

**THE
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JOURNAL**

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Macaroni Journal

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Season's Greetings



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The Macaroni Journal

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Holiday Turkey Reappears with Macaroni

The holiday dinner's over. It's very important with today's food prices that whatever may be left from the special occasion be served in appetizing, nourishing ways.

Home economists of the National Macaroni Manufacturers Association

DECEMBER, 1980

In This Issue:

	Page
Pastaville USA	4
Industry Items	6
Changes for Canada	10
Wholesaler Associations Consider Merger	12
Highlights from Progressive Grocer's Executive Roundtable	14
Conventional Supers Want Better Deals	15
Cost Cutting Consumers	18
Nationwide Food Consumption Survey	22
Durum Production	23
The Common Market	26
Cereal Makers Face FTC Charges	30
Have You Eaten Pasta Lately?	32
Pasta, Puccini and Other Pure Pleasures	40
Index to Advertisers	42

suggest a hearty macaroni-turkey stew. It's very easy. Make stock with the turkey in the refrigerator. Stir in vegetables and elbow macaroni. The result? A fine-tasting, nutritious meal which supplies protein, B vitamins and iron plus carbohydrate content to furnish energy. It's an idea which proves once again how macaroni products mix so well with other foods, and give you more for your money.

Another time when you may have turkey on hand, try a savory casserole — Turkey Encore.

Macaroni Turkey Stew

(Makes 6 to 8 servings)

1 turkey carcass, broken up
3 quarts water
2 cups cut-up cooked leftover turkey
1½ cups chopped onions
½ cup chopped parsley
4 teaspoons salt
½ teaspoon sage
10 peppercorns

1 cup diced carrots
1 cup sliced celery
2 cups elbow macaroni (8 ounces)
parsley sprigs, optional

In a large saucepot or Dutch oven, combine carcass, water, turkey, onions, chopped parsley, salt, sage and peppercorns. Heat to boiling. Cover; reduce heat to low and simmer for 3 hours. Remove from heat. Remove carcass and bones; discard. Add carrots and celery to turkey broth. Cover and simmer about 10 minutes, or until vegetables are almost tender. Increase heat to high and heat broth mixture to boiling. Gradually add macaroni to rapidly boiling broth mixture so that broth mixture continues to boil. Cook uncovered, stirring occasionally, until macaroni is just tender, about 10 to 15 minutes. Serve immediately. Garnish with parsley, if desired.

To reheat, add chicken bouillon or broth, if more liquid is desired.

(Continued on page 40)

Pastaville USA

M I N O T, N. D.

Minot, North Dakota, located in the heart of the durum wheat belt, was designated to become Pastaville, USA from November 5-11. The event had not taken place as we went to press, but plans were announced as follows:

"The creation of Pastaville, USA, in this North Dakota city of 35,000 inhabitants, is to call attention to the importance of the pasta industry to Minot, the state, region and nation," said Lester R. Thurston, Jr., president, National Macaroni Manufacturers Association.

"Durum wheat", Mr. Thurston pointed out, "is the principal ingredient in most of the two billion pounds of pasta products consumed in this country every year. Since North Dakota produces 85 percent of the durum wheat grown in the United States, it is only fitting that the \$1 billion domestic pasta industry salute the producers of pasta's raw material."

The citizens of Minot, spearheaded by the Chamber of Commerce, have enthusiastically responded to their city's new title. Schools, service and business organizations, involving virtually everyone in Minot and the communities within a 60-mile radius, were planning a banner celebration which was to reverberate throughout the state. Pastaville, USA T-shirts, neckties, caps, buttons, banners and bunting adorned both townspeople and town. A week-long pasta event schedule culminated on Tuesday, November 11, when the domestic pasta industry, its history and challenges, were the key topic of the Fourth International Durum Forum, a gathering of farmers, grain buyers, millers and pasta manufacturers.

"We aim to make Pastaville, USA an annual event," said Thurston, "which will continue to celebrate the importance of North Dakota durum and hard red spring wheat to the do-

mestic pasta industry throughout the United States for many years to come."

A schedule of events was announced as follows:

Wednesday, Nov. 5 - Opening Day Activities - pasta served in public schools.

Thursday, Nov. 6 - Pastaville banners go up throughout the city. Farm machinery display opens at Dakota Square at 10 a.m. Display to run through Nov. 12. Future Farmers of America provide posters relating machinery to durum farming. Restaurants begin featuring pasta specialties. Store displays unveiled. Pasta Tree of National Brands unveiled at Ramada Inn.

Friday, Nov. 7 - Pasta Center opens at Town & Country Center, 20-24 groups to cook and sell their pasta specialties 5 to 9 p.m. Pastaville, USA Square Dance Festival - 6 to 9 p.m.

Saturday, Nov. 8 - Spaghetti Spiel - international curling tournament with 32 groups from the United States and Canada participating - 8 a.m. First Annual Rigatoni Run begins at State Fairground - 10:30 a.m. 5,000 and 10,000 meter events sponsored by the Minot JC's and the YMCA. Pasta cooking demonstration at Town & Country Center - 11 a.m. Rigatoni Luncheon for runners at Jaycees Building, State Fairgrounds, 12 noon. Speediest Spaghetti Slurpers Contest at Town & Country Center, 1:30 p.m. Pasta cooking demonstration at Town & Country Center 2:30 p.m. Mayor's Macaroni Masterpieces at Dakota Square - 40 to 50 mayors - 3:30 p.m. Cooking demonstration at Dakota Square - 4 p.m. Spaghetti Spiel continues. Pastaville, USA Square Dance Festival 6 to 9 p.m.

Sunday, November 9 - Spaghetti Spiel continues. Church Services throughout Minot. Northwest Bible

College to have squads of singers appear in various churches - sing number during service - and announce Benefit Spaghetti Supper Monday night.

Monday, Nov. 10 - Judging Teams to survey store displays and choose winners, to be announced at Tuesday luncheon. 10 to 12 noon. Pasta Luncheon at Service Clubs. Spectacular Spaghetti Special - planning for 2,000 suppers. 5 to 9 p.m. at Pastaville - Fair Grounds. Grocery stores were couponing: buy one dinner, get one free. Cost \$3 adults, \$1 children 16 and under. Entertainment: Jaycees Bands, Musical Groups from Northwest Bible College, Minot High School, Minot College. 7 p.m. Social - Candelite Room, Ramada Inn sponsored by Production Credit Association.

Tuesday, Nov. 11 - Formal Program and beginning of International Durum Forum Sessions at Ramada Inn. "Challenges of the Domestic Pasta Industry" - the story of durum from the field to the table to industry representatives. Presentation of the NMMMA Sweepstakes Award for best entry in show. Presentation of fellowship checks to Agronomy and Cereal Technology Departments of the North Dakota State University. Presentation of distinguished service award to Senator Milton R. Ung.

Rigatoni Runners

Foremost-McKesson, Inc. of San Francisco has entered three runners in the Rigatoni Run, highlight of the Pastaville USA activities in Minot, North Dakota.

Foremost-McKesson is the corporate parent of the Nation's leading pasta producer, the C. F. Mueller Company of Jersey City, New Jersey.

(Continued on page 6)



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Foremost-McKesson

(Continued from page 6)

George Constantino, vice president personnel for another Foremost-McKesson division, McKesson Chemical Company of San Francisco, and John and Virginia Push of Louisville, Kentucky, will represent Foremost-McKesson in the event. John Rush is manager of the Louisville branch of McKesson Chemical Company and his wife, Virginia, is a chemist in Louisville.

All three are experienced runners and Constantino has participated in seven marathons, finishing in the top 15 percent of all runners in last year's (1979) New York Marathon.

The Mueller Company entered their credit manager, Eugene C. Claeys, in the senior run.

The Creamette Company of Minneapolis entered Jim Sandstrom a 35-year old 5,000 meter man.

Buitoni Foods Announces Management Changes

Several management changes and appointments have been announced by Manus M. Gass, President of Buitoni Foods Corporation, South Hackensack, New Jersey.

Roger Terry has been appointed to the new executive position of Vice President/Operations. Mr. Terry, formerly Director of Marketing for Buitoni, will be responsible for Plant Operations, Purchasing, Traffic, and Research and Development, which includes quality control.

William P. Smolka has been appointed to the new executive position of Vice President-Marketing and Sales. Mr. Smolka, who has left Pillsbury Corporation in Minneapolis to join Buitoni, most recently was Director of Marketing at Pillsbury's American Beauty Pasta Company. He previously had been with Proctor and Gamble. The regional and New York Metro Group Sales Managers, the General Manager-Food Services Division and the Marketing Department will report to Mr. Smolka.

Ferdinando Frevola, formerly Plant Manager, has been appointed Director of Plant Operations.

Ed Cirigliano, formerly National Sales Manager-Private Label, has been appointed Vice President-Private Label Sales.



Roger Terry



William P. Smolka

In making the announcement of the new management changes, Mr. Gass noted that they will streamline responsibilities and reporting thereby allowing more time for long-range planning, new business development, and supervision of other Buitoni Foods Corporation business activities in the United States, which include Perugina Chocolates & Confections, Inc., Perugina Retail Stores and Buitoni Wine. "I am convinced that our management structure positions us more strongly than ever before in every aspect of our business, especially in our ability to aggressively pursue future opportunities. Our prospects for the balance of 1980 look exceptionally good and our potential for 1981 should be even better," he concluded.

Marketing Appointment

John D. Herrick, Chairman of the Board, General Mills Canada, Ltd. has announced the appointment of Rob Hawthorne as Vice President, Marketing for General Mills Canada, Ltd., Consumer Foods. Mr. Hawthorne will be responsible for the marketing functions of both the Grocery Products Division and the Lancia-Bravo Division.

In addition to those currently reporting to Mr. Hawthorne in Grocery Products, Bob Steinman, Group Product Manager and Peter Crawford, Product Manager will now also report to him.

Glen Gratton, Vice President, Marketing, Lancia-Bravo has left to pursue other career interests.

Corporate Headquarters

San Giorgio-Skinner, Inc. have moved their corporate headquarters to One Chocolate Avenue, Hershey, Pennsylvania 17033 from the San Giorgio location in Lebanon.

In addition, the San Giorgio Macaroni Company's Sales and Marketing Department have moved their facilities to the same Hershey location.

Knauss Named Executive VP

The promotion of Robert L. Knauss to executive vice president and general manager of Marshall Foods, Inc. has been announced by the company president and chief executive, David J. Weiner.

Knauss, who joined Marshall Foods last year as general manager of the Meat Products Division, has since successfully engineered the transition of the company's foodservice operations, and has an outstanding record of achievement in the food industry, Weiner noted. He has spent the past twenty years in management and supervisory positions with Armour & Co., Borden's and Mission Beef Packers.

A resident of Marshall, Knauss has two sons.

Foremost-McKesson Sales Top a Billion

Foremost-McKesson, Inc. reported record revenues and operating profit in the second fiscal quarter and

(Continued on page 8)

THE MACARONI JOURNAL

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We do this — not because we want a customer's ability to put one of our machines into operation —

it's just that we want you to get everything out of our machine we designed and built into it.

So Len, Jiggy, Joe DeFrancisci, or someone just as skilled (in engineering, assembling, or production), stays with you all along the line. He's part of the package. He's there to protect your interests and get the machine into profitable production for you soon after it arrives. He's a professional skeptic. He makes sure the macaroni production line does exactly what we say it will. And, when he says it works right, it works right.

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Foremost-McKesson

(Continued from page 6)

months ended September 30, Thomas E. Drohan, president and chief executive officer, announced.

"This is our seventeenth consecutive quarter in which earnings from continuing operations exceeded those of the comparable quarter the previous year," Drohan noted. "It also marked the first time that sales in a quarter topped the billion dollar level," he added.

Revenues for the quarter increased 16% to \$1,019,651,000 from \$881,963,000. Income from continuing operations rose 26% to \$16,813,000 from \$13,386,000 in the quarter a year ago. Earnings per share were up 25% to 94 cents from 75 cents on a fully diluted basis.

For the six month period, revenues were \$1,980,438,000, up 14% from the \$1,737,349,000 reported a year ago. Income from continuing operations was up 14% to \$31,199,000, or \$1.75 a share, compared with \$27,342,000, or \$1.55 a share, in the previous year. Net income for the half was \$31,199,000 or \$1.75 a share, compared with \$36,495,000, or \$2.10 a share. The year earlier results included nonrecurring gains of \$9,153,000, or 55 cents a share, principally from the sale of the company's commercial and industrial land development assets.

Profits Up

Operating profit from the company's four principal businesses — drug & health care, foods, wine & spirits and chemical — was up 20% during the quarter to \$34,193,000 from \$28,391,000. The company's homebuilding operations reported a 19% gain in net income for the period, rising to \$2,962,000 from \$2,492,000. Homebuilding operations are not fully consolidated in the company's financial statements.

Drohan noted that all four of the company's principal operating groups reported solid increases in both revenues and operating profit in the quarter. "These results during the period reflect both the balance and recession-resistant characteristics of our business," he said, and added: "We continue to be optimistic about the outlook for the second half of the year, with results expected to be in line with our long-term growth prospects."

The Drug & Health Care Group, the company's largest unit, reported a 21% gain in revenues to \$426,731,000 for the quarter, and a 31% rise in operating profit to \$11,162,000. "This was primarily the result of across the board strength in McKesson Drug Company, reflecting the ever-increasing importance of value-added distribution services to our customers," Drohan said. "McKesson Drug continues to reap the benefits of both its consolidation and automation programs, with continued productivity gains." The company's Armor All protectant division also showed outstanding growth during the quarter.

Revenues of the Foods Group rose 10% to \$258,355,000 and operating profit was up 17% to \$12,435,000 on the strength of excellent results from the bottled water, pasta and whey businesses. Offsetting this, the Dairy Division continues to be adversely affected by price competition in several of its markets, and international results reflected the loss of earnings from the company's Iranian operation.

The Wine & Spirits Group reported a 13% increase in revenues to \$190,666,000 and a 5% rise in operating profit to \$4,477,000. All companies of the group showed strong sales gains and sales of Galliano, Mt. Gay rum and St. Pauli Girl beer were especially strong.

The Chemical Group showed strong growth with revenues up 15% to \$142,686,000 and operating profit up 24% to \$6,119,000. These results reflect the regional nature of the chemical business, with the southern, western and southeastern regions showing strong gains while the central and northeastern regions were affected by the slowing of the economy.

