

StaleyNews

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Des Moines plant starts up

The expansion of the Des Moines soybean crushing plant is now in the start-up stage. After the "shake down" period of testing the new equipment, the new plant with its 100,000 bushel a day crushing capacity, will begin operating and the old plant, which was built in 1939, will be phased out.

The new plant consists of eight buildings on an estimated 65,000 square feet under construction. The crushing capacity is approximately two and one-half times greater than the old plant, which, although it will be shut down, could be modified and used again in the future.

Another statistic which reveals the impact of the Des Moines expansion is that its daily capacity will use the production of 3,600 acres of soybeans. For the year, the figure runs to about 1.3 million acres or roughly 2.5 percent of all projected 1977 soybean plantings in the U.S. That's 15 percent of all the beans planted in Iowa.

Aggressive marketing

Where will the increased production of the plant go? The company is expecting to strengthen Staley's role as a supplier of soy meal (both 44 and 48 percent) in the southwest to broiler, hog and beef producers, and as far west as California. Much of the oil will be sent to Decatur for treatment in the new hydrogenation unit which will be constructed this year.

The completion of the construction, a \$20 million-plus project, is yet another in a series of moves designed to strengthen Staley's role in the soybean industry.

Since pioneering the industry in 1922, Staley's position as compared to other soybean processors had slipped in relation to capacity. But the past few years have seen a series of moves designed to strengthen the soybean crushing side of Staley.

For example, agriproducts has completed a \$13 million soy protein complex for the production of soy grits, soy flour, Procon soy concentrate, Bland 50 soy flour, textured protein and textured soy concentrate.

In addition to the acquisition last year of the former Swift plants at Des Moines, Champaign, Frankfort and Fostoria, the company this year announced plans for construction of a multi-million dollar hydrogenated oil unit.

The company pioneered the commercial processing of soybeans in the United States. A. E. Staley, Sr., recognized the need for sound land management and crop rotation to protect the soil's fertility.

He worked with representatives of the University of Illinois on potential uses of the soybean.

He rented an Illinois Central train and made a whistle stop tour through the farm towns surrounding Decatur. At each village, he would show curious farmers the beans, explain their potential and, on the spot, sign contracts with farmers to plant soybeans.

Staley began the first crushing of soybeans on Sept. 30, 1922. It was the start of an industry, and the signaling of a new era in American agriculture.



Don Williams, center, with a store employee and a customer discuss some of the Staley consumer products he is stocking for the first time in his store.

'Good neighbor' policy gets results in Lafayette area

Good neighbors are important in the central Indiana area from which the Lafayette Plant will be drawing its employees. And if the result of one "get acquainted" session with area community leaders is any indication, then Staley is going to be a welcomed neighbor, also.

Lafayette Plant employees are meeting with community leaders and persons interested in the company. After one such meeting at Clarks Hill, a village of 700 people, Don Williams, who operates a local grocery store, was so impressed by the company that he decided to start stocking a complete line of Staley consumer products.

Don's store is a small town grocery store of the type that is rapidly disappearing against an onslaught of chain controlled super markets. But, Don's store also reflects many of the values of central Indiana. He

has lived in Clarks Hill all his life, is active in governmental affairs, and he knows all of his customers. Those qualities will make sure that such small stores are around for a long time.

Why did Don make the decision to start stocking Staley consumer products? "Like a lot of people around here, I've watched that new plant going up," he says. "We all

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Nordlund cites employee efforts

In comments made at the annual meeting held February 7 in Decatur, Chairman Donald E. Nordlund publicly expressed his thanks to Staley employees for their efforts in sub-zero temperatures in keeping Staley plants operating.

The Staley chairman noted that despite wind chill factors of 60 degrees below zero and blizzard conditions, there were only minor disruptions of production.

He continued that such an effort required the dedication of hundreds of Staley men and women across the nation, and that the company's management was aware of the contribution made by employees.

In other comments, Chairman Nordlund said that while earnings for 1977 would be lower than 1976, a strong sales performance was anticipated, setting the stage for future corporate growth.

He explained that the demand for the company's corn sweeteners softened somewhat during the first quarter, reflecting a normal seasonal slowdown. He added that corn sweetener sales volume for the period compared favorably with the same quarter a year ago, however.

