

StaleyNews

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Loudon's "power alcohol" enters strong markets; sales brisk as consumers go for improved gasoline performance

As the grind commenced at the Loudon corn wet milling plant on August 27, the company was already sold out of its ethanol or power alcohol, a "first" for a new product just starting up, according to Robert Schwandt, vice president and general manager of the ethanol business unit, who has seen a number of new plants and products brought on line during his 37 years with the company.

The sweetener portion of the plant began production of "Isosweet 100" 42 percent high fructose corn syrup late in March. The 55 percent HFCS is targeted for production later this spring. (A story about the sweetener portion of the plant will follow in a summer edition of the "Staley News.")

When running at capacity, the new facility will grind over 70,000 bushels of dent corn per day producing up to 600 million pounds of high fructose corn syrup and 40 million gallons of power alcohol annually.

Corn co-products, which are key to the overall cost efficiency of the plant, are 60 percent gluten meal, 21 percent gluten feed and corn oil. Gluten meal is sold locally, going to the poultry industry. Feed is pelletized for export to Rotterdam, Netherlands, to be distributed primarily throughout the European Economic Community. Domestic markets, which once utilized all of

this feed (when the corn wet milling industry was much smaller) also are being re-developed. The corn oil is being sold to corn oil refiners for human consumption. It is an important ingredient in margarines, salad dressings and cooking oils.

The fermentation process yields approximately equal quantities of ethanol and carbon dioxide. Staley has arranged for the sale of the carbon dioxide gas to a national processor-distributor, who will refine and market liquid CO₂ to beverage and food freezing customers in the Southeast.

The location of this plant continues the recent trend in the corn wet milling industry to build market-oriented plants. Until Staley built Morrisville in 1971, wet milling facilities had been located close to the source of raw material, which meant placing the plant at a distance from some prime markets. The expense of transportation of corn is offset by the marketing convenience in the newer plants.

Loudon, located along the banks of the Tennessee River about 35 miles southwest of Knoxville, is situated in the heart of the nation's growing Sunbelt, giving Staley a strategic location from which to serve expanding food and beverage markets for corn sweeteners in the Southeast as well as the power alcohol market in that territory. Loudon, in this manner, symbolizes a commitment to growth in the specialty corn products field to meet both food and industrial needs.

Corn supply stockpiled

Corn is being shipped from corn growing areas to Loudon by 100-car unit trains. The rail hopper car unloading facility handles the trains with a turnaround time of about 24 hours.

Cars, in groups of eight, are pulled through the unloading shed using a car advancer. A 30,000-bushel-per-hour receiving leg trans-

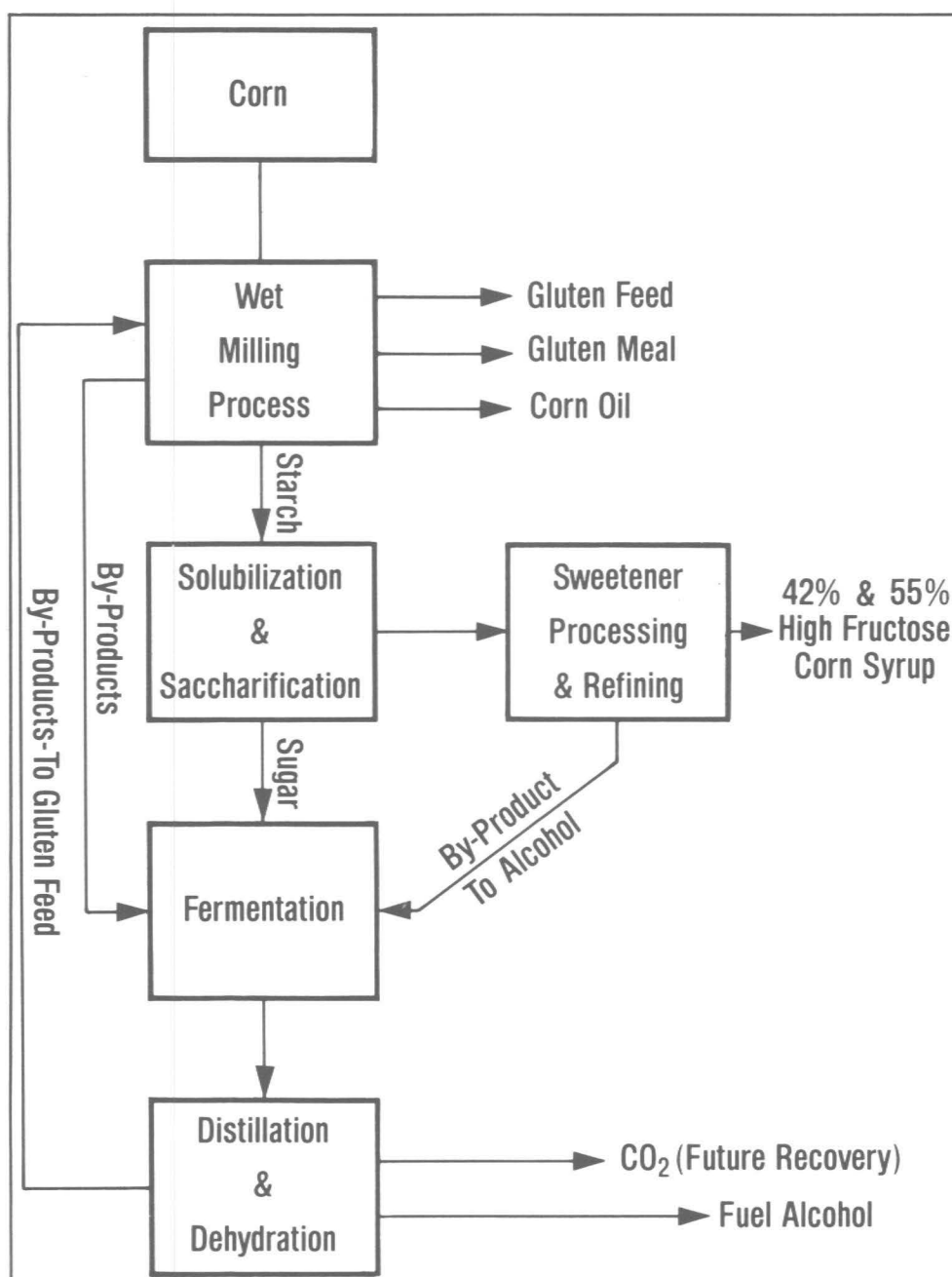
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Operating lease being worked out for Missouri mill

Staley has reached agreement in principle to enter into a long-term operating lease of a soybean mill in Mexico, Missouri. The mill is presently owned and operated by MFA, Inc., a regional farm supply and marketing cooperative.

The plant has a soybean crushing capacity of 45,000 bushels per day and employs approximately 80 people. It has been operated by MFA since 1942. The facility serves the export market as well as markets in the Southwest and Southeast.

The nation's fourth largest soybean processor, Staley already operates five soybean processing facilities.



This schematic drawing shows corn transformed into its main products - high fructose corn syrup and fuel alcohol as well as co-products of gluten feed, gluten meal and corn oil -- at the new Loudon corn wet milling plant.

Earnings off 2nd quarter

Staley reported net earnings of \$4,544,000 or 17 cents a share on sales of \$393,748,000 for the second quarter ended March 31, 1983.

The totals compare with net earnings of \$15,398,000 or 67 cents per share on sales of \$405,350,000 for the same period last year.

For the six months, net earnings amounted to \$7,233,000 or 27 cents a share compared to \$31,906,000 or \$1.40 a share for the first half of the prior year. Sales for the six months were \$760,656,000 versus \$798,404,000 a year ago.

Depressed prices for corn sweeteners and poor soybean milling margins caused the unfavorable earnings comparison, according to Chairman Don Nordlund. He said results also were affected by higher interest expense and lower investment tax credits.

Nordlund noted that second quarter earnings reflected a gain from a debt-for-equity swap completed during the period.

The chairman said that demand for corn sweeteners improved late in the second quarter, accompanied by some strength in pricing. Better operating results are expected in the second half of fiscal 1983 for the company's corn sweetener business, said Nordlund. He added that improvement in soybean milling is not anticipated before the end of the fiscal year.

Pepsico's decision stirs excitement

"Pepsi-Cola Co.'s approval of a 50 percent high fructose corn syrup (HFCS) level in 'Pepsi-Cola' is a significant day in Staley's history. A Staley team effort with contributions from research, sales, marketing, manufacturing and distribution made this approval possible," said Wayne Martin, vice president and general manager of sweeteners.

Martin was commenting on the 50 percent approval level of 55 percent HFCS in bottled and canned "Pepsi" and regular "Pepsi Free," which will significantly expand the HFCS market. This announcement is a milestone for the Staley Company and the corn refining industry.

Continuing, Martin said, "Pepsi conducted extensive tests on high fructose corn syrup in their formulations, making their own decision to go ahead with the use of HFCS, but we know the Staley team provided Pepsi with the needed in-put that led to their final decision."

Pepsi will use 800+ million pounds of 55 HFCS annually in addition to the amount already being used in its Pepsi fountain syrup and allied products. In terms of high fructose marketing, this has a significant positive impact on the industry's supply-demand balance.

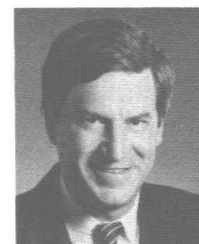
The Loudon 5500 HFCS unit began production as planned the first week in May. The timely start-up of this facility will enable Staley to meet the increased demand resulting from this approval. This will enable us to fully utilize Loudon's production capacity during this summer season.

Looking to the future of 55 percent HFCS in soft drinks, Martin said, "The Staley Company has stated publicly for several years that we expect the day to come when Coke and Pepsi and other beverage manufacturers will use 100 percent HFCS in all their beverages. This approval enables us to edge closer to that achievement. You can see from the following approval list of current HFCS replacement levels for all major soft

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Evans elected director of Board of Trade

William F. Evans, president of Staley Commodities International, Inc., has been elected a director of the Chicago Board of Trade. He will serve a three-year term.



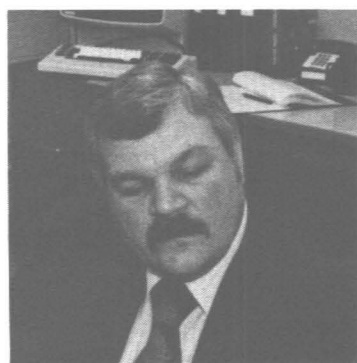
William Evans

A corporate entity comprising more than 2,300 members, the exchange is run by a board of directors, which includes an elected chairman and vice chairman; 15 directors, who are members; three public directors and the exchange president, who is a hired executive. They make the decisions on the Chicago Board of Trade's activities.

Of the Board's many committees, Bill is chairman of cash grain, feed grain, soybean meal, soybean oil, warehouse and transportation. He is also vice chairman of rules and serves on the membership committee.