Catelli Progress

from John Labatt Annual Report

Catelli produces and markets a wide range of grocery products under brand names which include: "Habitant" for soups, sauces, pickles and jams, "Catelli", "Splendor" and "Romi" for pasta and "Laura Secord" for jams, marmalades and puddings. The division also markets Ogilvie flour under the "Five Roses" label and other Ogilvie milled products. Catelli is the leading producer of pasta in Canada

and has significant market positions in several of its other product lines, particularly on a regional basis. It is a minor, but increasingly important aspect of Catelli's business. Sales to retail food chains of private label and generic products.

The division operates plants in Montreal, Toronto and Leambridge, Canada's only aseptic pudding plant in Toronto and plants for soups and sauces, jarred goods and other products in St. Hyacinthe, Quebec, Delta, Ontario and Manchester, New Hampshire.

Gains Despite Strike

In fiscal 1980, Catelli achieved earnings gains continuing a growth trend which has established this division as the most significant contributor to the Consumer Products Group. Profit increases were obtained from significantly higher sales volumes and improved operating efficiencies. Catelli sales volumes increased by 9.9% in fiscal 1980 led by strong gains in pudding and pasta. A strike at the Montreal plant during the first month of fiscal 1980 had little effect on the year sales volumes. However, high interest rates caused major retail customers to reduce inventories, temporarily affecting further sales increases.

Production capacity at the aseptic pudding plant in Toronto was expanded to meet increasing market demand. Catelli also expanded its base in New England with the acquisition of two small food processors. These acquisitions will add pickle, condiments and processed meat products to the other quality canned goods produced in Manchester, New Hampshire.

In fiscal 1981 it is anticipated that Catelli will continue the earnings growth achieved in prior years. Business development will emphasize market share gains for established lines, including generic and private label products, and other activities to expand Catelli's business base.

Wheat Production in Canada

Wheat production in Canada as of Sept. 15 was projected at 684.9 million bus, an increase of 6.9% from the estimate of the previous month, at 640 million bus, and 8.9% above 1979 outturn of 631.4 million bus, according to the Canadian Wheat Board.

(Continued on page 23)

THE MACARONI JOURNAL



the durum people



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Changes for Canada

The universal product code, changing demographics, rapidly rising energy costs and the retort pouch are all causing changes that the frozen food industry should be aware of and take action to meet, several supermarket chain executives told the Canadian Frozen Food Association at its convention in Vancouver, B.C.

UPC

"The UPC is going to cause a revolution, not of productivity, but of information," said Brian Davidson, senior vice president of Loblaw Cos. "We are going to know exactly how much of your product is moving out of our stores, and at what velocity. It is going to help us understand our business."

As an example, Davidson said Loblaw had conducted a 26-week test of product movement at several 6,000-item stores. The test showed fewer than 150 items selling more than a case a week, while 2,000 items sold less than a tenth of a case a week.

Retort Pouches

There also will be a big increase in shelf-stable or retort pouch foods, despite the apparent slow start of those products, Davidson said.

One reason for the slow start is that manufacturers introduced the new packaging along with new gourmet entrees, rather than old standbys, hitting consumers with too much newness all at once.

"You never bring out a new fashion in a new fabric," Davidson said. The Japanese and Germans are having good success with the retort packages by putting peas, beans and carrots in them, he added.

Vlad Romanchych, vice president, corporate brands for Dominion Stores, agreed with Davidson. "They are established in Europe. It is only a matter of time until they are here."

Romanchych said one company on the East Coast was having success with a line of about 10 entrees by aggressively advertising them and telling more people about the advantages, such as no need for storage.

At Dominion Stores, tonnage is declining in conventional frozen items, such as peas, beans, corn and mixed vegetables. These have been replaced by "value added" items, such as gour-

met entrees and vegetables and "premium vegetables" such as broccoli and Brussels sprouts.

They sell for a higher price, he said, because people in the new prevalent smaller households with higher incomes want them.

"People have tasted haute cuisine, either in local restaurants or in their travels, and are not willing to settle for frozen dinners and pot pies."

Growth Areas

Two of the biggest growth areas at Dominion Stores are frozen fish and chips and frozen Kentucky fried chicken, he said.

But frozen desserts are having problems Romanchych attributed this to the failure of the industry to develop single-serving desserts to meet the needs of today's smaller households.

The frozen food industry also needs to develop new entrees for breakfast, he added. "McDonald's has developed a whole breakfast market for us, but all we have to offer is frozen waffles."

Energy

A lot can be done to control energy costs, but continued research and development are needed, the retailer executives said.

The new freeze-flow process — which achieves 40-50% energy savings through storage at 20°F. "is exactly what the industry needs," Romanchych said.

Loblaw has been able to achieve "tremendous" energy savings by stringent conservation programs, Davidson said. At one U.S. store near the Three Mile Island, Pa., nuclear reactor, one store has been able to cut its bill slightly in the 18 months since the accident, even though rates there have gone up 300%.

Lionel Vail, division merchandising manager of Woodward Stores, Vancouver, said Woodward would not switch to upright freezers with doors, despite any possible energy savings. "The products lose eye appeal, and they get fogged up as the doors are open and shut."

But Vail said Woodward would like feedback from frozen food manufacturers as to what type of frozen food cases they prefer.

One case Woodward bought a year ago is already chipped and will have

to be returned, he said. "We may have to go to stainless steel or freon, as we have for milk," he said.

Robots Coming?

Robots in a distribution center. The idea has already been put to work in a limited way on automobile assembly lines, and applications in the food industry are "definitely down the road," Paul Canavan of Stop & Shop Co., Boston, told the Food Distribution Research Society meeting in Lexington, Ky.

In a session on warehousing and distribution at the FDRS annual meeting, Canavan said three possible applications of the mechanical robot in item handling are in freezer operations, where the necessity to get manpower out of "hostile" temperature environments is strong; in "rotating" warehouses, where product is transported to the order selector, as in the palletization function at the staging area, where assembly speed often has not kept pace with the case throughput rates generated by mechanized selection.

"This is not available yet, of course, but there is little doubt that it is coming," he said.

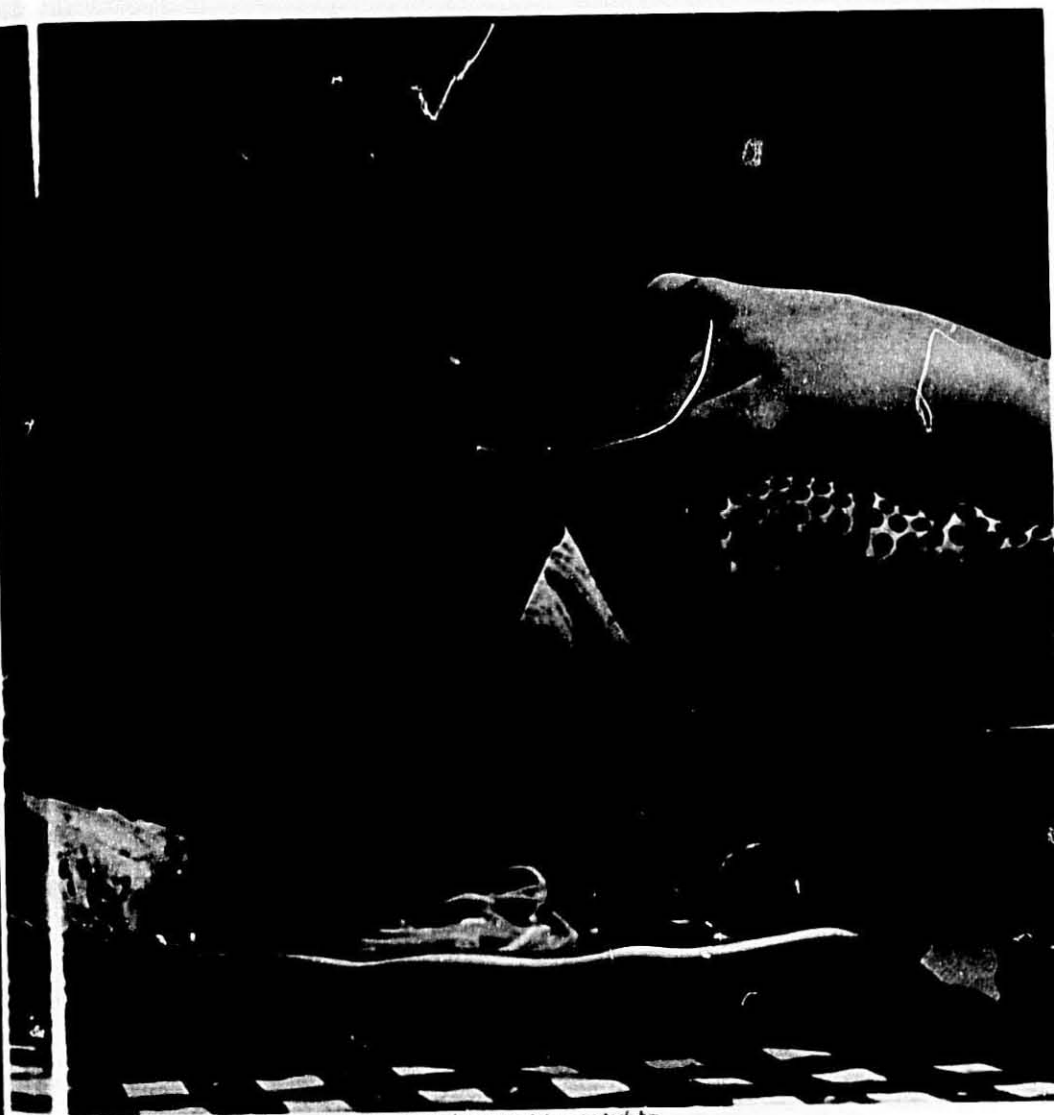
Canavan also summarized some improvements already implemented in warehousing techniques and equipment — for example, the first-in, first-out system augmented by the use of gravity flow racks, with separate selection and replenishment areas.

Benchmarks

Tom Brown, consultant with & Co., Stamford, Conn., offers benchmarks for justifying the installation of several automated and mechanized systems, based on 30 cases per hour.

The RapiScan batch-to-batch system, he said, is justified for handling items moving at the rate of at least one case a week. The fixed cost of the system, he said, depends on the hourly case throughput capacity desired. A weekly figure of roughly 150,000 cases through the warehouse would justify the batch system, Brown added.

The more sophisticated SI system carries a fixed cost, plus another \$200,000 for each additional quad available. Each quad has the capacity for an additional 1,500 cases an hour.



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Robots Coming

(Continued from page 10)

According to Brown, a single-quad installation is justified by a weekly case volume of 100-150,000.

The stacker crane, which cuts manpower in the replenishment phase, costs about \$25 a warehouse slot, or a total of about \$200,000. One unit per aisle, handling 60-100 moves an hour for up to 2,000 pallets, would save five or six minutes a pallet in handling time, a saving of \$1.50 a pallet.

Making Scanning Pay Off

Unless retailers use the information generated by scanners, it is a waste of money to invest in them, retail panelists said at the 81st annual convention of the California Grocers Association.

"The information you get from scanning can improve your gross by 1-2% if you use it, but if you ignore the data, then you've wasted your money," said Howard Smith, owner of Smith's Complete Market, Porterville, Calif.

"If the information generated is not used, it's hard to cost-justify the expenditure for scanning," Richard Small, executive vice president of Foods Co., Los Angeles, added. "However, the price disciplines alone will improve your overall grosses."

According to panel moderator John Weatherman, head of Grocers Equipment Co. (a division of Certified Grocers of California, Los Angeles), between 300 and 1,000 items are mispriced in the average supermarket.

While Smith was specific in enumerating some of the benefits he had derived from scanning, Small and Richard Radlinger, director of corporate planning for ABC Markets, were more general.

The 10 IBM scanners installed at Smith's single-store operation about a year ago have resulted in grocery gross margins increasing 0.5%, produce margins increasing 2%, front-end productivity up 12%, stocking productivity up 20% and cash shortages down 80%.

Foods Co. installed a National Semiconductor Datachecker system at one of its 10 stores six months ago, Small said. Asked whether his produce gross had gone up, he replied, "We saw an improvement when we went from mechanical to electronic cash

registers, but we've had no noticeable improvement on that with scanning.

"Overall, there seems to be some improvement in overall gross margins, but after only two quarters with scanning, we're not able to peg it yet."

Radlinger attributed an improvement of 1.75-2% in overall store gross to scanning. Speaking more generally, he said, "We've improved out front end service, our price marking accuracy, gross profits, gross sales and productivity levels at the checkstand." ABC has Datacheckers at all six of its stores.

Radlinger cautioned independents not to allow equipment vendors to overstate the capability of their systems. "Don't let personalities enter into your decision in selecting a vendor. Be objective in your assessments."

He suggested that training clerks to use scanning equipment be done "as close to the date you go live as possible. When there are delays, checkers become less productive. They have a tendency to forget the symbol locations, for example."

Asked at what volume level retailers can expect scanning to be profitable, Weatherman said studies by Certified and other groups show a minimum weekly volume of \$50,000 for a profitable scanning installation.

Wholesaler Associations Consider Merger

The National-American Wholesale Grocers' Association agreed to explore the "feasibility" of merging with the Cooperative Food Distributors of America to form a new organization representing wholesalers.

NAWGA's executive committee and board of governors approved the feasibility study in Los Angeles, on the eve of the association's midyear executive conference.

Members were told of the development during the conference by Ted C. Wetterau, chairman, who also is chairman of Wetterau, Hazelwood, Mo.

CFDA's three-man executive committee also has approved discussing the possibility of an amalgamation. The co-op group's directors will consider the proposal at CFDA's executive management conference in Scottsdale, Ariz.

The CFDA executive committee consists of Leonard Starr of Richmond, Richmond, past chairman of the association; L. Richard King, URY Stores, Spokane, Wash., current chairman, and Vincent R. Little, president of Roundy's, Wauwatosa, Wis., who will be the next CFDA chairman.

Little, whose firm also is a NAWGA member, was on hand here Wednesday for a press conference to discuss the proposal. Also present was Thomas Zaucha, CFDA president. Representing NAWGA were Gerald E. Peck, NAWGA president; Wetterau and Jack Twyman, vice chairman. Peck is chairman of Super Food Services, Dayton.

Also discussed at the press conference was a report on reorganization of NAWGA, made by McKinsey & Co., New York-based consultant. The report was accepted by NAWGA's board of governors and executive committee as a "complete fulfillment" of the association's contract with McKinsey. Peck stated, "But we won't necessarily adopt every recommendation."

The fact that the McKinsey study and the merger possibility were both discussed at the press conference was described as coincidental. The merger possibilities had been discussed for several years, but didn't become serious until after the McKinsey study was commissioned by NAWGA in March, it was said.

Computer to Computer Ordering Predicted

The industry is ready to implement an 18-month test of standardized computer-to-computer ordering, with general availability of the uniform communication system expected in about two years.

