated by new opportunities are really new and what return on investment is required to make a new project worthwhile.

The rate of inflation is such today that the time allowed for getting a return must be reevaluated, Herbert said. Not every new venture need be profitable the first year, but there is a high cost of waiting for a return. He urged distributors to ascertain all costs, not merely those that are up front.

Get Your Act Together

In an environment of inflationary costs and overregulation by the Government, two major executives and a leading economist told the food industry to get its act together, as they addressed the annual convention of the New York State Food Merchants Association.

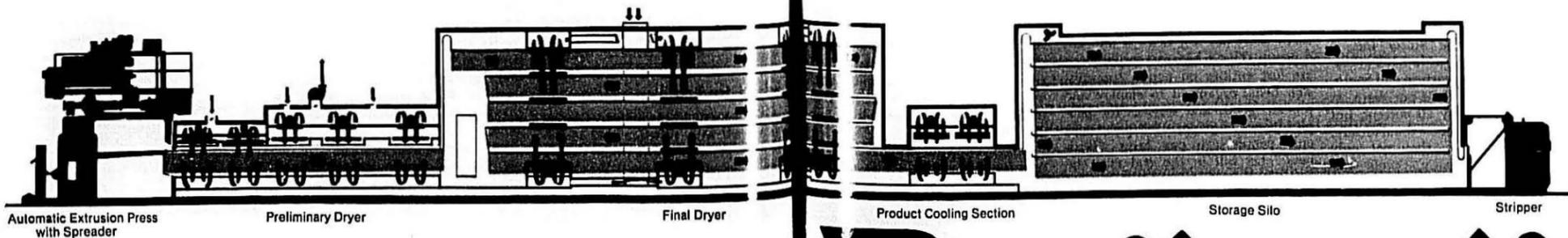
Robert O. Aders, president of Food Marketing Institute, Washington; Leo Cherne, executive director of Research Institute of America, and Donald Keough, executive vice president of Coca-Cola Co., Atlanta, all agreed that retailers, wholesalers and suppliers have to work together to take responsibility for their future.

Predictions

For their immediate future, the next 18 months, Cherne made four predictions: Inflation will continue at a rate of 7-9%; wage and price controls will not be instituted unless inflation climbs, and holds, at a rate over 10% during the first two quarters of 1979; Americans will continue to have the increased cost of living as their primary concern, and most Americans expect inflation to continue and have raised their demands to compensate for it.

(Continued on page 36)

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Get Your Act Together

(Continued from page 33)

With six major labor contracts coming up for negotiation during 1979, Cherne advised retailers to keep a close eye on the first major negotiations—those with the Teamsters Union. "If they get more than 13% increases, it is more likely that wage and price controls will slip back," he said.

Americans are developing a "sympathetic understanding" of the problems of rising business costs—labor, energy, taxes—and Cherne told retailers to use the taxpayers' empathy as a lever in both labor and political issues.

Branding the American economy as a "service economy," with more than two thirds of the job force involved in service professions, Cherne chided manufacturing for losing its economic strength.

Taxes Per Share

The most unusual thing about the cover of the new Winn-Dixie annual report is not the juicy steak, the glistening mushrooms or the overflowing baked potato that the food chain uses as its enticing full-color illustration. Nor is it the healthy earnings-per-share that the company proudly reports out front. The surprise is another figure it features, one that most companies ignore completely, to say nothing of putting it on the cover. That figure is the company's taxes-per-share.

This past fiscal year was a profitable one for Winn-Dixie Stores Inc., a major food retailer with 1,168 supermarkets in 14 Southeastern and Southwestern states. At \$3.94 per share, its earnings were up by 20 percent. But taxes grew even more dramatically; at \$5.93 per share, they not only dwarfed the company's profit but were more than 22 percent higher than a year ago.

Why It Was Done

Why does Winn-Dixie make such a big thing of its tax cost per share? "This has been rather shocking to some of our stockholders," chairman James E. Davis declared, adding "It might be constructive for some other companies to put out this information."

Disseminating such information more widely might be a useful anti-

dote to the myth being spread by business' more irrational critics that the typical corporation doesn't pay much tax. Every detailed study reveals the opposite. Not only does the average company shell out well over half its gross profits in taxes but recent research at the University of Southern California suggests that the actual corporate tax rate may be even higher than the companies believe.

So Winn-Dixie, and like-minded companies, are pioneering what probably ought to be a routine corporate procedure: reporting precisely how deeply the "private pocket" had reached into its "private pocket" in the preceding year. In addition to combating know-nothing propaganda that pictures corporations as perennial tax evaders, the method also may serve to remind the uninformed of the extent to which to fuel their own spending.

