THE MACARONI JOURNAL

Volume 62
No. 9

January, 1981

STAVILLE PLANNERS: Standing, left to right: Lester R. Thurston, Jr., President, N.M.M.A.; Joseph P. ..., First Vice President, N.M.M.A.; Darla Tufte, North Dakota Wheat Commission; Larry Youngblood, ...duct Promotion Committee. Seated: Robert M. Green, Executive Director, N.M.M.A.; Elinor Ehrman, Burson ...teller; Robert M. Howard, Durum Wheat Institute.

The Macaroni Journal

Vol. 62
No. 9
January
1981

Official publication of the National Macaroni Manufacturers Association, 19 South Bothwell Street, Palatine, Illinois. Address all correspondence regarding advertising or editorial materials to Robert M. Green, Editor, P.O. Box 336, Palatine, Illinois 60067.

MACARONI JOURNAL

Subscription rates

Domestic .....$13.00 per year
Foreign .....$16.50 per year
Single copies .....$2.00 each
Back copies .....$2.50 each

Published monthly by the National Macaroni Manufacturers Association as its official publication since May, 1919. Second-class postage paid at Appleton Wisconsin and Palatine, Illinois.

Breaking Ground for Small Business

from U.S. Chamber of Commerce

There are two ways to view the record of the 96th Congress on small business issues.

One is negative. When the White House Conference on Small Business convened last January, members of Congress competed with each other to pledge serious and prompt attention to specific proposals from that gathering. But relatively little has been done to come to grips with the concerns of small business. Major problems remain in the areas of tax policy and regulation.

The other view is positive. Congress did enact some of the measures sought by the nation's smaller enterprises and a beginning was made in other areas. Many members of Congress not previously considered friendly to the private sector realize that the growing political clout of small business is a force they cannot safely ignore.

Enactment of the Equal Access to Justice legislation by overwhelming majorities in both houses of Congress is an example of congressional recognition of one major problem of small business and, we hope, a portent of similar actions in the year ahead.

Under that measure, smaller firms that prevail in court or regulatory proceedings involving the federal government may recover legal costs. The measure is aimed at a fundamental injustice. Small firms often declined to challenge unreasonable government actions because of the cost of litigation.

An individual or company convinced it was right was nevertheless reluctant to battle government agencies with vast resources. That situation is intolerable in a free society. Congress is to be commended for taking corrective action.

Thus, the 96th Congress neither ignored nor showed adequate recognition of the needs of small business.

Putting the best light on it, we view its record as a beginning, a demonstration that it can take constructive action on the concerns of smaller businesses.

One of the top priorities for the 97th Congress should be a comprehensive agenda of legislation that shows awareness of the extent to which government itself is the cause of many of the problems facing the nation's smaller entrepreneurs.

We view the next two years as crucial in determining whether that recognition will be forthcoming.

In This Issue:

Pastaville USA

M I N O T, N. D.

Pastaville, U.S.A. had the full community support of Minot, North Dakota, a community of 35,000 people in the heart of durum country in the upper midwest.

The week-long celebration started with a special supplement in the Minot Daily News November 6. Food editor Grace Fisher had a pasta dish in full color with the caption "Prairie Pasta" and the headline of her story was "Pastaville, U.S.A. is celebrating Prairie Durum."

Page 2 featured "Creative Cookware Store Fills Need for Ethnic Cooking." There were columns on Italian wines and parmesan cheese as well as pasta recipes. Recipe material appeared throughout the paper.

Pasta manufacturers advertised their products as did grocers and restauranteurs. Program participants in the International Durum Forum had their pictures appear with the announced program.

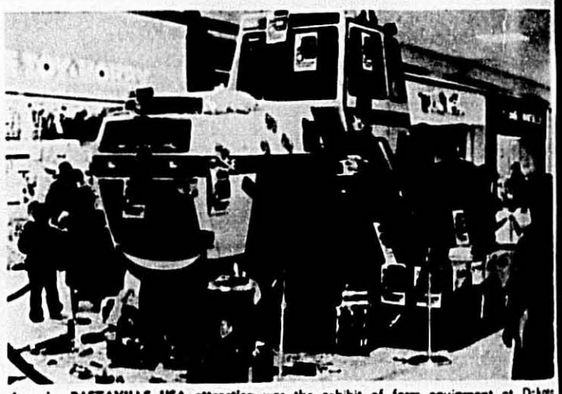
Pasta World was a feature of Town and Country Center with pasta specialties from around the world featured Friday and Saturday, November 7 and 8. There was a huge machinery display in Dakota Square.

Rigatoni Run

At 10:30 a.m. Saturday, November 8, the first annual Rigatoni Run was held at the state fairgrounds attracting 58 athletes. Winners in the 5,000 meters were: Men's 20 and under: Steve Wenge, Michael Knoll; Men's 21-35, Paul Suprano Jr., Joel Buckstrom; Men's 36-49, George Constantine, Dick Wenge; Men's 50 and Older, Gene Clayssens, Bill Bradeng; Women 21-35, Clarice Guy, Ida Lovdahl.

Winners in the 10,000 Meter run: Men 20 and under, Tim Francis, Tim Backstrom; Men 21-35, Mike Thorson John Rush; Men 36-49, Fred Baker, Pat Rakestraw. Women 20 and under, Penny Weenand; Women 21-35, Diane Schafer, Lynn Rogelstad; Women 50 and over, Donna Kjonaas.

A lasagne luncheon was served to runners after the meet.



A major PASTAVILLE USA attraction was the exhibit of farm equipment at Dakota Square. Here an enormous tractor is festooned with pasta posters, boxes and products to commemorate the event.

Spaghetti Slurpers

Speediest Spaghetti Slurpers from Minot State College was the Sigma Sigma Sigma Sorority consuming 19 ounces in the alloted time while Sigma Tau Gamma Fraternity put away 18 ounces.

Several local mayors got the chance to enter their durum-based casserols in the first annual Mayors' Macaroni Masterpieces Cookoff.

Winning trophy and $50 was awarded to Glenburn's mayor, June Clark, for her lasagne entry. Duane Rasmuson, Surrey, received $30 and the second place trophy for his pizza-flavored casserole. Mayor Chester Reiten of Minot was awarded honorable mention for his Dakota Delight entry.

Judges were Lester R. Thurston, Jr., President of the National Macaroni Manufacturers Association; Elinor Ehrman, Burson-Marsteller Public Relations Agency; Darla Tufto, North Dakota Wheat Commission. Contest rules required the entry of a macaroni-based casserole which could be prepared by conventional or microwave methods. The contest was open to any local mayor.

Here are the winning recipe:

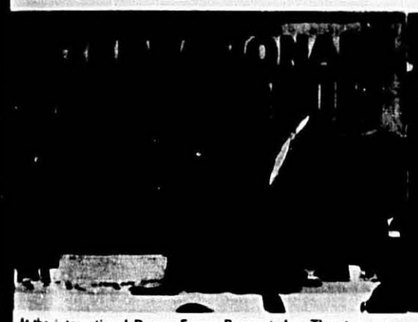
LASAGNA

June A. Clark, Glenburn Mayor

- 1 lb. pork sausage
- 1½ lb. ground beef
- 1 can tomato soup
- 24 oz. tomato sauce
- 4 oz. mushroom stems & pieces, drained
- 1 pkg. (3 oz.) dry spaghetti sauce seasoning mix
- 1 medium onion, diced
- 1 tsp. salt
- 8 oz. lasagna noodles, cooked

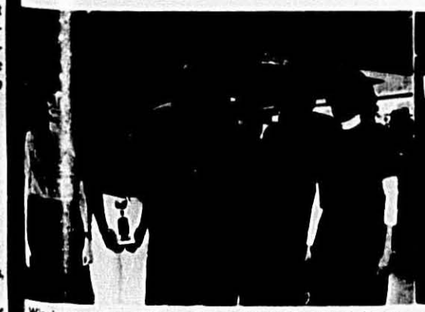
(Continued on page 6)

The Pasta-rama at Minot's Fairgrounds was the site of the Spectacular Spaghetti Supper served to 2,500 citizens. The event was a benefit for students at Northwest Bible College who prepared and served the meal and also provided a musical evening of songs and instrumentals from jazz to rock.



At the International Durum Forum Banquet, Les Thurston, as president of NMMA, presents the key to "PASTAVILLE USA" to Minot mayor, Chet Reiten. The unique key is fabricated of clear plastic, and is filled with actual product — elbow macaroni in the handle, spaghetti in the stem and seashells in the tip.

Al Edwards, skip of Bisbee, North Dakota's curling team, accepts the NMMA award as winner of the Spaghetti (Bon) Spiel. "Spiel" queen Betty King joins Les Thurston in presenting the NMMA-inscribed trophy, which is expected to pass from team to team in successive years of PASTAVILLE USA Spaghetti Spiels.



Winning members of Sigma Sigma Sigma Sorority of Minot State College proudly dipslay their N.M.M.A. trophy as winners of the Speediest Spaghetti Slurpers Contest. They slurped 19 ounces of pasta in 1 minute to outdo the 13 ounces slurped by the guys of Sigma Tau Gamma Fraternity. The contest was sponsored by the Town & Country Mall who also contributed PASTAVILLE USA sweatshirts and a cash award.

Paul Reining of Inn-Maid Noodles accepted the MC duties at the Mayors' Macaroni Masterpieces cook-off in Dakota Square, PASTAVILLE USA's newest shopping mall. While the judges are deciding the winner, Paul interviews Mayor Duane Rasmussen of Surrey, as Mayor June Clark of Glenburn and Mayor Chet Reiten of Minot wait their turns. Winning pasta dish was a noodle casserole created by Mayor Clark. Chef's "PASTAVILLE USA" aprons and caps were contributed by the Mall management.

The "Rigatoni Run" was a major PASTAVILLE USA event, with 60 men and women competing in 10-kilometer and 5-kilometer runs. Joining the local athletes were these two experienced runners from Foremost-McKesson, Ginny Rush from Louisville, Kentucky and George Constantine from Orinda, California. George came in first in his class with 21:14 for 5 kilometers. Ginny ran the 10-kilometer at 40:02.

Gene Cloeyssens, Mueller's entrant from Fairview, N.J., was first in his class, running the 5-k. in 27:10. Here he celebrates his win with a plate of — you guessed it, rigatoni.

Les Thurston holds a package of Mueller's Egg Noodles, one of the wide variety of pasta brands on display.

Pastaville

(Continued from page 4)

12 oz. carton creamed cottage cheese
8 oz. shreaded Mozzarella cheese
½ grated Parmesan cheese

Crumble sausage and ground beef into 1½ qt. glass casserrole. Cover with glass lid. Microwave for about 6 minutes on HIGH or until meat is browned; drain. Stir in soup, tomato sauce, mushrooms, onion, seasoning mix, and salt. Mix well. Layer in 2-quart (12x7) glass baking dish; ⅓ cooked noodles, ⅓ meat mixture, ½ cottage cheese and ½ Mozzarella cheese. Repeat layers. On third layer of noodles, spread last ⅓ meat mixture and sprinkle with Parmesan cheese. Microwave for 20 to 25 minutes on ROAST, or until hot in center. Cut and serve.

Yield: 9 servings
Calories per serving: 584

PIZZA FLAVORED CASSEROLE

Duane Rasmusson, Surrey Mayor

1 lb. ground beef
⅓ cup chopped onions*
1 medium clove garlic, minced**
1 tsp. oregano
½ tsp. salt
1 can tomato soup
⅓ cup shredded cheddar cheese

* ½ tsp. onion salt may be substituted

**½ tsp. garlic salt may be substituted

Brown beef with onion, garlic and seasonings, separating meat into small pieces. Combine all other ingredients with meat except cheese. Sprinkle cheese on top. Bake at 350° 30 minutes. Additional cheese may be added to the meat mixture.

Yield: 4 servings
Calories per serving: 460

DAKOTA DELIGHT

Chester Reiten, Minot Mayor

8 oz. egg noodles, cooked
10½ oz. can cream of chicken soup
½ cup chopped onion
12 oz. corn beef, broken up
1 cup milk
¼ lb. grated american cheese

Mix together ingredients and pour into 2 quart buttered casserole. Top with buttered crumbs or potato chips. Bake 45 minutes at 350°.

Yield: 6 servings
Calories per serving: 438

Spaghetti Spiel

The Spaghetti Spiel, held at the Minot Curling Club Buildiag on the State Fairgrounds, saw teams from North Dakota and Canada compete for the traveling trophy. It was won by the Bisbee, North Dakota team with Skip, Al Edwards.

Spaghetti Supper

On Monday, November 10, more than 2,000 people were attracted to the spectacular spaghetti supper put on by the Minot Bible School at the Pastarena. Menu was spaghetti with Italian meat sauce and tossed salad for $3.00 for adults and $1.00 for kids 12 and under. Grocers had offered two-for-one coupons in their newspaper advertising which helped bring in the crowd. Music students from the college provided continuous entertainment in the form of instrumental and vocal groups who entertained throughout the evening.

In the lobby of Ramada Inn there was a large display of pasta products from all over the United States showing a wide range of brands, sizes, and shapes. This attracted attention from the growers, towns people, grain buyers, millers, and macaroni manufacturers who with their greater number increased attendance by almost 50 percent from a year ago.

Durum Forum

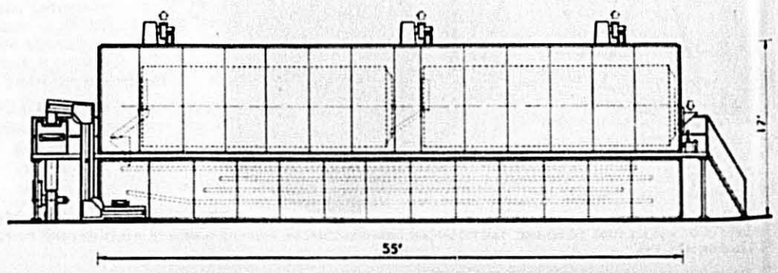
The morning program gave the record-breaking audience an appreciation for the domestic pasta industry starting with a film from the Minneapolis Grain Exchange on "To Find a Market." Each speaker traced the

(Continued on page 10)

LUSTUCRU Macaroni Co. - Grenoble, France

***BRAIBANTI** has in operation a new high temperature drying line for a wide variety of short pasta shapes:*

- **— Cobra 1000 press with two 16" diameter die holders**
- **— Shaker type TM/1000 AT**
- **— 2 Metal rotary dryers model Romet 24/8**
- **— 1 Finish dryer type Teless ATR/17/4**
- **— 1 Cooling shaker**



roduction **25** tons per day

ngth **55** feet

gh temperature **185°** Fahrenheit

minimum space maximum output!

Braibanti

DOTT. ING. M., G. BRAIBANTI & C. S. p. A. 20122 Milano - Largo Toscanini 1

Braibanti corporation

60 E. 42nd St. - Suite 2040 • New York, NY 10165 • Phone (212) 682/6407-682/6408 • Telex 12-6797 BRANY •

Pastaville

(Continued from page 6)

next step for the Journey from Field to Table and they did a thoroughly professional job. Robert M. Howard, chairman of the Wheat Institute, described the milling process. Stuart Seiler, vice president for purchasing at C. F. Mueller Company, discussed the distribution and purchasing of durum products. C. Mickey Skinner reviewed pasta manufacturing. Lester R. Thurston, Jr. highlighted pasta marketing history.

Joseph A. Urda, vice president for marketing at C. F. Mueller Company, had an exceptionally fine presentation on pasta marketing to the consumer, utilizing demographic background and showing advertising clips from pasta brands all over the country.