He pointed out that the economic advantages of high fructose corn sweeteners over sugar were dramatically illustrated during the recent price slump of sugar. He explained that despite the fact that sugar is selling at abnormally low prices and sugar refiners are losing money, Staley was able to maintain its sales volume of high fructose IsoSweet and do so at a profit.

Mr. Nordlund said sales of food and industrial starches were strong during the first quarter and are expected to remain high during the year. Crushing margins for soybean operations, however, were unsatisfactory and are likely to remain so, he added. The consumer products group anticipates increased sales and earnings for fiscal 1977.



Des Moines Plant Manager Dick Rypkema overlooks some of the final jobs in the preparation building.

In the News...



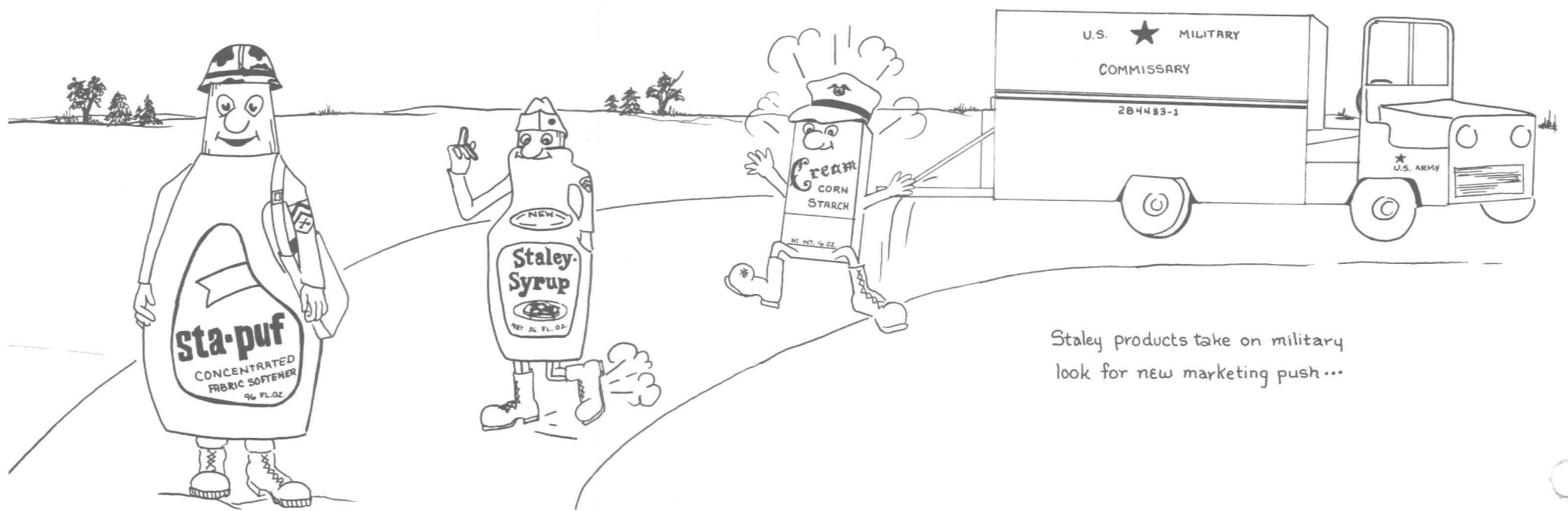
Military P/2



Procon P/3



People P/4



Staley products take on military look for new marketing push...

Consumer eyes increased military market share

Staley consumer products is planning on nearly doubling its volume of sales to military commissaries through a stepped up promotional campaign and increased emphasis on military markets.

Lamarr Davis, sales manager, military domestic services, explains the reasons for the increased effort. "The numbers in the U.S. are impressive. There are an estimated 8.3 million shoppers in military commissaries. That's a market about the size of Chicago.

"Added to that is the fact that an increasing number of military families are 'young marrieds.' These couples are often making their first purchases in a store and the brand name identification they establish usually stays with them for a lifetime. That's why we want to become a part of their regular shopping habits."

For many people whose memory of the military has grown foggy, the modern commissary might be difficult to envision. It's true that many of the stores are located in the yellow clapboard sided buildings which sprung up during World War II. But several are new, well-designed structures. Regardless, inside today's commissary is a selection of items that will likely equal or surpass that of civilian stores and--if the commissary is meeting its objective--at a reduced price.