The Winn-Dixie report covers taxes at federal, state and local levels, but even so may be incomplete. "Our taxes include federal income tax, Social Security taxes, franchise and occupational licenses, state income taxes, real estate taxes, property taxes and personal property taxes," Mr. Davis said. "Much of the property taxes are included in our rent and would add to this figure if we broke it out."

People Pay

There is still another possible educational use to which the idea of reporting "taxes per share" could be put. For, in one sense, businesses really don't pay any taxes at all—not a penny. That's because corporations are just entities on paper: transmission belts, organized to employ and provide goods and services for people. Pieces of paper can't pay taxes; only people can pay taxes. "Business" tax bill in the end must be borne by one or more of three sets of people: the company's customers, its employees and its stockholders. Much as the politicians would like to have us believe otherwise, there is no way to raise taxes on "business" without raising taxes on "people."

Also instructive, in the Winn-Dixie report, is its real profit margin on sales. The "middleman" is the perennial bogeyman in discussions of rising food prices, and the average person still is apt to overestimate by a wide margin a supermarket's net earnings

per dollar sales. For this particular Sunbelt food-store operation the past year, the true figure was less than two cents. Even more remarkably that result was relatively high; the average supermarket's profit actually has dipped below a penny for each dollar of sales.

Emotional assaults on big business regularly attract headlines, even when the sources by now ought to be seen as badly discredited. In business' interest, and more importantly, in the interests of an informed public, the best response is to report the facts. And the extent to which the typical business now has to pay staggering "taxes per share" is a useful, and enlightening, fact.

Consumer West '78

Four out of five supermarket shoppers in eight Western U.S. communities dislike market games and contests, according to a study by the University of Southern California.

The annual survey of perceptions, attitudes and opinions of supermarket shoppers made by the USC Food Marketing Management Program revealed that 51 percent of the shoppers strongly disliked the games and contests and 24 percent moderately disliked them.

Market shoppers were surveyed in Los Angeles-Orange County, Phoenix, Portland, Salt Lake City, San Francisco-Oakland, Seattle, Dallas-Fort Worth and Denver. In previous years the research was confined to the Los Angeles-Orange County area.

Shoppers surveyed were about equally divided on the question of whether supermarkets make too much profit. Some 52 percent felt markets do.

When asked how much a market paid for an item sold for \$1, all shoppers surveyed gave a figure between 62 and 66 cents.

The higher the income of shoppers surveyed, the lower they estimated markets' profits. Males estimated lower profit than did females.

When asked which of the following factors had greatest impact on food prices, shoppers gave these replies:

Unions/labor, 45 percent.
Food processors, 27 percent.
Government, 13 percent.

(Continued on page 38)

THE MACARONI JOURNAL



Christmas Seal Greetings from the children of America.

Kids want sparkling, bright Christmases. Not polluted snowflakes and lung disease.

Children who care are speaking up. For lung associations. In the fight against smoking and pollution. Against asthma, emphysema, and other lung diseases.

Christmas Seals protect everyone's lungs. Including little lungs. Which need extra protection to stay healthy.

The children of America created the 1978 Christmas Seals. When you use these seals you help create the kind of disease-free world kids want. And deserve.

Give to Christmas Seals. Because your lung association cares about every breath you take. They really do.

AMERICAN  LUNG ASSOCIATION

The "Christmas Seal" People
We care about every breath you take

Space contributed by the publisher as a public service

DECEMBER, 1978

Consumer West '78

(Continued from page 36)

- Supermarkets, 6 percent.
- Transportation costs, 6 percent.
- Farmers and ranchers, 3 percent.

Marketing Considerations for New Products

from The Nielsen Researcher

- Areas of company strengths and weaknesses
- Tie-ins with, or potential impact on, other company brands
- Production capabilities
- Consumer attitudes toward category, brands, product benefits
 - Awareness
 - Satisfaction with existing brands
- Regional consumer differences
 - Package sizes
 - Flavors
 - Product types
 - Forms
- Advertising and merchandising norms, timing and directions
- Consumer promotional considerations
- Nature of competition
 - One brand dominance
 - Fractionated market
 - Local brand oriented
 - Controlled label penetration
- Market segments
- Distribution channels
 - Sales force coverage capabilities
 - Brokers
 - Trade class differences
- Trade perceptions of category; new brand entries
- Outlet importance by area
- Pipeline requirements
- Turnover rates/optimum inventory allocations
- Shelf facing possibilities and reasonable expectations
- Potential distribution of sizes by outlet type
- Seasonal characteristics
- Sell-in timing
- Price points/differentials/margins

Skinner Merchandising Manager

Grady Bryant has been appointed National Merchandising Manager for Skinner Macaroni Co.

He has been with Skinner for nine years, most recently as Regional Sales Manager/Southwest, headquartered in San Antonio.



