StaleyNews

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Blizzard of '78 stuns Staley plants only temporarily

A blizzard termed the worst of the century stunned the midwest in January, but only temporarily slowed Staley operations as employees put forth some extraordinary and memorable efforts.

The blizzard raged from Illinois through hio, with Staley locations in Indiana and io being worst hit.

At Fostoria, operations were shut down temporarily as 17 inches of snow was driven by winds of up to 120 MPH. Several employees stayed at the plant and two--Jerry Blem, boiler operator, and John Kreis, supervisor, worked for 34 consecutive hours to keep boilers fired. Some trucks which had arrived to pick up meal were forced to stay at the plant as the full force of the storm reached north central Ohio.

Things weren't much better to the south, where the Columbus Plant whipped 20 inches of snow to continue almost uninterrupted operations. On Thursday, Jan. 26, only dryers ran for two shifts, but by Friday, a dedicated group of employees had dug their way out of snow drifts to get to the plant and allow normal operations to resume.

The storm, which had its share of tragedies, was not without its lighter moments. Jody Porter, plant secretary, provided one. When

Sales up, but 1st quarter earnings drop

The company reports net earnings of \$5,012,000 or 44 cents a share on sales of \$268,654,000 for the first quarter ended Dec. 31, 1977.

The totals compare with net earnings of \$6,024,000 or 54 cents a share on sales of \$239,336,000 for the same period the prior year. Earnings on a pre-tax basis were \$8,492,000 for the quarter just ended versus \$5,361,000 for the first quarter a year ago.

Chairman Donald E. Nordlund said soybean processing conditions were positive in the first quarter. He also indicated that the company's corn sweetener sales volume experienced the normal seasonal slowdown but again was a significant earnings source.

Mr. Nordlund noted that investment tax credits for the first quarter in fiscal 1978 amounted to \$825,000 as compared to \$3,100,000 for the same period a year ago.

Sales advanced for the company's consumer products group and international operations, hough profits were somewhat lower due higher costs.

Looking ahead, the Staley chairman said the company's second quarter would reflect some tightening of soybean margins and a continuation of current competitive conditions in corn sweetener markets. He said earnings were expected to firm in the second half of the year, along with an upswing in corn sweetener sales volume.

drifting snow made it impossible for her to open the front door of her house, she crawled through a second story bedroom window, worked her way to the front of the house and began shoveling a path to the front door. Sadly, when she got there, she discovered that she had failed to unlock the house, so she returned via the same snow drift she had just used for her exit.

She wasn't alone in her determination to do her job. Harold Dixon, foreman, and Jim Steward, maintenance man, handled all the maintenance at the plant for two days, while dryer operators Jim Canady and James Spikes stayed on hand to keep dryers operating.

Significantly, Ohio industries have been ordered by the governor to curtail electrical consumption by 25 percent in light of dwindling coal supplies for utilities.

At Frankfort, 23 inches of snow and 30 MPH winds caused chill factors of nearly 50 below zero, and stranded several employees at the plant. But, the mill ran as long as possible.

Lafayette continues to bear the brunt of some of the worst weather the nation has had. Nearly 30 inches of snow fell in January, more than 45 inches for the past two months. Snow drifts of 15 feet high and 100 feet wide blocked roads, but still the Lafayette Plant kept its grind going.

Several employees camped in at the plant, working extended shifts, and on Friday, Jan. 27, T. R. Redfern, shift foreman, 5 & 10 building, Decatur, used his fourwheel drive to bust loose and pick up some other people to help out.

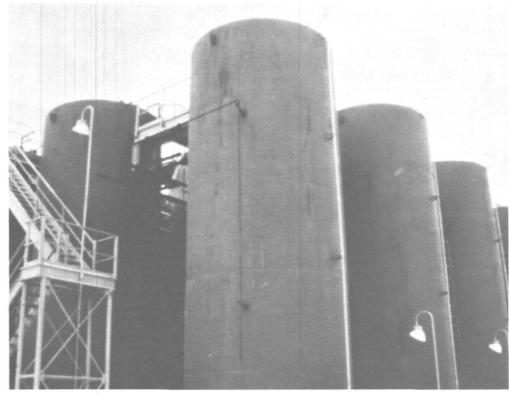
It's the second straight winter that adverse weather has slowed operations, but despite the adversity, processes missed hardly a beat either year--a tribute to the dedication of Staley people.

New grain role for company

Staley has announced that it will enter the grain merchandising business. Grain merchandisers consolidate grain ownership, and sell to buyers and buy from sellers, trading in larger quantities than would be possible with only individual transactions between suppliers and users.