The lower price of commissaries is made possible because manufacturers such as Staley must guarantee they will not sell an item to the commissary at a price greater than those sold to surrounding civilian markets. To help stimulate sales on a given item, a voluntary price reduction is given periodically for display and promotions. There are no discounts to brokers or trade promotion as is commonplace in dealings with civilian stores. However, commissary customers are still entitled to redeem coupons appearing in national magazines or in newspapers.

As a benefit to military families the government appropriates funds for the operations of commissaries. A surcharge is added to fund new store construction and certain bills. This method of pricing gives the military family from 15 to 18% advantage on its grocery bill, and is a traditional fringe benefit to make the military life more attractive as a career.

Not simple

Sound simple? It isn't. Each branch of the military operates a little bit differently. That means that Lamarr is faced with a market that is closely regulated (a Naval commissary officer turned down the offer of a luncheon meeting so he would avoid even the appearance of impropriety,) bound up in official red tape that differs according to the branch of service, that has 355 stores worldwide with domestic stores on the average of 152 miles apart.

The complexities of such a situation call for a specialist in military markets and that's the role of Francois L. Schwarz, Inc., which is Staley's worldwide military broker.

The Schwarz organization which has served as Staley's military broker since 1950, resulted from the foresight of Francois L. Schwarz, who came to the U. S. through Vichy, when the German Blitz overtook France. He served as a dollar-a-year consultant on food matters to the Quartermaster General throughout World War II.

His association with highranking officers in logistics led to the conclusion that a large standing army would be essential for many years, and that a retail system would be required to provide for its needs. It was apparent to him that the wide deployment of the stores, coupled with the regulated and restricted procurement methods and policies of the Armed Forces would make it unprofitable for most food manufacturers to promote their brand names and make sales to the commissaries and exchanges with their own sales forces or localized food brokers. He believed the solution to the problem would be a specialized organization to act as a pooled sales force for a number of non-competitive manufacturers.

This idea was not new. Food brokers had been doing it successfully for years in their own geographically-limited commercial markets, and a small handful of military market specialists had been covering commissaries and exchanges on a regional

basis in the U.S. But, the concept of total-market coverage, in the U.S. and abroad, was completely new, and when Francois Schwarz was incorporated in 1946, it became the first of its kind.

Constant change

Unlike the civilian markets, which are constant and modified only by the population growth factor, the Armed Forces Market is in a constant state of change. Military bases are closed and opened, both domestically and abroad, and populations the equivalent of small cities can shift in a short period of time from Turkey to Greece, or from Okinawa to Louisiana. Or, in Thailand, from over 50,000 consumers to virtually none. Sometimes the population suffers a net loss through an overall reduction in strength. Active military strength is presently at its lowest level since 1947.

That's the minus side. The positive aspect is the military's determination to attract people who will make the service a career. One of the ways of enhancing military life is improving the quality of services offered, including the role of the commissary.

Lamarr acts as a liaison between Staley consumer products in Oak Brook and Francois Schwarz' worldwide accounts manager, Jeff Hausman. Between the two of them, the marketing and promotional plans for Staley consumer items within commissaries are drawn up. These might include special shelf displays, or even tying in with store-wide promotions. Many

times, such store-wide offerings are developed for a wide range of products represented by Francois Schwarz and a store uses the entire package, including banners, decorations, and posters.

The Schwarz' group works with Lamarr on domestic sales and John Shroyer on overseas orders.

But the key to military markets seems to lie in the one-to-one contact of one of the more than 40 district Schwarz salesmen with local commissary officers. The salesmen provide the upward communication which keeps Jeff and Lamarr aware of the needs of each store. What products are selling well? Are shipments on time? Is quality consistent? What about deliveries? These are all questions that can be best answered by the salesman.

Regular meetings

That's why Lamarr and Jeff regularly hold meetings with regional managers and district salesmen. Lamarr then takes the information back to Oak Brook where ideas to solve problems and to take advantage of new opportunities are drawn up.

All military orders, domestic and overseas, are processed by Janell Malinski at Oak Brook. Janell is in constant contact with all regional offices of the military broker.