Evans initially joined Staley in 1969 as a management trainee and was promoted to soy feeds merchandiser in 1971. He subsequently served as assistant manager and then manager of commodity futures with Staley's Agriproducts Group before Staley Commodities International was formed in 1976. At that time, Bill was named its president.

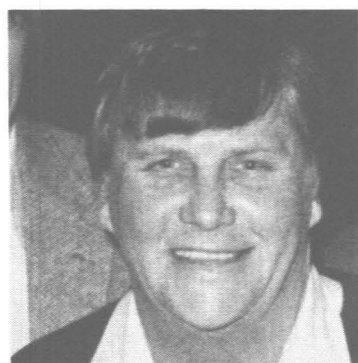
In the News...



Helper/P4



Sizzler/P6



Leader/P8

Ethanol start-up, production phenomenal: Key to success is team approach

Bound together with a sameness of purpose and united objectives, a team designed/constructed, then started up and has continued to operate the new Loudon ethanol unit. Not one team, but four with some of the same "cast" throughout (the permanent Loudon staff) have pulled together to put this plant into the production of "power alcohol," Staley's first venture with this product.

The entire scenario has been a heady experience for those involved from planning through to manufacture of ethanol. Construction was completed on the alcohol unit ahead of schedule and the grind started up on the 27th of August. Five days later, ethanol was being placed in storage with the first shipment leaving the plant on September 13.

After only 10 weeks of operation, Loudon was achieving near-design rates for ethanol production and demonstrated design capacity for the power alcohol in November. By the end of the year, production was at the design rate, which amounts to 40 million gallons annually.

Staley's power alcohol is being marketed primarily throughout the Southeast as a fuel enhancer for unleaded gasoline. Increasing regular unleaded's octane level of 87 to 90 by adding 10 percent ethanol, the gasoline industry has created a popular product that improves the performance of vehicles requiring unleaded fuel.

This spring, the company began producing corn sweeteners at Loudon for the food and beverage industries in the Sunbelt. The corn sweetener plant will have an annual capacity of 600 million pounds of "Isosweet 100" and "5500" high fructose corn syrup.

The wet milling and ethanol portions of Loudon were completed ahead of expectations with the successful start-up of the wet mill, feed house and germ press on "day one" surpassing a 30,000 bushel milling rate. The refinery starch conversion start-up also went smoothly followed by an effective alcohol process start-up with shipments made ahead of project schedule, according to Pat Simms, operations manager, and Bob Jansen, technical manager.

In addition, the plant achieved better than 90 percent of the alcohol design rate by the 10th week of production with good quality product being turned out. The start-up was supported by good reliability in the boilerhouse and waste treatment facilities from the very first day of operation.

Not by accident

Contributing factors to these accomplishments, according to Loudon personnel, were a "solid plant design with manufacturing personnel involved with corporate engineers early in the planning and designing as well as programming stages of the facility. Maintenance needs also were considered from the initial design phase."

(Lending their in-put from the permanent Loudon staff were Paul Herman, plant manager; Simms; Jansen and his technical staff; Theron Tinker, then the maintenance manager, and now principal maintenance engineer at Staley/Decatur; Don Barkman, personnel manager; Charles Glassmire, administration manager; and Ken Parks, purchasing agent.)

Once equipment placement began, skills of employees across divisional and department lines were utilized in a cooperative effort to control the project "on site." For ease of construction, schedule control and check out, this plant was broken into 232 sub-systems. Ahead of process start-up, the completed control system was checked out and debugged. Each area team managed sub-system completion to allow thorough process trials with documentation.

"Prior to start-up, technician orientation and training were completed, and we supported the initial plant processing operation with outside assistance heavy in 'hands-on' operating experience," according to the operations manager.

"Important to the total success were the long years of experience that personnel from the Decatur, Lafayette and Morrisville plants contributed to start-up operations. They were integrated into the operations teams and took leading positions at the outset. As Loudon operations personnel



The four distillation columns, a skyline marker of the Loudon plant, concentrate alcohol from fermented material into anhydrous alcohol.

grasped their jobs, the seasoned Staley employees from outside plants backed off and let the permanent staff take control," said Herman. "In addition, we also hired a few experienced employees from the other Staley plants who brought with them not only corn wet milling experience but also the Staley way of doing things," the plant manager pointed out.

Throughout the project, effective communications were maintained between contractor management and Loudon management, according to Herman. Management system "start-up" was delayed until after the physical plant was operational, although the fundamental building blocks of the management system were in place, such as the pay system, skill blocks, evaluation procedures, plant policies and procedures and safety procedures.

And finally, an extensive preventive maintenance system was in place at start-up, utilizing latest technology in lubrication materials and sensing equipment to reduce failure frequency, Herman said.

"A team approach on design and construction, such as the one we just experienced, has overcome major transitional problems from building to operation of the plant. You obtain a better quality product," said Bob Magruder, project manager, "because you have the in-put of operating personnel from the earliest stages. From beginning to end, there is a better quality of design, construction, start-up and operations of the plant, when it's completed. And the end product is much more cost effective."

Area approach necessary

"This construction job was so large that it could not have been completed on schedule and within budget without dividing it into segments or area teams," said Ben Cochran, corporate construction manager. "In the early stages when it was looked upon as one big job, we were having difficulty getting Staley in-put to the contractor."

Cochran saw breaking the project into logical jobs and bringing Staley people together with the contractor's construction personnel to share information that complemented each other and contributed to getting the job done.

"When this was accomplished, communication between the parties improved immensely," Cochran said. "Information that Staley had about what the company wanted built could be better applied and accepted. We began drawing in operating people and process and instrumentation engineers and they discussed their concerns which were recognized.

"By breaking construction into areas, we moved the management of the construction job into the hands of people who knew what was going on in their areas and had much

more contribution from Staley personnel. This approach was used successfully on a much smaller scale for the recent expansions at Morrisville and Lafayette," he said.

"Staley construction personnel from those expansions were brought in to obtain their know-how on building a mill house, feed house and refinery. Getting their knowledge and years of experience to the contractor was critical.

"We had a leg up on the big job at hand and all of the associated problems by pulling Staley construction personnel and engineers as well as operating people into the thought process. Once we received the contractor's commitment and willingness to work with us, we could not fail. We were all committed to the same goal," Cochran said.

Adding their thoughts on the subject, Simms and Jansen said, "With a team mode, we had common goals and objectives, working toward the same end result: Together we managed costs to the budget; managed the schedule to achieve turnover dates on the sub-systems; maintained quality of design and construction consistent with economic value; completed product demonstration of ethanol in fiscal 1982; developed optimum plans to place Loudon in a stand-by status for a timely and smooth start-up in 1983 to produce quality sweeteners; and provided plans to meet overall project objectives. Those were to complete the project within a definitive cost estimate; complete the project on schedule by sub-system dates and achieve start-up of the ethanol plant prior to September 15, 1982, all of which were accomplished!"

"There's no doubt about it," said Magruder. "The key to the success of this plant from its planning to operation has been the team approach." He noted that by "integrating key personnel from the new plant's staff at the earliest stages, they were able to make invaluable contributions to the design and construction. They were also up to speed along with the rest of us on the corporate engineering and industrial staff and made the transition from design/construction into the start-up very smoothly.

"The team concept took root in the earliest design and planning phase, a first for the Staley Company. Industrial/corporate engineering employees carried right on with construction personnel from Daniel Construction Company. Adding some borrowed assistance from other plants, we went right on into start-up of the wet milling and ethanol portion of the facility. And the plant today is continuing to operate with the management mode of a team concept.

"As far as we are concerned," Magruder said, "the corporate engineering and industrial products groups believe this is the only way we should attack future construction projects. We are sold on the team concept."

Team brings better understanding

Explaining the team concept advantages, Bob West, corporate project engineering manager, said, "In the old days, engineering designed and built a plant and then turned the keys over to the operations personnel. The facility never worked as well as operations thought it should because they had no hand in constructing it. They could not appreciate or fully understand why engineering took certain approaches.

"This is a reflection on the old way of doing things," West said. "A business group would decide what they wanted and would come with an outline to engineering and then depart. The engineers would put numbers to it and design the project. The business group would then approve it. After the fact, there would be misunderstandings because there was minimal communication on the project during the stages of design and construction.

"By seeing it at the start, sitting with a business group and working with them as a member of that group, we know, and are better able to coordinate, what everyone is thinking and wanting," West said.

Looking back on the project, Magruder, the project manager, said, "The Loudon plant was one of the most pleasant undertakings with which I was ever associated, and that spans a few years." Magruder has been with the company since 1959.

While the corn wet milling portion of the operation was very familiar territory, Magruder emphasized that "we had never put an alcohol plant together. This was a new venture for the company and the engineers. Start-up went very smoothly because of team effort and tremendous pre-planning."

From the plant's vantage point, continuation of the area management team concept, which functioned quite well during construction and start-up, is fundamental to the overall success of Loudon's operation.

In the early days, these teams consisted of construction, project and process engineering, operations and technical personnel whose primary objective was to get their particular process area operational. Supporting area teams were specialized skills employees with plantwide responsibilities, such as central maintenance, quality assurance, computer, environmental, civil, industrial and instrumentation engineers. As operations began, start-up process team leaders and area maintenance coordinators also functioned on the area teams.

This area team organization, according to Herman, concentrated expertise around a given area with a common goal of getting that area operational as efficiently as possible and permanent technicians completely trained. The concept places decision making on a daily basis around people with the most knowledge of that area.

Teams made normal processing and maintenance decisions for their area and developed recommendations for major design revisions or major changes in operating procedures. The goal was for the team members to work together across normal functional lines, pooling their resources to analyze problems and present positive recommendations for their solutions.

Feedback from area teams was reviewed by a start-up operations team consisting of Herman, Simms, Jansen, Magruder, Cochran, West, Tinker and Tom Gathright, quality assurance manager.