Grady Bryant

His new position in Omaha will carry a number of responsibilities connected with assisting National Sales Manager Richard Lorimer.

Bryant will be concerned with retail and broker training, in-store merchandising and continuing education of the Skinner sales force and broker salesmen on pasta product merchandising. He also will assist in developing point-of-purchase materials, help coordinate various sales operations and act as liaison to the field on sales data and information.

Skinner Macaroni Co. is headquartered in Omaha and markets in 32 states.

Bryant has been in the food industry for nearly 20 years, working for Buddies Supermarkets in Texas for 10 years before coming to Skinner where he has served as an area merchandiser, sales supervisor, district manager and regional manager.

Bryant and his wife, Marilyn, have two children, Kerri and Sarah, and reside in Omaha.

Supermarket News Advertising

You can move a lot more turkey if you move a lot more pasta, says advertising in Supermarket News by the National Macaroni Institute.

Copy continues: "Turkeys, chickens, ducks and geese will soon celebrate their big season. They have something else in common, they all go well with macaroni products, so feature poultry with elbow macaroni, spa-

ghetti and egg noodles for a neat and profitable related sales package."

Officers of Great Plains Wheat

Ray Davis of Potter, Neb. was elected chairman of the board of directors of Great Plains Wheat, Inc. at its annual meeting in Lincoln on Aug. 15, succeeding Harlan Weber of Wichita, Kas. J. Ole Sampson of Lawton, N.D., was named vice-chairman and Harrell Ridley of Las Animas, Colo., was elected secretary. Ed Ross of Fisher, Minn., was named chairman of the Foreign Marketing Committee.

Nebraska

Mr. Davis, a member of the Nebraska Division of Wheat Development, Marketing and Utilization, was vice-chairman of G.P.W. in 1977-78 and secretary in 1976-77. He was president of National Association of Wheat Growers in 1973 and 1974 and served as official adviser to the U.S. delegation to the International Wheat Council in London. He represents G.P.W. on the board of directors of the Wheat and Wheat Foods Foundation. Mr. Davis has been president of the Nebraska Wheat Division.

North Dakota

Mr. Sampson is chairman of North Dakota State Wheat Commission. He served an earlier term as vice chairman of G.P.W. and has been chairman of the Domestic Marketing Committee. Mr. Sampson also has been active in U.S. Durum Growers Association.

Colorado

Mr. Ridley was chairman of the Foreign Marketing Committee of G.P.W. in 1976-77. He is a director of the Colorado Wheat Administrative Committee.

Minnesota

Mr. Ross is a member of the Minnesota Wheat Council, the newest member of G.P.W. In addition to his new position as chairman of the Foreign Marketing Committee, Mr. Ross will serve with Mr. Sampson and Mr. Ridley on the G.P.W. Executive Committee, of which Mr. Davis is president.

Michael L. Hall is G.P.W. president.

THE MACARONI JOURNAL

Questions and Answers About Metrication

Metrication of the food industry was discussed intensively at the American National Metric Council 4th Annual Conference. Questions were addressed to A. W. Woelfle of Kraft Inc.

Q: Which sectors of the food industry will take the lead in conversion?

A: Ideally, products purchased most often would be the first to be converted. These products, however, are in general items such as milk and bread and are rather universally regulated. This means state laws will require change to permit their sale in metric sizes. Thus, it is anticipated that nonregulated foods and beverages, such as the carbonated drinks, will be the first areas to switch to metric quantities.

Q: Did I understand you to say that unit cost will not increase under metric?

A: In theory this is true because most of the logical metric sizes are slightly larger than the current containers. This means the packaging cost per unit amount contained theoretically decreases slightly.

Q: Are foods in containers that provide an optimum volume—if not, is this an opportunity for a packaging manufacturer?

A: The question of what constitutes an optimum volume in a container is often decided on the basis of what the consumer wants; not on the basis of what is convenient for the packaging manufacturer. In some instances it will be possible to rationalize the number of containers which could be to the advantage of all parties—consumer, food supplier and the packaging material manufacturer.

Q: If metrication involves and affects consumers as well as industry, why does your prescription of consumer decision making explicitly exclude the consumer?

A: While the consumer is not always represented on a committee, most of us in the food business make extensive consumer tests with any change contemplated. We have found it to be a difficult exercise at times to always interpret correctly what the consumer will do positively; the negative thoughts come through very clear. Thus, the answer is that the

consumer is involved today and no doubt will become more active in a number of committees in the future.

Q: How do you expect or suggest that consumers and consumer organizations become involved in the conversion process in the food industry?

A: I do not have the final answer to this question because a great deal of effort is being expended by many people in the metric arena: first, to make sure that the consumer input is not lacking and second, to figure a way to have representative consumer participation.

Q: Do you anticipate a problem of exhausting the supply of available UPC number assignments at Kraft with the generation of a large number of new package sizes?