Lamarr is confident that the military market is a fertile one for Staley consumer products. "We bring a unique combination of quality, pricing and national recognition to commissaries," he explains. "Some names are better known, but suffer a price disadvantage. Other, less expensive brands do not have either the quality or recognition of Staley products. Our challenge now is to bring together these three elements and make them work to our advantage."

Philly broker tops for 1975 in consumer

Bonstedt-Coale of Philadelphia has been selected as consumer products broker of the year. The award was made by Joe Kay, eastern regional sales manager, and Tom Frearson, Atlantic district manager, to the Philly broker.

Out of 68 Staley food brokers nationally, Bonstedt-Coale, Inc., attained the highest percentage over assigned case quota during fiscal 1976.

Previously, Frearson had been named district manager of the year. He and Bonstedt-Coale were involved in a highly successful promotion of Staley syrup during the year in addition to their other successes.



At recent ceremonies in Bonstedt-Coale offices, Jack P. O'Donnell, vice president and Staley account manager, accepts an engraved clock plaque from Tom Frearson, right, Atlantic district manager. Dave McLaughlin, left, Bonstedt-Coale account manager, and Joe Kay, eastern regional sales manager are also in attendance.



You may not believe in ghosts, but Staley says the spirit of the old time butcher shop can be found in meats fortified with Staley Procon soy concentrate. This picture is from a series of advertisements now appearing in meat processing and food processing magazines. If the current day model looks familiar, don't be surprised. It's Ron Wells, syrup superintendent, Lafayette Plant.

Sta-Puf coupon offers savings

The April issue of Redbook magazine will contain a unique coupon offer for 50 cents to \$1 off on the 33, 64 and 96 ounce sizes of Sta-Puf blue fabric softener. The consumer may cash in one of three offers.

The first coupon will offer 50 cents off on the 33 ounce size. The rebate will be in the form of a 25 cents cash refund and a 25 cents store coupon redeemable by Staley.

On the 64 ounce size, the customer will receive a 50 cents cash refund and a 25 cents store coupon redeemable by Staley.

The \$1 offer for the 96-ounce size includes a 50 cents cash refund at the store and a redeemable coupon.

Dick Feit, director of marketing, consumer, explains that the offer—headlined "Get soft clothes and hard cash"—is the first of its type ever offered for a fabric softener. One of the prime objectives of the campaign is increased placement of the 96-ounce size of Sta-Puf blue in stores across the nation.

"Redbook has a circulation of 5 million. The impact of the Sta-Puf ad being read by that many people, plus the large savings should encourage store traffic and requests by shoppers to store owners for available product to fulfill the coupon offer. We're looking forward to the results."

Rabon off to good start

Advance orders of Sweetlix Rabon blocks are already approximately half of the tonnage sold last year, putting a goal of a 33 percent sales increase within reach.

Rabon blocks are fed to cattle and the fly larvae killing ingredient Rabon settles in cattle's waste. When the flies lay their eggs the Rabon prevents them from developing into adult flies.

Sam Shanklin, manager, specialty feeds, says that in 1976 EPA approval of Sweetlix blocks did not come until April 1. That kept production from beginning until that time, and shipments did not begin until well into the fly breeding season.

Despite the delays, the Rabon block introduction was the most successful by

specialty feeds since the introduction of Bloat Guard blocks. More than 100 Rabon customers have offered testimonials.

An extensive advertising program will support this year's sales, Sam says. A \$50,000 push will place ads in all major dairy publications beginning in March and running through July.

"We're confident that we'll build upon last year's success," says Sam. "This is due to several things including a superior product. But, special mention should be made to the efforts of the production employees in 47 and 32 buildings at Decatur who, despite the disadvantages of cold weather and snow, were able to produce and ship enough blocks for our advance orders."

Houlton bubble completed

Despite sub-zero temperatures and six inches of fresh snowfall the Houlton Plant in February completed installation of a vinyl "bubble" dome over its waste treatment holding tanks.

The dome, which measures 82 feet wide by 152 feet long and weighs six tons, will help maintain temperatures in the waste treatment tanks. Previously, the waste eating bacteria in the unprotected tanks had frozen at extremely low temperatures, making the waste treatment system inoperable, and forcing the plant to curtail production.