First vice president Joseph P. Viviano of San Giorgio-Skinner told about pasta marketing in the food-service area while Robert M. Green traced NMMA history from the end of World War I to the present.

Joseph Viviano discussed NMMA government activities while Mickey Skinner covered NMMA standards and nutrition matters.

Elinor L. Ehrman presented a report on NMMA publicity and promotional activities. President Les Thurston concluded the presentation with a call for all elements of the durum industry to rise to the challenge and increase the consumption of pasta products.

Afternoon Program

In the afternoon program Joe Halow, North American Grain Export Association, predicted a tight market through the 1980-81 season with rising freight rates, potential commodity shortages, and political change.

Norman Weckerly, president of the Durum Growers Association, acknowledged it had been a trying year with drought and then sprout damage, but he said, "We must look ahead and cope with change in the world situation."

There were 250 entries in the Show with the first three places in the commercial division for strong gluten won by variety Vic. In the conventional gluten class a Cando sample won the first spot, while three entries of Ward took the next three places.

In the youth division Vic won the first two places in the strong gluten classification, while a sample of Ward won the conventional gluten sweepstakes award as well as the next three places. Sweepstakes winner was Guy Mauer of Parshall, N.D.

Durum Relations Committee Chairman Lloyd Skinner awarded the NMMA Sweepstakes plaque and presented checks for fellowships to North Dakota State University representatives in agronomy and cereal technology.

Evening Banquet

At the evening banquet President Lester R. Thurston, Jr., gave a pasta key to Mayor Chet Reiten and also presented him a plaque for retiring Senator Milton R. Young for service to the industry. Unfortunately, Sen. Young had to return to Washington for the convening of the lame duck session and could not accept the honor in person.

Macaroni representatives spoke at service club meetings throughout town during the week and were quoted on radio and television. Pastaville, USA got plugs on the NBC Today Show and through wire service releases. Among macaroni representatives quoted were Lester R. Thurston, Jr., Paul Reining, John Westerberg, Mickey Skinner, Bob Green, and Elinor Ehrman.

Because enthusiasm ran high and results were impressive, it would appear that Pastaville, USA will become an annual event.

President Thurston's Opening Remarks

Good Morning – it's great to be in Minot, North Dakota where the enthusiasm and pride of the people in this city and this state has transformed a center of commerce and agriculture into a dramatic symbol of a great food industry – PASTAVILLE USA.

On behalf of the National Macaroni Manufacturers Association, I want to express our sincere appreciation for the opportunity to talk with you about the domestic pasta business. We hope by the end of this morning's presentation that you will have a better understanding of the food business in which we are all so intimately involved.

There is a misconception abroad in this land that the center of the pasta industry lies in the ethnic sections of New York City and other major metropolitan areas with heavy concentration of Italian population. Those of us gathered in this room know full well that is not the case. The center of the pasta industry is firmly fixed in the great state of North Dakota and is clearly visible in the amber waves of grain that constitute the major source of raw materials from which pasta products are produced.

We have a great story to tell about an industry whose products rank among the most popular foods in America, enjoyed by all ages, all nationalities and in all sections of this vast country. We come here today in response to an invitation to inform you folks about what happens after durum wheat is delivered to the country elevator. We see our purpose to be greater than merely being informative and enlightening about pasta as a product.

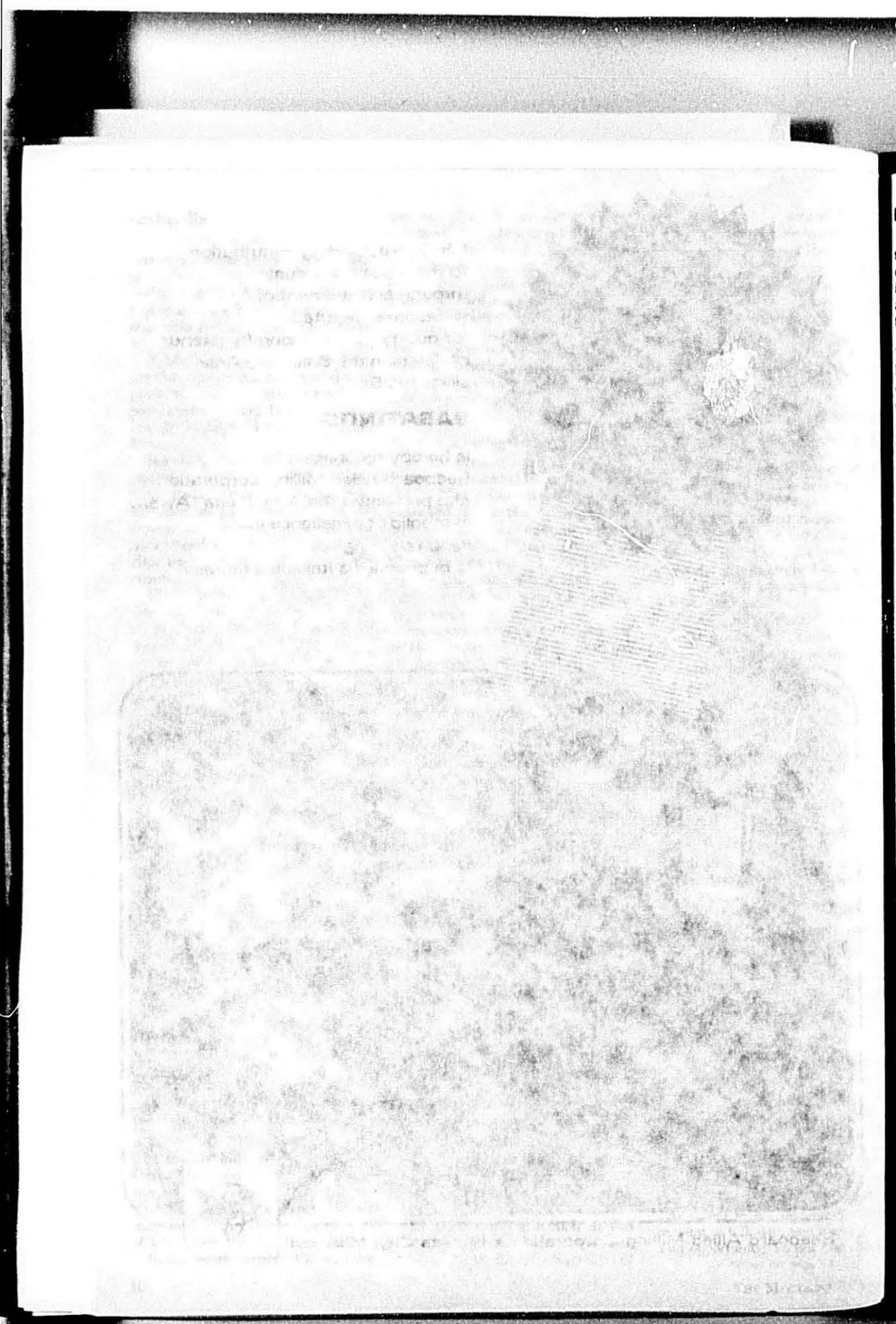
We want to talk with you about pasta as an opportunity. An opportunity for all of us to use this great relationship we enjoy together – this great power we share together – this great potential we hold right here in our hands to make this pasta industry bigger than we ever dreamed it could be. We have that opportunity right here – right now. I'm as convinced of that as I am that PASTAVILLE USA is the spark that will light the fire to make it all happen.

Concluding Remarks

With that impressive presentation of the Association's publicity program, we conclude this presentation. The topic of this morning's session has been "Challenges of the Domestic Pasta Industry." Please note that do not say "Challenges of the Domestic Pasta Manufacturer." We are assembled here as an industry with each element playing an indispensible role in the success of the whole venture. Our purpose this morning has been to inform you of the organization processes and programs that are involved in converting the raw materials from North Dakota into a universally popular food product enjoyed throughout the United States. There is, however, a larger purpose. One that is greater than merely being informative and enlightening about pasta as a product.

As stated in my opening remarks we want to talk with you about pasta as an opportunity. To put that oppor-

(Continued on page 13)



Pres. Thurston's Remarks

Continued from page 10)

tunity n proper persective, let me qoote Dr. D. Mark Hegsted, Administrato Human Nutrition, U. S. Departmen of Agriculture, speaking to the Institute of Food Technologists.

"Total food consumption in the United States is probably about as large as it can get. Total food sales cannot be expected to increase except in proportion to population growth in years to come. Thus every part of the food industry competes with all other parts. Increased sales of one product will come out of the hide of someone else in the industry."

The Past Year

The past year has been a particularly revealing experience in the domestic pasta business. As we entered this year, one of our leaders was moved to predict that we were on the threshold of the greatest year in history. All the indicators pointed to a booming business that would keep the mills and factories running on full, if not overtime, production schedules. What were these optimistic indicators that promised so much good fortune?

Well first there was the economy. In times of inflation and economic stress, people turn to pasta. Pasta is among the most highly recognized economical, yet value related, foods. The industry is popularly referred to as "Depression Proof."

Secondly, pasta has a bright new image - in fact two new images. First, has gained new respect for its nut ion and energy benefits.

On e energy front, pasta is on every ngue. The New York Marathon d w 16,000 entries on Sunday, Octob 26 and the pre-race publicity stresse the importance of carbohydrate l ading. The media ran stories and p ures about the pasta parties going all over town in preparation for the ace.

Then there are "Status Foods." Food joying the limelight of publicity nd public acceptance. Craig Claibourne, Food Editor of The New York Times, calls pasta the food of the '80s.

And so in the face of all these windfalls, how is business? Well quite frankly it is a little less than spectacular. Chain Store Age, a respected trade publication, said in the July 1980 mid-year review, "Marginal gains in pasta an unexpected twist. Although dollar sales rose respectably, tonnage inched ahead, rising barely three percent in many cases."

Windfalls don't happen very often or last very long. All these bullish indicators for pasta do not necessarily result in the food world beating a pathway to our door.

This year is not the same as 73-74 with meat boycotts and high emotion. People have learned to adjust to "inflationary pressures," and they are making more serious and thoughtful value judgments in their family budgeting.

The food business, especially those areas affected by growing conditions in this crop year, has not been without problems related to those adverse conditions. The consumer price index has been front page news for months and the September report fueled the political fires down the home stretch of the presidential campaign.

Opportunity

But take heart folks – there is a remedy and we hold it right here in our collective hands. The answer is we have to USE all this new found ammunition. We have to put pasta in the spotlight – get the consumers' attention and promote the increased consumption of pasta in the home – in factories – in restaurants – everywhere that pasta is already a popular and accepted menu item.

That ladies and gentlemen – leads straight to PASTAVILLE USA, the unique and exciting event that is happening in Minot, North Dakota this very week.

PASTAVILLE provides the opportunity to recognize the importance of the pasta industry to the people of Minot, the state of North Dakota and the nation. It provides the opportunity for the National Macaroni Manufacturers Association to salute the people of this great state and extend the warm hand of fellowship and mutual respect.

Most important of all, it focuses state and national attention on pasta and provides a great opportunity for us to influence an increase in consumption by emphasizing and promoting the virtues and benefits of this fun food that has a universal appeal equal to any food in America.

In achieving that objective of increasing consumption, I want to acquaint you with some of the formidable competition we have to contend with. The slides are taken from the October 20 issue of Supermarket News, a popular trade paper circulated throughout the retail and wholesale grocery industry.

Long Range Planning

We are now embarking on a Long Range Strategic Planning Program to chart the future course of this industry. We welcome your active involvement in that planning process. We ask that you give serious consideration to increased financial support through your contribution to the National Macaroni Association and we encourage you to join together with the manufacturers of pasta in this domestic industry to dramatically increase consumption of pasta in future years.

The National Macaroni Manufacturers Association through the work of our Product Promotion Committee does an outstanding job of promoting pasta to consumers. You have seen impressive results of that program presented by Elinor Ehrman this morning. The Durum Wheat Institute, the organization of durum millers, and the North Dakota State Wheat Commission are contributors to that program. The supplementary contributions of these two organizations provided the seed money that made it possible for us to launch this great PASTAVILLE celebration. Nevertheless, the total resources of this Association are modest by any standard. Against seven million dollars claimed to have been spent in advertising Idaho Potatoes alone since 1970, the product promotional budget for pasta would be scarcely 15% of that amount in the same period.

A New Start

There is a popular program broadcast on television every Sunday. It's called the Hour of Power with Dr. Robert Schuler. Perhaps you receive the program here in North Dakota. There is a singer on that program with a great voice. His name is Fred Frank. Fred sang in our Church back home not long ago. One hymn had a special message, a message that seems to have application here today. The lines of the verse go like this –

Hear the calling of the dawn
Glory Hallelujah I feel it
comin' on.

Lord make me ready for a brand new start.

That's the question I raise this morning.

Are we ready for a brand new start?

PASTAVILLE USA says we are. I hope you all agree.

1980 Crop Quality Report

The "1980 North Dakota Crop Quality Report" conducted by the Department of Cereal Chemistry and Technology, North Dakota State University (NDSU), estimates that aridity and wet fields reduced the 1980 hard red spring (Northern Spring) and durum wheat production by 54.9 and 10.4 million bushels (1.49 and .28 million metric tons), respectively, from the 1979 crop.

In the report released November 7, the estimated average yield for the 1980 North Dakota hard red spring wheat crop was 19 bushels per acre, down 7.5 bushels from last year. Of the North Dakota hard red spring wheat crop, 62 percent should grade U.S. No. 2 Dark Northern Spring or better.

Bert D'Appolonia, professor for the Department of Cereal Chemistry and Technology, said despite lower test weights and sprouting problems denoted by the damage and lower falling number values, overall quality of the 1980 hard red spring wheat crop will be classified as "good".

Uncleaned samples obtained from combines, farm bins and local elevators, then analyzed, indicate an average test weight of 58.2 pounds per bushel, which is 1.6 pounds lower than last year. The report also reveals an average moisture content of 12.2 percent which was similar to last year. The average wheat protein content was "14.7 percent", 1 percent higher than the 1979 crop average. Damage and total defects are higher for the 1980 crop year compared to 1979. Average falling number value for the 1980 crop was 234 compared to a 378 value last year.

The test for physical dough properties indicate slightly weaker mixing characteristics but strong gluten properties compared to last year.

Baking characteristics were reported as generally good in spite of sprouting and the low falling number valuses. Baking procedures used at NDSU's laboratory showed no problems with dough handling properties.

The Department of Cereal Chemistry and Technology said adverse 1980 harvest weather caused the most severe sprout damage since the surveys were started twenty years ago.

Durum

North Dakota's 1980 durum production was estimated at 74.1 million bushels (2 million metric tons) which represents nearly 70 percent of the total estimated U.S. production, 12 percent less than the 1979 North Dakota durum production total.

Survey results of the 1980 durum crop showed considerable variation in quality with the overall average quality greatly inferior to the 1975-79 crop average. The lower quality was caused by drought damage, followed by an early frost and then extensive sprout damage.

Mal Maier, North Dakota State Wheat Commission administrator, said much of the crop is so severly damaged it will be unfit for food use which further reduces marketable supplies.

This year's durum wheat composite samples reported grades ranging from a "sample grade" to a high of U.S. No. 1 Hard Amber Durum (HAD). When the official grade of each sample was assigned a ranking number the result was a theoretical grade of "U.S. No. 4 HAD".