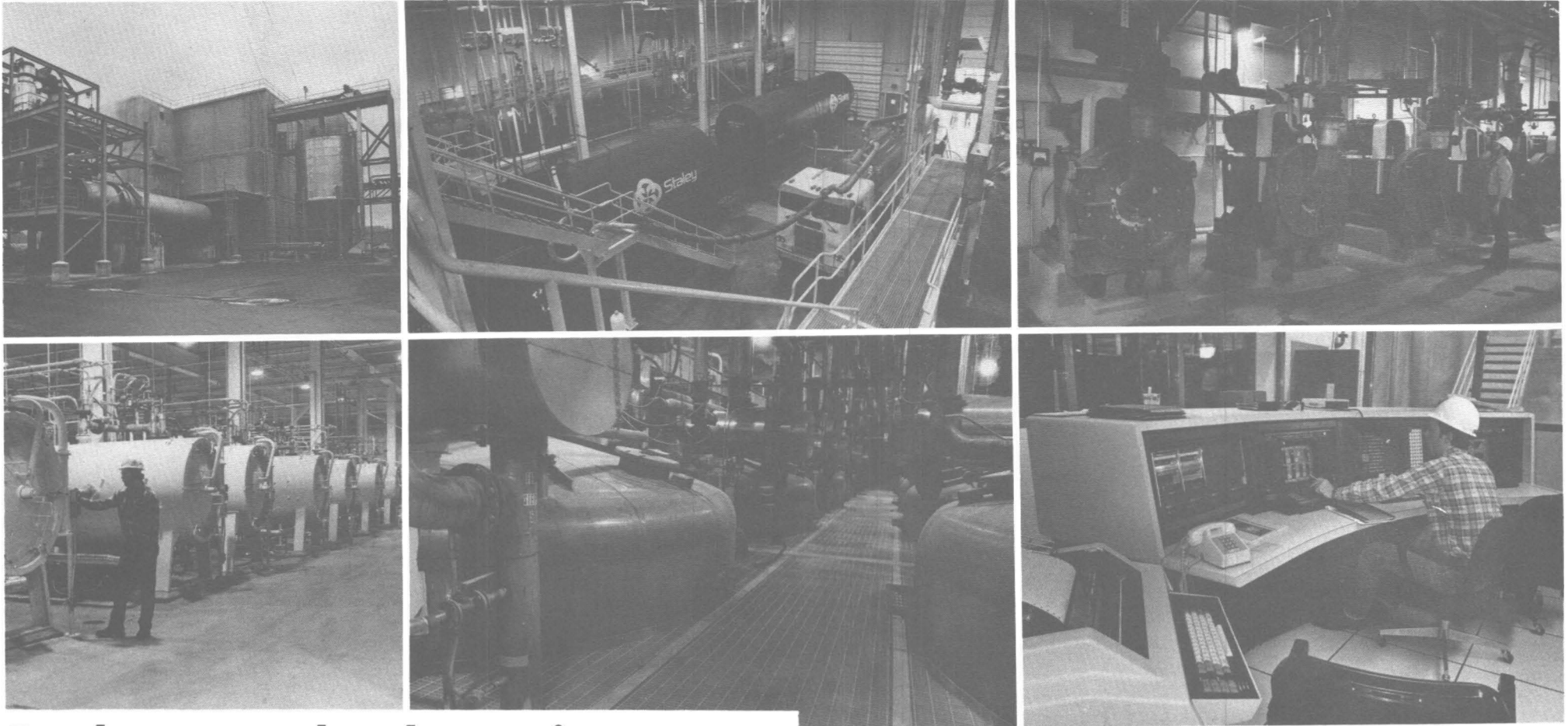
Basically this plant was built around cost-efficiency, production capacity, maintenance ability, safety and good manufacturing practices, according to Jansen. Placed on top of this is the management system or team concept, which involves the person affected by a decision in the decision making process.

Operations management in teams

The five area teams (wet mill, refinery, feed/extraction, alcohol and plant services -- boilerhouse and waste treatment) each have an area management team comprising an area manager, process engineer, plant engineer, the day-shift team coordinator and an area maintenance coordinator. The area

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Loudon blends familiar corn wet milling and refining with new ethanol process



Replacement levels moving up

(Continued from Page 1)

drink brands that we are well along toward the 100 percent goal."

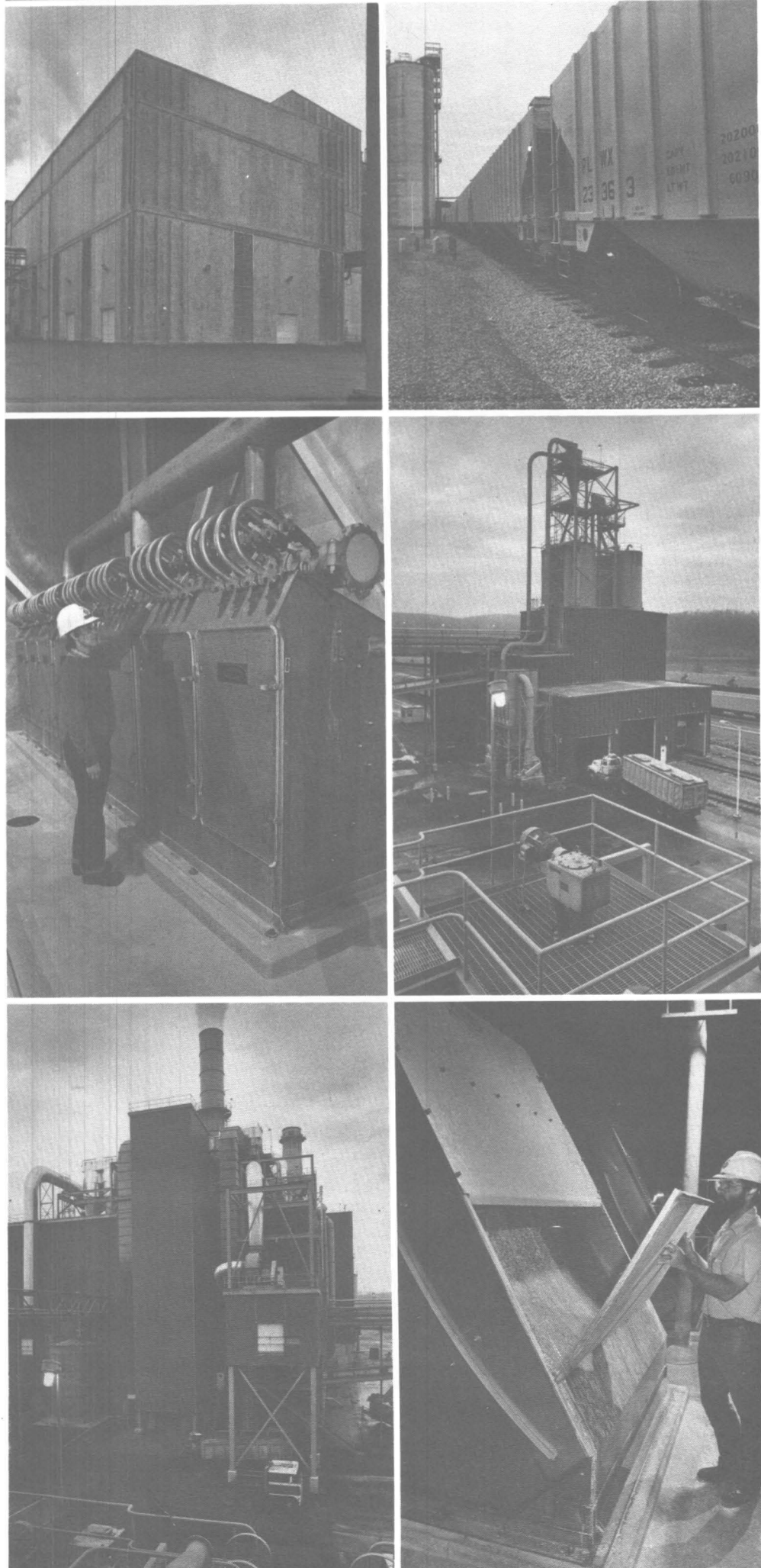
Brands	High Fructose Replacement Levels	
A & W Enterprises	42%	55%
A & W Root Beer	---	100%
Barq's		
Barq's Root Beer	50%	100%
Barq's Flavors	50%	100%
Bordon		
Wylers	100%	100%
Coca-Cola Products		
Cola Fountain Syrup	---	75%
Cola	---	50%
Sprite	25%	100%
Mr. Pibb	50%	100%
Mello Yello	25%	100%
Hi-C Soft Drinks	25%	100%
Santiba	25%	100%
Crush International		
Crush	---	100%
Hires	---	100%
Sun Drop	---	100%
Dad's, Inc.		
Dad's Root Beer	100%	100%
Bubble Up	100%	100%
Delaware Punch	100%	100%
Dr. Pepper		
Dr. Pepper	100%	100%
Big Red	100%	100%
Barrel Head Root Beer	100%	100%
Orange Spot	50%	50%
Sun Ripe Orange	50%	50%
Wink	50%	50%
Hi-Spot	50%	50%
Canada Dry Tonic	25%	
Canada Dry Ginger Ale	25%	50%
All Other Canada Dry Flavors	100%	100%
General Foods		
Country Time Lemonade	25%	75%
Kool Aid	---	---
Lipton		
Iced Tea	75%	100%
Lemon Tree	75%	100%
Monarch		
Nesbit (Full Line)	50%	100%
Sun Crest	50%	100%
Nu-Grape	50%	100%
Kick-A-Poo	50%	100%
Mason's Root Beer	100%	100%
Flavette-Grape	50%	100%
Flavette-Orange	50%	100%
Flavette-Lemon	50%	100%
Mr. Flavor (Full Line)	50%	100%
Dr. Wells	50%	100%
Moxie	50%	100%
Chocolate	---	---
Frosty Root Beer	100%	100%
Nestea	100%	100%
Pepsico		
Pepsi-Cola	---	50%
Mountain Dew	---	100%
Patio	100%	100%
Teem	50%	100%
Pop Shoppes		
Double Cola	---	50%
Pop Shoppe Flavors	50%	100%
R.J. Reynolds		
Hawaiian Punch	35%	35%

Royal Crown		
RC	25%	50%
Nehi	100%	100%
Upper Ten	100%	100%
Schweppes		
Flavors	100%	
Tonic	24%	
Ginger Ale	24%	
Colins Mix	24%	
Ginger Beer	24%	
Runds	24%	
Bitter Lemon	24%	
Seven-Up		
Seven-Up	25%	100%
Howdy	25%	100%
Shasta		
All Products	50%	100%
Squirt, Inc.		
Squirt	100%	100%
Sunkist Orange	25%	100%
Sun-Rise	100%	100%
Triple XXX	100%	100%
Tru-Ade	100%	100%
Vernor's Inc.		
Vernor's Ginger Ale	100%	100%
Welch Foods		
Welch Sparkling Soda	100%	100%
Wylers	100%	100%
White Light-Nin, Inc.		
White Light-Nin'	50%	100%
Yoo-Hoo Chocolate	90%	---

Staley has been the pioneer with beverage producers dating back to the early 1970s. In 1975, the company realized that "Isosweet 100" (42 percent fructose) was not sweet enough for the needs of most soft drink manufacturers. Staley developed "Isosweet 5500" (55 percent fructose) and took the lead with the second generation product, which has become the key product for the soft drink industry. Isosweet 100 is now used in baking, canning, preserving and processed foods.