The new system, which cost \$34,000 and

raises Staley expenditures for environmental control to more than \$1 million since purchasing the plant in 1967, is supported by steel cables. The size of half a football field, the dome was installed over a standing house enclosing a clarifier at Houlton. When the dome was completed, a six inch snow forced it to collapse. An around the clock effort was required to dig it out.

The effort has attracted the attention of several plants in Maine. It is believed to be one of only two such domes in the nation, and is hailed by its developers as a major breakthrough in cold weather environmental control.

Anniversaries

40 Years

MAURICE EAGAN, soy feeds merchandiser, agriproducts marketing

30 Years

RALPH SHERDEN, assistant production manager, corn milling and chemicals, industrial products

CLYDE AYDT, senior mechanic, sheetmetal

JOHN FIELDS, stores operator, 80 building

CARL HENSON, pack & load leadman, 20 building

GUY RIGSBY, expeller, flaking operator 11 building

JESSE BAKER, leadman-weigher, 6 building

25 Years

RICHARD LOCKMILLER, director marketing services-protein, agriproducts

MAX CORMANY, production shift foreman, Columbus

15 Years

MARGE REINHOLD, secretary/director marketing, protein, agriproducts

10 Years

DONALD MILLER, west coast sales manager, sweeteners

LINDA SHEUMAKER, senior clerk, soy-bean extraction

TOM A. REED, mechanic, millwrights

MARVEL PARDEN, inspector, Sno-Bol plant

DENNIS OWNBY, tractor trailer driver, Chattanooga plant

W. D. BRYANT, warehouse fork lift, Cicero



M. Eagan



R. Sherden



J. Fields



R. Lockmiller



M. Cormany

5 Years

ELSIE HASKELL, administrative clerk, Monte Vista

WILLIAM J. TURNER, technical sales representative, chemical specialties

KATHLEEN A. BURK, accounting clerk, Champaign plant

EUGENE GEORGE, draftsman, Morrisville

JOANNE JONES, secretary, dry starch/dextrose, industrial manufacturing

HAROLD SCHWARZ, senior analyst, Morrisville

P. A. KUTENITS, maintenance utility, Morrisville

MILTON WILLIAMS, roving operator, starch, Morrisville

RICHARD BREECH, reactor room operator, Morrisville

ROY CUTSHALL, maintenance mechanic A, Morrisville

EDWARD SARNOWSKI, warehouseman, Morrisville

JOSEPH CAVANAUGH, maintenance utility, Morrisville

DAVID CURRY, warehouseman, Morrisville

JOSEPH ROUSE, maintenance mechanic A, Morrisville

JAMES MILLER, maintenance mechanic A, Morrisville

On the move



D. Brown



W. Linsley



L. Cunningham



W. Litz



M. Zinn

AGRIPRODUCTS

DON BROWN from building foreman, 9 building, to superintendent, soy protein
GERALD CAMPBELL from merchandiser to senior merchandiser, Frankfort

CORPORATE

BILL LINSLEY from analytical instrument technologist to analytical instrument supervisor, quality assurance

INDUSTRIAL

LARRY CUNNINGHAM from product manager, sweeteners, to marketing manager, sweeteners

DENNIS GENTRY from production department relief foreman to shift foreman, wet process

WILLIAM LITZ, shift foreman, wet process, to building foreman, 11-18-75

MARVIN ZINN from building foreman, 11-18-75, to building foreman, 9 building

Two new directors elected to board

Staley stockholders at the annual meeting elected two new directors and reelected three others to the company's board.