This was stated at the National-American Wholesale Grocers' Association midyear executive conference in Los Angeles by O. Everett Swain, executive vice president of Kraft and chairman of its retail group. Also touting the system and his company's experiments with data transmission was Michael W. Wright, president of Super Valu Stores, Hopkins, Minn.

Both disclosed results of a feasibility study completed in April by Arthur D. Little, Inc., consultant firm which concluded that an electronic

method of exchanging standard business transaction "is both economical and technically feasible and would serve to improve productivity in the administrative areas of order and invoice handling."

Both men noted that the system, as envisioned:

- Would not necessitate revamping individual systems already in use or sending information to a central clearing house.

- The next step is to develop, test and demonstrate a set of message standards to which all existing computers could be keyed.

- The accounting firm of Touche Ross & Co. has been hired to implement the report.

- UCS would not require distributors to pay bills to suppliers any faster than is done now.

- The system would not affect the face-to-face buyer-seller relationship.

- All major distributor and supplier associations have reaffirmed their support, and a joint UCS committee will be named shortly to work with Touche Ross on the project.

Joint Industry Project

Wright noted NAWGA's continued support, and Swain relayed that of the Grocery Manufacturers of America. He quoted George Koch, GMA's president, as saying UCS "is a concept whose time has come. Its potential for improving productivity throughout the industry is unmatched even by PC (the uniform product code which is up front-end mechanization)."

Koch pledged that GMA "will marshal financial, technical and leadership resources to fulfill the commitment of manufacturers to join with wholesalers, retailers and brokers in developing this system."

The Arthur D. Little report stems from a joint industry project begun in 1978. The report concluded that large capital investments will not be required.

Direct and indirect benefits for the entire industry, based on 50% of all transactions, were estimated at \$200 million to more than \$300 million a year, including a direct saving of about \$4 million.

For distributors, total savings were said to be \$84-129 million a year, balanced by costs of \$4.3 million. This was broken down to \$31 million a year on a direct basis and \$53-98 mil-

lion indirectly. For brokers, total potential savings were put at \$24-28 million, including net direct savings of \$12.6 million.

According to Little, annual savings for a \$100-million-a-year distributor with 70% of its orders transmitted by UCS would be \$131,000-208,000. For a \$300-million-a-year firm, the savings were estimated at \$350,000-540,000 annually.

Great Savings Possible

Wright noted that a critical area of savings is in inventory dollars because of more timely communication of information, cutting order-processing lead time and speeding transmission of messages about substitutions, shortages and shipment information. Distributors, he said, would have time to arrange for alternative sources of supply and do a better job of labor scheduling. Little estimated wholesalers industry savings in inventory of \$35-52 million.

Other advantages outlined by Wright: Elimination of mail delays; eliminating processing purchase order forms; permitting timely communication of other permanent data; reducing costly errors and clerical overhead; eliminating manual processing and paper, with data saved on microfiche through computer magnetic tape; reconciling invoice and receiving detail; recapping co-op allowances and other promotional activities, and eliminating lost invoices and mispayments.

Wright noted that for several years Super Valu had experimented with an on-line system of receiving transmissions of invoice data from eight suppliers: General Mills, Continental Processors, Fairmont Foods, Green Giant, Pillsbury, Ralston-Purina, Kimberly Clark and Totino's. Continental Processors transmits invoice data for 10 other suppliers.

Effect of Coupons

One of the mysteries of promotion is the precise effect coupons have on sales. Manufacturers can determine how many coupons are redeemed but can't say how much merchandise a coupon offer moves. A new study by John Blair Marketing and Selling Areas-Marketing Inc., based on supermarket scanner data, may help.

The study's finding: Sales of five products featured in a coupon insert in

the June 22 edition of the Portland, Maine, Sunday Telegram increased an average 58% in the following week. Sales of General Mills' Saluto frozen entrees increased 175%; Kraft mayonnaise, 52%; Lever Bros.' Close-Up toothpaste, 31%, and Ralston Purina's Tender Vittles cat food, 27%. The sole slow-mover was Ralston's Mainstay dog food, up only 4% in a week when total dog-food sales declined 4.5%.

"It's doubtful that these sales increases could be accounted for just by coupons that have been redeemed," says Russell Bowman, Blair vice president. He says consumers who don't have coupons are still influenced by coupon ads, and many shoppers clip coupons, fail to redeem them but still buy the product. In addition, food stores often give extra display support to products that have a coupon offer.

Coupon Bingo

Mix cents-off coupons with bingo and increase coupon use. That's the advice of Maynard Small, promoter of "Coupon Bingo" games starting this month in Cleveland, Dallas, Denver and Seattle newspapers. Ninety-one manufacturers will participate in the promotion.

Normally, about 3% of the coupons in food-days ads are redeemed for purchases. Coupon Bingo increases that rate to between 3.75% and 4.5%, says Mr. Small, president of Creative Marketing Associates, Kansas City. The game was tested there and in Buffalo, N.Y. A Kansas City Star survey found that 29% of the game's players said it prompted them to use more coupons; 49% tried a new product featured in the promotion.

To enter, shoppers must correctly count the total number of coupons in the newspaper's food-section ads and match brand names or cents-off values to square on a bingo card also in the food pages. Prizes of cash (up to \$1,000 in Kansas City) and supermarket gift certificates are awarded to randomly drawn entries. In Kansas City 4% of the Star's subscribers played Coupon Bingo.

The game may help cut through coupon clutter. A. C. Nielsen Co. estimates that 90 billion to 94 billion coupons will be distributed this year, compared with 81.2 billion in 1979.

HIGHLIGHTS FROM PROGRESSIVE GROCER'S EXECUTIVE ROUNDTABLE

Pressure Point 1 The New Consumer

Segmented, selective and harder to sell than ever.

Edgar B. Walzer, Editor-in-Chief/Publisher, Progressive Grocer Magazine:

Throughout American history, people have always had the belief that things are going to get better. Now the sociologists tell us that we are entering a period of declining expectations. Not necessarily declining desires, but an acceptance that while we can still afford anything, we can't afford everything.

Bernard Stein, President Chatham Supermarkets:

The consumer is settling for less. No question about it. For some, it's difficult just making ends meet.

Pressure Point 2 Price: The Competitive Strategy

Coupons, cents-off, and generics — the weapons for increased market share.

Larry Del Santo, Executive Vice President, City Products Corporation: Price, of course, is a major issue for consumers, but we view the value formula as more important. That is, price plus quality and service . . . all the things a customer looks for. Making this formula work for us is our immediate goal. Generics and price breaks may be very trendy, but we're not going to be the cheapest store in town on every item every day.

Dr. Gordon Bloom, MIT, Sloan School of Management:

The credibility of our industry has been impaired by the proliferation of deals. First you tell the customer that there's only 1% profit in this business. Then she sees coffee for \$3 in your store, and \$2 in someone else's. We're doing ourselves a terrible disservice. How can we get the right message out when prices continue to fluctuate like this?

Allen I. Bildner, President, Kings Super Markets:

Are we subsidizing the barebone stores? I think so. Whether manufacturers intended it or not, we are being used as general merchandise departments to increase their gross.



Edgar B. Walzer

Then they turn around and at our expense sell deal merchandise to people who operate the bare bones. I'm not sure what the future holds, but if this continues, the effect on everyone could be devastating.

Pressure Point 3 In-Store Merchandising

Injecting good, old-fashioned excitement back into shopping.

Ed Walzer: Less than 20 years ago, this industry was practically drowning in point-of-sale material. Today our chain and independent store managers say they can't get enough of the right kind. They want to create in-store excitement, they'd rather increase the case-off allowance. Why are we abandoning one of our most successful methods of sales promotion?

Jack Brown, President Hinky Dinky:

We'd better merchandise and do it well. Just look at the success of the fast food industry. They took the page out of the book we wrote. There is something promotional going on in food service almost all of the time. We also taught them the value of consistent quality, cleanliness, and service. If we are going to succeed with today's customer, we've got to make the shopping experience valuable and a little more enjoyable.

Pressure Point 4 Non-Foods

General merchandise as the sales- and profit-extender

Frank James, Executive Vice President, Food Fair:

I think the space is there for non-foods. We just don't see it. Maybe the answer is a reduction of variety, a closer look at product sizes, and even product duplication. There are ways to achieve a desired product mix with attractive margins and good turns. Greeting cards, domestic, and automotive . . . they're all part of our plan. The information we get through scanning will be of inestimable help in freeing up shelf space for items we do not now carry.

Pressure Point 5 Productivity

The need to produce more with less

Jack Brown:

The United States developed and exported the best in technology, and the best in management know-how. Today the Europeans and Japanese are perfecting both as our own productivity declines. We find that advances made abroad are flowing back to us. What irony. The teacher has now become the student.

Pressure Point 6 Store Remodeling and Space Reallocation

Appealing to convenience with pharmacies, foodservice, butchers and bakers.

Frank James:

More and more customers expect to find additional services in today's supermarkets . . . seafood departments, bakeries, sit-down restaurants, banking and other services in our parking lots. It's part of the shopper's demand for more convenience. Sales per square foot are lagging, perhaps we are building stores out including all the facilities which can maximize our use of space.

Pressure Point 7 Inventory Management

Staying on the seesaw between stock conditions and inventory costs

Carl Fazio, Chairman of the Board, Fisher Foods:

Improved asset management is going to have to affect our inventory controls. In a sense, we are like our customers. We must do more with less. Take product variety as an ex-

ample. question the necessity of carrying five or six national labels in a single category, especially when I know my popular private label and my generics are occupying shelf space too.

Pressure Point 8 Controlling the Cost of Business

The likelihood of winning with innovations such as scanning and the return pouch.

Bernard Stein:

How many costs can we possibly eliminate in a downturn economy? Less volume means the pie is shrinking, the consumer is spending less. If we can transfer costs, fine. We'll do that. Perhaps we may even modify some of our store formats. But I would hate to see us transfer or cut costs to the point where service begins to suffer.

Pressure Point 9 Wrinkles in the Operating Plan

Fending against delayed shipments, shrink, unions, government, and the press.

Jack Brown:

Food will become a political football in this country during the next ten years. Unless we learn how to control the working of our own industry, I'm afraid the government is going to do it for us. Twenty-five years from now we may very well see a store logo that reads "U.S. Supermarket."

We need organized labor's support if we're going to successfully overcome our problems. Right now they have us in a straitjacket with some very restrictive contracts. Our hope is that new and progressive union leaders will see that our futures are very much linked together and that they do not give us the flexibility we need. We are all going to suffer for it.

John McCartney, President, McCartney Foods:

Security is an enormous problem in many of our stores. What happens when you find everybody in the place is guilty? Do you fire them all?

Pressure Point 10 The Power of Research

Marketing's tried and true tool for self-knowledge.

Allen Bildner:

There is no margin for error in this market. We have to know more about our trading areas, our penetration, our competition. Yes, research is expensive. But it's more expensive if we don't do it.

Giant Food Profits Lag

Bringing profits back up is a problem that will be attacked on a broad front at Giant Food, David Sykes, senior vice president, finance, said after the firm's annual meeting in Washington, D.C.

Giant's profit for the half plunged 38%.

"No one single thing will increase the earnings," he said in an interview after the meeting. "Reducing overall expenses, increasing volume and the anticipated success of the new hybrid (warehouse) store all are important factors."

Recently, Giant opened its first semi-warehouse store in suburban Maryland, which Israel Cohen, chairman, said could be the prototype for all new stores and the contemplated remodeling of all present ones.

Cohen reiterated his position at the annual meeting, adding that he hopes to have two stores of the new type in Washington and two in Baltimore soon before the operational success of the concept is fully evaluated.

"We figure it will cost between \$100,000 and \$200,000 to convert each store, which is really nothing compared with the cost of renovating and building stores," Cohen said.

He defended the firm's decision to drop unit pricing at the test warehouse store as a way to reduce prices, saying "shelf pricing and the receipt tape" give needed information to the consumer. The cost of unit pricing is about \$5 million, which gets passed on to the shopper in higher prices, he added. In response to shareholder complaints, Cohen said the company would try to devise more clearly marked shelf pricing.

On the expansion front, Cohen said the firm had committed \$33 million for 10 stores and in the next years. Giant has opened three units so far this year, and three more are to open before the close of fiscal 1981.

When asked about Giant's "war on couponing," Cohen said the store

would stand by its belief that "couponing is a very expensive promotional method."

Conventional Supers Want Better "Deals" in Troubled Times



Ken Abrahams

Food Mart of Holyoke, Mass., operates 31 conventional supermarkets within a competitive cauldron of super stores, tough low-margin operations, warehouse stores and various cut-case stores. From time to time, if double coupon offers do not create sufficient waves, triple coupon values are also used. Food Mart's turf extends roughly from central Massachusetts along the Connecticut River into Fairfield County, Conn.

How does a conventional supermarket fare in such a varied demographic climate with such well-established and continually challenging competition? The area not only contains tough, old price-pros, such as Pathmark and ShopLite, but Heartland warehouse stores and most recently Grand Union's Basics. Grand Union opened its Basics in Connecticut with triple coupons. "It's very tough," says Ken Abrahams, who's been with Food Mart since 1954, and has been president of the division, since it became part of Waldhaum's of Long Island, N.Y., in May, 1969. "Even as we are talking now, another competitor is offering triple coupons," he sighed, shaking his head in disbelief.

(Continued on page 16)

Better Deals

(Continued from page 15)

"We think we have a certain image with our customers, certain things they expect from us, and we try very hard to stick with that. We offer a few more specialty items, a few more off-beat produce items, and perhaps a little better quality in produce. We think perishables are very important. It means paying a lot of attention to details, but as you see, we also have to be competitive. There's no time to relax.

Warehouse Store Advantages

Do the warehouse store operations have any special advantages? "If it's one of the real warehouse operations, not just a converted supermarket, and they are well-located geographically, they can be very tough. But they have to be extremely visible from the highways and from all directions. If shoppers have to pass good, conventional supermarkets to get to the warehouse store, then there are things that the supermarkets can do to compete. When it comes to limiting their items to deal merchandise, then warehouse stores have what I think is an unfair advantage."

In a marketing area with highly diverse demographics, from industrial and blue collar to wealthy, fashionable suburbs of New York, a conventional supermarket has to pay a lot of attention to minding the store, Abrahams points out. "You have to shoot for the middle, and find common denominators. Fresh meat and produce are common denominators. People with lower middle incomes can't afford to eat out too often. Yet food is extremely important to them. With two people working, or more, convenience is still important. At one end of the spectrum we have people who want the small beef tips for this kebab, and at the other, family packs are the fastest growing cuts in the meat case."