Preparing for this latest surge in usage, more than three years ago, the company committed to build the Loudon, Tennessee, plant, according to the vice president of sweeteners. "The ultimate tribute to the planning and commitment of the Staley Company in the corn refining field is that for the third time, we have made a major industry expansion in anticipation of the market's needs. We have committed a large share of our resources to the expansion or construction of new facilities. Each time, we have been on target, coming on stream at almost the precise time the market developed to use it. That happened at Morrisville, Lafayette and now Loudon. Of course, the largest undertaking was building Loudon -- a project that took us to 3½ billion pounds of high fructose production capability."

Future demands for high fructose corn syrup will likely be served by expansions of existing plants, according to Martin. He pointed out that "Lafayette and Loudon were designed and constructed for economical future expansions. This will enable us to maintain our leadership in the corn refining industry and accommodate the growing market for HFCS."



Help desk solves problems related to data systems, telephone-oriented services

In most cases, assistance is just a call away when your CRT is "hung up" or your telephone goes on the blink. These are just two of the communications problems being handled by a new communications help desk at Staley headquarters.

Implemented to insure proper availability of all communications services, the help desk specifically deals with data systems, telephones, plant paging and department intercoms. The help desk staff has been handling difficulties related to the data systems since January 10 and was expanded in April to cover telephone communications as well.

To obtain assistance from a Staley/Decatur location, call extension 2436. From other Staley locations, the desk is reached by dialing 8-654-2436 on Sta-Net. The desk will be covered from 12:01 a.m., Sunday, through 4 p.m., Saturday. From 7 a.m. to 5 p.m., Decatur time, weekdays, the staff includes Carl Neathery, Rolf Quintenz and Sharon Butler. Thereafter, a supervisor in the computer operations area will assist with trouble calls.

Explaining the need for this service, Bud Colter, manager, corporate computer center, says, "Communications systems are never perfect, particularly ones as large and wide ranging as ours. With the quantity of equipment we have around the country, including more than 2,000 telephones on Sta-Net as well as more than 200 devices accessing the central computer system, there will be problems -- either with the equipment or the lines connecting them to various points. The help desk personnel will keep those problems to a minimum inconvenience when they occur, by providing a single focal point for recording, tracking, monitoring and resolving them."

All calls will be recorded and the problems resolved as expeditiously as possible. When reporting a problem, a person must supply his or her name, the location of the problem, a telephone number where he or she can be reached, the time the problem was noted and its nature.

Since the new service has been initiated, the switchboard operators at headquarters no longer take trouble calls about telephone service but will transfer the caller to the help desk. At the outset, Sharon is handling all the telephone-related difficulties but will be cross-trained to assist the others as well. Eventually, all three will be familiar with the communications systems.

In the meantime, Sharon is dealing with all telephone maintenance and repairs of instruments in Decatur and all the trunk lines going out of the Decatur switch. There are some 57 outgoing trunks, 59 incoming trunks besides 28 two-way tie lines. (Repairs to telephones -- the instruments only -- at locations outside of Decatur should be handled at home base.)

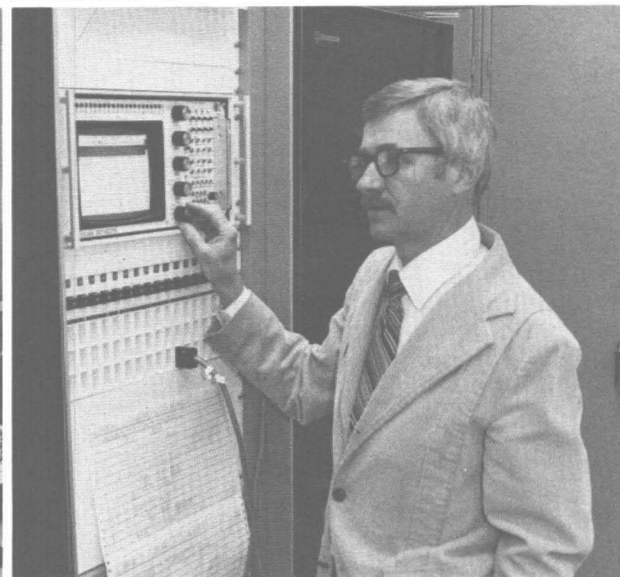
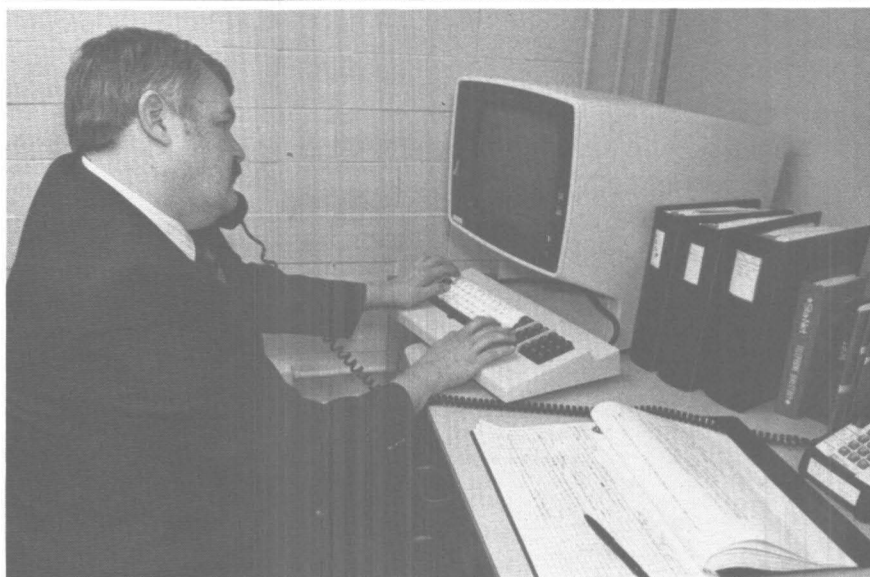
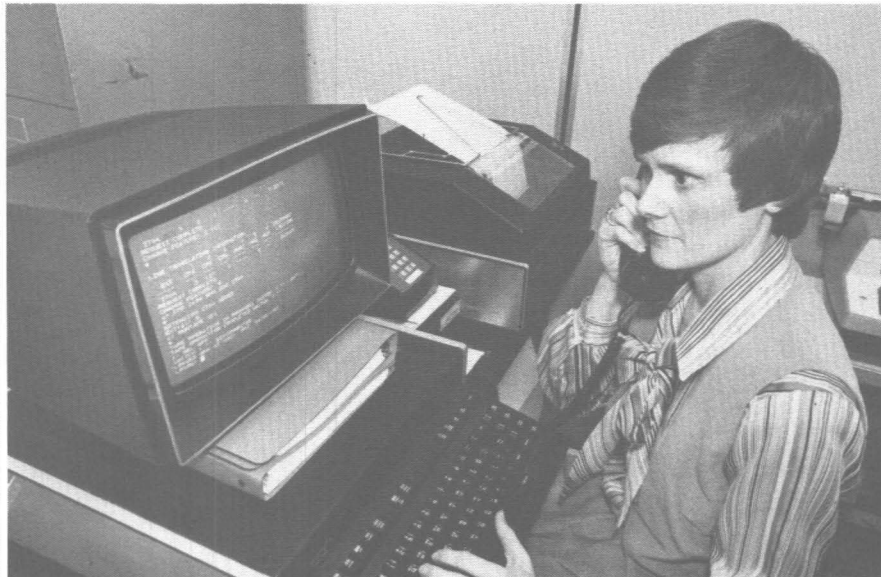
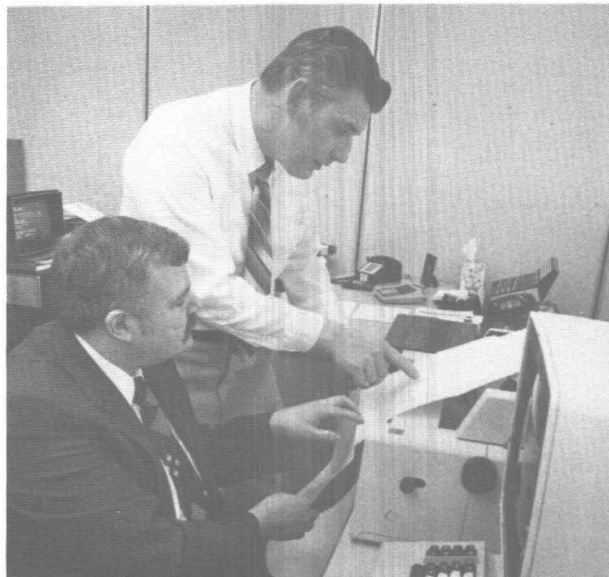
Any problems with the telephone system should be referred to the help desk, whether it's noise on the line, cross talk, fading conversations or the inability to reach a location. The problem first will be checked at headquarters and if the difficulty cannot be located or corrected within two hours, the telephone company will be asked for additional assistance. Problems with the system in Decatur are usually quickly defined and resolved, according to Sharon.

"Unless users call us, we don't know they are having a problem with phone service," said Sharon, a Staley employee 13 years. "We believe that most of the nuisance problems with the telephones have been overcome and we're now concentrating on a couple of the longer-range difficulties. Therefore, idiosyncrasies will be given prompt attention."

Sharon noted that quite often the phone service is hampered by one who forgets how to use a certain feature. The problem may be resolved by just talking with her or there may, in fact, be an instrument or line difficulty.

Out of the 52,217 operator-answered incoming calls and 3,803 operator-placed calls for the user at Staley/Decatur, there were only 41 reported problems during March. (Statistics are not available on the number of outgoing calls that were made at headquarters.)

Both formerly computer operations employees, Neathery and Quintenz now are totally committed to the users of the telecommuni-



The help desk staff is shown solving employees' communications problems occurring on the data systems or telephone-oriented services. From top to bottom, left to right, are Rolf Quintenz conferring with Lee Ferry, standing, on a problem recorded on the printer, which lists terminals signing on to the Customer Information Control System (CICS). Sharon Butler checks a telephone line, while Quintenz solves a CICS problem with his desk-top display. Through the Datascope, Carl Neathery monitors lines carrying data.

cations systems. They are at the help desk to assist all users. Although they may not be able to give the caller an immediate answer, they will get back to the user as soon as the solution is determined and they can tell more about when service will be restored.

The most important part of their job, according to Rolf, a Staley employee 11 years, is "getting back to the person who calls for assistance and telling him how it is being resolved and when service can be expected or will be up to normal expectations. In that way, the user in the field doesn't feel like he or she is out on a limb with no help."

Prior to this troubleshooting staff, persons having a data system problem tried calling a system manager who might be in a user area a couple of hours. During that time, the operator was left dangling with no recourse.

This new service is possible, according to Carl, a 16-year Staley veteran, with the new tools provided by the IBM system. Unlike the Honeywell, which this new system replaced, the IBM has more monitoring equipment. The CRTs and software packages from IBM can track line and terminal problems and often take corrective action, which they could not do on Honeywell. By watching monitors, the troubleshooters at the help desk sometimes know about a problem before the user calls.