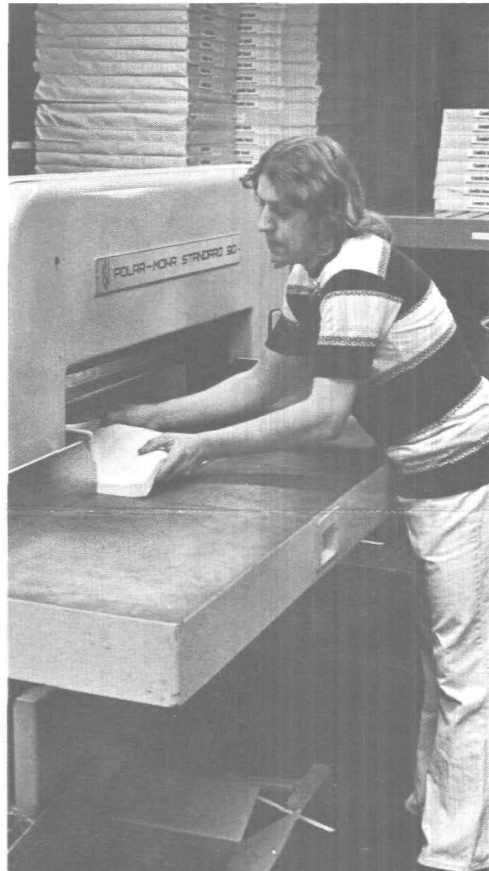
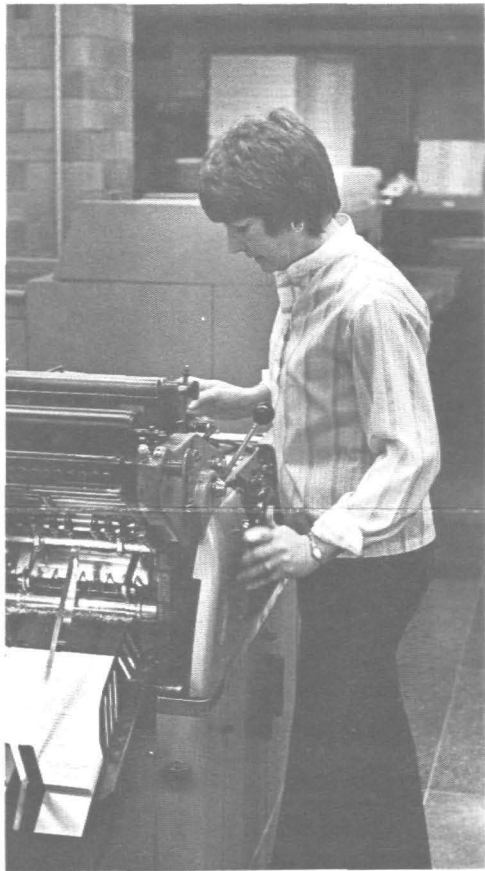
Newly-named directors are William Barnes III, chairman and chief executive officer of The Citizens National Bank of Decatur, and Donald C. Miller, vice chairman of Continental Illinois Corporation and Continental Bank, Chicago.

The new directors expand the Staley board to 14 members and also fill a vacancy caused by the retirement of Herman J. Pevler.

Reelected to the board for three-year terms are: Pierre Callebaut, chairman of G. R. Amylum, a Belgian corn refining company, and Thomas V. Fischer and Henry M. Staley, vice presidents of the Staley Company.

In other action, directors reelected the following company officers:

D. E. Nordlund, chairman and president; G. L. Bieger, vice president, finance; R. W. Brooks, vice president, consumer products group; T. V. Fischer, vice president, industrial products group; N. Kessler, vice president, technical; R. M. Powers, vice president, agriproducts group; E. R. Stanhope, vice president, international and administration group, and secretary; J. H. Beaumont, vice president, customer relations; R. L. Schuerman, vice president; H. M. Staley, vice president and treasurer; F. H. Wagner, vice president, consumer products development; R. L. Schwanke, controller; J. T. Holmes, general counsel and assistant secretary; L. B. Miller, assistant treasurer and W. F. Evans, assistant secretary.



Print shop employees at work. Top picture, Don Neideffer inspects a newly printed issue of the Staley News. Lower left, Mary Paxton at her duplicating machine where she prints the Staley Now as well as other materials. Lower right, Charles Cox trims paper stock.

Staley safety mark tops in grain processing industry

Comparative statistics released this month reveal that Staley's Decatur Plant was again the safest in the grain milling industry.

Six competitors exchange safety information with Staley. They are Pennick & Ford, Clinton Corn, National Starch and Chemical, American Maize, Hubinger Grain and Corn Products.

For fiscal 1976, Staley registered a lost time frequency of 3.6 injuries per million man hours worked and a severity rate of 95. Staley's Decatur Plant recorded 5.4 million man hours worked. Frequency rates are the number of lost time injuries per million man hours worked. Severity rates are the days lost per million man hours worked.