A: There should be no problem of number exhaustion because each food manufacturer has 5 digits, or 99,999 numbers available for use.

Metric Nominees

The following nominations have been made for the Board of Directors of the American National Metric Council.

- Mr. Phillip Alten
Corporate Manager—Metric Conversion
Aluminum Company of America
- Mr. David A. Binzen (renominee)
Director of Merchandise & Personal Planning
J. C. Penney Company, Inc.
- Mr. William Cunningham
Research Economist
AFL-CIO
- Mr. W. E. Hamilton (renominee)
Chief Economist
American Farm Bureau Federation
- Dr. Lawrence J. Kulp
Vice President—Research & Development
Weyerhaeuser
- Mr. Stanley E. Mallen
Metrication Planning Manager
Ford Motor Company
- Mr. William J. McGuire
Technical Consultant
Gulf Research & Development Company
- Mr. George D. Meixel (renominee)
Manager—Washington Corporate Office
Ingersoll-Rand Company
- Mr. George E. Norman, Jr. (renominee)

Vice President

- Burlington Industries, Inc.
 - Ms. Darlene T. Palmer
Assistant Director of Broadcast Management
National Association of Broadcasters
 - Mr. Wallace N. Seward
President & Chief Executive Officer
Chas. Martin International, Inc.
 - Mr. Milton W. Smithman
Staff Vice President
National Association of Home Builders
 - Mr. Thomas Clark Tufts (renominee)
Partner
Tuts & Wenzel, Architects
- All nominations are for a three year term of office.

Energy Crisis or Not?

from Business in Brief,
Chase Manhattan Bank

The prospect that future world oil price increases will be relatively modest does not support the view that there is no energy crisis. To begin with, inept U.S. energy policy would greatly shorten the grace period made possible by potential oil and gas production that has become economic because of high OPEC prices. Official U.S. policy still fails to recognize the potential for future oil production, although the Congress has made some progress in the case of natural gas.

Even with the most enlightened energy policies in the United States and elsewhere, however, there is still a crisis—not just an oil supply crisis, but one with far broader implications. Increasing evidence suggests that the fourfold rise in oil prices in 1974 has produced fundamental structural changes in the world economy which may reduce the potential world economic growth rate by as much as 25%. Given the aspirations of people in both the developed and developing nations, the social, economic and ultimately the political implications of such a loss of output could be enormous. Only genuine cooperation among nations worldwide—combined with adept national energy policies—can minimize the eventual political consequences of slower world growth.

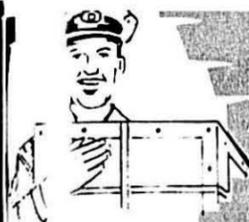
NMMA Winter Meeting
February 4-8, 1979
Doral Country Club, Miami



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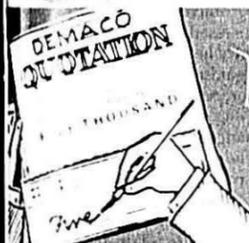


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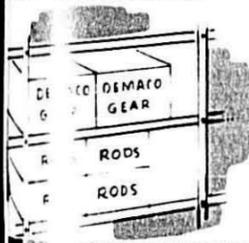


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Notes on Nitrites

The danger to health from using nitrites to cure meat is almost entirely in the minds of uninformed newsmen and consumer advocates, a McCormick & Co., Inc., food scientist declares.

"Why all the fuss about nitrites?" asks Toni Ruth Manning.

"The fuss is the result of inappropriate media coverage by reporters who really don't have the background to judge the relative importance of what they are reporting.

"The fuss is also the result of so-called consumer advocates who are equally unqualified to realistically interpret test results."

Miss Manning, who addressed a meeting at the Carrollton Sheraton of the Maryland School Food Service Assn., is Planning Coordinator for McCormick's Corporate Technical Operations and a home economist. She also is chairman of the Maryland Section of the Institute of Food Technologists.

Prevents Botulism

Before making her criticism of the press, Miss Manning noted that the major use of nitrites is to prevent botulism in cured meats.

"We think of botulism as coming from canned goods," she said. "The reason we practically never hear of botulism from ham or bacon is because of the almost universal use of nitrites."

It was in the late 1800's, she said, that scientists discovered the curing process of meat doesn't begin until nitrate in saltpeter is changed into nitrite by a chemical reaction in the meat.

"The characteristic flavor, color and texture of cured meats is due to the chemical reactions which take place between meat constituents and the nitrite," she went on.

In the 1920's extensive tests by the United States Department of Agriculture found that nitrite could be added to meat directly, eliminating saltpeter, thus giving man control over the curing process.

In 1969 indications were found that nitrites can combine chemically with certain compounds in meat to form nitrosamines, some of which cause cancer in test animals.