"With the Honeywell, we knew a problem existed with a CRT but would often have to take all the users down to clear it up. Now, if we have a problem with a particular CRT, we can take care of it without disturbing any other users," said Quintenz.

"The difficulties could be numerous, considering that there are more than 550 time-sharing user-identification codes and 366 Customer Information Control System-Production (CICSP) user-identification codes. Some have access to both on-line systems. We have approximately 200 logical units serving 45 locations throughout the country," said Quintenz. "Since the help desk was started, we have had more than 450 problem calls. Of these, 78 percent were resolved in under 10 minutes; 15 percent, in under one hour; and only seven percent took two hours or longer to resolve."

Regardless of where the problem is on the system, the staff will arrange for maintenance and repairs of equipment if necessary. They will call in vendors to assist if the staff cannot handle the malfunction. In this way, Staley has control over service and has a

better handle on the level of maintenance provided.

"We are in a position to present a customer with a level of service he expects with a computerized operation," said Quintenz.

Perhaps Carl's greatest success story was the transition from Honeywell to IBM, keeping everybody up and going on their CRTs or printers while exchanging or setting up new installations through the transition period. The help desk was taking shape during that transition, he said.

Some of the larger problems have involved a user who cannot get on line or is in the midst of a run and is dropped. Problems of this nature are mystifying but are investigated until the problem is resolved.

More usual difficulties, according to Quintenz, involve terminals getting hung up when the user can't clear it on-the-spot and must have the troubleshooters do it from the help desk. Rolf or Carl can deactivate a device and then reactivate it from their desk top terminal and very likely solve the hang up. They can also monitor any system on the Customer Information Control System (CICS) and help a user back on the system. On a Datascope they observe data going across lines, monitoring it to see what the action is -- is information being sent, received, etc.

A problem recognized at "peak" user times is a sluggish response from the computer. Another monitoring device -- an Omegamon display -- for the CICS, tells how many people are on the system, what files they are using, and where they are located. If Carl and Rolf start getting calls on slow response time, they can look at the monitor and know what area might be causing the difficulty. If not, they can contact the CICS personnel in systems who can track down the difficulty.

With all problems directed into one central point, the troubleshooting force can spot repeaters. With the many different applications, there are many types of problems.

All in all, having users call one place with their troubles saves time. "It is easier for us to track the problem than a manager. We know the problem, who was assigned to track and correct it and with repetition, can come up with answers quickly. The same basic problems become easier to solve," says Quintenz.

To stay abreast of troubles and any trends, each morning a group discusses the events of

the help desk from the preceding day. These meetings are conducted by Lee Ferry, computer resource manager, and are attended by Bud Colter, Rolf Quintenz, and several systems managers who want to keep track of problems going on in their areas. No matter what level of problem they receive, the help desk staff can track its history by log, card, or computer, depending on the severity and time involved to resolve it.

The implementation of this central point for recording, tracking, resolving, and monitoring all communications problems is expected to give the users of these facilities far better service. Whenever you detect an equipment performance problem, give the service a try. The help desk is only a call away -- extension 2436 from a Decatur number or 8-654-2436 from locations outside Decatur.

Ferry says, "Small problems become big problems when not reported, and no problem is too small to report."

Safe driving service lauded

Three Gregg Foods truck drivers from the Garden Grove plant have earned recognition for their professional service and safe driving records. They are David Alvarado, Jim Hale and Tim Marsh, who have accumulated more than 200,000 miles of safe, incident-free driving in the last three years.

These awards were presented through Rollins Leasing Corp. of Anaheim by the American Trucking Association on March 11, during a safety seminar held by Rollins Leasing.

The accumulated 200,000 miles covers the Greater Southern California market area serviced by the Gregg Foods truck fleet, with the majority of runs being multi-stop, in-city deliveries, presenting many challenges to the drivers' skills. Deliveries include retail and foodservice goods as well as tanker truck quantities of Staley Edsoy oil.

Tom Bryan, distribution manager for Gregg/Garden Grove, says, "Customer service is of the utmost importance. David, Tim and Jim are our 'goodwill ambassadors' to our customers. It is not unusual for a customer to mention the care and extra effort put forth by our drivers, but customer service does not stop at the delivery dock. Our drivers' blend of safe and courteous driving contributes to the public safety of the millions of motorists in Southern California and is appropriate behavior in view of the Gregg Foods logo on their trucks."



Contributions to the United Way from employees at the Lafayette south plant were boosted 165 percent over 1981's gifts, bringing in \$25,498 in the recent campaign. Solicitors, who assisted with the successful drive, are pictured. They are, in the front row, from left, Tony Gascho, Lorraine Mathews, John Homan, Harlan Richards and Gary Sprunger. In the middle row, from left, are Mike Hasty, Greg Hausmann, Kathy Kretzmeier, Roger Lawrie, Mark Brummett, Jim Sullivan and Bruce Rosebraugh. Back row, from left, are Greg Conley, Steve Beeler, Steve Bush, George Yuochunas, Ed Fain, chairman, and Scott Kissinger.

Employees respond to community needs in "united" appeals

Results of United Way campaigns throughout Staley territory last year showed that employees responded quite generously to the community appeals to keep necessary services rolling during 1983. Most employee drives topped their goals, some quite handsomely.

By far the most successful campaign from the standpoint of increased contributions and exceeding goals was the one waged by Staley/Lafayette employees under the leadership of Ed Fain, wet milling management resource. The United Way of that community presented the employees with a Gold Award for their efforts, which raised \$25,498, an increase of 165 percent over the 1981 drive that drew \$15,395.

Lafayette had 96 fair-share contributors and 103 "plus" givers, using the handy Staley sport bag as an incentive to make gifts in those categories.

Lafayette's instrumentation team was 252 percent of goal and had 100 percent fair-share-plus contributions, the highest of any team at that plant. Wet mill team A and refinery team D had 100 percent fair-share-plus participation and the laboratory team and refinery team B each had 100 percent fair share giving.

Spearheading the Staley/Lafayette campaign were Bill Cors, refinery management resource; Bruce Rosebraugh, wet milling technical resource; Dave Smith, manager, maintenance and utilities; and Jim Sullivan, personnel resource, all co-chairmen.

With 100 percent participation again, Gunther Products employees at Galesburg increased their contributions to \$1,512, a 15 percent rise over the 1981 effort, which netted \$1,319. Dick Gorham, production supervisor, for the second year chaired the campaign to which 13 made fair-share gifts, and four, fair-share-plus contributions. Their generosity was a social response to the number of unemployed in the community, where the overall drive only met 70 percent of its goal, according to Gorham.

Running a hard core, no frills campaign with no incentives, Mark Doyle, monitor in wet milling, and Charlie Buhrmeister, personnel manager at the Sagamore corn wet milling plant, said employees pushed their pledges up nearly 11 percent over those a year ago, bringing in \$10,487, including a \$350 contribution from the union's treasury. For their generosity, employees received an award from the Tippecanoe County United Way.

A United Way campaign chairman in the past, Dan Riley, traffic manager, again took over that function for the new Loudon corn plant where contributions to the 1982 drive totaled \$3,892, an increase of 342 percent over the preceding year when only 16 employees were on board. In this

campaign, 24 employees made fair-share gifts and nine, fair-share-plus.

Leading an aggressive campaign, Edna Hernandez, laborer, and James Cooper, traffic manager, boosted employees' contributions 25 percent over 1981 gifts at the Des Moines soybean mill. Gifts at that location came to \$3,000, topping their goal of \$2,700. Some 65 employees made fair-share pledges and received the Staley sport bag.

Des Moines oil refinery employees raised their contributions six percent from a year ago, making pledges totaling \$4,229. Among the contributions were 37 fair-share gifts and eight, in the "plus" category. Heading this successful effort was Patty Farmer, technician.

Contributing to the United Way of Lower Bucks County, Morrisville employees raised \$11,071. That campaign, headed by Lou Fredericks, maintenance mechanic and president of A.I.W. Local 675, and Bill Brewer, personnel assistant, had 33 fair-share-plus contributors who received a small tool kit, and 13 in the fair-share classification, who were rewarded with 12-foot tape measures.

Receive fair-share award

As the community drive at Frankfort eased over its goal, so did the employees' campaign at the Staley plant in that location, where gifts of \$3,912 were raised, an increase of more than five percent over contributions in 1981. Co-chairing this effort were Garry Saathoff, plant superintendent, and Dick Brandon, controller, who believe the increase was due to a desire to help those less fortunate and to see necessary programs continued by United Way agencies. The 25 fair-share givers received the sport bags, while the 13 fair-share-plus contributors also were eligible for two dinners for two at Mountain Jack's Restaurant in Lafayette. Winners of the dinner drawings were David Beals, accounting clerk, and Sidney Swift, plant maintenance.

For the second consecutive year, Frankfort employees received a fair-share award from their community drive. The plant had contributions from 100 percent of the salaried employees and from 75 percent of the hourly or 84 percent of the total work force. Fifty percent of them gave their fair shares.

Gifts were up slightly at Gregg Foods in Portland, where employees contributed \$1,379 versus \$1,359 a year ago. Co-chairmen of this effort were Dick Hughes, distribution manager, and Tom Carrato, foodservice marketing manager, who believe their successful drive was due to concern for the less fortunate in their community, where the overall United Way drive reached 95 percent of goal.

After a successful campaign a year ago, Martha Feldkamp, scale clerk, and Ivan Boren, superintendent, co-chaired Champaign's drive to which employees increased pledges 46 percent over the preceding year. Their contributions totaled \$5,699 versus \$3,910 in 1981. Among the 81 percent making pledges, 75 were in the fair-share category.

The enthusiastic support of Staley employees to a fund drive they originated to benefit charitable institutions in their community has spurred the Monte Vista Chamber of Commerce to ask for input from Staley employees to initiate a communitywide appeal. Gifts this past year amounted to \$974 with 36 percent of the employees making fair share contributions, according to Charles Gallegos, relief foreman, who headed the drive.

Feeling left out of the annual effort, employees at Monte Vista four years ago began their own campaign to improve their community. Organizations which have benefited from their support have expressed their appreciation in various ways, including notes of thanks as well as certificates of appreciation. In one instance, an appreciation dinner was held.

Contributions from Fostoria employees to their local United Way totaled \$591 this year, according to Bill Allen, process control superintendent and chairman of the campaign.

"Vico employees are generous and sensitive to people's needs," said Myrna Alvarado, office manager and the company chairman at that Chicago location for the fund drive.



Leading another successful campaign at Champaign were Ivan Boren, left, and Martha Feldkamp, right, who are shown with John Kennedy, a fair-share contributor, who received a Staley sport bag.

Has your child received honors?

Employees whose children have received honors this academic year or will graduate with the distinction of being valedictorian, salutatorian, orator, or with a similar title reflecting class standing, are asked to notify the "Staley News" as soon as possible. They will be featured in the summer editions of the company's newspaper. Deadline for submitting information for the June issue is May 31 and for the July/August issue, June 15.