The move is the latest in a series of aggressive marketing stances taken by the company in the commodity business. Previously, Staley had purchased the Livergood and Ging elevators in central and southern Illinois, acquired the assets of Lincoln Commodities, since renamed Lincoln-Staley, and had purchased the soybean processing plants formerly owned by Swift & Co. at Champaign, Des Moines, Fostoria and Frankfort.

The grain merchandising operations will be handled from Decatur. Customers are expected to include large users of grain such as broiler operations, farrowing operations or beef feed lots.



The company's new hydrogenation plant is headed toward a March startup.

New plant marks Staley hydrogenated oil entry

When the new hydrogenation plant starts up at Decatur, it'll mark the culmination of an effort that traces its roots back more than one and one-half years.

It was in August 1976 that the Staley board of directors authorized the multi-million dollar project which would make the company a full line supplier of oils.

The board's decision was prompted by marketing forecasts which indicated that there was a demand for such a product from Staley. For the marketing people, the plant was represented by the product it would turn out.

New capability, new opportunity

The startup of the hydrogenated oil plant at Decatur this spring marks Staley's entry as a full line supplier of soybean and corn oil products.

The company has been active as a supplier of industrial and refined oils almost since its inception. The startup of the new plant in Decatur will mark the first time that Staley has offered a hydrogenated oil.

Hydrogenated soybean and corn oils are used primarily in margarines, shortening, and frying applications.

The hydrogenation conversion process calls for adding hydrogen under pressure and agitation with a catalyst (nickel) to the oil in a heated enclosed vessel. The degree of solids (density) required in the product determines the conversion time required. Following this process, the catalyst is removed from the oil. The hydrogenated oil is then blended and deodorized to customer specifications.

Hydrogenated oil is used by margarine manufactures who need a product with a relatively high melting point and stability. Oil used in different food processing applications will have varying densities and melting points.

Larry McNamara, manager, refined oil sales, says the edible vegetable oil market today is approximately a nine billion pound (Continued on Page 4) But some other people--the engineers--got a different picture. One of an area which contained an old warehouse, but otherwise was empty. Their challenge was to bring together the pieces which would shape the expansion.

Tom Scott was named project manager. Chris Greanias joined him as project engineer. Harold Good was named field engineer. Liason with research was provided by Dr. Frank Orthoefer, while Bill Richards, oil refinery superintendent, offered assistance with a manufacturing viewpoint.

Today, the results of their efforts are visible. Two major buildings-90 where the hydrogenation process will take place and 91, where the hydrogen will be made-are awaiting startup as they sit south of the oil refinery.

How is oil hydrogenated? And why? Tom offers some explanations. "We start with refined and bleached oil, either soy, corn or cottonseed," he says. "The soy oil will come from Decatur and Des Moines, the corn from Decatur and Lafayette, and we will purchase the cottonseed oil."

The oil will be piped from the tank farm into 90 building where the hydrogenation process begins.

A specially designed heat recovery unit, which recycles some of the heat used to process the previous batch of hydrogenated oil, will preheat the oil. Many plants without the recovery unit allow heat to be wasted as the hydrogeneated oil is cooled, Tom says, pointing to the energy conservation features of the Staley design.

After preheating, the oil is heated further by steam to a temperature of 300 degrees Fahrenheit. This heating adds energy to the oil which is necessary to cause a reaction when hydrogen is added. After the heating is completed, the oil goes to a stainless steel converter, where the hydrogen and a nickle catalyst are added and dispersed with a turbine-driven agitator.

The next step is to add hydrogen while controlling pressure and temperature until the desired degree of saturation is acquired. Vegetable oils contain hydrogen naturally and the addition of more hydrogen is described as increasing the saturation. The amount of hydrogen added is controlled by the operator who will set the control meters for the proper amount.

The hydrogen itself will come from 91 building, where it will be manufactured by first demineralizing water, and putting it in four foot by four foot by three foot cells charged with a direct current voltage which will separate the water into hydrogen and oxygen. The hydrogen will then be compressed and stored in four tanks where it will await adding to the oil.

(Continued on Page 4)





Congress/P2



Elevators/P3



Broker/P4



An explanation of the Morrisville Plant and its products preceded Rep. Pete Kostmayer's tour. Listening to Plant Manager John Homan, standing, are, left to right, T. V. Fischer, group vice president, industrial, Rep. Kostmayer and L. L. Redshaw, director, governmental relations.

Congressmen, Senators get first-hand look at Staley

A highly acclaimed movie of the 1940's was "Mr. Smith Goes to Washington". It was the tale of an unlikely congressman and his attempts to comprehend and conquer the alien world of the nation's capital.