"With a recession, even though this one isn't as bad as the 1974-75 recession in Massachusetts and Connecticut, we notice a difference in what people are spending on food and groceries. They may still be spending \$60 a week, if that's what they spent before, but that doesn't buy as much as it did because of inflation. So they're trading down. They're buying less expensive foods, although they may not



Ahoy Venet — For the annual Venet Advertising Client Cruise, "Skipper" Zal Venet, president, Venet Advertising, Inc., New York, and clients sailed the high seas of New York Harbor to Monmouth Park, N.J., for a day of the races and a dinner cruise around Manhattan. Shown (from right) are Venet; Ted Settanny, president, Prince Foods Company; Al Aidelman, chairman of the board, Supermarkets General Corporation; Joseph Uddo, president, Johnson Chemical Company; Kurt Goldman, president, Johanna Farms; Russ Sillery, director of advertising, Price Chopper Supermarkets, and Herb Brody, president, Supermarkets General Corporation.

be really going back to basics — they can't if both adults are working. There's even a lot of fancy cooking still going on."

Why Generics?

Is that why Food Mart offers generic labels? "Yes," says Abrahams. "There are people interested in saving money, and the generics do that. At least they are what they say they are—not the best—and they say so right on the label. They're a second private label. In fact, we've dropped our second private label in frozen, because we don't need it with generics."

It's often said that supermarkets have forgotten how to merchandise and promote. "We still do theme promotions and they work. We just held our annual farm-stand produce promotion, and it was very successful. What surprised me is that it was successful with our employees. We got several letters from employees telling us how much they enjoyed it. We tied in our TV spots with country music and the country fair theme, and had all the store employees dressed in blue jeans, bandanas, farm hats and shirts. I think they were so happy to get out of those uniforms that they really joined in the spirit of the thing. So we're going to do it this way next year."

There is no doubt in Abrahams' mind that the conventional supermarkets will continue to do well if they are careful. "We're building three new stores this year, and we opened two in 1979. We're building a Food Mart in Farmington, Conn., and two Waldbaums in Devon and Milford, Conn. We use the Waldbaum name for all stores south of Bridgeport. Our new stores are bigger, today — 80,000 square feet, and that's with very little general merchandise. This is a more comfortable size for us."

What's The Deal?

"But getting back to the problem of competing with warehouse stores," says Abrahams, "There is a problem that the manufacturer is going to have to face up to. If warehouse stores are going to be allowed to buy on deal merchandise, and to ignore the rest of the line or the regular priced merchandise, then we are entitled to something more. If we are expected to carry the complete line for 52 weeks of the year, then we deserve something more. What's important to me is where I have to sell that item, not where I buy it. It only means something when I sell it. This situation is giving the warehouse store and the limited assortment store an unfair advantage. Somehow, the manufacturers are going to have to deal with this problem."

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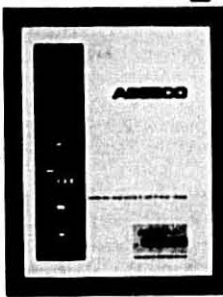
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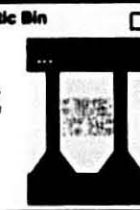
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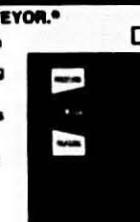
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Cost Cutting Consumers

Dean Rothbart writes in the Wall Street Journal: "We used to go to the grocery store and just pick things up. We didn't care what the price was. We'll never do that again."

Margaret Johnson, 35 years old and mother of four, is reciting the creed of a new generation of sophisticated consumers as she weaves her grocery cart through the aisles of Heinen's supermarket in suburban Cleveland. Together, these smart shoppers are eroding a number of marketing principles that have long been basic to the supermarket industry.

Mrs. Johnson's shopping behavior isn't radical. She studies newspaper ads to find the best bargains, stocks up on sale items, uses money-saving coupons and writes lists before driving to the grocery store to lessen the temptation of impulse buying. Mrs. Johnson believes these tactics have helped cut about 15% from her weekly food bill, which averages about \$125.

Routine Rule

Supermarket executives say there's growing evidence in recent years that Mrs. Johnson's shopping rules have become routine for a majority of consumers. Significantly, the rules are being applied consistently, not just in economic hard times. For the supermarket industry, that signals a period of painful adjustment ahead.

Mrs. Johnson doesn't know it, and few supermarket managers admit it publicly, but thrifty shopping is inimical to supermarket profits. Supermarket executives didn't worry when only a small portion of their customers were careful buyers. But the swelling ranks of smart shoppers are causing hand-wringing in the industry.

Grocery chains traditionally lure customers with sale-priced low-profit staples such as milk, sugar, coffee and detergent. They count on customers to fill out their orders with quality meats, produce, convenience foods and nongrocery items, all of which carry a healthier profit margin. Lately, store managers report that sales of many of these high-profit items are sharply down.

High Volume - Low Margin

The supermarket business has always been a high-volume, low-margin

industry. One penny of profit on each sales dollar is what supermarket executives strive to earn. But with increasing competition among chains inflated operating costs and more so-called competition among chains, have reached that profit level lately.

A Cornell University survey reported that average earnings for 55 supermarket chains fell to 0.8% of sales in the 12 months ended last April from 0.93% a year earlier. Dollar sales rose 2.1% in the same period, but a 14.4% inflation rate meant that sales, in real terms, dropped by 12%.

"As long as we are faced with inflation, we are going to have the same shopping habits and therefore lower earnings," says Cornell marketing professor Gene German, coauthor of the supermarket survey.

An annual consumers survey by Yankelovich, Skelly & White Co., a national polling organization, found shoppers trying harder to cut their food bills than at any time since the 1974-75 recession. At least two-thirds of those questioned said they routinely stocked up on bargain items, bought private-label brands and used shopping lists.

Defensive Tactics

What defensive tactics will the supermarket adopt? Kroger Co., a Cincinnati-based supermarket company, is trying to broaden its appeal with a blend of higher-priced specialty items and low-cost private-label goods.

"We have been evolving over the last seven years into a combination-type supermarket, including cheese, deli, bakery, some fresh seafood and service-oriented meat departments," says Richard M. Koster, Kroger's group vice president of merchandising, advertising and research. The aim is to get customers to "trade-up" to higher profit-margin items. "If you trade down, and that is all you do, then you'll go broke," Mr. Koster says.

To insure that even smart shoppers continue to buy high-margin items, many supermarkets now stock a full line of general merchandise and soft goods items, often including clothing, motor oil, hardware and toys. As much as 60% of the shelf space in some Kroger stores is now devoted to non-food items.

Consumers may find that their economizing has backfired, forcing gro-

cery retailers to widen the markup on low-profit staples. "A large markup on staple items will probably occur," says Byron E. Allumbaugh, chairman and chief executive of Ralph's Supermarkets, a unit of Federated Department Stores Inc.

Well-managed supermarket chains will survive, although a few that aren't flexible enough to adapt may fail, Mr. Allumbaugh says. "I don't see supermarkets becoming the dinosaurs of the retailing industry. The good operators are going to be here for the long haul."

Recession Study by S.A.M.I.

Consumer buying habits developed during the 1974 recession in general have not been repeated in supermarkets during this year's slump, concluded a special recession study by Selling-Areas Marketing.

The report noted that "as might be expected in a broad analysis of this nature, where the only common denominator between periods was the rate of inflation and the beginning of a downturn in Gross National Product, we find both similarities in trends and major differences." The report said, however, "We believe that variables other than the economic picture may have influenced category volume trends more importantly." It also noted that the study may have been done prematurely.

In November 1974, Supermarket News reported a trend away from high-margin items in favor of increased staple purchases because of increased shopper price sensitivity.

While overall tonnage changes were difficult to discern, most chains reported that frozen were off. The hardest hit items were the sensitive to sugar prices, such as soda fruit drinks, cookies, candy and preserves. Sales of most canned fruits and vegetables, aside from tomatoes, were flat or down because of price increases and limited availability.

Flour and cake mixes were said to move well at regular prices and "spectacularly" during promotions. Canned tuna sales remained strong because of a meat shortage, but canned salmon dropped substantially because of price increases. Inexpensive pre-

pared goods, both canned and frozen, gained in sales at the expense of higher priced items. Pasta, rice and potatoes sold well.

S.A.M.I. compared tonnage and price change for the 12-week period ended July 5, 1974, with the equivalent period in 1973, and the 12-week period ended June 27, 1980 with the same period in 1979.

Pasta Performance

In 1980, pasta tonnage decreased 11% and price increased 21.8%. In 1974, despite a 47.9% price increase, volume rose 2.3%. During the earlier period, it was reported that consumers turned to pasta as they turned away from the more expensive dry packaged dinners. A S.A.M.I. spokesman speculated that in 1980, people there decided they "couldn't really beat" the recession by economizing with pasta.

For the flour category, in 1980 there was a 12.2% price increase and a 1.9% increase in tonnage. In 1974, despite a 47.7% price increase, tonnage increased by 2.6%. The S.A.M.I. spokesman pointed to the much greater popularity of home baking in 1974.

Significant differences between the two periods emerged in the frozen rice and rice combinations category. In 1980, despite a 9.6% price increase, tonnage increased 97.5% over 1979. In 1974, with a 10.3% increase in price, volume increased 15%.

Burgoyne Study on Shopper Attitudes to Generics

A national study of supermarket shoppers, conducted by Burgoyne, Inc., indicates that 62.8% of consumers rate private label products as equal to or better than the national brand.

In addition, the Cincinnati based marketing research firm reports that nearly twice as many respondents (60.9%) point to the elimination of advertising costs as the reason why private labels are priced lower than the national brands - as opposed to the quality not being as good or consistent (31.1%).

As much as 60% of those responding to the survey also rated generic quality equal to the national brands. While generics were purchased by

37.8% of the respondents, nearly 63% of those shoppers said that they probably to definitely will continue purchasing them.

IF RESPONDENT HAS PURCHASED ANY GENERIC PRODUCTS

By Census Region	Yes %	No %
New England	51.5	48.5
Mid Atlantic	43.0	57.0
South Atlantic	29.6	70.4
East North Central	45.9	54.1
East South Central	26.7	73.3
West North Central	32.2	67.8
West South Central	31.9	68.1
Mountain	53.7	46.3
Pacific	25.6	74.4

RATING OF GENERICS COMPARED TO NATIONAL BRANDS

(Based on Those Who Have Purchased Generic Products) By Total Sample

Generic Quality Equal to or Better Than National Brands	Generic Quality Lower than National Brands
Paper Products	40.8% 57.9%
Dairy Products	77.1% 20.3%
Soup	61.8% 37.2%
Catsup	67.1% 31.6%
Canned Pasta	78.1% 21.8%
Juices	77.3% 22.3%

LIKELIHOOD OF CONTINUING TO PURCHASE GENERIC PRODUCTS

By Total Sample	Total Sample %
Will Definitely Continue to Buy Them	31.8
Will Probably Continue to Buy Them	30.6
Might or Might Not Continue to Buy Them	19.4
Will Probably Not Continue to Buy Them	8.7
Will Definitely Not Continue to Buy Them	9.4
Don't Know	1

HOW RESPONDENT COMPARES PRIVATE LABEL BRANDS TO NATIONALLY ADVERTISED BRANDS

By Total Sample	Total Sample %
Better than Nationally Advertised Brands	2.6
Equal to Nationally Advertised Brands	60.2
Not as Good as Nationally Advertised Brands	7.4
Don't Know	7.4

REASON WHY PRIVATE LABEL BRANDS ARE PRICED LOWER THAN NATIONALLY ADVERTISED BRANDS

By Total Sample	Total Sample %
Advertising Costs Are Eliminated	60.9
Quality Is Not as Good/As Consistent	31.1
Don't Know	8.0

GENERIC PRODUCTS RESPONDENT HAS PURCHASED

By Total Sample	Total Sample %
Paper Products	61.9
Dairy Products	12.9
Soup	23.1
Catsup	31.0
Canned Pasta	9.5
Juices	27.3
Canned Vegetables/Canned Fruits	40.0
Peanut Butter	8.3
Laundry/Dishwasher Detergent	9.4
Jelly	6.8
All Others	39.2
Don't Know	7

COMPARISON OF GENERIC PRODUCTS TO PRIVATE LABEL PRODUCTS

(Based on Those Who Have Purchased Generic Products) By Total Sample

By Total Sample	Total Sample %
Much Better Than PL Products	1.6
Somewhat Better Than LP Products	5.4
About the Same as PL Products	60.1
Somewhat Worse Than PL Products	22.2
Much Worse Than PL Products	6.3
Don't Know	4.2

Frozen Lasagna Ad

Stouffer Foods Corporation pictures its frozen lasagna in trade advertising with the copy: "The frozen single-dish market topped \$1 billion dollars last year. And those same 1979 figures represent a 71% increase in sales since 1978. In that same period of time, Stouffer's growth has outpaced the growth of the market as a whole, for an increase of over 116%."

Egg Products

Central State Nest Run \$12.60 to \$15.60.
Southeast Nest Run - \$13.20 to \$15.60.
Frozen Whole - 46.5¢ to 54¢
Frozen Whites - 25¢ to 35¢
Dried Whole - \$1.94 to \$2.15
Dried Yolks - \$2.10 to \$2.45.

Thanks for a good year

We've had over 100 years of them, and they've consistently been good years for us, thanks to you.

Consistency is the basis of our business. At Peavey, we've built our reputation over the years by providing the baking industry with constant quality in bread and roll flours, cake and cookie flours, and bakery mixes and bases, products whose performance never varies - batch after batch.

Look forward to more of the same from Peavey. And toast the consistent quality that builds reputations - yours and ours.

NEW CALENDAR SERIES "Foods of the World"

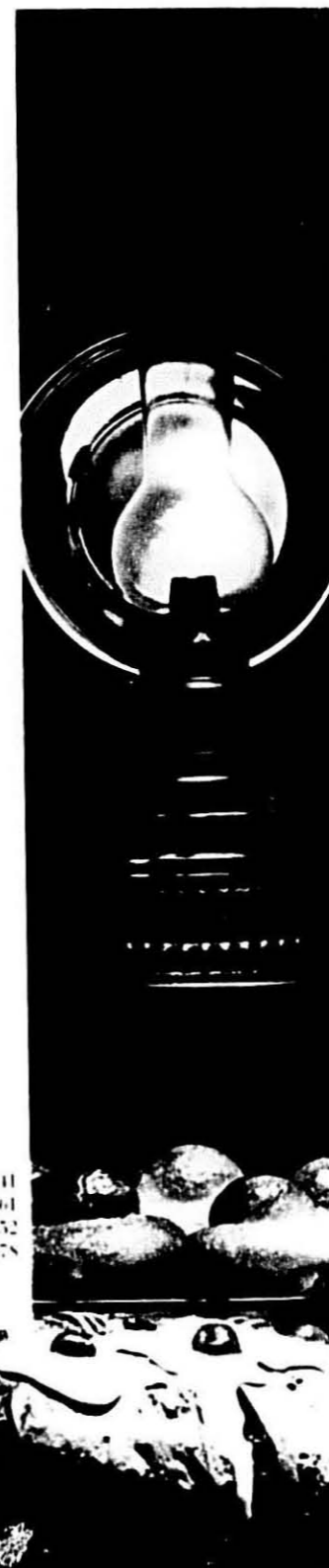
Peavey's year-at-a-glance calendars have become a tradition for almost as long as we've been in business.