The survey analysis showed an average falling number value of 174, 230 units lower than the 1979 durum crop. The falling number test is a better indication of sprout damage than is the grade. Test weight averaged 59.3 pounds per bushel, 1.8 pounds less than last year. Wheat protein averaged "14.2 percent" (14 percent moisture basis), 1.1 percent higher than in 1979. Vitreous kernel content was down from 82 percent in 1979 to 77 percent this year.

Semolina yields were reported at 50.7 percent, 2.1 percent less than the five year average. Milling characteristics, semolina ash and semolina speck count are "normal and acceptable."

Despite the extensive sprout damage, NDSU found no unusual handling problems while processing semolina into spaghetti. Spaghetti color of the 1980 durum crop was reported down but was considereed acceptable while cooking properties were superior to the 1979 crop.

The Department of Cereal Chemistry and Technology's main concern was that the highly sprouted wheat could cause a soft product in canned goods or checking and cracking in dry products during storage.

Regional Report

The first "1980 Regional (Montana, North Dakota, South Dakota and Minnesota) Hard Red Spring Wheat Quality Report" prepared by NDSU, indicates the 1980 regional hard red spring wheat crop was similar to the five-year average data for North Dakota in wheat protein, flour extraction, flour ash, loaf volume, crust color and overall physical dough properties. However, the 1980 regional crop was lower than the five-year average in test weight, vitreous kernels, falling number, baking absorption, crumb grain and texture and crumb color.

Despite the sprouting problem and low average falling number value, the regional hard red spring wheat crop was classified as "good" but poorer than the five year North Dakota average. North Dakota contributed 37 percent of the total hard red spring wheat samples.

These North Dakota and regional surveys of wheat quality are in cooperation of the Agricultural Experiment Station, the Cooperative Extension Service of North Dakota State University and the North Dakota State Wheat Commission.

Wheat Teams Visit Europe

The annual U.S. Wheat Crop Quality Team and a group of spring wheat and durum breeders are now visiting European facilities which concern varietal development, quality testing and experimental milling and baking.

The teams consist of eight technically oriented individuals, five of whom are from North Dakota. Members of the crop quality team include Dr. Bert D'Appolonia, North Dakota State University (NDSU); Dr. Dale Eustace, Kansas State University (KSU); Les Malone, Federal Grain Inspection Service and Monroe Scheflo, U.S. Durum Growers Association.

According to Mel Maier, administrator of the North Dakota State Wheat Commisison (NDSWC), the purpose of the crop quality team is

(Continued on page 16)

Wheat Teams

(Continued from page 14)

to provide European wheat millers, processors and importers with first-hand knowledge of the 1980 U.S. wheat crop quality.

"The sprout problem experienced in the Upper Midwest wheat crop is of great concern to our foreign customers and we must appraise them of its impact," Maier said.

The team conducted a series of seminars in 13 countries over the three week period.

The spring wheat and durum breeders team included Dr. Roald Lund, director of the Agricultural Experiment Station at NDSU; Dr. Bob Busch, University of Minneosta wheat breeder; Robert Knorr, spring wheat producer, Sawyer, N.D., and Mel Maier, NDSWC.

Maier said the objective of this team was to determine the status and direction of wheat varietal development and potential milling and baking processes in both Central and Western Europe.

"In order to achieve this objective," he said, "we must learn how much success European breeders are having in developing higher protein wheats which could replace more expensive imported hard wheats and if there are milling and baking technologies being developed or in use in Europe which allow for less high portein wheat in the flours used."

Maier said the knowledge obtained will help direct the U.S. wheat breeding program of the 1980's.

"Although Europe is not the largest importer of wheat, it is a logical place to begin," Maier said. "Western Europe is an economically advanced area of the world and through the workings of the European Economic Community — Common Agricultural Policy, developments in Europe are quickly accepted by other less developed nations importing hard red spring or winter wheat."

Durum Situation

Durum Sprout Damage Cuts Available Supply, Lifts Prices

The 1980 Durum crop of 107 million bushels is virtually the same as last year. However, it is considered a disappointing crop because a record 5.5 million acres were seeded last spring and a record 4.8 million acres were harvested this summer. Severe and widespread drought during plant development reduced the average yield to one of the lowest in 15 years; 5 bushels off 1979's level. In some areas, abandonment of poor fields was a producer's only economic recourse. As a result, over 600,000 acres — about 12 percent of total seeded acres — never saw a combine. Abandonment for a typical spring wheat crop seldom exceeds 3 percent.

Difficulties for the 1980 crop continued into the harvest as cool, wet weather hampered operations. The result was sprouting of standing grain and grain in the swath. As much as 60 percent of the 1980 harvest was affected in varying degrees.

Along with the smaller crop, carry in stocks were down, thus the 1980/81 Durum supply will be cut 15 percent from a year ago. Even more significant for this year's supply prospects is the extensive sprout damage. High quality Durum will be in short supply. As a result, food use (pasta) of Durum may be hard pressed to maintain its growth trend. Farina from HRS will tend to be substituted as much as technically possible. Feed use may provide an outlet for the more heavily damaged Durum but the high price (despite large discounts) will limit heavy feeding. High prices and low quality also are likely to cause a slowdown in exports from last year's record season. Overall, 1980/81 Durum disappearance may be down slightly but with a smaller supply, end-of-season stocks will be the lowest since 1974/75.

Prices for Hard Amber Durum, No. 1, at Minneapolis are at their highest level since 1974, nearing $8 a bushel. This reflects the indicated shortage of good quality wheat. Even with discounts of over $1 per bushel for poorer grades, farm prices are well above year-ago levels.

Quarterly Durum Report

The Crop Reporting Board on October 1 forecasted production of U.S. durum wheat at 107 million bushels (2.90 metric tons), which was approximately the same as last year, but up 4% from the September forecast. Yields expected to average 22 bushels per acre compared with 27.1 bushels in 1979 and 33.1 bushels in 1978. Continued cool, damp weather during September delayed the North Dakota durum wheat harvest, which was 80% complete by the end of September, 10% later than last year and normal. Late June and early July hot, dry weather deteriorated the durum crop, by mid-July the poor stands were plowed down or cut for hay. The quality and yields suffered additional losses as rains delayed harvest with some durum laying in the swath for several weeks. Undamaged durum was in good demand. Spot offerings containing under 75% hard kernels, grading amber, were discounted 50¢ to $1.10 per bushel. Spot offerings under 60% hard kernels, grading durum, were discounted $1.00 to $2.50 per bushel.

Stocks

According to the Crop Reporting Board, U.S. durum wheat stocks as of Oct. 1, 1980 totaled 122 million bushels (3.33 million metric tons), which was 20% less than last year's 153 million bushels or 4.18 million metric tons. Farm holdings accounted for about 87.6 million bushels (2.39 million metric tons) and off-farm contained 34.6 million bushels (943,000 metric tons). Last year farm holdings totaled 123 million bushels (3.34 million metric tons) and off-farm stocks were 30.9 million bushels (840,000 metric tons). Disappearance of durum wheat during the June-September period this year amounted to 41.3 million bushels of 1.12 million metric tons compared with 38.9 million bushels or 1.06 million metric tons one year ago.

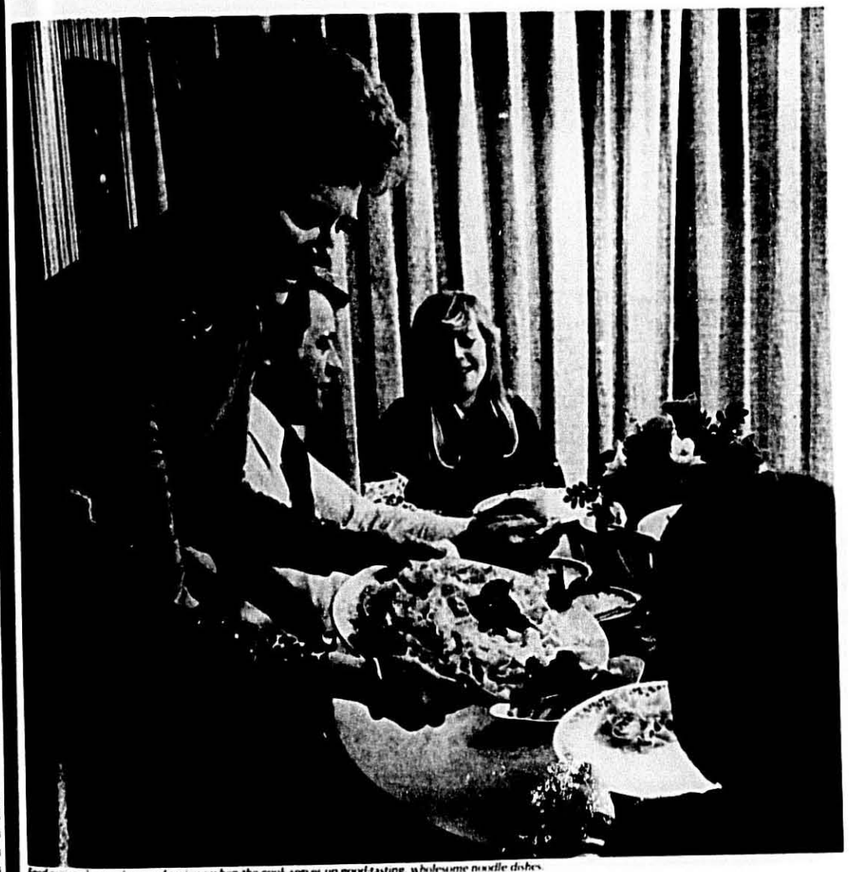
Exports

Exports of durum wheat during the first quarter of the crop year totaled 575,100 metric tons, which was an increase of 169,300 metric tons in comparison with the previous year's 405,800 metric tons. The largest importers were Italy with a total of 103,800, France 82,400, Netherlands and Spain taking over 70,000 metric tons each. Exports of durum wheat out of Duluth/Superior since the opening of the shipping season through Oct. 25, 1980 totaled 551-600 metric tons compared with last year's 670,300.

In Canada

According to the Canadian statistics as of September 15, production of durum wheat for 1980 was estimated at 71.1 million bushels, up from last year's 66.1 million bushels. The yield

(Continued from page 18)



Food critics always give good reviews when the cook serves up good-tasting, wholesome noodle dishes.

Durum Report

(Continued from page 16)

per acre was 21.9 bushels compared to last year's 23.6. The visible supply of durum in licensed storage and in transit on Oct. 22, 1980 totaled 849,100 metric tons compared with 771,800 one year ago. Canadian exports of durum in the June-September period were increased to 724,600 metric tons. Algeria, Italy and the U.S.S.R. were the major importers taking a total of 610,900 metric tons.

Export Outlook Given at Crop Production Conference

"The world grain trade over the next decade or even longer, looks highly optimistic", Ted Rice, Vice President of Commodity Research, Continental Grain Co., New York, told the 47th annual Crop Production Conference of the Crop Quality Council in Minneapolis on November 6.

Mr. Rice noted several reasons for such optimism which include: (1) a growing world population; (2) increasing world affluence; (3) an atmosphere of rising expectations in virtually all countries; (4) belief many countries will fail to increase grain production as fast as they increase their demand for food; (5) faith that the main grain exporting countries, especially the U. S., will be able to meet the rising demand; (6) a belief that most countries will obtain the foreign exchange or credit needed to buy grain.

Record Trade

Commenting on wheat and coarse grain in the 1980-81 crop year, Mr. Rice again noted optimism, stating he expected world trade in grain to be the largest on record. He said, "There is a huge demand for grain. There are some areas of relatively tight supplies but world grain stocks are adequate. U.S. stocks are large. A drawdown in stocks, especially in the U.S., Canada and Australia, combined with current year production, will be sufficient to accommodate this increased demand.

The U. S. Department of Agriculture's latest forecast of world trade in wheat plus coarse grains for the period July 1980 – June 1981 was 191 million metric tons, 5.5 MMT above the same period year earlier. These statistics exclude intra-EEC (European Economic Community) trade which amounts to almost 13½ million tons. Of this, about 90 million tons is wheat and 101 million tons is coarse grains. My own forecasts are slightly higher than this but are based on several assumptions of which three should be quickly identified.

First, the war between Iraq and Iran will not widen or prevent either or both from taking all the grain they need. If that assumption is incorrect, it would affect my wheat trade forecast by up to 3 million tons and coarse grains by perhaps 1 to 1½ million tons.

Second, wheat crops in Australia and Argentina, plus drawdown in stocks, will be adequate to maintain fairly high exports even though they will likely be below year earlier levels.

Third, the current embargo of shipments of more than 8 million tons of U.S. grain to the Soviets will merely inconvenience the Soviets.

It will not prevent them from getting about as much as they would have taken in the absence of the embargo. This is based on further assumptions of adequate supplies from the southern hemisphere and that eventually the European Common Market will authorize substantial grain sales to the Soviets.

Dependent Upon Demand

It is my belief that the volume of world grain trade is more dependent upon world demand than on production in those countries that produce an exportable surplus. That's because supplies can usually be stretched by drawing down stocks. That's particularly true in the current crop year in the case of U.S., Canada and Australia.

Although the demand for grain by the importing countries, in aggregate, grows through time, it does not do so in a steady or predictable manner.

Countries which produce only a small percentage of total wheat or coarse grain needs, as a group, will increase their usage again in 1980-81. This group includes most of the OPEC nations, especially Nigeria, Indonesia, Saudi Arabia and (if the war situation winds down) Iran. Other countries which will import more grain that a year earlier because of either reduced domestic production or increased needs, in some cases a combination of both, include Mexico, Brazil, Egypt and Morocco. There are a few countries which will likely import less wheat or coarse grains, or both, because of larger crops in 1980 than in 1979. These include Pakistan, most of Western Europe outside the EEC and Bangladesh.

The EEC is a unique case. Because of reduced feed grain production, especially corn, the EEC will need to import more feed grains than year earlier. But a record wheat crop will allow it to be a net exporter of about 2½ million tons more than the year previous.

China

The largest single element in increased grain trade in the current crop year, particularly wheat, is the People's Republic of China. Chinese statistics leave much to be desired as to completeness or accuracy. It has been estimated, however, that Chinese wheat production is down about 10 percent or more than 5 million tons from year earlier. This will not be fully compensated by larger imports but we do expect imports, mostly wheat, to be about 4 million tons higher than year earlier.

I might add I do not know what impact the recent US-PRC (People's Republic of China) grain agreement will have on Chinese imports. My guess, and it is purely a guess, is that it may encourage the Chinese to take more U.S. wheat in the first half of calendar year 1981 than they might have in the absence of the agreement.

The biggest unknown in the world grain trade picture is the Soviet Union. We now have strong indications that Soviets have harvested the second consecutive poor crop. And while we have no official estimates of carryover stocks, we believe they are minimal. To a large degree, Soviet imports will be determined by their ability to buy."

AACC Offers Pasta And Durum Wheat Quality Course

In cooperation with North Dakota State University, the American Association of Cereal Chemists has scheduled its Third Annual: "Pasta and Durum Wheat Quality" Short Course for March 10-13, 1981. The course will be held at the Department of Cereal Chemistry and Technology at North Dakota State University, Fargo, North Dakota.

(Continued on page 20)

Durum Course

(Continued from page 18)

The three-day course is designed for food technologists, millers, pasta processors and durum wheat marketing specialists involved in the durum wheat processing industry. The course will review durum wheat quality and milling as well as semolina and spaghetti processing and drying.