Information should include the child's name; employee's name, job title and location; the child's school and location; degree (if college graduate); specific honors; activities in school and future plans of the individual. If the student is continuing his or her education, include the school and major to be pursued.

Pictures will be used of the graduates with distinctions of valedictorian, salutatorian, orator, or similar designations. A class photograph is sufficient and will be returned. Be sure to label the picture with the child's name on the back at the bottom in very small letters, being careful not to emboss the picture.

Information should be sent in care of the "Staley News" at Staley/Decatur.

Employees, 10 of whom were fair-share contributors, gave \$860 to the Crusade of Mercy.

Employees in Decatur pledged or contributed more than \$143,481, a new campaign high. Of the 1,474 making pledges, 810 were fair-share or fair-share-plus contributors. The co-chairmen Mike Grandon, Gregg Hill, Chuck Miller and Ralph Wagner were very gratified with the way in which Decatur employees accepted their responsibilities of good citizenship and invested in their community, which has had its economic problems the past three years.

And nationwide, the need is greater than ever for involvement in community fund drives in which Staley employees once again have shown their interest in and concern for the future of their home towns.

Dividends declared

The company on April 12 declared a regular quarterly dividend of 20 cents per common share, payable June 6 to shareholders of record May 16.

The regular dividend of 94 cents per share was declared on the company's \$3.75 preference stock. It is payable June 20 to shareholders of record June 6.

Worth noting . . .

Baskin-Robbins Ice Cream has a new flavor, "Jamoca Mousse Royale," which incorporates Staley's "Gunther K-88" whipping protein and "Dura-Jel" starch. This is the second flavor in the ice cream maker's mousse line.

Loudon reflects the best technology from all other Staley operations

(Continued from Page 1)

ports the corn up to a batch scale system and then a second leg lifts the corn to the top of the elevator where it is conveyed to one of the six silos that will hold in total 750,000 bushels of corn or about a 10-day supply.

Clean corn can be removed from the silos at a rate of up to 10,000 bushels per hour. It passes over a belt scale for weighing and then is transported by conveyors to the steephouse to begin the conventional wet milling process. In the steephouse, corn is soaked to soften the kernel before it is ground. Out of the wet milling process come starch, gluten, germ and fiber streams for further processing in other areas of the plant.

Dewatering of the germs and recovery of crude oil take place in the germ press and extraction area. The gluten is sent to the feedhouse, dewatered, dried, sized in a hammer mill and loaded out as poultry feed. Fiber, when combined with germ fiber and the alcohol still bottoms (non-volatile solids from the alcohol operations), is dried, sized and pelletized for the export market.

Starch, the primary derivative from wet milling, is sent into a saccharification process by which the starch is converted to dextrose "sugar." There are two distinct processing lines in the syrup refinery -- one in which high dextrose syrup is made for the alcohol process and the other, a complete sweetener line that produces high fructose corn syrup.

The saccharified syrup is transferred to fermentation, where sterilized corn steep water is added as a yeast nutrient, and yeast, recycled from previous batches, is introduced. The fermentation must then be carried out under exacting conditions to achieve a maximum yield in the scheduled fermentation time. One hundred pounds of dextrose is converted to approximately 51 pounds of ethanol and 49 pounds of CO₂. The CO₂ is thus a substantial co-product, which will soon be recovered for sale to the food industry.

Following fermentation, the yeast is removed, and the alcohol is recovered in a three-step distillation and dehydration process. The still bottoms are returned to the feedhouse steep water evaporators where they are concentrated for sale or for addition to gluten feed.

"The general process of making ethanol from corn is similar among all manufacturers, although there are important specific differences," according to Roger Leiser, technical director, industrial manufacturing. "Some use dry milling or mash fermentation and others don't have their operation integrated with a sweetener plant."

There is no chemical difference between Staley's alcohol and beverage alcohol. The primary difference, according to Bob Jansen, Loudon's technical manager, is in the concentration or level of water. "The ethanol we make is nearly 200 proof. By leaving water in it, we could make the alcohol 100 proof, and chemically, it would remain the same as that made for human consumption. However, our plant is neither designed nor licensed for production of beverage or potable alcohol."

Following distillation, the ethanol is pumped into a 25,000 gallon tank and analyzed. After laboratory approvals, it is denatured with unleaded gasoline and is sent to storage in 10,000-barrel storage tanks. Expanding Loudon's storage capacity is its fleet of 50 tank cars, each holding 30,000 gallons of the product.

"All valves handling alcohol, before it is denatured, are secured to prevent any diversion of product. We are also responsible for enforcing federal laws regulating stills. Everything we do is subject to the rules of the Federal Bureau of Alcohol, Tobacco and Firearms," said Jansen.

Energy, cost efficiency honed

Loudon has a highly efficient distillation system and a fermentation system that has exceptionally high yields, Leiser pointed out.

Jansen added that the plant is turning out a product that is about as cost-efficient as possible but they're still striving for improvements. He noted that only 10 weeks into production last fall a task force was

appointed from manufacturing and research personnel to optimize the efficiency of the fermentation process and maximize the yield. Their task was made easier because the plant was designed and is being operated to be cost efficient.

Loudon reflects the best technology from all other Staley operations, incorporating such features as the very energy-efficient MR evaporators first tried in the Lafayette plant. (That was an industry first in the Indiana sweetener facility.) And every process area at Loudon is computerized, even including the boilerhouse and waste treatment areas.

The plant has a Foxboro Distributed Control System, more advanced than the system at the Lafayette corn plant or the one at the Des Moines oil refinery. The new facility has three computers handling its load -- the most of any Staley plant.

Bob Jansen explained though that it was not a foregone conclusion that Loudon would be computer operated. "Early in 1980, we analyzed our needs to determine whether we should be using computers, area programmable logic controllers or conventional pneumatic electronic hardware. All data clearly supported the computer system we installed."

Energy efficiency is boosted with extensive heat recovery systems that take advantage of waste heat sources. There are many interchanges of heat between hot and cold streams, which means that the plant doesn't have to use new steam to heat everything. The boilers are fired with Tennessee low-sulfur coal and heat from the boilers is used in drying feed. In addition, the plant generates some electricity from conversion of its high-pressure steam. This electricity is added to the power grid.

"All in all, the progress of this first Staley alcohol operation, from start-up to exceeding design output, has been excellent. This plant has come a very long way in a short time for a new process," said Pat Simms, operations manager.

Sales exceed expectations

From the time when plans for the Loudon plant got underway, Frank Smith, manager of ethanol sales, was diligently developing markets for ethanol. Smith and Bob Schwandt could see the market improving, but they had no idea that over a four-month period last summer, improvement would result in a sold-out position.

During 1980 and 1981 the blend of gasoline and anhydrous alcohol was sold as "gasohol." While this name had significance to corn growers, it said nothing about the product performance to the consumer; thus, sales growth had stalled in early 1982. The introduction of a new name "super unleaded with ethanol" with an indication of the enhanced octane rating on the pump gave the customer the information he needed to make a choice. Most automobiles which were giving unsatisfactory performance (ping and dieseling) on regular unleaded gasoline responded equally well to super unleaded with ethanol and the much higher priced premium unleaded products. As satisfied customers became repeat buyers, the product began to sell itself, and sales more than doubled by the end of the year.

Staley's power alcohol is being sold in Alabama, Indiana, Michigan, Tennessee, Ohio and Florida, the farthest sales point from the plant being Ft. Lauderdale -- 800 miles away. The first shipment went to Seminole Refining, Inc. of Panama City, Florida, which received two truckloads that left the plant on September 13, 1982.

"Where distance is great, ethanol goes by rail in one of Staley's new tank cars. If flow is high, inventory is carried on a consignment basis. Where transit is by truck, we make a direct sale to the distributor," Smith explained. "In fact, most sales are made directly to a distributor who acts as the sales force -- storing, dispensing and selling the product," he said.

From start-up through December, the plant was sold out. Then some marketing problems developed. Smith cited the price of gasoline declining as one of his marketing headaches along with the loss of South Carolina as a prime market area when that state lost its seven-cent-a-gallon tax incentive January 1. Michigan also had a temporary unfavorable tax situation from January

through April. And on top of all this, the Brazilians dumped 50 million gallons of ethanol on the U.S. market during the latter part of 1982 to beat a tariff increase which was scheduled for January 1, 1983.

"But in spite of these setbacks, sales were brisk in Florida, where there is no seasonality," said Smith. "Snowbirds from the North were there all winter, and Staley has been selling more product in that state every month." He noted that in many other parts of the country, gasoline consumption was off during winter months because climate and driving conditions were not conducive to pleasure trips.

While the South Carolina market was lost the first of the year, Tennessee came on board in January with the allowance of a four-cent tax exemption on ethanol produced in that state. Almost half of the quantity lost in South Carolina was regained in Tennessee sales that first month, getting off to a good running start.

"Softness of sales in January and February have allowed us to establish an inventory position for better service to our customers.

Minor production bottlenecks have also been corrected in this period. By the end of March, both production and sales had returned to nameplate capacity levels, and were exceeding all previous records," Smith noted.

Maple burner

Bryan O'Toole, who could manage just a 172 average as a kegger last year, went on a scoring rampage March 23 and bested the Lower Bucks tempin shooters with a sizzling 737 series.



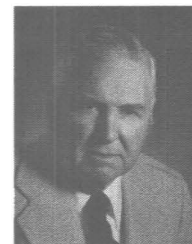
Bryan O'Toole

A warehouseman at the Morrisville plant, O'Toole must be doing something right. Competing in the Morrisville League, in which he bowls for the "Hot Heads," he burned the maples for scores of 266, 246 and 225. His series is the highest ever bowled in that league.

Joining the leisure life . . .