Now we're offering the first in a new "Foods Of The World" series - the delightful foods of Italy. It's beautifully illustrated with the Italian scene at the left...and it's available on request through your distributor or Peavey representative. Just ask.

Peavey

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Nationwide Food Consumption Survey

Vitamin Nutrition Information Service of Hoffman-La Roche has published a USDA interpretation of preliminary data from the 1977-78 Nationwide Food Consumption Survey (NFCS) conducted by the U.S. Department of Agriculture. Highlights follow:

- Food used by households in 1977 had a higher nutrient density than food used in 1965.
- Caloric intakes of all sex-age groups were lower in 1977 than in 1965.
- Average weights of people in most groups in 1977 were similar to average weights for 1965. Thus, the drop in caloric intake does not appear to be associated with loss of weight.
- Levels of nutrients were measured in food available in the household. It is presumed that most of this food was consumed. Overall, levels of all vitamins and minerals except calcium were similar to or higher than those found in 1965. This was the reverse of the trend seen between 1955 and 1965. Some exceptions to these overall levels occurred in specific sex-age groups as follows:
 - Average iron intakes of females 12 to 50 years were between 35% and 40% below the RDA, as in 1965.
 - Vitamin B6 intakes in adult groups were below the RDA. Females 15 years and over had average intakes between 35% and 40% below the 1974 RDA.
 - The iron intake of infants in 1977 was more than twice the intake in 1965. However, the average intake of 1- to 2-year olds was much lower — about 45% below the 1974 RDA.
 - Average calcium intakes of females 12 years and older were 25% or more below the 1974 RDA. Several groups of children and males had intakes that averaged about 10% below the RDA.
 - Average intakes of magnesium were below the 1974 RDA for

nearly all sex-age groups.

- In spite of a decline in the use of bread and cereal products, the levels of B vitamins in available food did not decline. Thiamin in particular showed a marked increase. Reasons cited were:
 - (1) the Federal standard for enrichment of flour was increased in 1975; and
 - (2) the decline occurred predominantly in the use of unenriched refined bread and cereal products. The use of these products dropped markedly from 21% of all breads and cereals in 1964 to 5% in 1977.

- Of all the nutrients, intake of ascorbic acid increased most since 1965. This is attributed to an increased use of fresh fruits, especially citrus fruits, dark green vegetables and fortified fruit drinks
- Of the energy-providing nutrients, intake of carbohydrate declined the most (-13%) and fat second (-9%).
- An increased percentage of the food dollar was spent on food away from home — up from 17% in 1965 to 24% in 1977.
- The money value of food per person for the lowest income group was comparable to that for the three middle income groups — a possible indicator of the success of the Food Stamp Program. Value of food received without direct expense by a household (received as a gift or as payment or home produced) or bought at a price below market value (as with Food Stamps) is calculated on the average price per pound paid for that food by survey households in the same region.
- The average money value of food at home per person was \$8.78 per week in spring 1965 and \$16.44 per week in spring 1977, an increase of about 87%. The difference may reflect the rise in food prices, the change in the types of foods used, and the change in the quantities of foods consumed by households.

Eating Habits

USDA, Hyattsville, MD 20 92, from Consumer Nutrition Center, June, 1980

Meat, Poultry, Fish: Although average household consumption of meat at home increased a few percentage points between 1965 and 1977, there was no evidence of increased intake at home and away for individual household members.

Grains: People reported eating less grain products in 1977 than in 1965. Within the grain group, people reported eating more cereals and pastas than in 1965 but less breads and bakery products.

Potatoes: Teenage girls and adults (35 years and over) ate more white potatoes in 1977 than in 1965; children, teenage boys, and young adults (23 to 34) ate less. Among potato users, over half the groups of teenage girls and adults consumed at least 25% more potatoes in 1977 than in 1965, particularly girls 15 to 18 years old and elderly men (75 years and over).

Tomatoes: Consumption of tomatoes declined markedly from 1965 to 1977, particularly among women whose consumption was down about one-third.

Data for Nutritional Labeling

from Agricultural Bulletin No. 382

Food code 21900 — Enriched Macaroni & Cheese: Baked from home recipe, 1 cup is 200 grams. 2 10 — Canned — 1 cup is 240 grams.

Food code 22060 — Cooked chicken and noodles from home recipe 1 cup is 240 grams.

Food code 22190 — Enriched spaghetti in tomato sauce with cheese from home recipe, 1 cup is 250 grams. 22190 — Canned — 1 cup is 250 grams.

Food code 22200 — Enriched spaghetti in tomato sauce with meatballs from home recipe, 1 cup is 248 grams. 22210 — Canned — 1 cup is 250 grams.

Pasta and Noodles: Food code 41790 — Enriched Macaroni, cooked, tender stage, hot — 1 cup is 140 grams; cold — 1 cup is 105 grams and Code is 41800. 41810 — cooked, firm stage, 1 cup is 130 grams.

Food code 41850 — Enriched Egg Noodles, cooked, 1 cup is 160 grams.

Food code 41870 — Canned Chow Mein: Noodles, 1 cup is 45 grams.
Food code 41880 — Enriched Spaghetti, cooked, firm stage, "al dente", 1 cup is 130 grams. 41890 — cooked, tender stage, 1 cup is 140 grams.

Wheat Production in Canada

(Continued from page 8)

ing to a report issued by Statistics Canada on Oct. 3. The projection was substantially higher than the private trade had anticipated.

Projection of spring wheat was 50.5 million bus, against 533.5 million bus in 1979, while winter wheat was placed at 33.3 million bus, compared with 31.8 million bus last year, and durum wheat was estimated at 71.1 million bus, against 66.1 million in 1979.

Durum Production

Department of Agriculture estimates of 1980 durum production with comparisons, as well as prospective yield and acreage to be harvested as of Oct. 1:

	Production		Yield		Area Harvested
	1979	1980	1979	1980	
	(1,000 bus)	(bus)	(bus/acre)	(bus/acre)	(1,000 acres)
Ariz.	10,875	5,250	6,370	75.0	145
Cal.	7,800	3,600	8,625	78.0	100
Ill.	3,600	2,849	3,773	30.0	120
Mont.	6,460	6,825	8,700	17.0	380
N.D.	74,100	84,500	102,060	19.0	3,900
S.D.	3,800	3,630	3,800	19.0	200
U.S.	103,635	106,654	133,328	22.0	4,845

Durum Prices — 6 Year High

Seminola ranged from \$20.40 to \$21.35 in Minneapolis, in October; granular \$20 to \$21.15; fancy patent durum flour \$20.05 to \$20.60.

From Peavey Annual Report

In fiscal 1980, flour volume was up 5 percent from the prior year. Their 9 mill produced a wide range of specialty products which were marketed both in bulk and bagged to high-volume bakery customers, as well as a variety of bakeries with specialized needs. Peavey maintained its leading share of the semolina and durum flour market, which consists primarily of pasta manufacturers. While the pasta market was virtually flat for the year, Peavey volume and earnings improved.

Wheat Commission Election Results

Ludger Kadlec, Pisek area farmer was re-elected Chairman of the North Dakota Wheat Commission at its recent reorganizational meeting held in Jamestown. Kadlec is serving his second six-year term on the Wheat Commission. Re-elected to the Vice Chairman spot was George Kubik who farms near Manning.

Four Commission members were also elected to represent North Dakota on the U.S. Wheat Associates Board of Directors (USWA) for the 1980-81 fiscal year. Besides Kadlec, Elmer Dockter of Streeter, J. Ole Sampson of Williston, and Herman Schmitz of Williston were re-elected for the one-year terms on the USWA Board. Other Commission members are Don Giffey of Roseglen and George Smith of Amania.

Melvin G. Maier is the Administrator of N.D. Wheat Commission.

Minnesota Wheat Council

Merle Hedland, a Kindred, North Dakota native, has been appointed Executive Director of the Minnesota Wheat Council. Hedland will be responsible for the Council's promotional programs aimed at expanding domestic and overseas sales of Minnesota and U.S. wheat.

He had been Vice President for U.S. Wheat Associates in Washington with responsibility for operation of the overseas market development effort. Before that he held a similar six year position in Great Plains Wheat and another six years as an employee of the North Dakota Wheat Commission.

Hedland received a degree in Agricultural Economics in 1968 from North Dakota State University. He and his family moved to Red Lake Falls, where he began his duties at Wheat Council headquarters on June 1, 1980.

Grain Inspections

The Senate Agriculture Committee has approved a measure to reduce the federal role in grain inspection. Under the bill, a federal inspection would not be required unless a buyer or seller requested one. Intra-company shipments would also be exempt.

Sprouted Wheat Makes Good Feed

The benefits of sprouted spring wheat and durum as animal feed is the subject of a release issued by the Cooperative Extension Service at North Dakota State University in Fargo in response to inquiry from the state's farmers about the most profitable uses of the high proportion of sprout damage in this year's crops. Conclusions drawn from available research were presented by W. E. Eide, animal husbandman for North Dakota Cooperative Extension Service, and by Dr. L. D. Johnson and Dr. R. L. Harrold of the Department of Animal Science of the North Dakota Agricultural Experiment Station.

Wheat is graded according to the percentage of sprouted kernels and more than 2% sprouted kernels calls for the designation "sprouted wheat," the summary points out. Number grades are lowered with increased sprout damage until 15% sprout is classified as "sample."

May be Slightly Improved

Research evidence indicates that sprouted grain is good feed and nutritive value of grain protein does not appear to be lowered, according to the survey. "In fact," it says, "it may even be slightly improved by moderate sprouting." At N.D.S.U., preliminary research involving feeding sprouted durum and spring wheat to swine indicated that these grains gave acceptable performance when compared with a control barley-soybean meal ration. Both sprouted spring and durum were used at 20% and 40% in different rations, and average daily gain was equal to or superior to the control lot fed the basal barley ration. "The 20% durum ration gave significantly higher gains than all other treatments," according to the summary.

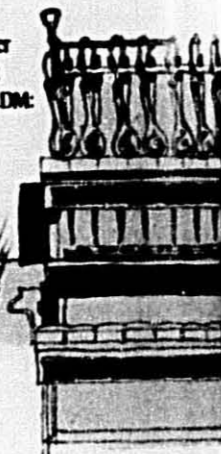
Also at N.D.S.U., sprouted durum was fed to early maturing market-type turkeys. Results were the same when sprouted durum was substituted for sound spring wheat or corn.

Conclusion from available research data are that sprouted grain contains essentially the same feeding value as normal grain per unit weight for cattle, swine and poultry, the researchers conclude.

ADM's labs constantly analyze both wheat and flour— making sure you get the best.



Another
Benefit
from ADM:



ADM Milling reaffirms its long-standing, total commitment to quality assurance on a regular, daily basis. That's because careful testing of both wheat and flour is a full-time job at every ADM Milling Center.

As wheat crops from Texas to the Canadian border reach maturity, ADM Milling is there to sample and analyze that specific wheat for quality, nutritional content, and baking potential.

With this specialized data on each local crop, ADM is in an excellent position to select only the wheat that will mill out to our rigid specifications.

But quality assurance at ADM goes even further:

The milling and blending processes are also constantly monitored. Flour is tested at routine intervals as it comes from the mill — and comprehensive bake tests are conducted to ensure that the flour meets absolute specifications before shipment to you.

And then ADM spot-checks the efforts of the labs in the individual mills by conducting duplicate tests in its Central Control Lab at Salina, Kansas.

In this respect — and in many others — ADM Milling Company is unique in the market.

But all you really have to remember is that ADM assumes total responsibility for — and maintains total control of — the quality and availability of its products.

And that's a definite advantage to you.



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ADM also supplies quality baker's shortening, corn sweeteners, CO₂, soy protein and vital wheat gluten for the baking industry.



The Common Market

by Dr. Giuseppe Menconi,
Executive Director, Unione Industriali
Pastai Italiani

With the advent of the Common Market, the economic sectors of commerce, industry and agriculture of the various nations realized the urgent need to form associations which could represent them at the new multinational institution created by the treaty of Rome in 1957.

The first countries to sign the treaty were Germany, France, Italy, Belgium, Luxembourg and the Low Countries; they were followed in 1973 by the United Kingdom, Ireland, Denmark and, finally, Greece in 1979.

The goal of the European Economic Community is the gradual formation of a common policy regarding agricultural, fiscal, commercial, customs and financial matters.

The most important steps taken to date by the European Community have been in the field of food industries and their role as transformers of agricultural products.

Regulations and directives emanating from Brussels and applicable to the member countries, affect the tariffs on imports and exports, the fixing of common agricultural prices, and financial intervention to maintain these prices.

It is immediately evident how much has been accomplished in this field, when one considers the diversity of national policies which existed prior to the formation of the European Common Market.

It is logical, therefore, given the scope of activities being dealt with, that the needs of the European pasta industry should come within the sphere of the organization in Brussels. The U.N. A. F. P. A., or Union of Associated Pasta Manufacturers of the European Economic Community, was created for precisely this purpose.

This Union was created from the coming together of national associations having completely diverse structures, production methods and market dimensions. And it is for this reason, despite the best of intentions, it is often impossible to come up with regulations that are satisfactory to all the different members of the organization.

For example, Italy and France favor the use of durum wheat (grano duro)



Dr. Giuseppe Menconi

in the production of pasta, while the other countries hold out for a wider choice in the use of raw materials.

Italy must often bear the concerted position of all those European manufacturers who do not welcome the importation onto their markets of Italian pasta. This attitude, in my opinion, is at odds with the fundamental principles of a market which things of itself as common and integrated.

There are, however, other points on which agreement has been reached in Brussels, for example, with regard to labeling, weights and measures, and price levels.

The European Organization of Pasta Manufacturers has the right, through the UN. A.F.P.A., to send one of its members to the Cereals Consultation Committee of the European Economic Community, which meets once a month in Brussels, and where the representatives of the agricultural, industrial, commercial and consumer categories can discuss the problems of agricultural production together with the executives of the C.E.C. Commission.