Different experimental milling and semolina purification equipment will be discussed. Equipment use for determining wheat, semolina and spaghetti quality factors will be reviewed. The relative importance of the various quality factors – test weight, vitreous kernel content, protein, ash, moisture, kernel size distribution, thousand kernel weight, milling characteristic, semolina color, starch quality gluten characteristics as determined by farinograph and mixograph, spaghetti color, and spaghetti cooking quality – will be discussed. Lecture material will be supplemented with a visit to a durum wheat experimental field plot and laboratory demonstrations.

The course will begin in Room 12 of Harris Hall on the North Dakota State University campus at 1:30 p.m. on March 10th and will conclude at noon on March 13th. The course fee of $300.00 will include transportation to and from the course hotel and a graduation luncheon. It does not include hotel accommodations or any other meals. There will be a one hour break for lunch each day, which will be available in the school cafeteria. Hotel accommodations should be made through AACC.

For more information contact Ruth Nelson, Short Course Coordinator, American Association of Cereal Chemists, 3340 Pilot Knob Road, St. Paul, MN 55121, telephone 612/454-7250, or Professor O. J. Banasik, Department of Cereal Chemistry and Technology, North Dakota State University, Fargo, North Dakota 58102, telephone 701/237-7711.

The American Association of Cereal Chemists is a non-profit scientific society founded in 1915.

NMMA Plant Seminar

Radisson South, Minneapolis - April 27-30.

Multifoods Research Center, Peavey Mill in Hastings, Pasta Production. Plan to attend.

Wheat Industry Council Meets – Elects Executive Committee

Vernon Baird of Fort Worth, Texas, was elected chairman of the Wheat Industry Council during the council's first meeting held in Washington, D.C., Nov. 18 and 19.

Thomas R. Porter, an official with the U.S. Department of Agriculture's Agricultural Marketing Service, said the council will administer a national research and nutrition education program for wheat and wheat foods seeking ways to improve the quality of wheat and encourage more efficient use of wheat in the American diet.

The program will be funded by assessments on processed wheat bought by certain manufacturers of products such as bread, cake, cookies, cereal or pasta. AMS will monitor the program.

Thurston on Exec Committee

Other members of the executive committee to serve with Baird are: Raymond L. Davis, Potter, Neb., vice-chairman; Sheila Sidles, Corydon, Iowa, secretary; Howard S. Holmes, Chelsea, Mich., treasurer; and Lester R. Thurston, Jr., Jersey City, N.J.

The council of 20 members and 20 alternates, representing end-product manufacturers, processors, producers, and consumers authorized its executive committee to begin an immediate search for an executive director and directed an office be established in the Washintgon, D.C., area.

The council reviewed rules and regulations which established the procedure for collecting assessments and which define responsibilities of end-product manufacturers. It recommended the rules be published by the secretary of agriculture as proposed rulemaking so the public can comment and changes can be made before the regulations are published in final form and the program implemented.

Viviano on Research

Three standing committees were appointed to begin planning work of the council. Committees and their members are:

–Nutrition and Education: Lauren H. Batty, Rye, N.Y.; Wayne K. Nelson, Winner, S.D.; Arlette Rasmussen, Newark, Del.; Joe Hale, Shawnee Mission, Kan.; Robert Schaus, Waterbury, Conn.; and Philip Orth, Oak Creek, Wis.

–Research: Max Milner, Bethesda, Md.; Clifton Capps, Los Angeles, Calif.; Richard Kruse, Breckenridge, Minn.; John Nissen, Falmouth, Maine; Joseph P. Viviano, Hershey, Pa. and Carolyn Knutson, Portland, Ore.

–Finance: B. J. Hinkle, Kansas City, Mo.; M.W.K. Heffelfinger, Minneapolis, Minn.; Robert H. Jepsen, Heppner, Ore.; and Bonnie Liebman, Washington, D.C.

The first members of the council will serve staggered terms. One-half of the members and their respective alternates will serve two-years and the remainder will serve three years. Subsequent appointments to the council will serve for two years, Porter said.

The new wheat program is authorized under provisions of the Wheat and Wheat Foods Research and Nutrition Education Act of 1977. The order outlining operation of the program was approved in a referendum of wheat end product manufacturers, primarily wholesale bakers, last March.

Peavey's Food Group Names Johnson Director of Personnel

Audrey Johnson has joined Peavey Company's Food Group as Director of Personnel. Johnson's duties include assistance in recruiting and selection of personnel, developing policies and program implementation for divisions within the Food Group including Flour Mills, Brownberry and Home Brands.

Before coming to Peavey, Johnson rose from Personnel Administrator to Personnel Manager at a medium-size manufacturing firm in St. Paul.

Johnson received an M.A. in Industrial Relations from the University of Minnesota in 1969. She is listed in Who's Who of American Women and an Accredited Personnel Manager.

Peavey Company is a grain and retail merchaniser and food processor headquartered in Minneapolis with sales in fiscal 1980 of $735,000,000.

Peavey Dividends

Peavey Company declared regular quarterly dividends on 25¢ per share on the common stock and of $1.50 per share on the preferred stock.

ECONOMIC OUTLOOK AND POLICY INITIATIVES EXPECTED IN 1981 AND BEYOND

by Dr. Richard W. Rahn

Vice President and Chief Economist, U.S. Chamber of Commerce

Dr. Richard W. Rahn

The Short-Term Economic Outlook

On balance we expect the recovery, which began in the third quarter of 1980, to be sustainable – although very weak – with economic growth not gathering strength until the anticipated tax reductions have their impact. Year-over-year growth in real gross national product (GNP) between 1980 and 1981 will be only 1.2% – as compared to year-over-year growth of 4.1% between 1975 and 1976 – our most recent economic recovery. A very weak economy will be helped by tax relief by mid-1981. Beginning in the second quarter, real GNP is expected to grow at a rate between 3% and 4.5% before reaching 5.4% in mid-1982.

Inflation, as defined by the consumer price index (CPI), for 1981 is forecast at 10.4%, down from 13.4% in 1980, but way above the 5.8% that occurred in 1976. We begin this new recovery at a new high plateau of inflation and reducing it will be one of the amjor policy challenges of the next four years. I am optimistic that if the Federal Reserve adheres to noninflationary monetary targets for a change, we wil see a major unwinding of inflation over the next few years.

Risks to the Outlook and Assumptions

There are however, substantial risks to this outlook. The credit controls imposed in March of 1980 augmenting the new monetary restraint begun in October 1979, combined to confuse and alarm consumers who curtailed their rate of buying almost immediately. This jammed a normal two or three quarter downturn into one quarter of spectacular decline. Then followed a sharp decline in short-term interest rates. Between April and August the prime rate fell from 19.5% to 11.0%. Since short-term rates are so important to so many industries, the interest rate decline had a markedly, positive effect on the economy. However, the prime rate turned around yet again and has now risen to 16.25% with uncertainty about its peak level. Mortgage rates turned up again also, and are in the neighborhood of 14% for conventional loans. Sales of new family homes fell 14% in September.

Fiscal and Monetary Policy Outlook

Three major changes in economic policy must be and I believe, will be accomplished. First, restraint in monetary policy will be essential. However, too much monetary restraint in the early stages of this recovery before a supply side tax cut has become effective could result in

(Continued on page 24)

EGG PRODUCTS UNDER FEDERAL INSPECTION, UNITED STATES[1]

ITEM	PERIOD	
	Oct. 1, 1978-Sept. 30, 1979	Oct. 1, 1979-Sept. 30, 1980
	1,000 Dozen	
Shell eggs broken	687,447	725,460
	1,000 Pounds	
Edible liquid from shell eggs broken		
Whole	433,072	445,817
White	246,421	266,851
Yolk	162,200	170,330
TOTAL	841,693	882,998
Inedible liquid from shell eggs broken	55,272	56,844
Liquid egg used in processing:[2]		
Whole	508,118	507,107
White	341,114	375,272
Yolk	176,735	186,807
TOTAL	1,025,967	1,069,186
Ingredients added in processing:[3]	37,278	35,153
Liquid product produced for immediate Consumption and processing:[4]		
Whole plain	151,142	147,053
Whole blends	63,722	66,587
White	137,113	146,611
Yolk Plain	16,373	20,370
Yolk Blends	42,488	41,492
TOTAL	410,838	422,113
Frozen product produced:[4]		
Whole plain	150,476	149,643
Whole blends	58,448	58,983
White	50,476	43,804
Yolk plain	11,085	9,960
Yolk blends	60,173	68,720
TOTAL	330,658	331,110
Dried product produced:[4]		
Whole plain	8,953	10,846
Whole blends	28,635	26,559
White	18,971	22,423
Yolk plain	14,783	14,962
Yolk blends	5,850	6,340
TOTAL	77,192	81,130

[1] Data for 1979 has 1 more day than data for 1978.
[2] Includes all frozen eggs used for processing.
[3] Includes all non-egg ingredients added.
[4] Includes ingredients added.

the Pure. Golden Color of Quality

King Midas Semolina and Durum Flour
Quality with a running start on all the others

Food Group

Economic Outlook

(Continued from page 21)

a "double-dip" recession. The second necessary element is substantial tax relief to reduce impediments to work, saving, and investment. The third prong is quick deceleration in the growth of government outlays and authorization. Since authorizations result in larger future outlays, both must be reduced if any effort to enhance the effects of tax relief and reduce the federal spending share of the gross national product is to be effective.

The Outlook for Tax Policy

The election of a new administration and a more fiscally conservative Congress greatly increases the likelihood of a change in the tax policy that will encourage capital formation, productivity growth and individual initiative.

To a large degree, America's poor economic performance over the last decade has resulted from a tax system that has increasingly penalized saving and investment as inflation has accelerated. In addition, the tendency of the public sector to 'crowd out" the private economy also served to depress economic activity. Recognizing the failings of these past policies, President-Elect Reagan has called for deep tax cuts and spending restraints to promote higher growth in economic output.

I was privileged to serve as an adviser to President-Elect Reagan's Tax Policy Task Force. The Task Force recommended that the highest priority tax proposals for 1981 should be the first stage of Kemp-Roth – that is, a 10% cut in individual marginal tax rates, the 10-5-3 Jones-Conable depreciation proposal, and an increase in the capital gains exclusion to 70% for a maximum capital gains rate of 21%.

We will see a major supply-oriented tax cut for individuals and businesses by June of 1981. The resulting bill will most likely be a compromise between the proposals I have just outlined and this year's Senate Finance Committee bill which also would have lowered corporate and capital gains tax rates.

There has been much discussion of how much of the tax cut should go to business and how much to individuals. The proper distinction is between the amount that is likely to be consumed and the amount that is likely to be saved and invested. Cutting tax rates at each income level will, as President-Elect Reagan has argued, let individual taxpayers keep more of what they earn by working, saving, and investing. People will have more incentive to seek work instead of welfare, to save instead of spend, and to invest in productive projects rather than ones that are designed solely to keep the Internal Revenue Service at bay. The result: more jobs, and more funds for business to use in productive investment. Moreover, the increased output stimulated by such tax cuts including the capital gains tax cut, will serve to more than offset whatever inflationary pressures arise from the resulting increase in disposable income.

Depreciation reform will also lead to similar beneficial results. By allowing businesses to write-off investments over a shorter period of time, the change will encourage expansion and modernization of plant and equipment. This change will also increase productivity growth and make our products more competitive in both domestic and world markets. The Reagan proposals are clearly supply side, and hence, will diminish inflationary pressures rather than increase them as some critics have charged.

President-Elect Reagan will also accompany his tax cuts with progressive reductions in the projected growth in federal spending by an amount reaching 7% to 10% by fiscal year 1985. This spending restraint would make government less of a drain on the economy. More importantly, the reductions should assure that the budget will slide into balance – perhaps as early as 1983, even with large tax rate cuts.

If the Reagan Administration can realize these goals, Americans will no longer have to suffer sluggish growth in their standards of living or increasing federal encroachment on the wealth of the nation. As the public sector is reduced as a share of GNP, and tax disincentives are mitigated, the resulting rapid expansion of the private economy will provide the basis for a sustained recovery and a higher standard of living for all Americans over the next decade.

Productivity Improvement

Americans justifiably are concerned that their standard of living has been increasing too slowly. In the simplest terms, our measures of the standard of living, or total output per capita, are driven mainly by the increases in three components: growth in employment, growth in capital stock and growth in the productivity of labor and capital. Thus, productivity growth is an integral component in the process of increasing the American family's material well-being. Growth in real hourly earnings has tracked closely with growth in productivity since 1947. Within the economics profession, this trend is widely recognized: A recent survey of the nation's business economists found productivity to be one of their topmost concerns, ranking second only to inflation and just above the closely related problem of capital formation.

Since the sixties, the United States has experienced a disappointing productivity performance. From the end of the Second World War until 1967, the U.S. maintained an average rate of productivity growth of 3.2% annually. During the most recent business cycle between 1975 and 1978, however, productivity growth averaged only 0.5% per year. Productivity in 1979 and 1980 has been negative and is forecast to increase at a rate of less than 1% in 1981. This has had a markedly adverse impact on the standard of living because higher productivity translates into higher employment and a greater increase in real income.

The causes of the decline have been well documented. They have to do primarily with the decline in the capital-labor ratio, relative energy prices, government regulation and demographic changes in the work force. The increase in energy prices has affected productivity growth throughout the world. Nevertheless, productivity in the U.S. has been consistently lower than in other major industrial countries that are more dependent on oil imports for their energy needs. Our differing experience stems in great part from the mounting burden of government regulation, and the combined effects of inflation and the tax structure which have reduced the amount of invested capital per worker. The countries that have maintained the highest rates of productivity growth have also continued to devote a higher component of their GNP to capital investment.

We believe that this country can no longer delay its confrontation with the productivity challenge. To this end, the Chamber has committed itself by assuming an advocacy role in public and private forums for the policies that will enhance U.S. productivity performance.

We are currently developing a productivity improvement strategy that focuses on legislative initiatives. Specifically, our legislative "package", which will be sent to all Members of Congress and interested parties in the Administration, will stress a coordinated approach to improving productivity through:

- –Reduction of tax impediments on both corporations and individuals;
- –Regulatory reform aimed at reducing the burden on the private sector and streamlining the regulatory process;
- –Other policies to promote exports, higher research and development and greater self-sufficiency in energy.

To this end, we expect to work closely with other departments in the Chamber and with other private sector organizations. We expect to submit a written briefing on productivity issues to the new Congress before the opening sessions in 1981. We anticipate that the U.S. Congress will prove highly receptive to our policy efforts and that the course of legislation over the next few years will reflect the priorities of the business community in enhancing U.S. productivity performance.

Among our other upcoming projects on productivity is a survey of business management perspectives on this issue and a booklet of case studies of firms that have been successful in achieving high rates of productivity gains. The management survey will be a follow-up of our highly successful survey of U.S. worker attitudes, which demonstrated a high level of concern in the American work force over output and quality. The management survey will document the types of productivity-improvement projects that are currently underway in the business sector, and will provide statistical evidence on the type of legislative soltuions favored by American business.

Conclusion

The 1980's have the potential for a renaissance in economic well-being provided we follow a path of prudent growth in money supply, and government programs, while at the same time reducing the tax and regulatory disincentives to work, saving, investment and productivity growth.

Continued Growth Seen for Gourmet Food Industry

Barring a major social or economic dislocation, the domestic gourmet food market can grow 50% in real terms by 1990, as the number of households subscribing to the gourmet popular ethic builds from 8% to the 10-12% range over the decade, a recent study concludes.