Further tests showed nitrosamines formed only in bacon and only in the frying process. And other tests showed that nitrites actually prevented the formation of the toxin which causes botulism.

A 1975 regulation allowed the use of nitrite in meat at the maximum level of 200 parts per million. It was found that sodium ascorbate, another additive in bacon used for its effect on color, also helped to prevent the formation of the nitrosamines.

"Then a year or so ago nitrosamines were found at very low levels in other cured meats, not just fried bacon," said Miss Manning. "And in July a study indicated that nitrites themselves could cause cancer.

"In the study, which fed high levels of nitrite to rats, 12.5% of the test rats showed symptoms of a cancer similar to leukemia. But 8% of the control rats, fed the same diet but without nitrite, also got cancer!"

Misapplied Statistics

These statistics, she said, have been misapplied and overemphasized because they were not understood in context of the relatively few risks involved.

The government, she noted, has devised a plan to phase out the use of nitrites and already has reduced maximum use level to 120 parts per million, with plans to reduce the figure to 40 ppm.

"First," she said, "another preservative and curing agent must be found to do what nitrites now do. And in the meantime, almost nobody seems to be putting the danger in perspective."

Both nitrites—and nitrates which can be turned into nitrites by the body—are in most green vegetables and some non-green vegetables and some fruits, she said.

"Mother Nature put them there," Miss Manning said, "and only 20% of our dietary intake of nitrites comes from cured meat. Of the nitrites that enter the digestive system, 97% are not from food, but from man's own saliva or the intestine. The risk to man is very, very small."

Uninformed consumer advocates and careless reporters are not the only ones to blame for distorting the potential danger of nitrites, she said. She continued:

"The fuss also is the result of some manufacturers taking advantage of

the fears built up in the consumer by the reporters and consumer advocates.

"Some manufacturers use claims of 'all natural,' 'no additives' or 'no preservatives' on their products even when they may not really be appropriate and even though they may not be illegal."

New Brochure Focuses On Microbiological Evaluation of Foods

Microbiological evaluation of foods is the subject of a new publication announced today by the United States Testing Company, Inc. The four-page, illustrated brochure describes laboratory methods for identifying and counting microorganisms present in raw, processed, and prepared foods.

Products heavily contaminated with microorganisms may develop off flavors or odors, become softened or discolored, or exhibit other undesirable changes. They may also pose a public health risk if pathogenic, or disease-causing, microbial species are present. Microbiological testing is an effective means of projecting the potential shelf life of a food and of determining food safety.

The new brochure discusses the Total Plate Count and Mist Probable Number techniques—two methods for enumerating the total microbial population present in a food sample. Also described are procedures for identifying pathogenic organisms or indicators (species typically associated with conditions that might introduce pathogens). The influence of a food's constituents and processing history on the type of microbial growth that can occur is discussed briefly.

A copy of the brochure is available from the Biological Services Division, United States Testing Company, Inc., 1415 Park Avenue, Hoboken, New Jersey 07030, (201) 792-2400.

Low Calorie Labeling

The FDA adopted rules requiring that foods labeled "low caloric" contain no more than 40 calories a serving. Under the regulations, which take effect July 1, foods labeled "reduced caloric" must have at least one-third fewer calories than the foods they replace. The labels also must give complete nutritional information.

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THE LAST OF THE BIG-TIME SPENDERS

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



"When adjusted for inflation, Medicare beneficiaries spent more out-of-pocket for health care last year than they did in 1964, the year Medicare was passed. The Medicare nightmare is that after all these years and all the billions of dollars spent, the elderly are back at square one with respect to their health security."

That quote is from a letter Senator Kennedy sent to *The Wall Street Journal*. His diagnosis of the problems the government caused by pouring billions of dollars into ill-conceived and poorly administered national health care programs is quite good, except for one omission: He should have noted that reckless federal spending has generated the very inflation that is now the number one problem for the elderly and the rest of us as well.

With such an admirable grasp of the futility of trying to cure social ills by massive infusions of printing-press money, you would think that a larger, more costly federal health care program would be the last thing on the Senator's mind. Unfortunately, a larger, more costly federal health care program appears to be the first—and perhaps the only—thing on the Senator's mind.

The need for a new national health care plan is hardly self-evident. Roughly 90% of us already have health insurance of one kind or another. Any gaps in the current system can be filled at a reasonable cost, which is what President Carter seems to be proposing.

The President's approach is the proper one, because the two factors most responsible for the upward spiral of medical costs would both be aggravated by a universal government-run program.

One of these factors was the sudden outpouring of federal money into the system when Medicare and Medicaid came along. The supply of funds available to spend on health care increased much faster than the supply of hospitals, medical personnel, etc. And money, like water, seeks its own level. That problem

is admittedly temporary, unless we repeat the initial mistake.