The President and Secretary of the UN. A.F.P.A. serve for one-year terms only. They are elected from among candidates chosen by the national associations.

Presidents UN. A. F. P. A.

Year	Incumbents
1969	Buitoni (Italy)
1970	Panzani (France)
1971	Birkel (Germany)
1972	Birkel (Germany)
1973	Beltman (Holland)
1974	Virga (Italy)
1975	Panzani (France)

1976	Birkel (Germany)
1977	Fox (United Kingdom)
1978	Soubry (Belgium)
1979	Agnesi (Italy)

Pasta in Switzerland

Thirteen of nineteen pasta manufacturers belong to the Swiss Macaroni Manufacturers Association. They are enjoying a slightly upward trend in sales.

They use only semolina to produce their noodles, spaghetti and elbow macaroni. Semolina special costs \$1 to \$6 Swiss Francs per 100 kg. Semolina ordinary costs 80 to 83 SFr. Most product is packed in cellophane. Cheapest price is .90 SFr. for 500 grams; highest 3.35 SFr. for 500 grams of lasagne verdi.

Non-tariff barriers of some European markets hinder the exporting of Swiss macaroni.

Pasta in France

The sales of spaghetti and coquillettes made exclusively of durum wheat by the thirty pasta producers of France are steady according to reports from the Syndicat des Industriels Fabricants de Pates Alimentaires in Paris.

World Prices

A Swiss bank tabulating world prices of 1 kilogram of spaghetti in July, 1979, gave the following in Swiss francs: Milan, 1.04; Zurich, 2.05; Los Angeles, 2.07; Chicago, 2.10; Montreal, 2.30; New York, 2.40.

RHM Develops Food

According to Activity, the new newspaper for the Ranks Home-Dougall Group, the government has been asked to consider the safe and nutritional value of an entire new human food developed at IHM's Lord Rank Research Centre, High Wycombe.

The Group has been seeking approval from the Department of Health and Ministry of Agriculture, Fisheries and Food (MAFF), to make a product for human consumption which can be cultivated into food richer in protein than the best quality steak. A recent report from government scientific advisers had urged the government to

give more support to biotechnology, as a potentially important new industry for Britain.

Activity said that RHM's safety case had been summarized in a 2-million-word submission to MAFF which shows the results of animal feeding trials with the new product. It added that researchers believe that a nutritionally valuable and safe food can be made from starch by-products of food processing; MAFF had said that it had been asked to consider the new product as a human food and had been taking advice outside the department.

The item said the research at High Wycombe had been aided by a pilot fermentation plant capable of making several tonnes of the powdered food a week. The process produces a flour-like substance as raw material for food processing. The new food was described as "a microscopic mushroom-like plant, cultivated in a bubbling broth of nutrients under computer control. The 'porridge' this yields can be dried to powder, contains all the amino acids needed for human well-being."

When Campbell Soup Co. tapped the debt market for the first time with a \$100 million, 10-year offering in June, it broke with a long tradition in its 11-year history. Campbell has relied primarily on internally generated funds to build powerful market shares in its traditional food businesses. It also has eschewed the aggressive marketing and diversification programs typical of its industry. But now the company is making a striking change: In their first amplification of plans for raising the \$100 million, Campbell insiders say that President Harold A. Shaub may use at least part of it to finance the company's first serious move out of the food industry.

Campbell Soup: Widening Its Menu

from Business Week

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The new direction at Camden (N.J.)-based Campbell is more than the sum of its potential acquisition and new product. It is a change in the company's self-perception. "When I came to it, the company was a producer of canned foods," says Shaub. Now, he says, "I like to think of us as being in a consumer goods business." The change is radical, even though its short-term effect will be more moderate: A \$250 million nonfood business would account for just 10% of sales.

Shaub is being pushed into the new products by his markets. Sales of soups

pastas, for example — Campbell earned \$132.7 million on \$2.2 billion in sales last year. Its margin, which averaged 5.8% over the past five years, are usually several percentage points higher than most other diversified food processors. And its president is a 39-year veteran of the company's conservative single-minded culture.

Nevertheless, for the eight years that he has held the top post, Shaub has been quietly preparing his company for the changes to come. He has redefined the company's business, decentralized it, added a new marketing staff, and changed priorities on its balance sheet, thus laying the groundwork for new goals. These include the probable acquisition of a consumer products company with annual sales of perhaps \$250 million, possibly in the proprietary drug or household product business. Concurrently, for the first time in more than 10 years, Campbell is launching the first in a series of major new food products, with the goal of introducing two additional products each year.

Campbell, already profitable, now hopes to grow at a rate faster than its recent 10-year average of 9% in sales and 8% in pretax earnings through acquisition and by putting a lot of clout behind its new product offerings. Competitors are already worried about its first new product — Prego spaghetti sauce, now in test markets and scheduled to be rolled out to 25% of the U.S. by August. "We consider ourselves pretty good marketers," says George F. Goebeler, president of the packaged foods division of Chesebrough-Pond's Inc., whose Ragu brand leads the field. But, he adds, "I don't think anyone should take (Campbell) lightly."

Change in Self-perception

Remarkable Change

The change is remarkable for several reasons. Campbell has been notably successful in its strategy of concentrating on the efficient production of a limited number of food products. With its 65% share of the U.S. soup market and with its well-known sidelines — Swanson frozen foods, Pepperidge Farm bakery products, Vlasic pickles, and Franco-American canned

in the U.S. in 1979 amounted to an estimated 34% of sales and 45% of profits, but the rate of growth in this market has been declining since the mid-1960s, and industrywide shipments are projected to increase at just 1% per year for the foreseeable future. Projections are similarly pessimistic for Campbell's \$330 million-per-year Swanson line and its \$125 million Franco-American pastas.

Plans call for an estimated \$8 million to advertise and promote Prego spaghetti sauce — more than any expenditures on any previous Campbell product. While Prego might appear to be a natural extension of Franco-American, it actually is Campbell's first new entry in years into a growth market. U.S. sales of packaged sauces now total \$375 million and are expected to reach \$500 million in five years. They are looking for a 10% share, even though such a niche may require a protracted fight. "Ragu may try to make a war out of it," it is stated. Hunt-Wesson Foods Inc. has lost \$8 million trying to crack the same market with Prima Salsa sauce against Ragu, which holds a commanding 65% share.

Similar battles could face Campbell's introductions of its additional food products. But the company also is repositioning some of its staple lines.

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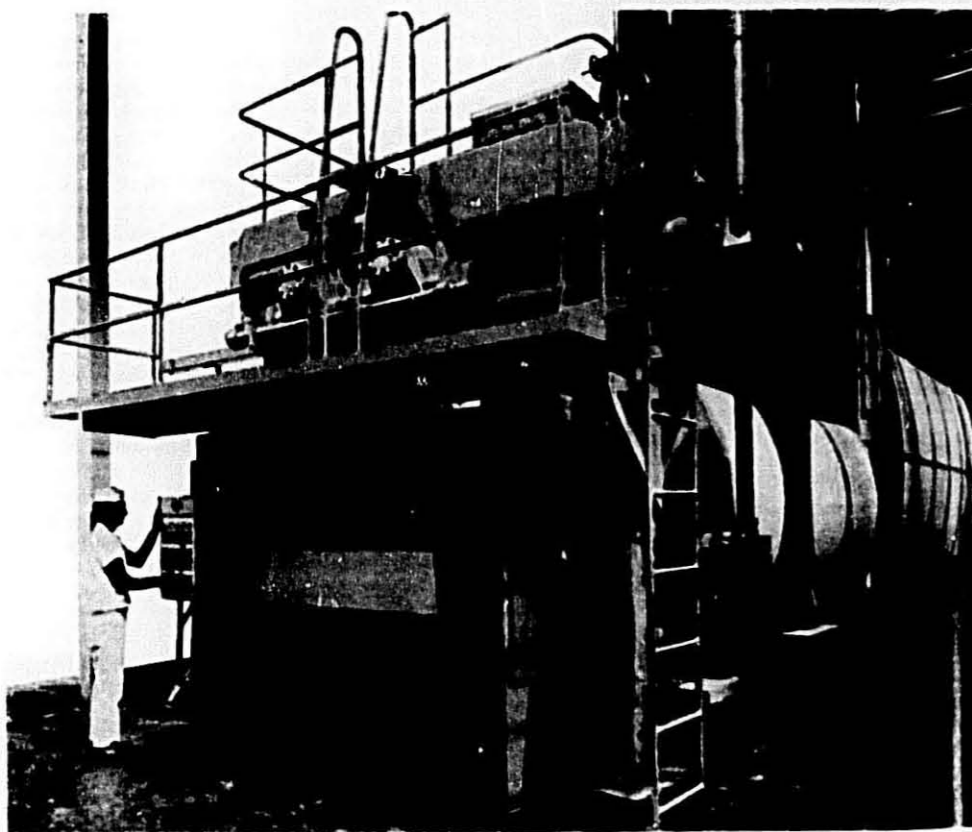
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BUHLER-MIAG LONG GOODS LINES

Performance You Can Depend On!



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

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

LONG GOODS DRYERS

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

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

Reliable Performance

Ruggedly-constructed 2- or 4-stick spreaders allow selection of ideal extrusion area for a given capacity. Spreader, Dryer and Stick Storage are continuously driven and controlled by one variable speed drive. All stick conveying chains and drives are heavy duty and contain automatic tensioners. Dryers have lubricating systems requiring an absolute minimum of maintenance. Automatic climate controls ensure proper conditions at every stage. Zones are completely separated, cutting down on required supervision. Motors, sprockets and drive chains, in addition to electrical and climate controls, are standard U.S. components.

Efficient Energy-Saving Design

New dryers are smaller sized. High temperature and high humidity drying requires a minimum volume of fresh air. Fan motors for air circulation are mounted inside dryers, utilizing 100% of electrical energy. (New style, energy-efficient motor is optional). A most energy-efficient design! Panels are 1 1/2" thick with polyurethane foam core. Aluminum lining on inside for heat reflection and absolute vapor barrier. No heat bridges.

Bacteria Control

High temperature drying controls bacteria growth. Dry bulb temperature is adjustable from 100°F to 190°F. Dryers are absolutely tight, yet easy to clean, maintain and super-heat. Sliding-out side panels extend entire dryer length, allowing for cleanout and service.

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Cereal Makers Face FTC Charges

During the 15 years from 1958 through 1972, anticompetitive practices in the cereal industry cost consumers more than \$1 billion in "monopoly overcharges," the Federal Trade Commission staff contends.

From 1966 through 1970 alone, the alleged overcharges by the three largest cereal companies — Kellogg Co., General Mills Inc. and General Foods Corp. — amounted to \$431 million, the FTC staff concluded.

The calculations are contained in a summation of the FTC's antitrust case against the Big Three cereal makers, based on more than 40,000 pages of testimony and 2,900 documents accumulated during four years of administrative hearings on the commission charges.

In their responses, due by Jan. 30, Kellogg, General Mills and General Foods are expected to use the same record to argue that the FTC allegations aren't supported by the facts. "When we respond, it will be obvious that they don't have anything," commented James Akers, a Washington lawyer for General Foods.

The opinion of FTC Administrative Law Judge Alvin I. Berman, who is presiding over the case, is due about a year from now. Mr. Berman's findings will be subject to review by the commission, and the companies will have the right of further appeal to federal court.

Collusive Price Leadership

According to the FTC staff's interpretation of the evidence, the three companies used "a system of collusive price leadership" to avoid price competition among themselves. In this system "Kellogg usually acts as the price leader and General Mills and General Foods raise their prices in consonance with Kellogg."

The record also shows that the three companies further avoided competition by "consistently refusing to provide private label ready-to-eat cereal brands for grocery wholesalers and retailers." During a 10-year period, the companies also placed "drastic" limitations on such sales inducements as discounts to grocery retailers and wholesalers, premiums and "cents-off" labels on cereal boxes, the staff contended.

Still another anticompetitive move was the "tacit" acceptance by General Mills and General Foods of Kellogg's control of retail shelves. As a result, Kellogg, General Mills and General Foods products "were placed in the most desirable shelf locations," the staff argued.

In Minneapolis, E. Robert Kinney, General Mills chairman and chief executive officer, called the FTC charges "false and irresponsible." Consumers were paying only four cents a bowl for ready-to-eat cereals when the case was filed in 1972, Mr. Kinney said.

Mr. Kinney said he was "confident the courts will sustain the position of the company."

In Battle Creek, Mich., Kellogg denied the FTC's allegation concerning overcharges and added that "with hundreds of cost pressures coming from all directions, there isn't room for any sort of overcharge." The company contended that "the cereal industry is one of the most intensely competitive industries in America."

General Mills Ups Dividends

First quarter earnings of General Mills, Inc. met expectations and the second quarter should be by far the best in history, E. Robert Kinney, chairman, said at the annual meeting of stockholders Sept. 22 in Minneapolis.

Mr. Kinney announced that the board of directors had voted to increase the quarterly dividend from 33 to 37¢ per share, effective with the dividend payable Nov. 1 to shareholders of record on Oct. 10. The action marks the 17th consecutive year of increase in dividends paid per share.

The new annual dividend rate of \$1.48 compares with the rate of \$1.32 paid during the past four quarters.

Net income of General Mills in the first quarter ended Aug. 24 was \$44.2 million, equal to 88¢ per share on the common stock, up 3% from \$42.8 million, equal to 85¢ per share, in the first quarter a year ago. Sales aggregated \$1,069 million, up 12% from \$973 million.

Mr. Kinney said the relatively small rate of planned gain in earnings primarily reflected heavy marketing expenditures to support new product introductions and expansion efforts, and

the company's belief that retailer and consumer caution in the recessionary climate of the first quarter would retard shipments in certain lines and concentrate most of the first-half earnings gain in the second quarter.

Mr. Kinney said results to date reinforce his confidence that the second quarter will be "excellent" as market expenditures and seasonal options take effect. Cumulative first-half results, he said, will be strongly ahead of the previous year.

In reviewing first quarter results, H. Brewster Atwater Jr., president, said most consumer food lines continued with strong market share performance. Profit gains in established food categories, he added, were offset by a substantial increase in first quarter marketing costs associated with a number of newer initiatives including new cereal products and frozen foods.

F.T.C. Defines "Natural" For Food Ads

New restrictions on use of the word "natural" in food advertising, including that for bread and flour products, have been tentatively adopted by Federal Trade Commission as part of its food advertising rules expected to be completed early next year.

According to the new advertising standard, a food may be advertised as "natural" if it contains no synthetic or artificial ingredients and if the food meets F.T.C.'s standards on "minimally processed" foods.