"If a normal business environment was expectable during the next decade, the popular gourmet food market's outlook would be bright indeed. But this market, with its essentially luxury connotations, would be vulnerable to the international and domestic economic and political problems which threaten us," observes Frost & Sullivan, Inc. in a 181-page study of the market. "Despite these potentially adverse factors, it would appear that a real dollar growth of 1-3% per year on top of an inflationary 10% (estimate) is possible."

As such, the market research firm forecasts that sales of gourmet foods in retail stores will expand from $2.0 billion in 1980 to $3.5 billion in 1985 and $6.2 billion by 1990. Further, revenues of gourmet and popular gourmet restaurants are seen building from $4.8 billion in 1980 to $8.3 billion in 1985 and $14.6 billion by 1990. Frost & Sullivan adds, however, that these projections could prove considerably understated should domestic economic problems be brought under control relatively quickly.

Subscriber Survey

As part of the study, the firm surveyed subscribers of a major gourmet magazine. Of those polled 26% considered themselves "true gourmets," 64% classified themselves as modest or popular gourmets, while 10% were not truly interested in good foods or specialty foods. Not surprisingly, the respondents tended to be well-heeled, with 38% reporting incomes of $40,000 or more and 18% in the $30,000-40,000 bracket. Average age was 43.8 years.

A full 42% of the sample said they eat most gourmet meals at restaurants, with 35% leaning to private homes and 23% citing an even mixture of both. Some 45% of the respondents said they dine at nearby gourmet restaurants from three to six times a year, with 35% paying seven or more visits per year. On top of this, 21% indicated that they have another three to six meals at gourmet restaurants while away from home on vacation or business, with another 35% reporting seven or more such meals.

Despite their fondness for eating out, 83% of the respondents prepare gourmet meals at home – and more meals than ever before. Most retail gourmet specialty food purchases occur in supermarkets, followed by specialty food shops and wine and cheese stores, the survey found.

Examining manufacturing and distribution patterns, Frost & Sullivan points out that gourmet food processing is most often carried on by smaller domestic and foreign companies. Despite high profit margins, large food manufacturers are generally turned off by the relatively low volumes associated with specialty or gourmet foods.

With the predominance of small manufacturers, the distributor is considered the key to the market. Most manufacturers/producers cannot afford to market through conventional grocery distribution channels. This is particularly true of overseas suppliers who generally deal with specialty importers.

For further information contact Customer Service, Frost & Sullivan, Inc., 106 Fulton Street, New York, NY 10038, (212) 233-1060. Report #756.

Computerized Energy Cost

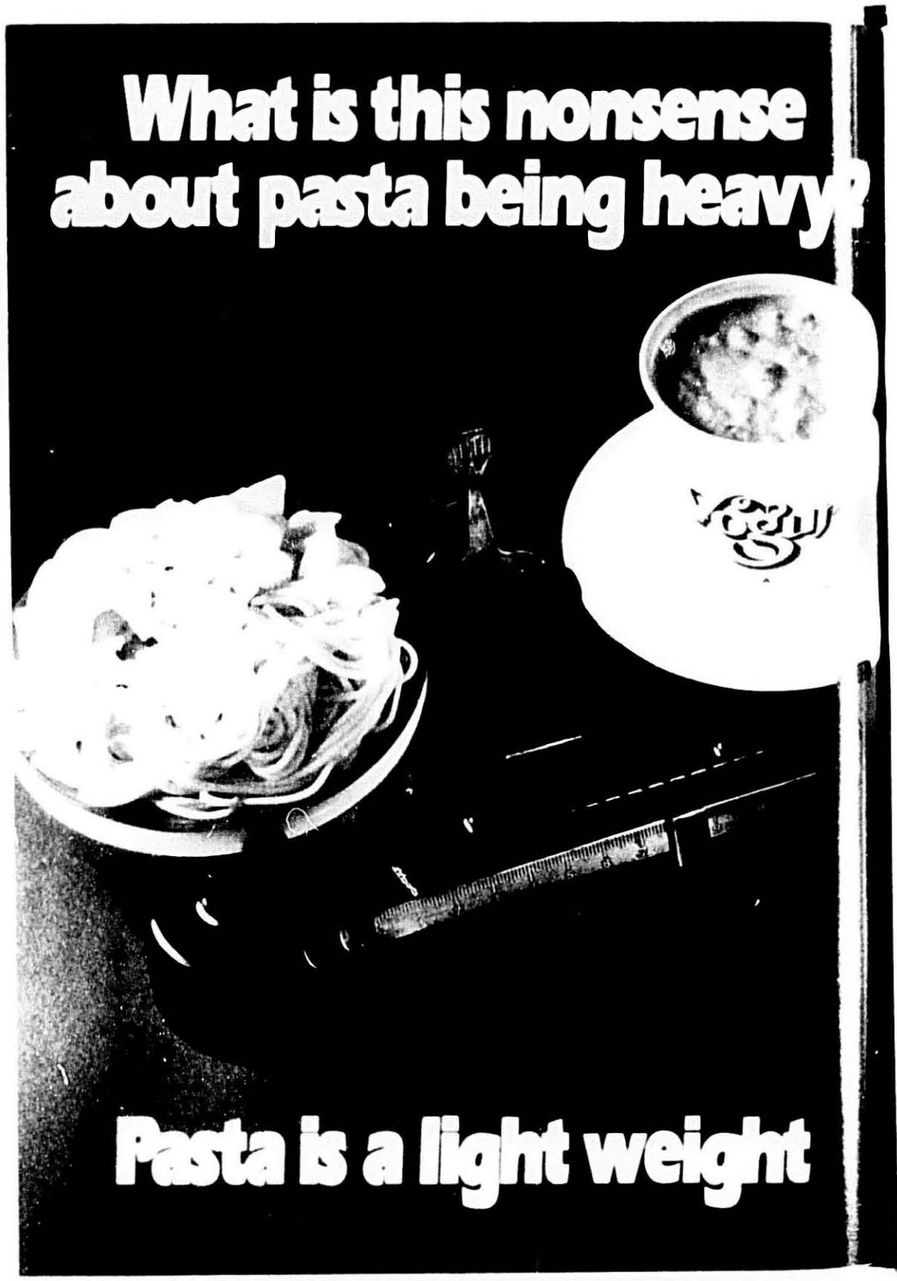
By Robert Cooke in the Boston Globe

Scientists who've set up a computer to watch ebbs and flows in the food industry can tell you now what goes into the price of pasta.

And you know what? If they change the way they dry the noodles, things get cheaper.

Actually, MIT scientist Alexander H. Levis and his colleagues have de-

(Continued on page 28)



Most consumers don't realize the low caloric content of pasta products.

not

PASTA	YOGURT
MACARONI	
MACARONI & CHEESE	
NOODLES, EGG	
SPAGHETTI	
SPAGHETTI TOMATO SAUCE & CHEESE	
SPAGHETTI TOMATO SAUCE & MEATBALLS	

ADM Milling supplying Breadwinners since 1902

ADM

ADM also supplies quality bakers shortening, corn sweetners CO_2, soy protein and vital wheat gluten for the baking industry.

Computerized Energy Cost

(Continued from page 25)

vised a computer model representing the pasta industry. By shuffling the number, they claim, they can tell you where most energy is used and what the costs are – all the way from the grain in the fields to the macaroni on your plate.

In a test of that model, Levis said, he and his coworkers asked the computer to analyze what the impact would be if pasta products were dried with microwaves rather than by the heat from natural gas.

As the computer sees it, microwave drying is the way to go. Here's why, according to the numbers:

- First, pasta production can be increased substantially, without having to make the factory larger, if microwave drying is substituted for natural gas drying.
- Second, microwave drying is slightly cheaper – in terms of energy costs – than natural gas drying. It's cheaper, in electricity alone, to run a microwave drying system in place of all the motors and fans in a conventional dryer.
- And third, it takes only 1½ hours instead of 7½ hours to dry the pasta.

In actual tests, incidentally, the pasta emerges with better color and other qualities after microwave drying, compared to natural gas drying.

Levis, a senior research scientist in MIT's Laboratory for Information and Decision Systems, said the computer modeling system was originally developed under auspices of a firm called Systems Control Inc., in Palo Alto, Calif.

He explained that the original goal, back in 1974, was to model the US agricultural enterprise, looking at all the factors involved in getting food from the farm to the table.

"The US Department of Energy got very interested in this, because so many of the components (of the agricultural industry) have to do with energy," Levis said in an interview.

It was found, however, that many researchers were already looking into energy use in agriculture, "but the area that hadn't been looked at from a national point of view was the food processing industry," Levis added.

"We proposed developing a modeling system to be applied to the food processing industry. We said we should look into what happens to a food commodity from the time it leaves the farm until it ends up in its ultimate cooking. The basic idea was to measure the network and trace the path the grain takes."

After the project was under way, however, Levis said, an advisory board suggested that it be altered to look at one specific crop, and to look at specific facilities in specific plants.

For this modified 1½-year study, then he said, "we selected wheat because it comes in different varieties, grows in mnay parts of the country, is an important export product, and good data are obtainable."

The project was done with cooperation of the Pillsbury Co.'s subsidiary, the American Beauty Macaroni Co., which has a pasta plant in Kansas City, Kan. Also involved was the Peavey Co.'s grain mill in Hastings, Minn.

The cooperation of the American Beauty Macaroni Co., he said, "is where our luck came in. They were then substituting a microwave dryer on one production line at the Kansas City plant."

This allowed the research team to compare the results from the computer model with the real results from the factory.

Through this work, Levis said, it was found that the processing of durum wheat into flour and semolina for pasta uses up 65 to 67 percent of the energy invested in getting the food from farm to consumer. Transportation eats up another 25 to 26 percent of the energy expended.

Such information, then, allows energy planners to find the most energy-consumptive parts of industrial processes, and they know where to seek improvements for the biggest payoff.

Seaboard Dividend Increase

The board of directors of Seaboard Allied Milling Corp. voted to increase the dividend rate on the company's common stock by 25%, from 10¢ to 12½¢ on a quarterly basis, and from 40¢ to 50¢ per share on an annual basis. The first 12½¢ dividend is payable Dec. 31 to shareholders of record on Dec. 19.

The company's annual dividend rate has been at the 40¢ level for a number of years.

Railroad Deregulation

Reducing federal control over railroads to try to improve the industry's financial situation and services is likely to become a reality now that the House has followed the Senate in passing the rail deregulation bill.

This bill is the last of three transportation deregulation measures pushed through Congress by the administration. Trucking deregulation was passed in July and airline deregulation was enacted in 1978. The bills are designed to encourage more competition in these once heavily regulated sectors of the economy.

Reducing federal regulation in the railroad industry was seen as the cure for the financially ailing railroads. The industry claimed that rate setting by the Interstate Commerce Commission forced many lines to operate at a loss and others to carry shipments for a very small rate of return on investment.

Although the bill was thought to be dead in early August, it was put back on track when the House sponsors of the bill agreed to a new compromise package that was supported by the industry.

This compromise, which was worked out by Reps. James Florio (D-N.J.) and Ed Madigan (R-Ill.), would phase in over a four-year period the railroads' freedom to set rates without the threat of government involvement. The ICC still would be able to step in and roll back freight-rate increases it finds to be unreasonable during that period.

Debate on this provision centered on coal and agricultural interests concerned about high shipping prices under deregulation. The compromise was supported by the United Mine Workers and congressmen representing coal-mining interests.

The differences in the House and Senate-passed measures are expected to be hashed out in the conference committee before final passage of rail deregulation. Many observers predict that the legislation will be enacted this year.

The market basket that cost American consumers $100 at the checkout counter in 1967 came to $262 last year. Another 10 percent boost in food prices is expected this year.

Foodservice Operators Get Involved

While many bemoan lack of voter participation in elections, the Friendly Ice Cream Company and two directors of the National Restaurant Association are doing something about it.

The two NRA, directors, John Mutz, Indianapolis, Indiana, and Ben Vidricksen, Salina, Kansas, are candidates for Lieutenant Governor and State Senator in their states, respectively.

Friendly, an NRA member headquartered in Wilbraham, Massachusetts initiated a "Candidate Awareness Program" this year featuring candidates in March 4th's Massachusetts presidential primary.

Mutz is the Republican nominee in the Indiana Lieutenant Governor's race after a successful primary contest. Vidricksen was appointed to his State Senate post last year and is favored to win a full term.

Robert J. Gaudrault, Chairman of the Board at Friendly, conceived of a candidate awareness program for employees after noting that only 69 percent of all eligible voters bothered to vote in the state's last presidential election, with less than one-third casting their ballots in the important primary.

"Much has been sacrificed to preserve this way of expression," Gaudrault said of voting. "Each person is responsible to study the issues and express an opinion by voting."

Participating in the Friendly program were then – presidential candidate and non-vice-presidential nominee George Bush and independent candidate John Anderson.

Three Stages

Each presidential hopeful's visit was conducted in three stages: A tour of Friendly's manufacturing facilities, a meeting with a cross-section of employees from plant workers to top-level management and a closed-door board room session.

With only 600 of Friendly's 8,000 Massachusetts employees located at corporate headquarters, Gaudrault and Executive Vice President John Cauley took steps to make the candidates' visits as effective as possible. Letters were distributed to every department head at corporate headquarters, requesting that employees be chosen to attend a meeting with the candidate; a follow-up newsletter was sent to Friendly outlets throughout the state, providing a capsulized overview of every candidate on the primary ballot.

Jim Velis, Chairman of Friendly's Public Affairs Committee, reported that Bush and Anderson received enthusiastic responses from the Friendly staff, in addition to wide media coverage.

Also part of Friendly's awareness program is the interchange of ideas, with the company inviting elected state officials to tour it's facilities.

"Legislators should be aware of our contributions to the state and the problems confronting our industry," Velis said. "We're good corporate citizens, contributing significantly to the economic health of the region."

America's Changing Food Choices Alter Dining Out

The kinds of food Americans choose to eat have been shifting in the last dozen years at an astonishing pace. What's not surprising is that the nation's foodservice industry has anticipated the new nutritional awareness as can be seen reflected in menus and marketing approaches across the country.

One of the largest fast food chains, Arby's, and one of the biggest hotel operations, Hilton, have both initiated marketing thrusts based on nutritional information this year. Not everyone will follow, but a trend is set which observers predict will last through the decade.

America's restaurants, currently receiving 40 percent of the consumer food dollar and climbing to 50 percent by 1990, will be increasingly affected by changing food perceptions and preferences.

According to the U.S. Department of Agriculture, America's gustatory love affair with red meats is far from over. Consumption per person of beef rose nearly 14 percent from 1965 to 1977. The ever-popular hamburger accounts for between 40 and 45 percent of this consumption, with a prediction of growth to 65 percent by 1985.

The number one beverage? Nope, not milk, but soft drinks. Americans sipped, or we should say gulped, an average of 33.6 gallons of soft drinks in 1978. Coffee came in next at 27.8 gallons. Then milk at 24.8 gallons.

Egg consumption dropped 19 percent from 1965 to 1979, probably because of the publicity given to cholesterol. Fish was a winner of the period, with average consumption per person up 3.4 to 13.7 pounds a year since 1960. About 60 percent of current fish consumption occurs in fast food restaurants.

Eating out is also largely responsible for almost doubling chicken consumption in the past 20 years. Americans consume an average of 52 pounds of chicken a year per person.

Other foods which are significant gainers include cheese, potatoes (our most popular vegetable), and all salad ingredients.

FTC Looks at Food Industry Future

by Richard L. Gordon
in Advertising Age

The 1980s will put big national food marketers like Proctor & Gamble and General Foods on the same side in a marketing shootout against the likes of Safeway and Kroger.