The other problem is one which our own continuing studies of the health care industry unfailingly turn up: There is not enough individual incentive to control costs. Insurance now pays 90% of the hospital bills and 66% of the doctors' bills.

Under those circumstances, medical personnel don't have much cause to worry about what they're charging the patient, because they know the patient has insurance. The patient doesn't have sufficient incentive to be cost-conscious either, for the same reason. And the insurance companies can simply pass their costs along to the insured (which often means the insured's employer).

One proposed solution to lax cost-control is the Health Maintenance Organization, (HMO) which makes more money when its patients stay well than it does when they get sick. Thus, the emphasis is on preventive care for the well and effective treatment at the lowest possible cost for the ill.

Another solution is peer review, in which panels of physicians rule on the cost-effectiveness of the treatment selected by other physicians.

Still another helpful idea is to find a way to protect physicians from frivolous or malicious malpractice suits, so they will not need to order more tests than are medically necessary.

All of these ideas—and many more—can be used in concert to control costs without undermining the quality of care. The National Chamber will soon begin a community-oriented program to acquaint citizens and businesses with the most effective of the cost-control and health-improvement techniques, based on a study done under the auspices of the National Chamber Foundation. The research was conducted by Inter-Study, an independent health policy analysis and research firm.

We can have good health care at an affordable price, if we are guided by reason rather than politics.

But the era of massive, expensive, inefficient federal "solutions" to social problems is over, as most people clearly realize. In time, I suppose, the word will reach even Senator Kennedy.



Mama Mia is getting old —
 and her children have to be told
 how to try it, how to diet,
 how to use modern cooking ways.

The National Macaroni Institute promotes pasta products through recipes and photographs to food editors in every type of media.

Educational materials and recipe leaflets are distributed to consumers, teachers and students.

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TV Kits are periodically prepared for program producers.

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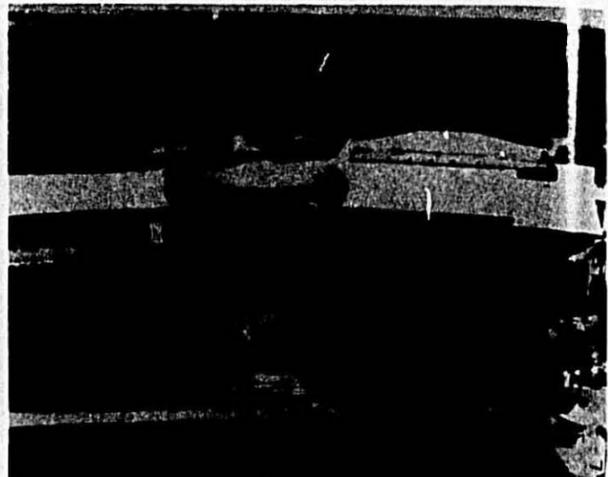
Winter Meeting

The National Macaroni Manufacturers Association holds its Winter Meeting February 4-8, 1979 at Doral Country Club & Hotel, Miami, Florida.

Doral's convention center is one of the nation's most lavish meeting complexes and certainly one of the most handsome. The Country Club boasts one of the three most challenging golf courses on the PGA tour. And just about any recreational activity you can think of is available somewhere on Doral's 2,400 acre resort. There are five golf courses, 19 tennis courts, fishing, pool and ocean swimming, cycling, spa, game rooms, and evening entertainment.

Rates are \$76 daily single occupancy, \$80 double occupancy, without meals.

Program plans will be announced soon by the Association office.



The National Macaroni Manufacturers Association holds its Winter Meeting at the Doral Country Club, Miami, Florida, February 4-8, 1979. The state of the industry, management matters and product promotion will be discussed. On the social scene there will be an Italian dinner, golf and tennis tournaments. Details from NMMA, P.O. Box 336, Palatine, IL 60067.

Man in Charge

As the man-in-charge, #32 works where the action is, making split-second decisions in front of thousands of fans in the stands and millions of television viewers watching National League football. Dr. Jim Tunney travels over 100,000 miles a year to head a crew of game officials who are true professionals in their field. He has been officiating since 1960 and holds the distinction of being the only referee to work two consecutive super bowls.

He has earned a Doctorate and has been in education more than a quarter of a century. He is president of the Institute for the Study of Motivation and Achievement. Recommended as a speaker by macaroni members of Gro-



Dr. Jim Tunney

cery Manufacturers of America, Dr. Tunney will speak on "Creating a Positive Organizational Climate" at the NMMA Winter Meeting and then will serve as master of ceremonies for a trade-day session featuring two outstanding operators in the grocery field. Watch #32 on television and then come hear him give you valuable pointers on better management practices.