The company closest to the Staley safety performance was Clinton Corn. Clinton had an accident frequency of 5.9 percent and a severity rate of 175 for 2.7 million man hours.

Next came National Starch and Chemical which worked 1.2 million man hours, had a frequency of 10.1 and a severity of 247. They were followed by Corn Products with a

frequency of 19.7 and a severity rate of 417. Next came Hubinger with a 36.1 frequency for 1.1 million man hours worked and a severity rate of 621. American Maize recorded a frequency of 18.9 for 1.5 million man hours, but a job-related death pushed the severity rate to 7,385. Pennick & Ford which has since discontinued its manufacture of syrups, had a frequency of 34.4 and a severity rate of 1037 for 1.5 million man hours.

The national average in the grain milling industry is a frequency rate of 16.87 and a severity rate of 1,143.

Staley News

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

Manager, Employee Communications Dan Hines

Manager, Visual Communications Lee Jeske

Staley News wrapup

Maritime award to Staley

Staley will receive an award from the National Maritime Council in recognition of the company's support of American shipping. The award will be made March 8 in a special meeting to be held in Decatur. E. R. Stanhope, group vice president, international/administration, will accept on behalf of the company. The award signifies that Staley has agreed to use ships bearing the American flag whenever possible. Charles Wilhelm, manager, transportation, international, who serves on the board of the Maritime Council, explains that Staley believes a strong merchant fleet is in the best interests of the United States.

The chemical specialties division has introduced two primerless, water-based polyvinylidene chloride (PVDC) co-polymer emulsions. The new polydenes will offer adhesion and heat seal properties on treated polyolefin films. The products exhibit improved barrier properties as well as film clarity, while maintaining excellent high humidity aging characteristics.

A definite Staley flavor will be added to a documentary by Decatur radio station WSOY on the soybean. The station interviewed E. K. Scheiter, former company president, for an intimate look at the history of Staley's pioneering role in commercial soybean processing, and R. M. Powers, group vice president, agriproducts, for an overview of the future of the soybean industry.

Seventeen employees were graduated from the apprentice program at Decatur this year. Diplomas were awarded to Irvin Blickenstaff, John Lehew and Donald Miller, pipe shop; Richard Benton, David Dingman and Lester Elam, sheetmetal shop; Robert Buxton, Cecil Davis, Fountain Dixon, Donald Dye and Bobby Walker, electric shop; and Alvin Butler, George Canaday, Jack Crawley, Paul Durchholz, James Gentry and Don Kramer, millwright shop.

The 30th annual Service Awards dinner will be held March 10 at the Masonic Temple in Decatur. More than 500 employees and spouses are expected to be in attendance.

This year marks the first time that spouses will be included in the ceremonies. Also, employees participating in the program will be limited to those celebrating anniversaries of 25 years or more in five year increments.

Staley marketing and research and development of paper starches has come in for some high marks from the industry. A recently completed survey of paper manufacturers across the nation ranked Staley and its competitor National Starch and Chemical, as the top two starch suppliers in the nation. Congratulations to all employees—from research and development to manufacturing marketing and sales—who made such a reputation possible.

'Good neighbors'

(Continued from Page 1)

knew it was big, but it wasn't until I attended one of those sessions and J. B. Webb put the size in figures I can understand. Do you know that plant is going to grind the yearly corn crop of a section of land (approximately 600 acres) in just one day. That has to mean a lot to our area farmers.

"And I was surprised at the size of the company," he continues. "I had always thought of Staley as just a little company in Decatur. But it's nationwide and growing.

"Being in the grocery business, I knew about the Cream Corn Starch and some of the other starches you make. But I didn't have any idea about Sno-Bol, or the concentrated fabric softeners, or Wagner. Well, I decided

that if a company like Staley thought enough of us to build a plant like the one in Lafayette and to provide jobs for area people, we ought to show that we support 'em."

Don says several of his customers have noticed the new Staley items and sales are going well.

J. B. Webb, Lafayette personnel manager, says Don's action is an indication of the importance of letting people in the area know what kind of company Staley is.

"Obviously, our goal wasn't to convince Don or anyone else to buy Staley products," he concludes. "But good neighbors know each other, so we're pleased from a community relations viewpoint with Don's decision."

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