That's the battleground painted in a consultants' report designed to give Federal Trade Commission planners a peek at what's ahead for the food industry.

The consultants' report was done for FTC's think tank, its office of plans and policy, as part of a general push to anticipate market-place problems of the 1980s. Backers of this "look ahead" hope it will allow FTC to influence events before costly and time-consuming lawsuits are needed.

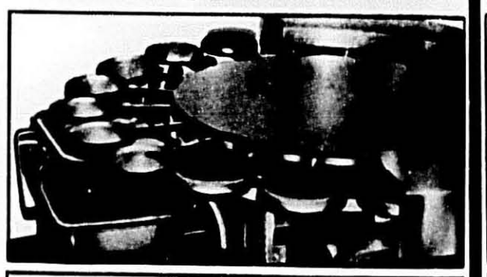
The big food companies are vulnerable to invasion from both ends of the food distribution chain, according to consultant Charles W. Williams Inc., of Alexandria, Va., in its report, "Future Developments for the Food Industry and Their Implications for the Federal Trade Commisison."

Food growers will get into processing more and more, perhaps through their giant agricultural cooperatives that already handle marketing of their crops, the consultants said. And retailers will invade from the other side to tighten control over the private label operations.

(Continued on page 32)

Clermont builds machines that produce

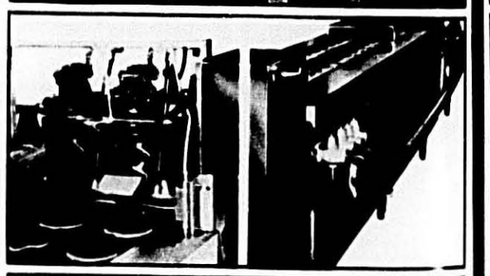
MANICOTTI, BLINTZES, EGG ROLLS,
CREPE SUZETTES, PASTA SHEETS, etc.,
Simply, Efficiently, Economically.



Clermont's Dough-Skin Processor

produces up to 600 per hour. Makes round skins from 4" to 9" in diameter, also makes square or other shapes by simply changing dough discs. Operates automatically, requiring only 1 operator.

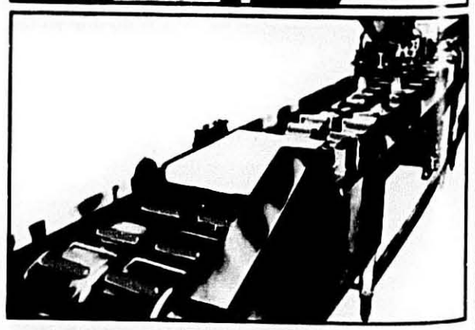
Model No. MA-M-100-1



Clermont's Skin Oven

bakes 4,000 to 5,000 skins per hour—for Crepe Suzettes, Manicotti, Egg rolls, Blintzes or other similar products. Two rows of baking pans pick up batter and slowly passes through oven. Doughskins are removed by vacuum, conveyed to operator for filling with cheese, meat, fish, fruit, vegetables.

Model No. MA-M-200-2

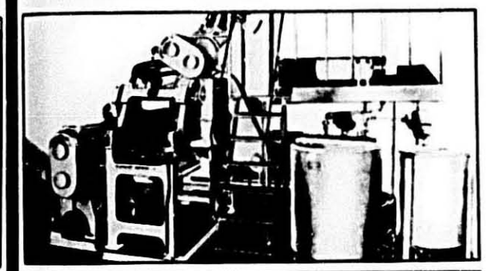


Clermont's Automatic Crepe/Filling Machine

makes and fills Crepes, Manicotti, Egg Rolls, Blintzes, Cannelloni **automatically** at 2,500 to 3,000 per hour. Doughskins are baked, filled, turned and rolled into completed form and discharged ready for packaging at the rate of 2,500 to 3,000 per hour.

Model No. MA-M-300-3

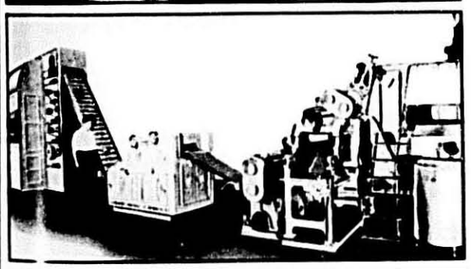
The Clermont line of food processing machines is designed and engineered to afford utmost cleanliness, compactness and efficiency in operation. Contact us now for complete specifications and operating information for your immediate requirements



Clermont's Sheet Former

receives dough ingredients, mixes and processes it through rollers to form an elasticity sheet that is used for products such as: Egg Roll Skins, Won Ton, Noodles, Matzoh, Salt Crackers, Cracker Meal Potato Chips, etc.

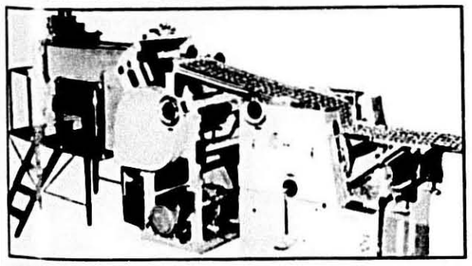
Model No. ASF-1



Clermont's Sheet Former/ Noodle Cutter

produces up to 3,000 lbs. per hour. Fully automatic: Mixes dough and forms a sheet of dough 20" or 40" as well as intermediate widths approximately ¼" thick. The sheet is then fed into the noodle cutter. Adjustable rate of production to 600, 1,000, 1,600 or 3,000 lbs. per hour. Complete facility is operated by one man!

Model No. ASF-2



Clermont's Chip Machine

produces up to 360,000 potato chips per hour. Fully automatic, the machines receives, mixes all ingredients and feeds continuously in a straight line, a series of rollers which in turn forms a sheet to the desired thickness, then cuts and fries. Packaging accessories available.

Model No. ASF-3

Clermont food machine company Div. Amato Industries, Inc.

280 WALLABOUT STREET, BROOKLYN, N. Y. 11206 • Phone: (212) 963-6020 • TWX: 710-584-2449

"Leverage" in the future food marketplace will go to the business that finds "a creative, functional way to integrate," the consultants declared.

The consultants said their predictions are built on "selective additions" to extensive existing food industry data, and not on "comprehensive research." But their assignment, they said, was a "modest experiment" at giving FTC an idea of what it can anticipate.

Contributing to the pressure on national brand marketers, they said is a prediction that food retailers in the '80s will want to generate a "store image" of product value.

This will "undermine" the retailer willingness to depend on nationally advertised brands unless his own name can be associated with the product and more beneficial margins allowed, according to the consultants.

One result, they suggest, may be retailers "leasing" shelf space to food manufacturers. That's "not unthinkable, particularly if the manufacturer wants to keep any control over the space allocated to his product mix," they said.

Problems

But there are problems. Would only one type of product or products within the same price category be displayed? Where one or two retail chains dominate a market, what would protect the national marketer from price gouging for the shelf space?

The alternative, they suggest, is for the national brand companies to move forward into retailing, perhaps through some sort of "cooperative" name brand store. That will trigger a "major battle" where the national brand companies are likely to try to tie up raw material supplies that their private label rivals will need, according to the report.

Changes

Here are some other changes predicted for food processing.

- Convenience foods. Demand is predicted to be fairly constant, but new technology may reduce dependence on freezing.
- Natural foods. New technologies will reinforce use of "natural" claims by achieving stable shelf life without traditional additives. But how "natural" will corn be that has been genetically manipulated to retard conversion of its sugar to starch? they ask.
- Dietetic foods. Technical capabilities will exist by the end of the '80s to produce a "no calorie" food that provides "essential food satisfactions of taste and texture" but without calories or nutrients "Such a concept will carry 'food for fun' trends to their logical conclusion," the consutlants said.
- Packaging. New technology includes further refinements of retort pouches and "composite containers" using materials like aluminum foil and polypropylene. Technical, economic and social pressures will be extreme to also offer a "no frills" packaging equivalent to generic foods to offset packaging costs, they predict.
- Retailing. They predict growth of "open retailing," where discounts are given for advanced or standing grocery orders that can be billed and delivered in bulk as soon as the goods arrive at the store, limiting in-store handling and permitting greater volume without taking up shelf or storage space.
- Media. New electronic media will give advertisers more power to practice subtle, "manipulative" techniques. With two-way tv, the consultants say, "remote hypnotism via the television, or its equivalent, is well within the realm of possibility. And although research isn't conclusive, enough work on how music affects mood has been done to have "frightening implications," they said. #

Grocery Sales of Convenience Foods Seen Reaching $104 Billion by 1989

Grocery store sales of convenience foods will swell from $60 billion in 1979 to $104 billion by 1989, forecasts Frost & Sullivan, Inc. With that, these products are seen building their share of grocery store food and beverage volume from 49% to 51% over the decade.

In the broadest sense, convenience foods are defined by the USDA as any item significantly transferring culinary skills, preparation time or energy input from the kitchens of homemakers or food service operators to food processors or their distributors. Eliminating products requiring significant additional kitchen effort or foods for which there is no viable homemade counterpart. The narrow convenience foods market accounted for $29 billion in grocery store sales in 1979, with $54 billion projected for 1989.

"Consumer demographics and shifts in the labor force will be moderately favorable to future growth in the aggregate demand for convenience foods and beverages," the market research firm observes in its 493-page study. "The economic situation (and price inflation in particular) will be less influential than periodic energy crises which encourage or mandate eating at home. The major positive force in future demand for convenience foods, however, will be the rapid increase in home-ownership of microwave ovens, expected to reach 50% by the mid 1980s. This will inspire a huge demand for frozen convenience products in general, notably for rapid-use breakfast items and evening meals (for working wives in particular)."

In both the broad and narrow markets, convenience fish/seafoods, poultry products, prepared foods and fruit products will lead all other commodity groups in percentage growth, with sales expected to more than double over the decade. During the 1972-79 period — a time in which the broad market increased 111% — convenience fish, vegetables, fats and oils, dairy products, cereals and prepared foods led the pack, with fruits and poultry lagging well behind, Frost & Sullivan reports. Among specific product types, frozen vegetables, cookies/crackers, soft drinks, canned fish, syrups and dressings scored the most impressive dollar gains between 1972 and 1979.

Report Available

Though detailed trend data for the field is not available, commodity groups experiencing major growth in convenience products include baked goods, fruits, vegetables, grainmill products and prepared foods. By specific product type, side dishes, hors d' oeuvres, salads and mixes are witnessing the greatest inroads.

For further information, contact Customer Service, Frost & Sullivan, Inc., 106 Fulton Street, New York, NY 10038, (212) 233-1080. Report #773.

Clybourn Continuous Motion Horizontal Cartoner

A 32-foot Continuous Motion Horizontal Cartoner was displayed by Clybourn Machine Company, Skokie, IL, at the PMMI Pack Expo Show.

This Model ACGP Cartoner is designed for cartoning long cut spaghetti in packages of the following weight sizes: 500 g/ 1 kg/ 2 kg (8 oz. to 4.4 lb.). Besides this large carton size range, the machine also features No Product/No Carton; No Carton/Product Bypass; a hot melt adhesive system, and a speed range of up to 160 cartons/minute.

The machine has been manufactured for a Canadian pasta manufacturer and will be used with automatic net weight scales. It is ideal for packaging all types of pasta, including lasagna.

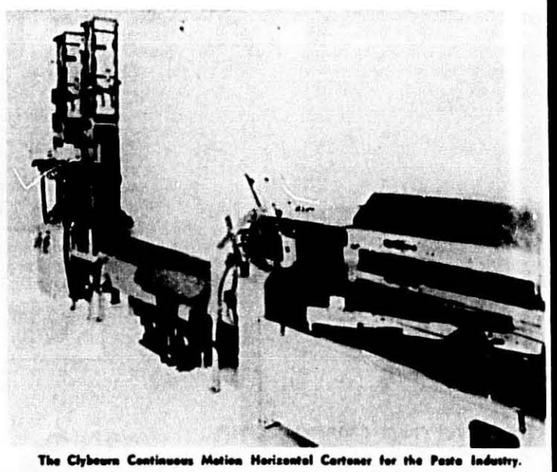
This cartoner is based on a standard Clybourn unit, modified to meet customer specifications.

Clybourn Machine Company, a division of Paxall, Inc., manufactures both intermittent and continuous motion horizontal and vertical cartoners and can provide such options as net weight scale filling, volumetric an auger feeding systems, hot melt adhesive applicators and many others.

White Foresees Single-Chip Microprocessors as Choice of Packaging Machinery Designers

Packaging machines using microprocessor based control systems first appeared at the 1978 PMMI Show. The number was small, even including machines using programmable controllers and check weighers. Two examples at the 1978 Show were Packaging Machinery's Eagle Scale weighing machine and Wright Machinery's Mon-O-Bag® form-fill-seal bagmaker.

By contrast the 1980 PMMI Show contained so many machines using the microprocessor that an accurate count was difficult. According to Homer S. White, pioneer in microprocessor application, "Some examples included Bartelt's I. M. packager, Union Camp's large bag weigher (using a T. I. programmable controller), and a machine by Triangle which included a T.V. screen to prompt the machine operator."



The Clybourn Continuous Motion Horizontal Cartoner for the Pasta Industry.

White continued:

The programmable controller (most of which have a microprocessor buried deep within the well packaged control module) seems to have made a firm impact on the carton handling equipment – especially palletizers which may have to be frequently changed to handle different stacking patterns for various sizes of cartons.

In addition to machine control applications, a number of commercially packaged microprocessors (e.g. Radio Shack, Pet, Apple, etc.) were on hand. These, for the most part, were in data processing applications which in some way related to the packaging industry.

With the recent availability of one-chip microcomputers at very reasonable prices, it could be that at the 1982 PMMI show one would find a larger number of microcomputers than machines. A large machine can employ several one-chip computers in a distributed processing network rather than relying on one fairly complex uP to do the job. As most packaging machine environment problems are associated with the interconnections from one circuit board to another, it makes good sense to have several small uP systems, each consisting of one printed circuit card and each responsible for controlling one well defined portion of the machine.

For example, a form-fill-seal machine having three weighing scales and running polyethelyne film could very well have six microcomputers. Each scale and its associated feeders could have its own one-chip microcomputer. A fourth microcomputer could oversee the three weighing channels and could also provide management data to document the performance of the machine. A fifth microcomputer could control bag maker operations and a sixth could control the poly impulse sealing operations. All of the above could indeed be done with only one microcomputer, however, the over all complexity would very likely be increased. Such a system would require a rather powerful processor – perhaps a 1 bit machine, several printed circuit boards, and several hundred interconnections.

In the distributed processing network described for the above machine, three cards, controlling the weigh system would be identical and could be swapped from one weighing channel to another to determine whether a malfunction was associated with the control card or was in some component external to it. The other three control cards could very well be identical with the exception of the program storage chips.

While the microprocessor is still far too new on the market to be fully settled into the scheme of things, it is evident that as prices continue their decline and new versions with improved performance continue to be designed, the end of new applications into the packaging field is far from being in sight.

All-Microprocessor Controlled Packaging System Described in Triangle Brochure

The industry's first all-microprocessor controlled packaging system that features man/machine dialogue is described in a new four-color brochure from Triangle Package Machinery Company.

System Twenty-One combines a Flexitron net weigher and a Pulsamatic form-fill-sealer. The brochure details how both functions are coordinated with microprocessors that allow for digital access, CRT display and EAROM (Electronically Alterable Read Only Memory) programing.