Winter Meeting Headliner

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

Agenda Highlights

Committee meetings will take place Sunday afternoon, February 4, with a welcoming reception that evening.

Business sessions begin with a Continental breakfast each morning at 7:30 a.m. for the next three days. This will enable the athletes to get out on the links and courts in the early after-

noon. The Shot Gun Start Golf Tournament will be held Monday afternoon and the Tennis Mixer on Tuesday afternoon.

Monday morning's programs will feature committee reports, comments by Counselor Harold Halfpenney, and the foodservice program update by Jo David.

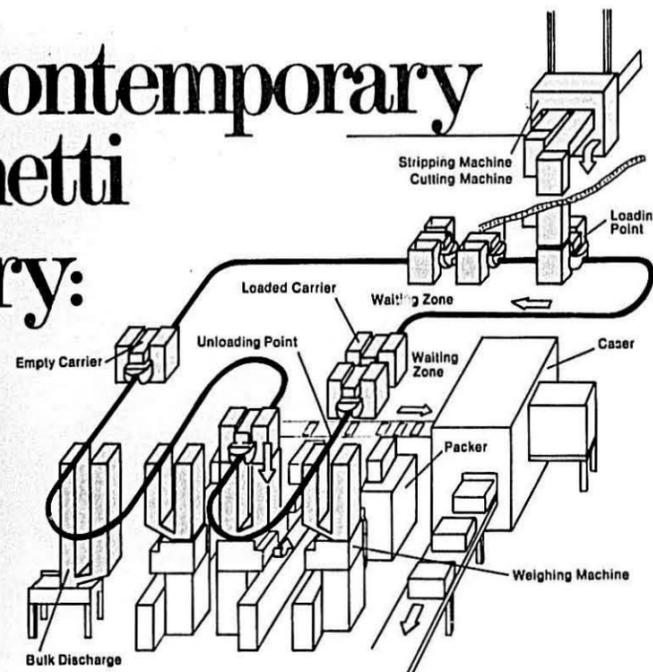
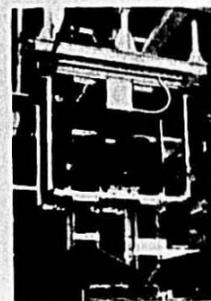
Tuesday's program starts with Eleanor Ehrman's report on production promotion followed by motivational discussions by Dr. Tunney and M. Siler.

Wednesday is Trade Day with two outstanding grocers invited to speak. Social events include an Italian Dinner and a Dinner-Dance.



Robert L. Siler

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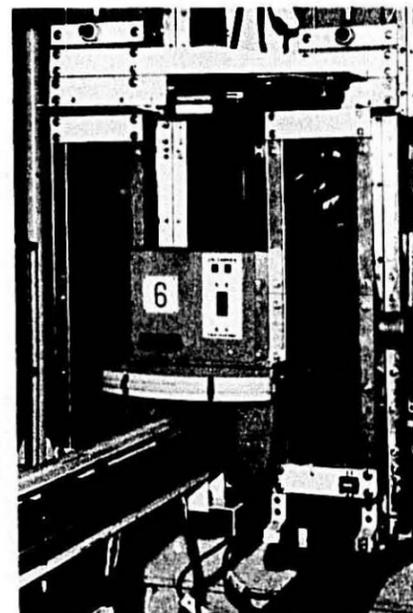
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Happy Birthday

Camillo De Rocco, original owner of Florence Macaroni Company, Los Angeles, had a birthday party given to him on November 20 by his son, Francis. Mr. De Rocco is 94, lives alone and drives a car. Happy Birthday, Camillo!

L. E. Workman Dead

Lloyd E. Workman, former vice-chairman of the board of International Multifoods Corp., died Oct. 20 in Minneapolis. Mr. Workman, 64, retired as vice-chairman at the end of 1976 after more than 30 years with the company, and remained a member of the board until his death.

Mr. Workman joined Multifoods in 1946 after two years of service in the Air Force during World War II. Dur-

ing his career, he held a variety of positions with the company, including five years as general manager of flour milling operations during 1965-69. He was elected a vice-president in 1959, a member of the board of directors in 1961 and vice-chairman in 1973.

Mr. Workman was instrumental in establishing Multifoods' formula feed operations during the 1950's, a business which now has annual world-

wide sales volume of about \$1.5 million. He was general manager of the company's Eagle Roller Mill at New Ulm, Minn., in 1952 when Multifoods acquired Supersweet Feeds, and directed growth of that operation for the remainder of the decade.

He is survived by his wife, Betty; a son, Peter Workman, and two daughters, Dena Durfey and Sally Workman.