Willie Dale



Harold Entrikin



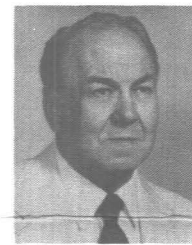
Donald Falk



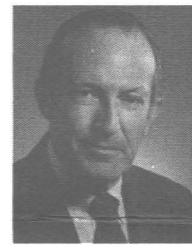
Norma Knop



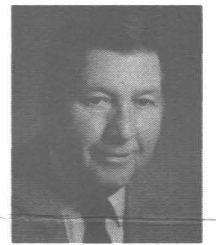
Elzie Lourash



Harold Nichols



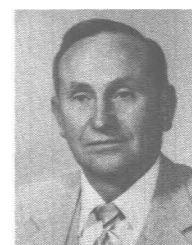
Charles Meyerson



Tom Nolan



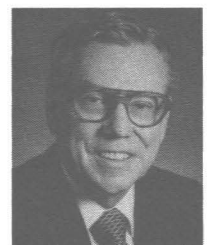
Albert Sule



Forrest Bailey



George Wack



Tom Wheatley



Virginia Dailly



Harold Doddek



Ernie Williams

Effective March 1, 1983

MAURICE BENSON, boiler leadman, manufacturing, industrial products, Houlton
WILLIE DALE JR., supervisor, corn milling, manufacturing, industrial products, Decatur
WILLIAM DOYLE, senior mechanic, electric shop, 77 building, Decatur
DENNIS DURBIN, utility man, 40 building, Decatur
HAROLD ENTRIKIN, senior painter-roofer, painters and roofers, 77 building, Decatur
WILLIAM HOOPER SR., supervisor, pilot protein, manufacturing services, industrial products, Decatur
ELZIE LOURASH, process operator 2, 5 and 10 building, Decatur
HERBERT LUTTRELL, maintenance mechanic A, manufacturing, industrial products, Morrisville
HAROLD NICHOLS, utility man, 40 building, Decatur
ALBERT SULE, maintenance mechanic A, manufacturing, industrial products, Morrisville
JAMES WARNICK, production superintendent, specialty feeds, food and specialty products, Decatur
G. LEO WJLLOUGHBY, utility man, 40 building, Decatur

Effective April 1, 1983

FORREST BAILEY JR., bag marking operator, 20 building, Decatur
JOSEPH CREAMER, senior mechanic, 77 building, Decatur
VIRGINIA DAILLY, administrative assistant, sales and marketing, sweeteners, industrial products, Cleveland
R. HAROLD DODDEK, manager, corporate office services, corporate finance, Decatur
DONALD FALK, accounts payable clerk, control, industrial products, Decatur
HAROLD GILMAN, dryer operator, 9 building, Decatur
NORMA KNOP, engineering data clerk, engineering services, corporate engineering, Decatur
CHARLES MEYERSON, director, patent/food law, corporate administration, Decatur
THOMAS NOLAN, merchandising manager, soy flour, protein, food and specialty products, Decatur
GEORGE WACK, assistant manager, corporate development, international, Decatur
THOMAS WHEATLEY, Decatur project manager, manufacturing, industrial products, Decatur
ERNEST WILLIAMS, hourly payroll coordinator, financial, corporate finance, Decatur

Personnel have broadened responsibility

(Continued from Page 2)

is basically making decisions within its parameters and that's why the area team is the central focal point of the new plant's operation.

In a traditional organization, a plant engineer has a low profile. He is someone interested in the mechanical devices and their efficient operation. That person seldom gets involved in putting in major installations or making highly visible, major decisions. However, Loudon's plant engineering staff is up front in helping make decisions on how to run the plant so operating managers and processing engineers have knowledge of factors affecting equipment. They collaborate as a threesome to determine operational decisions. In this manner, they expect the plant to operate at optimum condition for long periods of time.

The operations team strives to cooperate on issues and decisions and seeks in-put from area teams before making their recommendation. For instance, to determine the efficiency of boilers, the operations team asked the area boiler team to provide its view with back-up data. That area team presented a picture of their operations and gave two options with costs related. Simms and Jansen reviewed that data, found it complete and then discussed the situation, reaching an agreement on the right way to run the boilers. At that time, Herman was given the data, which had been generated by the people directly involved with the boilers.

Simms pointed out that this concept of going to the source is applied by well-run areas in other Staley plants, but at Loudon it is a way of life. "Data is generated across functional lines," he said. "One of the goals of this type of program is broadening their capabilities. It takes more time to make decisions sometimes. It requires meetings every morning of the people who must review their area's performance of the past day and develop an effective operating plan for the next period. It is a time-consuming manner of operation; therefore, you have to believe that it is worthwhile. We do.

"Traditionally, an area manager would think in terms of the performance of his people and the level of production and quality from that particular area," said the operations manager. "The process engineer, in turn, would think about the efficiency or inefficiency of what is being accomplished. Persons tend to work to achieve what they are being measured on."

Continuing, Simms said, "Suppose the plant engineer knows they are running a piece of equipment into the ground. His knowledge of bearing temperature and vibrations in the system allows him to know that they are getting into trouble. If a communications gap exists between the plant engineer and the area production manager, he does not have a good way to inform the production manager of pending problems. In our area team system, he is actively involved in the total decision process every day; so, he has a vehicle to get his concerns heard."

Responsibilities interrelated

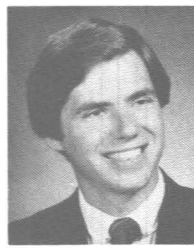
With Loudon's mode of operation, all personnel have a broadened responsibility, but many of the results planned for these particular individuals are common. For instance, the plant engineer's goals include achieving specified production rates over six months; the area manager's include up-time of equipment, which locks in with production rates. They must work together. They are all responsible for the effectiveness in the area. The process engineer shares both of these concerns. He and the area manager share quality of production. There is much more shared responsibility automatically taking place. They must collaborate and work together as a team. "The number one goal of the Loudon plant is to keep area teams functioning efficiently," Simms and Jansen agreed.

The area team concept actually began in the design phase with the buy-in of the project management group -- Bob Magruder, Bob West and Bob Jansen. Loudon has had four area team organizations. The first was the design team, followed by the construction area team, followed by the start-up area team, which has been replaced by the operations area team.

41 recently promoted throughout the company . . .



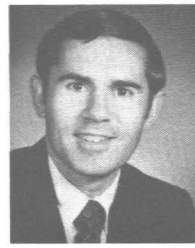
Samuel Gibbons



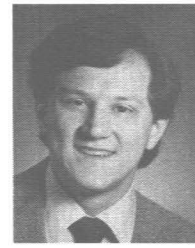
Randall Sommers



Guy Buchner



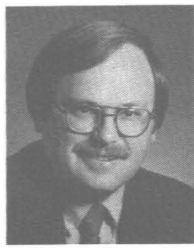
Louis Jacobs



Bill Barnes



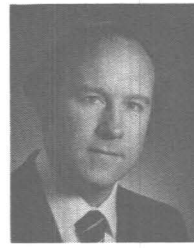
Koran Capshaw



Jerry Allen



Kay Aurand



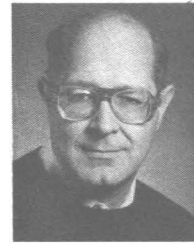
James Keyes



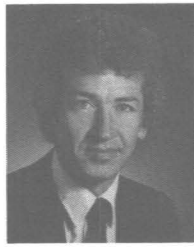
Carl Niekamp



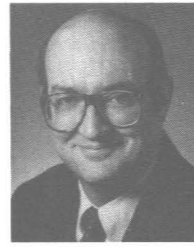
Earl Donaldson



Chuck Goodale



Larry Avery



Marion Bradford



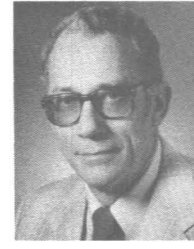
David Wilson



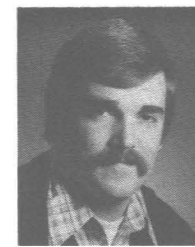
Bob Coston



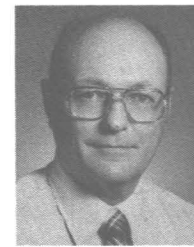
Tom Jaques



Leonard Knox



Gerald Parks



Randy Whicker

AGRIPRODUCTS

JIM BLAHA, from process engineer, manufacturing, Decatur, to production superintendent, soybean milling, Mexico, Missouri
SHIRLEY BRANUM, from office messenger, corporate office services, corporate finance, to export clerk, soybean milling, Decatur

SAMUEL GIBBONS, from production supervisor, to maintenance supervisor, oil refinery, refined oil, Decatur
MICHAEL PULLIAM, from production superintendent, oil refinery, Decatur, to plant superintendent, soybean milling, Mexico, Missouri
BARBARA ROBINETT, from relief utility clerk, to utility clerk, control, Decatur
RANDALL SOMMERS, from operations trainee, to associate project engineer, manufacturing, Champaign

CORPORATE

RICK ALBRIGHT, from utility clerk, to courier, corporate office services, finance, Decatur

"Know-how, however, has been an important facet to getting this plant up and operating in the superb manner experienced," said Simms. "Know-how of the corporate engineering staff on design and construction of this plant; know-how in the permanent plant staff and how to effectively start up and operate it; know-how in the start-up people who came in from the other Staley facilities.

"Our concept was that we would make no attempt to start-up a plant with those who were unfamiliar with a corn plant. We would get it off the ground and demonstrate to the permanent process and maintenance technicians how to operate and maintain this facility. Our goal was to train the permanent staff to take over with the minimum loss of efficiency in turnover process. The group of people who came in for start-up were very experienced.

"The start-up people could have gotten the plant running at good operating levels and gone home. If start-up had been handled in that manner, production and efficiency would have dropped significantly as the newly hired personnel learned their jobs. Instead, the start-up employees were implanted into the operating teams so that they became members of specific technical teams. They were each responsible for teaching one or two Loudon technicians, bringing up their competence level and then letting go a little at a time. They backed off and allowed the operators to function with close coaching, which gradually moved into more of a counseling role when something new occurred. Finally, the start-up people knew they could go back to home base when Loudon's technicians seldom needed guidance," the operations manager said.

"To date, Loudon has been a very successful venture," said Herman. "From its conceptual stage into operation, from the top to the bottom of the employee structure, team work has made it possible. . . and will remain the pivot point of this facility."