The brochure also describes how all electronic settings are instantly made and operator data is immediately displayed on the CRT screen when a preprogramed EAROM cartridge is inserted into the system. A finger-tip adjust keyboard allows operators to address System Twenty-One with responses appearing at once on the CRT screen.

A copy of this brochure is available by writing Triangle Package Machinery, 6655 W. Diversey Ave., Chicago, IL 60635.

Redington Cartoner For Larger Sizes

A new cartoning machine which takes cartons up to 15" x 10" x 4", opens them and fills them, has been developed by Redington, Inc., Bellwood, IL.

The EDI-PAK™ model 12C is an intermittent motion cartoner which operates at infinitely variable speeds up to 60 cartons per minute. While the unit was developed for larger size cartons, it can handle a wide range of sizes.

The heavy duty unit, designed for around-the-clock operation, can be changed over to run different size cartons in minutes.

Unit can be supplied with many automatic intermittent or continuous motion infeed systems.

Products can be fed automatically or placed manually into infeed conveyor. The machine is ideal for many products such as paper products, food, confectionery, hardware, multipacks, display packs, etc.

Many otional items can be incorporated on this machine such as leaflet folder and inserter, coupon inserter, code imprinting or debossing hot melt adhesive system and automatic product transfers.

For more information contact Redington, Inc., 3000 St. Charles Road, Bellwood, IL 60104.

Gaspak: A New Method to Preserve Food

Scientists at the University of Maryland have developed a new method of preserving raw or partially processed foods that is substantially more energy efficient than canning or freezing. The process, known as GASPAK, treats foods with gases that retard bacterial growth and food aging. According to Dr. Amihud Kramer, the food scientist who first conceived of the process, savings could be made of up to 80 percent of the energy now used to process foods from the farmer's fields to the consumer's table.

Want more information? Write to: Mr. Bobby Issac; Information and Publication Unit; Maryland Agricultural Experiments Station; 0119 Symons Hall, University of Maryland; College Park, Maryland 20742.

Downward Trend Continues In Corrugated Shipments

Corrugated Box shipments for the first eight months of 1980 are running 4.5% below 1979 levels, according to Thomas J. Muldoon, executive vice president of the Fibre Box Association.

Shipments began dropping below year-ago totals in March, Muldoon told the trade group's annual meeting. The one bright spot, he noted, was that August volume was ahead of July's, although it was 12½% below the August '79 mark.

Comparing the ratio of box shipments to industrial production, Muldoon noted that "during 1979, we were almost exactly parallel." The 1980 comparison is somewhat uneven, he noted, but averages out as being parallel, with box shipments slightly ahead – by 1.2% – for August.

"One thing we have noted in recent years is an increasing tendency for different sections of the country to behave differently," Muldoon noted. Year-to-date shipments in the Association's six statistical Areas range from +0.3% on the West Coast to -11.7% in the North Central states, where automobile production is down severely.

Future shipment trends, projected for the Association by Merrill Lynch Economics, are somewhat more encouraging. Paul S. Moscarello, vice president of the forecasting firm, indicated that there will be several more poor quarters before the upturn, but that it will begin in the second quarter of 1981. He projected a 1980 total of 237.7 billion square feet of corrugated boxes, down 5.1%, and a 1981 recovery of +3.0% to 244.8 bsf. For the longer term, he expects good increases of 7.5% and 6.4% in the following two years, and then an average growth of about 3.4% per year for the balance of the decade.

Muldoon's report also covered the corrugated price trend index. For the first quarter of 1980, it registered 210 against a base of 1967 = 100. The second quarter showed a 1.9% increase to 214, but the index slipped to 212.6, down about 0.6% after the first two months of the third quarter.

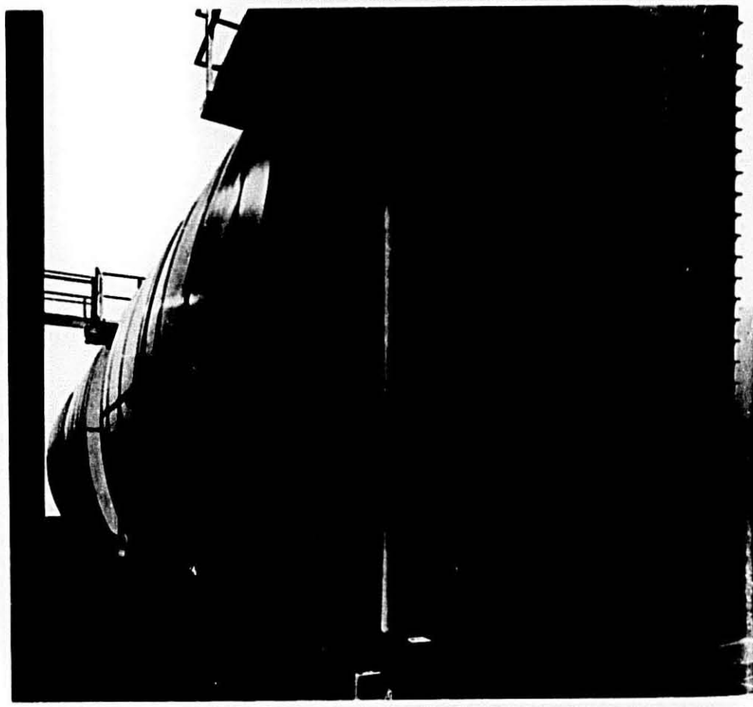
Comparing the corrugated index to the Producer Price Index, he noted that corrugated has increased 13 points since the first of the year, while the PPI is up 24 points.

Turning to raw materials supply, Muldoon noted that mill production is up 2.6% for the year to date. With the decline in box shipments, the result is an increase of 175,000 tons in inventory since the first of the year. The figure, as of September 1, is actually better than the August 1 total, which was 137,000 tons higher, he reported. The corresponding weeks of supply level now stands at 6.8.

Combining the Merrill Lynch forecast for box shipments with the American Paper Institute's projections of mill capacity, Muldoon noted that "there will be no shortage of linerboard through 1981 unless the economy takes a large turn for the better, or unless the export market continues to show its high plus figures."

BUHLER-MIAG

Performance Yo[u] can Depend On!



Models TRBB and TTBB Capacity: up to 10,000

MODEL		
PRE-DRYER	FINAL DRYER	CAPACITY, LBS/HR
TRT	TTT	500- 2,000
TRNA	TTNA	1,000- 4,000
TRNC	TTNC	2,000- 6,000
TRBB	TTBB	4,000-10,000

Integrity . . .
in design
in construction

ORT GOODS LINES . . .

ient Energy-Saving Design

h temperature and high humidity drying, requiring a mini-m volume of fresh air. The most energy-efficient design!

els 1¾" thick with polyurethane foam core. Aluminum lining nside for heat reflection and absolute vapor barrier. No heat ges.

aller, high-efficiency units require less floor space.

culating air fan motors are mounted inside dryers, utilizing % of electrical energy. (New type of energy-efficient motor vailable).

t-in heat recovery system (optional) utilizes exhaust air heat.

eria and Sanitation Control

h temperature drying controls bacteria. Dry bulb perature adjustable from 100°F to 180°F.

rs are in front panel for product control during operation. y also give easy accessibility for weekly cleanouts. Swing- side panels extend entire dryer length, allowing fast nout and service.

r is absolutely tight, yet easy to clean, maintain and super-.

Quality Product

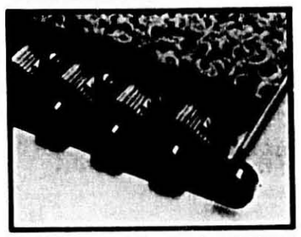
h dryer is equipped with a patented, U.S.-built BUHLER-MIAG a-T Control System that allows the product to adjust its own g climate. The result is a stress-free, nice yellow-colored product.

h drying temperatures, in combination with ideal drying , increase cooking quality of final product.

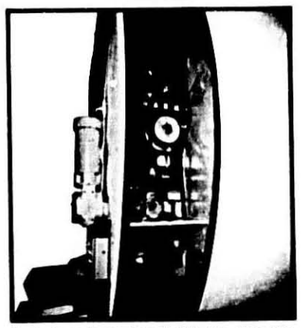
duct losses are minimized through the entire production cess including startups, shutdowns, production interrup-s ar die changes.

duct Quality is What Really Counts!

grad quality is yours from BUHLER-MIAG equip-. Your customer recognizes and deserves it. Can afford to give him less?



Product conveyor belt made of special heavy duty roller chains, extruded aluminum alloy "S"-shaped elements and anodized aluminum product side guides. Automatic conveyor chain tensioner and lubrication system.



Each dryer is equipped with two drive stations. Special safety device protects drives. Gearmotors mounted outside panels for long life and easy service. AC or DC variable speeds. Standard U.S. built drive components.

us for information on BUHLER-MIAG Short Goods Lines and other Macaroni Processing Equipment

BUHLER-MIAG®

BUHLER-MIAG, INC., P.O. Box 9497, Minneapolis, MN 55440 (612) 545-1401
BUHLER-MIAG (Canada) LTD., Ontario (416) 445-6910

Campbell Soup Sales

Campbell Soup Company's sales and earnings reached record levels in the fourth quarter and 1980 fiscal year ended August 3, Harold A. Shaub, President, reported today.

Campbell's earnings for the prior year have been calculated on a pro forma basis because of the company's decision to adopt the last-in, first-out (LIFO) method of accounting for principally all domestic inventories retroactive to the 1977-79 fiscal year. This change, with IRS permission, is also retroactive for tax purposes.

The 1980 fourth quarter and fiscal year included one more week than the company's 1979, 13-week fourth quarter and 52-week fiscal year, Mr. Shaub said.

Consolidated sales for the year rose to $2,560,569,000, for an increase of 14% over sales of $2,248,692,000 in fiscal 1979.

On a pro forma basis, net earnings for the year totaled $134,582,000 compared with $119,817,000 last year. Earnings per share on a pro forma basis increased 14% to $4.08 from $3.59 last year.

15% Increase

Sales for the fourth quarter amounted to $619,914,000, an increase of 15% over sales of $539,297,000 in the quarter last year. Net earnings for the quarter were $30,949,000, compared with the pro forma $26,039,000 for the quarter in the prior year. Earnings per share increased 19% to 94 cents per share from the pro forma 79 cents per share in last year's quarter.

Sales of Campbell's foreign subsidiaries, after elimination of intercompany sales, amounted to $483,367,000, compared with $325,221,000 in 1979. Excluding foreign currency translation adjustments accounted for a loss of 2 cents per share in 1980 compared with no gain or less in fiscal 1979. For the fourth quarter, foreign currency translation adjustments reduced earnings 3 cents per share this year, compared with an increase of 2 cents per share last year.

"Approximately 25% of the company's sales increase came from volume, including those of our newly-acquired business," Mr. Shaub said.

A new product category for Campbell is Prego Spaghetti Sauce. "Italian food sauce is a growing, dynamic market," Mr. Shaub said. Prego is being offered in three flavors: regular, meat, and mushroom; and in three sizes: 48-ounce, 32-ounce, and 15½-ounce. "We put homemade taste in every jar," is the theme being used to introduce the new spaghetti sauce to approximately 25% of the country.

Campbell Soup Company Names McGovern President

Campbell Soup Company's board of directors has elected R. Gordon McGovern as the company's president. He recently served as executive vice president and chief operating officer.

Mr. McGovern succeeds Harold A. Shaub, who retired December 1 following 38 years service with the company.

In other action by Campbell's board, John M. Lindley and Alexander M. Williams were elected executive vice presidents.

R. G. McGovern

Mr. McGovern has been a corporate vice president at Campbell since 1976 and served as President of Campbell's Pepperidge Farm, Incorporated, subsidiary from 1968 until his appointment as Campbell's executive vice president last August. He joined Pepperidge Farm in 1958. He is a graduate of Brown University and obtained an MBA degree at Harvard University.

J. M. Lindley

Mr. Lindley joined Campbell's Canadian subsidiary, Campbell Soup Company Ltd., in 1955, later served as the Canadian firm's vice president and general manager, and in 1968 was elected its president. He is a native of Ontario, Canada, and holds a degree in agricultural science from the Ontario Agricultural College, University of Guelph.

A. M. Williams

Mr. Williams joined Campbell Soup Company in 1946 after graduation from Princeton University and since then has held various managerial positions in the company's canned food plants and corporate office.

Mr. Williams was elected a Senior Vice President of Campbell Soup Company in June, 1972. In June, 1976, he assumed the presidency of the Canned Food Division. He holds principal responsibilities for a[dmini]stration of the company's canne[d fo]od business, Mushroom Division, [Fra]nk Village Products subsidary, a[nd h]e the company's procurement, tr[ans]portation and capital improveme[nt]s de[part]ments.

Italian Recipe Contest

Bertolli USA, San Francisco, Calif[ornia] is following up on the tremendo[us] success of last year's Bertolli Italia[n] Recipe Contest – for which ov[er] 7,000 entries were received.

This year's 2nd Annual Bertol[li] Italian Recipe Contest is expected t[o] draw an overwhelming number [of] entries because every entrant automa[t]ically wins a 20¢ Bertolli Olive O[il] store coupon and an imprinted vi[nyl] coupon saver.

The Grand Prize is a two-week all-expense-paid dinner tour of Ita[ly] for two. First Prize is a one-week, e[x]pense-paid Italian dinner tour of th[e] U.S. for two.

Thirty Hamilton Beach food pr[o]cessors and 40 Hamilton Beach sl[ow] cookers will be awarded as secon[d] and third prizes. One thousand fourt[h] prizes will be Bertolli Recipe Binde[rs] and 2,000 fifth prize winners will r[e]ceive the new 36-page Italian Cooke[ry] book, featuring some of the prize-wi[n]ning recipes from last year's contest.

National Advertising

The contest was promoted in Oct[o]ber Bon Appetit and Novem[ber] Family Circle. Full-page col[or] feature an Italian kitchen settin[g], displaying the complete family of Bertolli imported Italian products - Ber[to]lli Olive Oil, Spaghetti Sauc[e], Red Wine Vinegar and the full line [of] Bertolli Wines.

Newspaper ads and radio sp[ots] announced the recipe contest in selec[t] markets.

Four-color stacker cards at point-of-sale mirror the beauty of the magazine ads. The same scene is featured on the tear-off pads and neck collar folders, with full contest rules and entry forms.

Attenzione

Attenzione magazine, devoted [to] the Italian lifestyle, has a feature [in] the December issue entitled: "[The] Pasta Generation". It is an interesting industry round-up.

SAVE OVER $1 MILLION IN TEN YEARS!

WITH EACH MICROWAVE DRYER

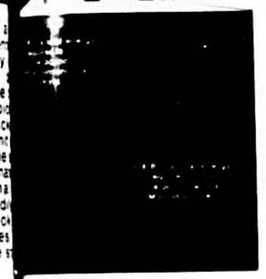
- Up to 4 times the production in the same feet of floor space (a bargain in itself with construction costs in the $40 sq./ft. range)
- Free production 5-42% with a 5-day week
- Save energy. Tests prove over 50% total energy savings compared to some competitive dryers.
- Santitation savings. Minimum $100 each cleaning. Most easily sanitized dryer, hose it down or steam clean it.
- Save on installation. Fabricated and assembled at our plant. Up to 5,000 man-hours savings.
- Other factors of increased flexibility, less waste from spillage, more exact moisture control.

A BETTER PRODUCT

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

Microdry actually produces a better product than does conventional processing. The superiority in the cooking strength and [illegible] when ready to eat, and the enhancement and microbiological 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 and Microdry units. You will readily see the color difference, cook and taste the bite differences. Let us measure for yourself the reduction in sloughoff each product.