U.S. POSTAL SERVICE
STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION
(Required by 39 U.S.C. 3685)

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2. DATE OF FILING: **9-20-78**

3. FREQUENCY OF ISSUE: **Monthly**

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5. LOCATION OF HEADQUARTERS OR GENERAL BUSINESS OFFICES OF THE PUBLISHERS (Not printer): **19 S. Bothwell, Palatine, Cook County, IL 60067**

6. LOCATION OF THE HEADQUARTERS OR GENERAL BUSINESS OFFICES OF THE PUBLISHERS (Not printer): **same as above**

7. NAMES AND COMPLETE ADDRESSES OF PUBLISHER, EDITOR, AND MANAGING EDITOR

PUBLISHER (Name and Address): **National Macaroni Manufacturers Association**

EDITOR (Name and Address): **Robert M. Green, 19 S. Bothwell, Palatine, IL 60067**

MANAGING EDITOR (Name and Address): **same as above**

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NAME	ADDRESS
National Macaroni Manufacturers Association	19 S. Bothwell P.O. Box 336 Palatine, IL 60067

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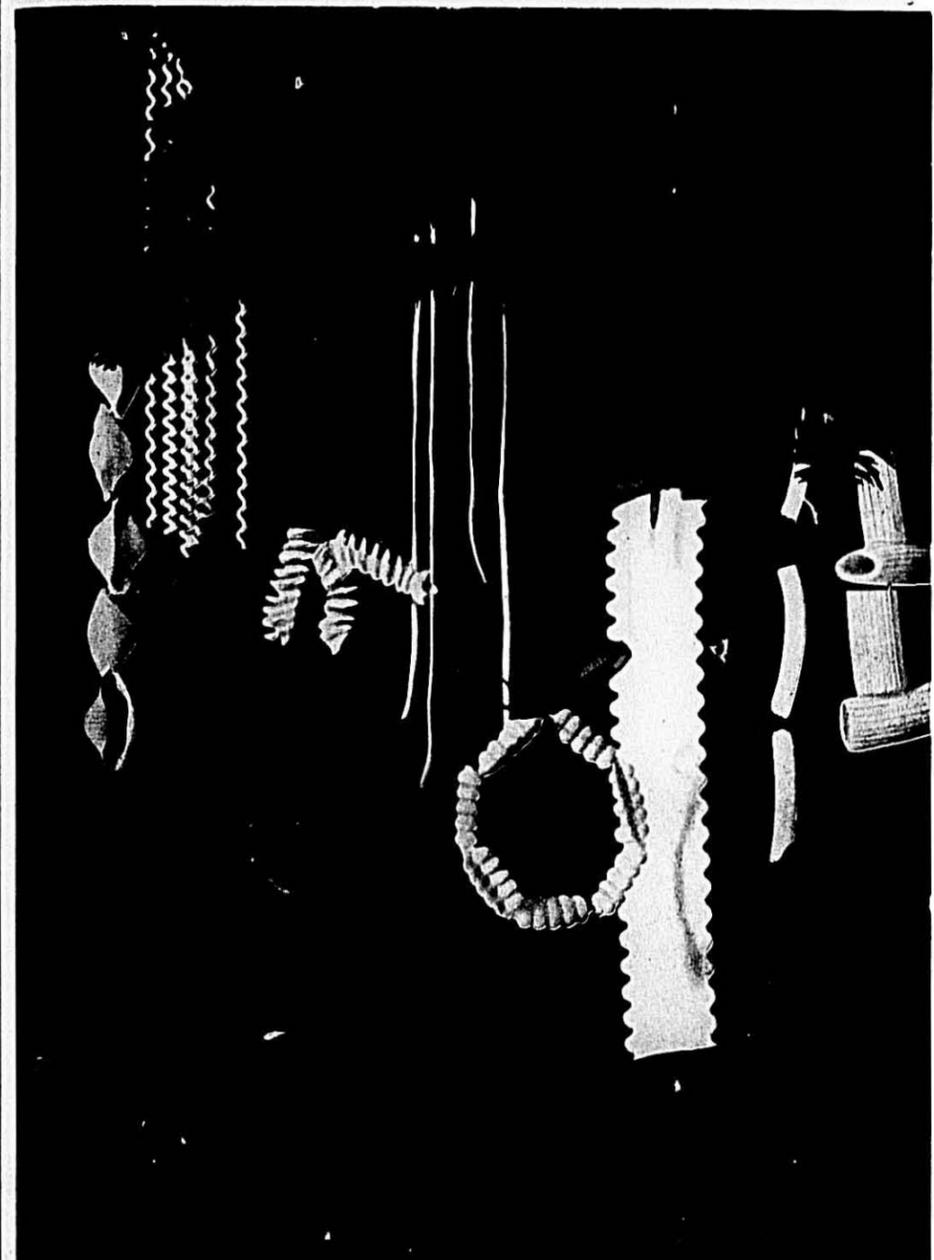
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