F.T.C. defined minimal processing as that which can be done in the typical home kitchen, such as washing or peeling fruits or vegetables, making bread, grinding nuts and cooking food.

If the product contains ingredients not meeting the "minimally processed" clause, it still could be advertised as natural if the processed ingredients or type of processing were disclosed. This, F.T.C. indicated, would include foods containing refined flour, refined sugar or hydrogenated vegetable oil. As an example, F.T.C. said a food could be advertised as "Natural but contains bleached flour."

Regulation of natural advertising claims is part of an F.T.C. proposal first issued in 1974 which also will regulate claims involving energy and calories, fat and cholesterol content, and health-related claims.

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HAVE YOU EATEN PASTA LATELY?

by Jane M. Abbott, Registered Dietician,
in the Portland Oregonian Sunday Magazine Supplement

With all the talk about what we're not supposed to be eating you may be relieved to know there's something you can eat more of — pasta.

You don't believe it, do you. You're probably one who's subscribed to the low or no carbohydrate quick-weight loss philosophy for so long that the thought of anything starchy instantly makes you feel puffy.

The quick-weightloss diet promoters failed to explain the metabolic havoc these dietary regimes cause from their lack of carbohydrates and that the nutrient present in greatest abundance in the foods they allow is fat.

Well, fatty foods are "out." Our excessive fat intake is closely associated with our high incidence of heart disease and certain cancers.

Complex carbohydrate (starch) has returned to favor. It's "in" because it's the body preferred energy source, ounce for ounce it contains less than half the calories of fat, eaten in the form of whole grains and vegetables it's accompanied by lots of fiber, it's less expensive, and perhaps most important, it tastes good.

Considering that starchy foods have benefits both for the health of your body and your budget, perhaps your beliefs need to be revised. Maybe starch really is OK to eat.

Besides, millions of Italians can't be wrong.

You may be interested to know that the rate of obesity in Italian men aged 40-59 years is less than half that of American men the same age. (Did you know you can eat four cups of cooked pasta and still not have consumed as many calories as eating an eight-ounce steak?)

Starting to waver a little? Your next question may be "What's pasta?"

Macaroni, egg noodles, and spaghetti are the most widely used pastas in the United States. But saying pasta is macaroni, egg noodles, and spaghetti is like saying flowers are tulips, daisies, and petunias. Obviously, there are many more kinds.

Ravioli, fettuccine, cannelloni, manicotti, lasagne and vermicelli are pastas that may be familiar to some.

But a person would need to be pretty well immersed in Italian cuisine to be acquainted with the more than 100 variations on pasta that exist.

Adding even more variety in the United States are pastas made with whole wheat, buckwheat, and soy flours instead of the semolina traditionally used. Some are made with semolina flour and have vegetables like spinach mixed in.

These pastas can be found in food co-ops, health food stores and nutrition centers. Use them in any pasta recipe. They provide a nutty taste, a firmer texture and more nutrients, including fiber.

It's really too bad that in our obsession not to eat anything fattening we've shunned this whole world of foods that offers amazing variety and taste treats.

We can remedy that. We can have our pasta and be calorie conscious too.

Remember these basic rules. First, any food eaten in excess will be fattening, therefore portion size is important. Second, decreasing fat in recipes will eliminate more calories than anything else you can do.

Instead of eating pasta smothered with rich meat or cream sauce or adding lots of meat and cheese and baking it as a casserole, we can learn from the pasta inventors themselves.

Italians don't eat pasta smothered or camouflaged (except in TV commercials and magazine ads for sauce). They eat it seasoned or sauced or combined lightly and enjoy it just for being pasta.

Try these recipes and see if you agree that pasta can have a special place in your repertoire of delicious dishes.

SPAGHETTI WITH CLAM SAUCE

Serves 6, 400 calories per serving
1½ tablespoon olive oil
1 large or 2 small cloves garlic, crushed or minced
2 cups bottled clam juice

2 cans (each 8 ounces) minced clams
¼ teaspoon pepper
¼ cup dry white wine
1 pound spaghetti (try thin spaghetti or little sea shells)
2 tablespoons soft butter or margarine
2 tablespoon finely chopped parsley (preferably flat-leaved Italian type)

Heat oil in large saucepan, sauté garlic until it's browned. Discard garlic. Remove oil from heat for 10 minutes.

To slightly cooled oil, add bottled clam juice as well as juice drained from minced clams. Add pepper and wine. Return to heat and simmer until volume is reduced to half.

In a large kettle or pot, bring 4 quarts of water and 1 teaspoon salt to boiling. Drop in the spaghetti or little shells and stir at first to avoid sticking. Boil gently for 7 to 12 minutes stirring occasionally. Pasta is done when it is soft but al dente — meaning, slightly resistant to the bite.

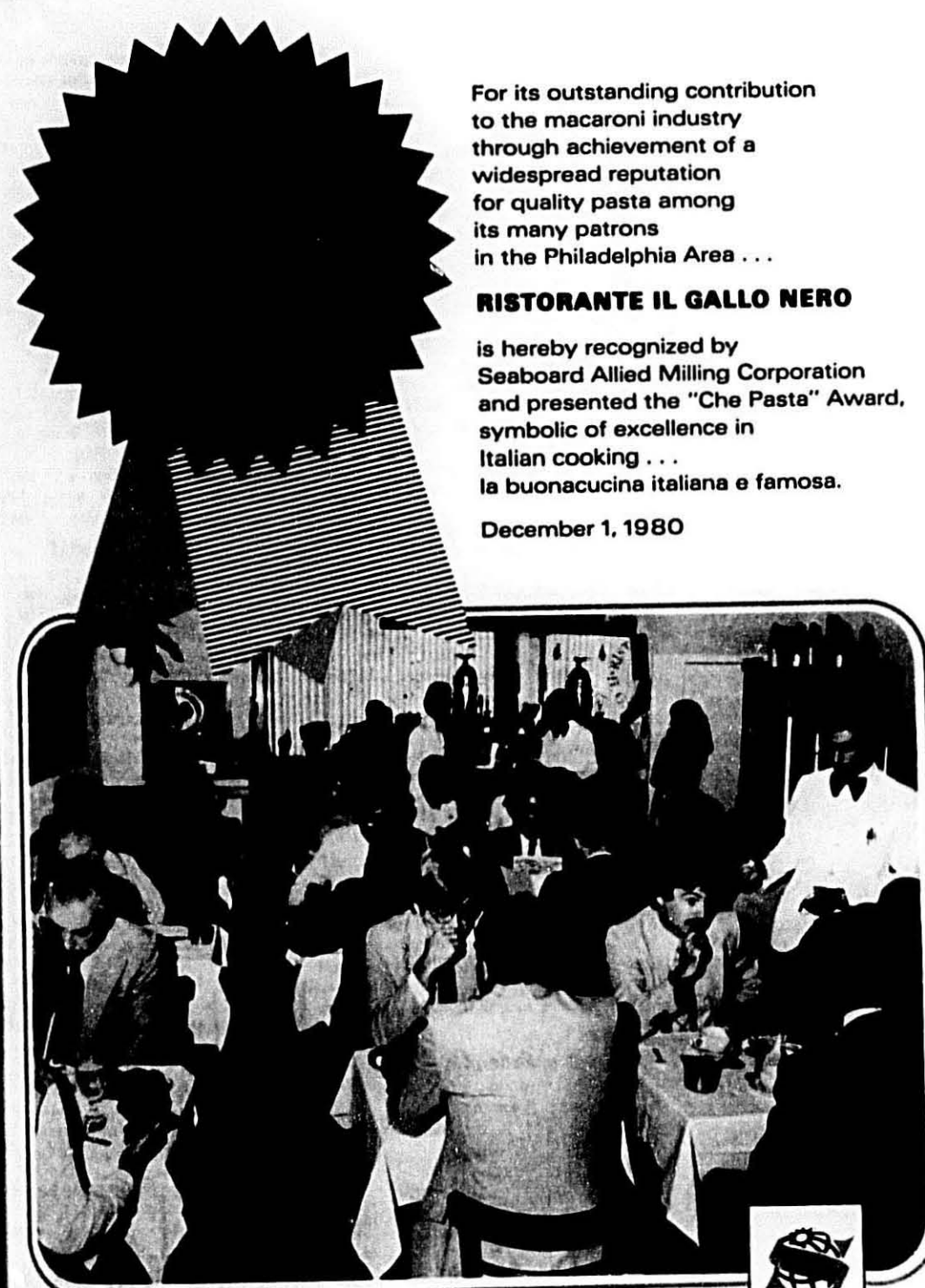
Drain pasta into a large colander, lifting with a fork to be sure it's thoroughly drained. Immediately transfer to a large, heated serving bowl and toss with butter or margarine.

Stir the minced clams into the sauce just long enough to heat through — longer cooking makes them tough. Pour the clams and sauce over the pasta, sprinkle with parsley and toss until well mixed. Serve immediately.

Accompany this dish with vegetable salad. Have available crusty rolls for those who need more. Serve fruit and a small portion of cheese for dessert.

SPINACH LASAGNA

Serves 4-6, 720-480 calories per serving
3 cups tomato sauce (recipe below)
¾ pound whole wheat-soy lasagna noodles (or regular lasagna noodles)
1 bunch spinach (or 1 10-ounce frozen package)
8 ounce mozzarella or swiss cheese, grated
¼ cup parmesan cheese



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December 1, 1980

Seaboard Allied Milling Corporation



1 cup cottage cheese or 3/4 cup ricotta softened with 1/2 cup milk

Cook lasagna noodles in 6 quarts water with 1 teaspoon added salt until soft but al dente. Stir occasionally to prevent sticking. Drain.

Wash and dry spinach. Chop into 1/2-inch pieces. If using frozen spinach, cook just long enough to thaw, then drain thoroughly.

Put 1/2 cup of sauce in bottom of 13-by-8-inch pan. Cover with one third of noodles. Spread one third of spinach over noodles, then 1/4 cup cottage cheese, one fourth of grated cheese, and 1 tablespoon of parmesan cheese. Repeat this layer twice. Spread the rest of 1/2 cup of sauce on top and sprinkle with remaining cheese.

Bake in a 350-degree oven until bubbly, about 35 minutes. Let stand 10 minutes before serving.

TOMATO SAUCE

1 medium onion, chopped
1 clove garlic
2 tablespoon oil

1/2 cup chopped vegetables like celery, green pepper, carrot, or ... use your imagination

1 bay leaf
1 teaspoon oregano
1/2 teaspoon thyme
1/2 teaspoon basil

2 tablespoons fresh parsley, chopped

3 cups tomatoes, fresh or canned

1 ounce can tomato paste
1/2 teaspoon salt
1/4 teaspoon pepper

Saute onion and garlic in oil until onion is soft and translucent. Discard garlic.

Add vegetables, bay leaf, oregano, thyme, basil, parsley. Stir well, then add tomatoes, tomato paste, salt and pepper.

Simmer for about 30 minutes. Remove bay leaf. Makes slightly more than 3 cups.

A vegetable salad or lightly cooked vegetables are great with the lasagna or the meatless spaghetti (recipe below). Serve additional bread for extra hungry folks. Fresh fruit ends these meals nicely.

Best Sellers for January

Canned Tomatoes	135
Tomato Sauce	124
Tomato Paste	121

SPAGHETTI WITH VEGETABLE-TOMATO SAUCE

Serves 6, 460 calories per serving

3 cups tomato sauce (recipe above)
1 16-ounce can garbanzo, kidney, or other beans (you may want to mash or chop the beans)

1 pound spaghetti (for a variation try whole wheat and soy spaghetti)

● Parmesan cheese

Add beans to tomato sauce and heat through.

Cook spaghetti in 6 quarts boiling water with 1 teaspoon salt until soft but al dente. Stir occasionally to keep from sticking. Drain in a colander, lifting with a fork to be sure it's thoroughly drained.

Return to cooking pot or put into heated serving bowl. Toss with 1/4 cup of tomato sauce.

Serve immediately. Top each serving with an additional 1/2 cup of sauce. Sprinkle with cheese.

(If using 1 pound hamburger in this recipe instead of canned beans, calories per serving equal 580.)

Salt and fat content have been reduced in all these recipes.

Reames Advertising

The first magazine ad for Reames Frozen Egg Noodles, Clive, Iowa appeared in Midwest regional editions of November 18 Family Circle and Woman's Day.

The full-page, four-color ads feature serving suggestions and recipes, while comparing the product's quality to homemade egg noodles. The convenience of the product is summed up in the headline, "Save Hours - Serve Ours."

Additional ads will appear in Mid-

Nestle Test Markets "New Cookery" Line

The Nestle Company, White Plains, has introduced in test market a line of food products, including pasta, in which fats, sugars or starches have been reduced by an average of 30% when compared to conventional brands. The "New Cookery" line of 30 products is being tested in Erie, Pa., Fort Wayne, Ind., and Fresno, Calif., for a one-year period.

The products, Nestle said, are designed to serve as complete replacements for comparable items in a family's regular dinner.

The line includes "spaghetti-shaped enriched pasta" and "noodle-shaped enriched pasta" as well as soups, meat entrees, gravies and sauces, puddings, salad dressings and condiments, canned fruits, jelly- and jam-like spreads, a hot cocoa mix and a mashed potato mix.

A Nestle spokesman said that changes in the pasta products to reduce fat content, plus addition of fiber, resulted in the products not meeting federal standards of identity for macaroni and noodle products. This required use of descriptive names, the spokesman explained.

Special nutritional labeling is featured on the label, where Nestle has listed side-by-side nutrient values for both the New Cookery item and the average for leading competitive national brands.

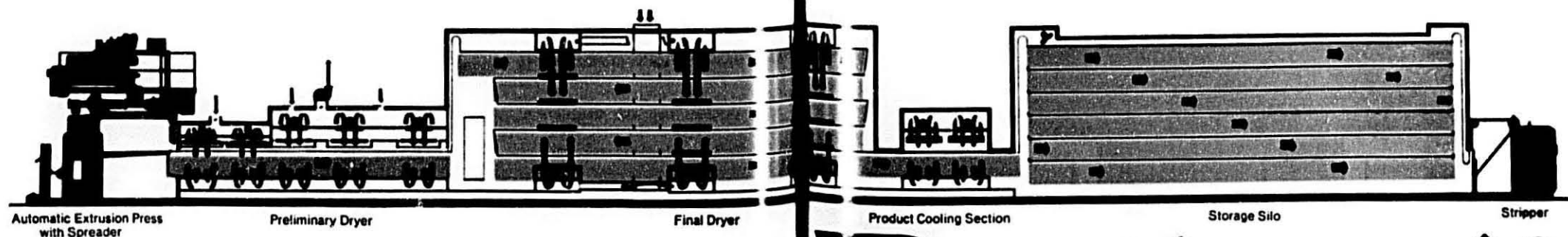
west editions of February 3 Family Circle and April 7 Woman's Day. The campaign will be supported with spot radio announcing the magazine ads, couponing in newspapers throughout the region, and point-of-sale materials.