JERRY ALLEN, from environmental engineer, to senior environmental engineer, environmental sciences, engineering, Decatur
SCOTT ANDRICK, from courier, corporate office services, to peripheral equipment operator trainee, corporate information systems, finance, Decatur
KAY AURAND, from associate food technologist, to food technologist, food and agriproducts, research, Decatur
LARRY AVERY, from research chemist, to senior research chemist, chemicals from carbohydrates, research, Decatur
WILLIAM BABIS, from co-pilot/mechanic, to captain, aviation, administration, Decatur
NORMA BECKHAM, from computer operator trainee, to peripheral equipment operator, corporate information systems, finance, Decatur
MARION BRADFORD, from research chemist, to senior research chemist, food and agriproducts, research, Decatur
MARTIN BRADSHAW, from plant messenger, to utility clerk, corporate office services, finance, Decatur
WARD BROTHERTON, from captain, to captain/all crafts, aviation, administration, Decatur
GUY BUCHNER, from international engineer, to senior international engineer, corporate development/international, Decatur
LOU ANN CRUZ, from research technician, to senior technician, advanced research and development, research, Decatur
HOWARD HARTMAN, from staff instrument engineer, to associate instrument engineer, engineering services, Decatur
LOUIS JACOBS JR., from director, corporate process engineering, to director, corporate engineering, Decatur
JAMES KEYES, from quality assurance scientist, to senior quality assurance scientist, research, Decatur
CARL NIEKAMP, from laboratory manager, to senior laboratory manager, advanced research and development, research, Decatur
THOMAS WIESNER, from food scientist, to laboratory manager, food and agriproducts, research, Decatur
H. DAVID WILSON, from computer programmer, corporate information systems, to payroll administrator, finance, Decatur

FOOD & SPECIALTY

ROBERT COSTON, from plant manager, Garden Grove, to director, national food-service, Decatur
STEVEN PALM, from area specialist, to area manager, specialty feeds, Carmel, Indiana

INDUSTRIAL

PATRICIA BRAMEL, from clerk typist, purchasing, to secretary to the director of chemicals from carbohydrates, Decatur
WILLIAM BARNES, from associate chemist, chemicals from carbohydrates, research, to marketing specialist, chemicals from carbohydrates, Decatur
DAVID BREEN, from area manager, sweeteners, Cleveland, to area manager, sweeteners, sales and marketing, Northbrook
KORAN CAPSHAW, from superintendent, refining, syrup refinery, to night superintendent, manufacturing, Decatur

TERESA CRONKHITE, from temporary quality assurance manager, to quality assurance manager, manufacturing, Morrisville
EARL DONALDSON, from designer, to associate project engineer, technical, manufacturing, Decatur
CHARLES GOODALE, from senior project engineer, technical, to maintenance superintendent, wet milling, manufacturing, Decatur
THOMAS JAQUES, from process engineer, to senior process engineer, manufacturing, Sagamore
LEONARD KNOX, from supervisor, to superintendent, dextrose, syrup refinery, manufacturing, Decatur
GERALD PARKS, from pool foreman, to supervisor, syrup refinery, manufacturing, Decatur
RAND ROSLAK, from staff process engineer, to associate process engineer, technical, manufacturing, Decatur
DAVID SMITH, from utility and environmental manager, to manager, maintenance and utilities, manufacturing, Lafayette
TERRY THULL, from senior night maintenance supervisor, maintenance, to maintenance superintendent/syrup and dextrose, syrup refinery, manufacturing, Decatur
THERON TINKER, from maintenance manager, Loudon, to principal maintenance engineer, manufacturing, Decatur
RANDY WHICKER, from superintendent, dextrose, to superintendent, syrup refinery, manufacturing, Decatur

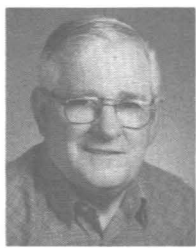
Myers holds attendance record

Among employees at Staley/Lafayette's south plant, Mike Myers has maintained a perfect attendance record longer than any of the other 265 employees. The stores technician is one of 73 employees at the plant commended on February 18 for perfect attendance. Through 1982, he has not missed a day of work in six years.

Others without a "miss" in five years were Dennis Ottinger, technician, utilities; Mike Polley, refinery technician; Mike Sharp, maintenance engineer; Randy Ticen, maintenance technician; and Jim Walker, technician, utilities.

In addition, four employees worked four years without missing a day of work, another four had three years of no absenteeism and an additional 11 maintained perfect attendance for two years. Going an entire year with "no misses" were 48 employees.

March/April celebrants total 1,065 years



Charles Murray



Orval Hunley



Ted Shirar



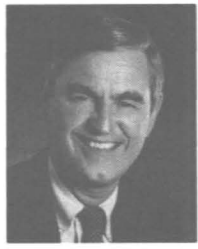
Otis Theriault



Orville Monday



Betty Moore



Robert Powers

40 Years

CHARLES MURRAY JR., mechanic leadman, 77 building, Decatur
WAYNE STANLEY, senior mechanic, machine shop, 77 building, Decatur

35 Years

ORVAL HUNLEY, extractor operator, soybean milling, agriproducts, Frankfort

30 Years

ANDREW HORN, dryer operator, 28 building, Decatur
TEDDY SHIRAR, meal room operator, soybean milling, agriproducts, Frankfort
WILMA SIDWELL, secretary to the vice president, food and specialty products, Decatur
JOHN SMITH, senior mechanic, 77 building, Decatur
OTIS THERIAULT, drum dryer operator, manufacturing, industrial products, Houlton

25 Years

EDWARD BECK, research chemist, food and agriproducts, research, Decatur
ORVILLE MONDAY, boiler operator, soybean milling, agriproducts, Fostoria
BETTY MOORE, research technician, advanced research and development, research, Decatur
ROBERT POWERS, president, Decatur

20 Years

DAVID BAILEY, senior mechanic, pipe shop, 77 building, Decatur
STOY BLISS, senior mechanic, machine shop, 77 building, Decatur
PATRICIA BOZELL, general accounting supervisor, control, agriproducts, Decatur
EVERETT BROWN III, senior mechanic, pipe shop, 77 building, Decatur
STEVEN CRANE, senior mechanic, round house, 77 building, Decatur
GENE CRICKMAN, starch bulk loader, 20 building, Decatur
MAX FULTZ, senior maintenance supervisor, manufacturing, protein, food and specialty products, Decatur
JOHN HICKS, senior quality assurance scientist, corporate quality assurance, research, Decatur
MICHAEL GRANDON, senior mechanic, pipe shop, 77 building, Decatur
CLIFFORD LEWIS, senior mechanic, round house, 77 building, Decatur
FORD LEWIS, senior mechanic, instrument and control shop, 77 building, Decatur
JACKSON WISNEWSKI, senior mechanic, Satellite I, 101 building, Decatur

15 Years

DENNIS ADKESSON, process engineer, technical, manufacturing, industrial products, Decatur
RICHARD AGANS, central laboratory supervisor, manufacturing services, industrial products, Decatur
ARTHUR BARNETT, senior mechanic, 77 building, Decatur
DAVID FOLDEN, senior mechanic, electric shop, 77 building, Decatur
PAUL GLIDDEN, shift foreman, production, manufacturing, starch business unit, industrial products, Houlton
CAROL JACKSON, aviation coordinator, aviation, corporate administration, Decatur
WILLIAM KANE, foreman, Gunther Products, food and specialty products, Galesburg
WILLIAM MIELKE, warehouse foreman, administration, industrial products, Chicago
DONALD MORTON, senior process engineer, technical, manufacturing, industrial products, Decatur
RICHARD OLSON, senior project engineer, technical, manufacturing, industrial products, Decatur
SCOTTY OOTON, senior mechanic, tin shop, 77 building, Decatur
CARTER TAYLOR, development engineering helper, 59 building, Decatur
LARRY VAN DOREN, plant manager, manufacturing, industrial products, Morrisville

10 Years

JACK ALLEN, foreman, shipping and receiving, manufacturing, industrial products, Sagamore
LYLE CAMP, laborer, soybean milling, agriproducts, Frankfort
WALTER GILDEA, refinery rover, manufacturing, industrial products, Morrisville
WILLIAM KANE, foreman, Gunther Products, food and specialty products, Galesburg
WILLIAM ROGAN, dextrose operator, manufacturing, industrial products, Morrisville
RUSSELL SUMMERS, process control operator, steephouse, manufacturing, industrial products, Sagamore
SUE THOMPSON, secretary, corporate information systems, corporate finance, Decatur
DANIEL TOMLINSON, maintenance mechanic C2, manufacturing, industrial products, Morrisville

5 Years

MARK BENNETT, technician, wet milling, manufacturing, industrial products, Lafayette
NANCY BOLAND, transportation clerk, agriproducts, Decatur



Leaders elected--Staley Decatur Club's officers for the year are, from the left, Cameron Ferguson, trustee, Ken Moser, secretary, Tom Brabender, president, Bill Litz, trustee, Lauren Incarnato, treasurer, and Frank Davis, vice president. Tom Ellison, another trustee, was absent from the picture.

ALAN BURNS, service laborer, 101 building, Decatur
DAVID BURNS, laborer, 1 building, Decatur
JEFFREY DANNER, process supportman, 101 building, Decatur
PAUL DHERMY, process supportman, 6 building, Decatur
ROBERT DITTMAN JR., technician, plant services, manufacturing, industrial products, Lafayette
BRIAN GILMAN, cleaner, 99 building, Decatur
THOMAS HICKCOX, weighmaster, soybean milling, agriproducts, Des Moines
TERRY JONES, helper, 29 building, Decatur
VINCENT JOYNER, helper, 29 building, Decatur
JOHN KLEISS, cleaner, 1 building, Decatur
DAVID KNOX, technician, refinery, manufacturing, industrial products, Lafayette
DAVID LISTER, technician, refinery, manufacturing, industrial products, Lafayette
GARRY LONG, dextrose operator, manufacturing, industrial products, Morrisville
JOSEPH MARTINA, production helper, 20 building, Decatur
THOMAS MILLER, service laborer, 101 building, Decatur
DAVID MOLTER, technician, utilities, manufacturing, industrial products, Lafayette
BONNIE MORLAN, computer operator, soybean milling, agriproducts, Des Moines
LESLIE NELSON, vacation reliefman, feedhouse, manufacturing, industrial products, Sagamore
SUSAN NICHOLAS, technician, refinery, manufacturing, industrial products, Lafayette
JOSEPH NORTHINGTON, laborer, 34 building, Decatur
PATRICK O'MARA, process supportman, 9 building, Decatur
DENNIS PETTIT, technician, refinery, manufacturing, industrial products, Lafayette

WANDA PRIMMER, purchasing clerk, manufacturing, industrial products, Lafayette
JOYCE SEALS, utility operator, 16 building, Decatur
ERNEST SHEPARD, technician, wet milling, manufacturing, industrial products, Lafayette
CHARLES SIBTHORP, loader, 99 building, Decatur
KAROLYN STARBODY, utility worker, 111 building, Decatur
JOHN STINSON, Staport loader I, manufacturing, industrial products, Morrisville
ROBE SCHWUCHOW JR., technician, wet milling, manufacturing, industrial products, Lafayette
RONNIE TAYLOR, roof equipment operator, 9 building, Decatur
DOUGLAS TSCHANTZ, loader, 34 building, Decatur
JAMES WALKER, technician, utilities, manufacturing, industrial products, Lafayette
DELORES WATSON, invoice clerk, order processing, administration, industrial products, Decatur
PAUL WILLIAMS JR., helper, 29 building, Decatur
JOHN WRAY, final ion exchange operator, manufacturing, industrial products, Morrisville
HO SEUNG YANG, senior research chemist, chemicals from carbohydrates, research, Decatur
BRADLEY YORK, helper, 20 building, Decatur

Staley News

The "Staley News" is published monthly for Staley employees and retirees by Corporate Public Relations, Decatur.

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Decatur, IL. 62521

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Another victory--Winners of the Staley (Decatur) Basketball League's tournament are the Stars. Members of that team include, from left, Preston Bates, Mick Stewart, Bill Barter, Rick Stuart and Bob Hackert. Those not pictured are Terry Johnson, Lyle Clark, Tony Rauch and Rich McCoy.