- Kills all weevils—eggs, larvae and adults.
- Kills all salmonella, Staphylococci, Coli and Coliforms. Greatly reduces total microbial counts.
- Makes a product with [illegible] color.



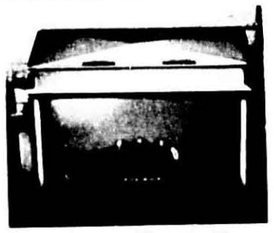
...a drying operation from ...tron line comparisons by two ...rocessors. Shows total energy ...ge.

WHAT USERS SAY:

- Lowest downtime. We keep an accurate record of all downtime and express it as a percentage of time down to time scheduled. Microdry leads the list at less than 2%.
  Plant Manager of a leading mid-west operation.
- All future equipment will be Microdry.
  Technical director of a large pasta plant.
- I guess the greatest compliment I can pay to Microdry is that if we were going to install another Short Cut line in our Operation, it would definitely be a Microdry/Microwave Dryer.
  Executive Vice President, pasta manufacturer.

UNITS IN THESE LBS./HR. CAPACITIES, 1500, 2500 AND 4,000 ARE OPERATING TODAY OR ARE ON ORDER FOR

- GOLDEN GRAIN PLANTS
  7 units
  Chicago, Seattle, San Leandro
- D'AMICO, 1 unit
  Chicago
- CATELLI, 1 unit
  Montreal
- GOOCH, 2 units
  Lincoln, Nebraska
- O'B, 1 unit
  Fort Worth, Texas
- LIPTON, 2 units
  Toronto, Canada
- GILSTER MARY LEE, 3 units
  Chester, Illinois
- WESTERN GLOBE, 2 units
  Los Angeles
- PILLSBURY CO. (American Beauty Division), 2 units
  Kansas City, Kansas
- SKINNER, 1 unit
  Omaha, Nebraska

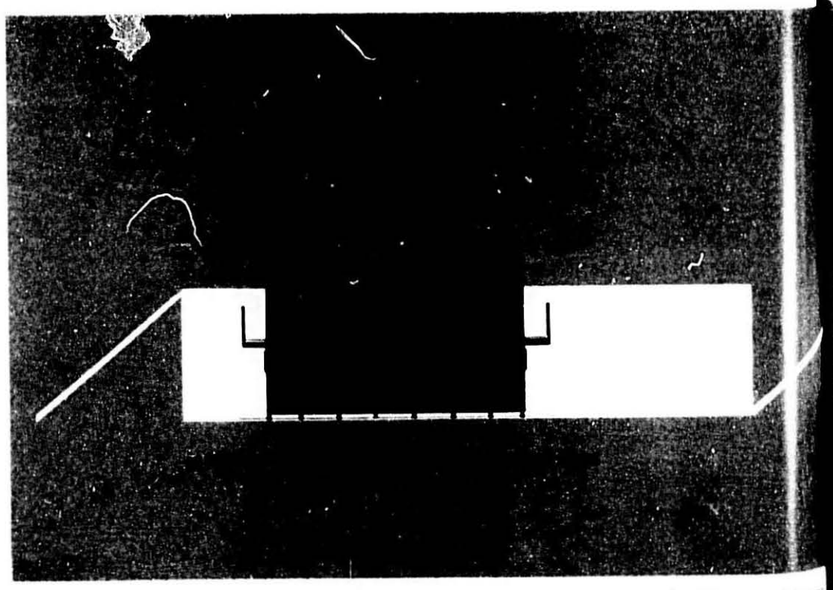


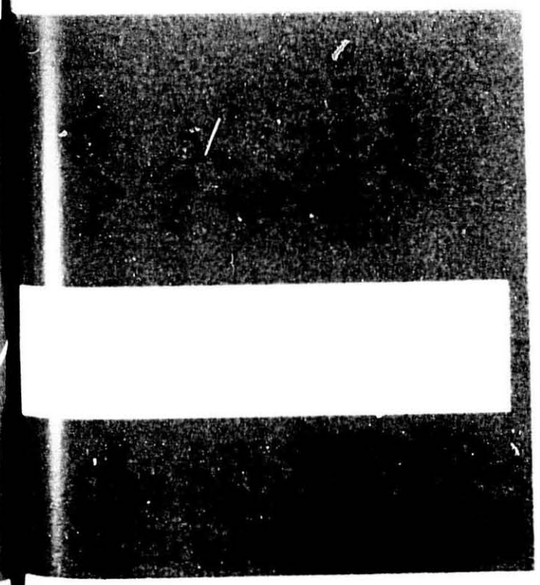
Dishwasher by Microdry. More compact, 2,000 p.s.i. water nozzle pressures.

MICRODRY Corp. World leader in industrial microwave heating

MICRODRY

3111 Fostoria Way
San Ramon, CA 94583, 415/837-9106





Growth through Quality

Consolidated Foods Corporation in its 1980 annual report makes a statement of the principles that guide them.

It is stated: "Every corporation is characterized by a set of guiding principles that defines that corporation's view of itself and describes the values it embraces.

"Such principles have existed implicitly at Consolidated Foods. Because of the significant structural changes that have occurred within the corporation over the past five years, however, it makes sense to make these principles explicit.

"Principles are important first as a description of 'the way things work around here'. More importantly, the principles will ultimately determine the kind of corporation we will become. Together with our financial goals, these principles will define us as a corporation."

1. To build our business on demonstrably better products or services than those offered by our competition.
2. To achieve leadership positions in each principal product or geographic area in which we compete.
3. To ensure that our corporation and each of its operating companies has in place a management group superior to our competition.
4. To manage ourselves as a 'decentralized operating company'.
5. To dedicate ourselves to consistent improvement in the productivity and efficiency of our business.
6. To search always for better ways to manage our company.
7. To deal with integrity, fairness and responsibility toward all our constituencies: shareholders, employees, trade and suppliers, the local, state and national governments where we do business, and to those communities in which we are a significant employer.

Financial goals:

- to achieve and maintain a return on equity of at least 15%;
- to achieve and consistently maintain earnings per share increases of at least 10-12%;
- to maintain a long-term debt to capital ratio not exceeding 35%;
- to increase the corporation's dividend each year and maintain a payout ratio of approximately 40%.

Impressive Report from General Mills Canada, Ltd.

The Annual Report for General Mills Canada, Ltd. (year end April 27, 1980) was released in late October. John D. Herrick, Chairman, describes the company's sales and financial results as "impressive and record-breaking."

As compared to the previous fiscal year, the sales of the company were up 14.7% to $171.6 million; earnings increased 43% over the previous period to 5 million.

Betty Crocker products continued to gain in both volume and market share and was especially strong in Super Moist Layer Cake and Creamy Deluxe Frostings. The "Big G" cereal business posted a 4% gain due mainly to the success of two new cereal products: Golden Grahams and Honey Nut Cherrios.

The Lancia-Bravo Division increased unit sales by 7%. Pasta volume was up by 4% in a market which grew by 3%. Bravo Thick and Zesty, a thick spaghetti sauce, achieved solid market position in Ontario and served to strengthen the Division's leadership position in the spaghetti sauce market. Oil Packing capacity was increased during the year and resulted in record volume levels for Bravo Vegetable Oils.

These positive achievements were partially offset by five weeks of strike at the beginning of the year. However, volume and share levels returned to normal soon after the strike ended.

The Blue Water Seafoods Division improved their profit contribution. The Parker Brothers Division added to their line of games and toys. Eddie Bauer increased its market share in the important down-wear business. An addition of 3,000 sq. ft. was made to the Toronto store plus an increase in mail order catalogues. These efforts have resulted in a strengthening of the Eddie Bauer position as a leader in outdoor clothing, equipment and accessories.

Convention Feature

Steven R. Holmberg

Results of the membership survey and the five year outlook report will be given by Dr. Stevan R. Holmberg, Associate Professor of Management at the American University, Washington, D.C. at the Winter Meeting of the NMMA to be held at Boca Raton Hotel & Club, Boca Raton, Florida, February 4-8, 1981. Dr. Holmberg's presentation will be on Friday, February 6. Roundtable discussions and workshop sessions in strategic planning will be conducted on Saturday, February 7.

The convention officially opens with a welcoming reception and dinner Wednesday evening, February 4.

The core presentation of Pastaville U.S.A. given at the International Durum Forum in Minot, North Dakota will be presented as the opening day feature of the convention February 5.

Buitoni to Increase Capital

Industrie Buitoni Perugina the Italian-based pasta manufacturing and food company, has been engaged in a major capital expansion program. Early this year, I.B.P. raised its share capital from L12 billion to L20 billion and has now announced a program to add another L10 billion to bring the total to L30 billion. This latest expansion will be done through the issuance of the bearing 13% interest, which will be convertible into shares in the 1981-88 period.

NATIONAL MACARONI MANUFACTURERS ASSOCIATION

WINTER MEETING

FEBRUARY 4-8, 1981 — BOCA RATON HOTEL AND CLUB

BOCA RATON, FLORIDA 33432

Wednesday, February 4

2:00 p.m. Registration Desk opens in Cloister Lobby
3:00 p.m. Board of Directors meeting in the Madrid Room.
4:30 p.m. National Affairs Committee meets.
Standards Committee meets.
6:30 p.m. Welcome Reception in Camino Hall.
7:30 p.m. Dinner Meeting with Presidential Address, Great Hall.

Thursday, February 5

8:00 a.m. Breakfast in Cathedral/Court.
9:00 a.m. General Session in Barcelona Room.
Pastaville USA Presentation.
12:00 noon Product Promotion Committee luncheon meeting in Southeast Kingman.
2:00 p.m. Tennis Mixer at the Tennis Courts.
Golf Tourney sign up in advance.
6:30 p.m. Suppliers' Social in Camino Hall.
7:30 p.m. Italian Dinner in the Great Hall.

Friday, February 6

8:00 a.m. Breakfast in Cathedral/Court.
9:00 a.m. General Session in Barcelona Room.
Dr. Stevan R. Holmberg will report on Membership Need Survey and Industry Outlook for the next five years.
12:00 noon Canadian Pasta Manufacturers luncheon meeting.
Afternoon committee meetings — leisure activities: Golf, tennis, swimming.
6:30 p.m. Suppliers' Social at Garden Pool.
7:30 p.m. Dinner on your own — Patio Royale.

Saturday, February 7

8:00 a.m. Breakfast in Cathedral/Court.
9:00 a.m. General session in Barcelona Room.
Dr. Stevan R. Holmberg will lead long range planning sessions at round tables for committees and special interest groups.
Afternoon at leisure — continuance of committee meetings.
6:30 p.m. Suppliers' Social at Garden Pool.
7:30 p.m. Banquet in the Great Hall.

Sunday, February 8

8:00 a.m. Breakfast in Cathedral/Court.
9:00 a.m. Board of Directors meet in the Madrid Room.
Adjournament by noon.

INDEX TO ADVERTISERS

CLASSIFIED
ADVERTISING RATES

Want Ads ..... $1.50 per line
Minimum $5.00

FOR SALE: Demaco used presses, spreaders. For information write P.O. Box 336, Palatine, IL 60067.

Coming Events:

N.M.M.A. Winter Meeting
Boca Raton, Florida
February 4-8, 1981

Pasta and Durum Short Course
North Dakota State, Fargo
March 10-13, 1981

N.M.M.A. Technical Seminar
Radisson South, Minneapolis
April 27-30, 1981

Interpack '81, Dusseldorf,
West Germany, May 14-20

77th Annual Meeting N.M.M.A.
La Costa, Carlsbad, CA
July 12-16, 1981

New Foremost-McKesson Grocery Products Division

Consolidation of all grocery product manufacturing, marketing and product development activities into a new division known as the Foremost-McKesson Grocery Products Division has been announced by Norbert W. Markus Jr., president of the Foremost-McKesson Foods Group.

Markus said the new division will include the C. F. Mueller and D'Amico Foods operations and Foremost grocery products brands. The division will also be responsible for all new grocery product devolopment activities.

G. Clinton Merrick, 37, has been named vice president and general manager of the new division and will also continue in his present post as president of the C. F. Mueller Company. He has held the latter position since March 1960, and was previously vice president of marketing and product development for the Foremost McKesson Foods Group.

Markus said the consolidation is part of a long-range plan to expand and improve the Foods Group's grocery products business. Headquarters of the new Grocery Products Division will be in Jersey City, N.J.

The Mueller full line of macaroni, rigatoni, spaghetti and other pasta is a dominant brand in the east and was recently introduced in the midwest. The Mueller Company is the largest pasta producer in the U.S.

Magic Shell, a quick hardening ice cream topping; Perfect Host, a line of dry cocktail mixes; and Milkman, a low fat dry milk product, are other Foremost brands.

San Giorgio-Skinner Adds To Record Net at Hershey

Contributions by the San Giorgio-Skinner pasta division were cited as boosting third quarter income and sales of Hershey Foods Corp., Hershey, PA which reached record levels in the period ending Sept. 28.

Net income of Hershey Foods was a record $17,941,000, equal to $1.25 per share on the common stock, up from $17,410,000, or $1.23 a share, a year ago. Sales total $343,993,000, also a new record and up from $314,432,000 last year.

For the nine months ended Sept. 28, Hershey Foods had income of $42,837,000, equal to $3.03 per share, up from $40,237,000, or $2.84 a share, a year ago. Sales totaled $959,710,000, against $842,219,000 a year ago.

William E. Dearden, vice-chairman and chief executive officer, said the pasta division had a particularly strong third quarter. It and several other divisions allowed the company to surpass previous records, he said.

"Increased marketing activities, including both advertising and promotional support, enabled San Giorgio-Skinner to maintain a healthy rate of growth," Mr. Dearden said.

R. A. Zimmerman on Dr. Pepper Board

Richard A. Zimmerman, president and chief operating officer of Hershey Foods Corporation, has been elected to the board of directors of Dr. Pepper Company, headquartered in Dallas, Texas.

Mr. Zimmerman directs Hershey's five operating divisions, including Hershey Chocolate Company, Friendly Ice Cream Corporation, San Giorgio-Skinner, Inc. (manufacturer of pasta products), Cory Foods Services (office coffee service), and Hershey Chocolate of Canada. Also reporting to him are the corporation's international operations, science and technology, and human resources.

Mr. Zimmerman joined Hershey in 1958 and held various administrative positions prior to being named assistant to the president in 1965. He was elected to the board of directors in 1970, and the following year he was named Group Vice President in charge of non-chocolate operations. From 1971 to 1974, he also served as president and chief executive officer of Cory.

Buhler-Miag Addition

Buhler-Miag, Inc., Minneapolis, has begun construction on a 12,000 sq. ft., one-story office addition to accommodate an additional sixty-five employees.

Continued success and growth of the U.S. headquarters of the engineering and manufacturing company have required the expansion to its present facilites, built in 1977.

The new addition, like the present office complex, will be energy-efficient as well as enabling future construction of two additional stories.

Unique energy-saving features of the new building will include a two-story glass atrium/lunchroom designed to minimize outside wall area. all windows will have sun screens to allow sun in winter and shade in summer; heating and cooling will be by heat pump system with new water-storage tank.

Construction is scheduled for completion April 1, 1981.

Buhler-Miag designs, engineers, and builds equipment, systems, and complete plants for processing industries around the world.

We start with the finest durum and mill it to exacting standards
to insure you of dependable product quality. We're Multifoo

INTERNATIONAL
MULTIFOODS.