Spending for Pasta Products

From Supermarket Business Magazine (formerly Supermarketing Magazine)

Year	Spaghetti	Macaroni	Noodles	Value of Total Domestic Consumption
1970	\$195,740	\$157,030	\$126,760	\$479,530
1971	\$197,930	\$159,150	\$127,800	\$484,980
1972	\$216,340	\$172,630	\$137,510	\$526,480
1973	\$256,150	\$214,410	\$174,230	\$644,790
1974	\$284,840	\$232,850	\$189,390	\$707,080
1975	\$308,770	\$249,620	\$199,430	\$757,820
1976	\$331,620	\$265,850	\$198,710	\$796,180
1977	\$345,550	\$274,090	\$202,290	\$821,930
1978	\$370,080	\$291,360	\$221,310	\$882,750
1979	\$395,250	\$312,630	\$233,040	\$940,920

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

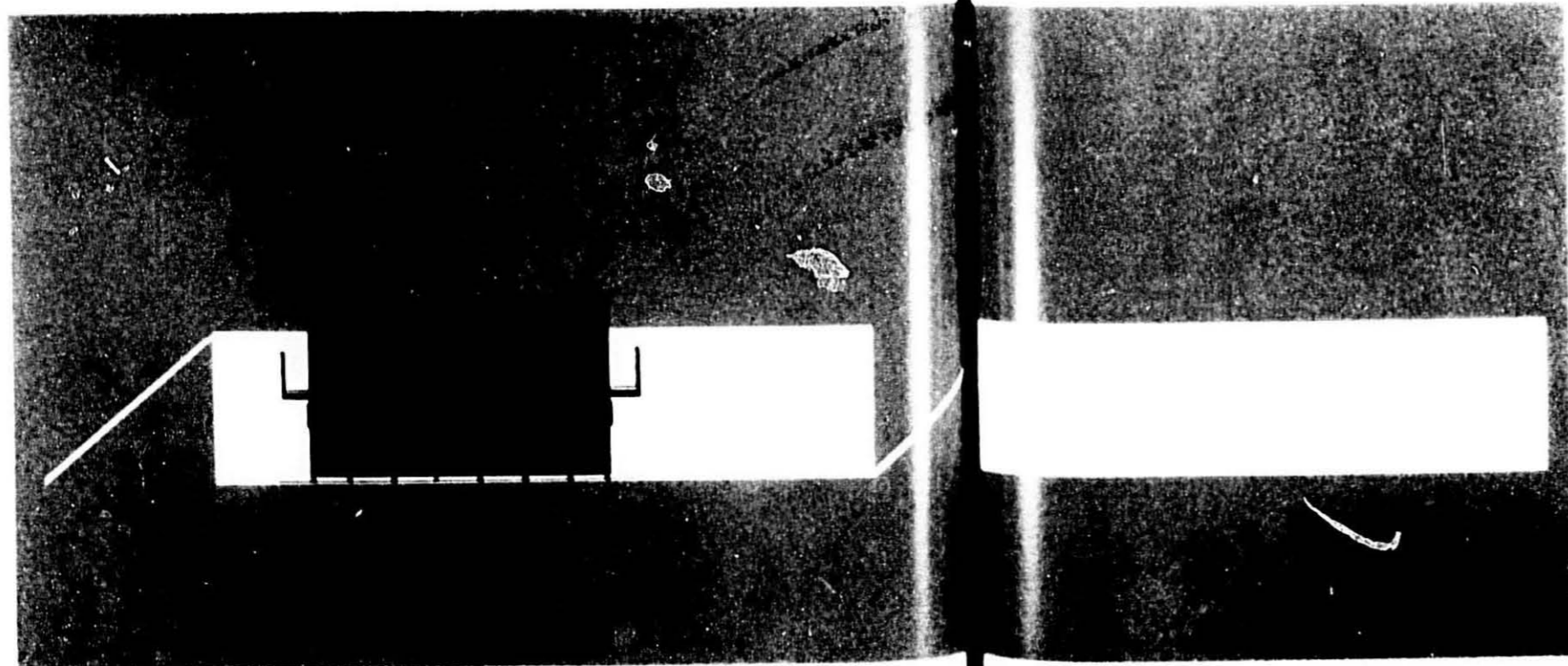
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Pasta, Puccini and Other Pure Pleasures

by Marion Gough
in House Beautiful magazine

Once, as a hefty 12-year-old in the sea breezes of Ostia, I dismayed my mother by downing three consecutive platters of spaghetti for lunch. They were doused, I recall, with a simple meat and tomato sauce, with a constant snowfall of grated Parmesan cheese. Spaghetti in its native habitat was sheer delirium to me in those days when a drive through rural Italy tooled past acres of the stuff, festooned on racks to dry in the sun, fringing the landscape like pale exotic vines.

Here began a lifelong love affair with pasta, and little did I know then that it came in scores of shapes and sizes, with a hundred playful, provocative names. (Tortellini is "Venus's Navel" if you can stand it.) A dedicated pasta buff can research the subject in entertaining depth with a trip to Pontedassio and its Museo Storico degli Spaghetti.

The museum is dedicated to the history of the Italian national dish. As good luck would have it, this is handily near Imperia and San Remo, those flowery, sun-basking resort towns on the Ligurian Riviera.

Fettucine al Alfredo

Eventually, in Alfredo's restaurant in Rome, I made the acquaintance of Fettucine al Alfredo, those angelic "little ribbons" bathed in butter, cream and cheese, with the maestro himself officiating at the bath. But, besides being my first taste of this rapturously rich dish, this was my first encounter with that characteristic Italianate desire to make a guest happy, which I think has much to do with the yen most guests feel to return to this country as soon as possible. I ate the pasta with the famous golden fork and spoon that the great Mary Pickford had used (said Alfredo). I didn't believe him for a minute, because there was a decided glimmer of gold coming from other tables, too. But what a nice man he was, making us feel so important, so flattering to my mother, so attentive to her rotund daughter. Who could quibble at a small, harmless deception that was only designed to please? And in this country, certainly so far as tourists go, they do aim to please. You may be taken in, as you

can be anywhere in the world, but the takers — in have such melting brown eyes, such disarming charm and such winning ways that it's all part of the fun.

Popular Tuna

Canned tuna's popularity with an important segment of the nation's food communicators has been reaffirmed by results of an in-depth survey conducted by the Tuna Research Foundation at the American Home Economics Association Convention here.

More than 60 per cent of the respondents reported using canned tuna at least once a week in their homes and almost the same number said they also include the product during the course of their classroom demonstrations.

"Convenience" was given as the key reason for including tuna on the family bill of fare and "taste" was also listed as a major factor affecting the food buying decision of the home economists. Almost 50 per cent of those surveyed included "diet" and "nutrition" as reasons for their canned tuna consumption and quite a few voluntarily commented that, despite the inflationary times, canned tuna was economical.

In all, almost 600 members of the association or approximately 25 per cent of the total convention registration took part in the three-day survey after taste testing two tuna recipes at the traditional Tuna Research Foundation booth in the huge Convention Hall.

A total of 59 per cent of the survey participants recorded a preference for cold tuna but a whopping 67 per cent cited the tuna casserole (such as tuna and noodles) as their favorite hot tuna repast while creamed tuna dishes and hot sandwiches were in a dead heat for second place honors, each achieving a recognition factor of 24 per cent.

Tuna-vegetable salads (69%) and that protein-crammed standby, the tuna salad sandwich (64%), won the top spots among cold dishes used. Tuna with pasta cold dishes garnered 11%.

Turkey Encore

(Continued from page 3)
(Makes 4 to 6 servings)

2 cups elbow macaroni (8 ounces)
1 tablespoon salt

3 quarts boiling water
2 cups diced cooked turkey
1 can (1 pound) peas, drained
1 can (10½ ounces) condensed cream of celery soup, undiluted
1 cup milk
1 can or jar (4 ounces) pimientos, drained and chopped
1 teaspoon salt
¼ teaspoon pepper
¼ cup melted butter or margarine
½ cup fine dry bread crumbs

Gradually add macaroni and 1 tablespoon salt to rapidly boiling water so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander.

Combine macaroni, turkey, pea soup, milk, pimientos, 1 teaspoon salt and pepper. Turn into 3-quart casserole. Combine butter and bread crumbs; sprinkle over casserole. Bake uncovered in 375° oven 20 minutes.

Quick Skillet Supper

Creamettes, Veg-all and Durkee have come up with a "hot and hearty supper idea."

Following a successful summer salad tie-in promotion that included full-page, four-color ads in five women's magazines, the trio is now serving up a "Quick Skillet Supper" in the same media.

November 18 Family Circle, plus October and November Reader's Digest, Parents, McCall's Working Mother, and Good Housekeeping will feature the cool-weather recipe in full-color ads. The recipe was featured in Creamettes Macaroni packaging along with 10¢ store coupons for Veg-all Mixed Vegetables.

Point-of-sale materials were available through Veg-all, Durkee and Creamettes sales representatives.

Veg-all is the leading brand of canned mixed vegetables, and Creamettes Macaroni is the most widely distributed pasta in the U.S. and Canada. Durkee offers the only canned french fried onion product in the market with a 95% ACV national.

Best Sellers for January

SAMI Categories with High Seasonal Sales (100 equals year's average)

Pasta 117
Dried Rice 117
Instant Potatoes 117

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- 8—Nutritional Analysis.

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INDEX TO ADVERTISERS

	Page
A D M Milling Co.	24-25
Amber Milling Co.	11
Asseco Corporation	17
Breibanti Corporation	36-37
Buhler-Mieg Corp.	28-29
Cooley Sales Company	41
DeFrancisci Machine Corporation	7
Di Cocco	41
Feld Pak Corporation	2
International Multifoods Corp.	4
Maldini & Sons, D., Inc.	5
Microdry Corporation	38-39
North Dakota Flour Mill	9
Peavey Company	20-21
Rossotti Consultants Associates	43
Seaboard Allied Milling Corp.	33-34
Triangle Package Machinery	31
Winston Laboratories	41

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N.M.M.A. Winter Meeting

The Winter Meeting of the National Macaroni Manufacturers Association will be held February 4-5, 1981 at Boca Raton Hotel & Club, Boca Raton, Florida 33432.



Boca Raton Hotel and Club

Program Highlights:

Wednesday, February 4
3 p.m. Board of Directors Meet
6:30 p.m. Welcome Reception
7:30 p.m. Dinner Meeting with Presidential Address
Thursday, February 5
9 a.m. Pastaville U.S.A. Presentation
12 Noon Product Promotion Committee Meeting
2 p.m. Tennis Mixer (mixed doubles)

6:30 p.m. Suppliers' Social
7:30 p.m. Italian Dinner
Friday, February 6
9 a.m. Strategic Long Range Planning
Dr. Stevan R. Holmberg will report on Membership Need Survey and Industry Outlook for the next Five Years.
Afternoon at leisure - golf, tennis, swimming.
6:30 p.m. Suppliers' Social
7:30 p.m. Dinner on your own

Saturday, February 7
9 a.m. Long Range Planning by Committees and special interest groups
Afternoon at leisure - golf, tennis, swimming
6:30 p.m. Suppliers' Social
7:30 p.m. Banquet
Sunday, February 8
9 a.m. Board of Directors Meet
Check-out Day

THE MACARONI JOURNAL

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

1. TITLE OF PUBLICATION: **Macaroni Journal** PUBLICATION NO. **00248894** DATE OF ISSUE **10-29-80**

2. FREQUENCY OF ISSUE: **Monthly** NUMBER OF ISSUES PUBLISHED ANNUALLY: **12** ANNUAL SUBSCRIPTION PRICE: **\$1.**

3. LOCATION OF MAIN OFFICE OF PUBLICATION (Street, City, County, State and ZIP Code): **19 S. Bothwell, Palatine, Cook County, IL 60067**

4. LOCATION OF THE HEADQUARTERS OR GENERAL BUSINESS OFFICES OF THE PUBLISHERS (Street, City, County, State and ZIP Code): **SAME AS ABOVE**

5. 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**

6. OWNERSHIP: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual must be given. If the publication is published by a nonprofit organization, its name and address must be stated.)
NAME: **National Macaroni Manufacturers Association** ADDRESS: **19 S. Bothwell, P. O. Box 336, Palatine, IL 60067**

7. KNOWN BOND-HOLDERS, MORTGAGEES, AND OTHER SECURITY HOLDERS OWNING OR HOLDING 1 PERCENT OR MORE OF TOTAL AMOUNT OF BONDS, MORTGAGES OR OTHER SECURITIES:
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8. FOR COMPLETION BY NONPROFIT ORGANIZATIONS AUTHORIZED TO MAIL AT SPECIAL RATES (Section 136.120, PSN): The purpose, function, and nonprofit status of this organization and the exempt status for Federal income tax purposes (Check one):
 HAVE NOT CHANGED DURING PRECEDING 12 MONTHS HAVE CHANGED DURING PRECEDING 12 MONTHS (If changed, publisher must submit explanation of change with this statement.)

9. EXTENT AND NATURE OF CIRCULATION: (Give average number of copies each issue during preceding 12 months and actual number of copies of single issue published nearest to filing date.)

	AVERAGE NO. COPIES EACH ISSUE DURING PRECEDING 12 MONTHS	ACTUAL NO. COPIES OF SINGLE ISSUE PUBLISHED NEAREST TO FILING DATE
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B. PAID CIRCULATION: 1. SALES THROUGH DEALERS AND CARRIERS, STREET VENDORS AND COUNTER SALES	907	883
2. MAIL SUBSCRIPTIONS	907	883
C. TOTAL PAID CIRCULATION (Sum of B. 1 and B. 2)	907	883
D. FREE DISTRIBUTION BY MAIL, CARRIER OR OTHER MEANS (SAMPLES, COMPLIMENTARY, AND OTHER FREE COPIES)	39	35
E. TOTAL DISTRIBUTION (Sum of C and D)	946	918
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PS Form 3526 (Page 1) (See instructions on reverse)

HOLIDAY GREETINGS
and
BEST WISHES
TO ALL OUR FRIENDS
in the
MACARONI INDUSTRY
for a
HAPPY AND PROSPEROUS
NEW YEAR
in
1981

Chairman: **C. Rossotti, President** Jack E. Rossotti, Vice President
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