If such a movie were to be made today, it might be entitled, "Congressman Jones Comes to Staley." Hopefully, the same happy ending will be in the script as the company opens its doors to political figures, many of whom are seeing an operation like Staley for the first time.

The effort began several years ago when Dan Walker, then governor of Illinois, visited the Decatur Plant and tourned the research facilities. Since that time, Decatur has also hosted Senators Charles Percy and Adlai Stevenson of Illinois, U. S. Representative Edward Madigan of Illinois, the area state representatives and the district's state senator.

At Lafayette, Lt. Governor Robert Orr was

a guest at a get-acquainted luncheon Staley sponsored for community leaders, and last month, Morrisville hosted U. S. Rep. Peter Kostmayer.

"The objective is to make legislators and others aware of what we're doing at Staley," explains L.L. Redshaw, director, governmental affairs. "Just as an informed public can make a better decision, an informed governmental official-whether it be legislator, governor or administrator-can do his job better. But, we've got to make that effort to let these people know and understand what impact their actions will have upon the Staley Company, its shareholders and its employees.

"Fortunately, concerned officials feel the same. They want to learn about what's going on in their areas, and to work for an environment that will benefit the community, the employees and business."

Redshaw pointed to the visit by Rep. Kostmayer to Morrisville as an example of a representative doing his job. Staley News' camera followed the young Congressman on his day at Staley.



The Congressman had the opportunity to meet some employees face-toface. In one of the control rooms, Charles Mohn, president, Local 675, Allied Industrial Workers, and Kostmayer size each other up.



The day's tour over, Rep. Kostmayer and Homan discuss the day's activities.



The Congressman listens as Fischer explains a process during the tour. This was the first time Rep. Kostmayer had been in the plant.

Anniversaries

35 Years

WILBUR BUIS, utility man, 40 building

AL MORGAN, senior bakery specialist, food products, R&D

25 Years

A. J. GAWTHORP, operator, Champaign plant

MARVIN ZINN, building foreman, corn

20 Years

milling, industrial manufacturing JAMES FRIESNER, regional manager, Florida consumer products VIRGIL WILL, senior instrument engineer, corporate engineering CHARLES GEISEN, national sales manager, specialties, industrial sales ROBERT SCHNELL, production superintendent, industrial manufacturing CHARLES BOWLES, ion exchange operator, 5 & 10 building

JOHN REYNOLDS, senior mechanic, pipe DELBERT THOMAS, helper, 2 building MALCOM MEEK, merco operator,

ROBERT RAGSDALE, process supportman, 9 building

15 Years

WALTER WADE, truck driver, refined oil products, agriproducts LAWRENCE MICHAUD, maintenance A lead, Houlton

10 Years

LEE DELHAUTE, supervisor, corporate accounting, control GARY SHEUMAKER, senior estimator, corporate engineering JAMES SLADE III, scheduling supervisor, industrial manufacturing, dry starch JAMES STOWELL, senior research chemist, industrial products, R&D



RICH WILLIAMS, corn milling superintendent, Lafayette Plant JACKIE RIEDMAN, supervisor sales records, industrial products, control FLOYD EADS, 3rd year apprentice, pipe RONNIE HOY, dryer operator, 9 building LOWELL MCDONALD, service labor, 47 building GLEN MARQUIS, carbon operator, 5 & 10 building ROGER VANDOREN, 3rd year apprentice DOUGLAS MERRITT, maintenance, Houlton ALBERT FRIEL, regular maintenance B, Houlton EUGENE MCCORDIC, maintenance A, Houlton JAMES HEMORE, regular maintenance C, Houlton F. Z. RAMIREZ, lead janitor, consumer products, Cicero

5 Years

ARNOLD PATTERSON, staport leadman, Morrisville GLENN STECKLEY, process service operator, Morrisville LARRY JOHNSON, shift leader, Gunther THOMAS ROBINSON, operator A, consumer products, Arlington plant GERALD KEARNEY, area specialist, specialty feeds, agriproducts ROSE ERDMANN, freight payable clerk, consumer products, control TONDA MOWRY, senior clerk, oil refinery, agriproducts PAUL DOOLEN, technician, industrial products, R&D ROBERT MORR, rail coordinator, administration, agriproducts DAVID BREEN, territory manager, sweeteners/Chicago, industrial sales SHIRLEY STINSON, clerk stenographer,



A new recipe book featuring Cream Corn Starch in Oriental dishes is now available from consumer products.

The book will be part of a mail-in offer for Cream Corn Starch users.

Prepared by William I. Kaufman, the world's most published cookbook author, the recipes range from tasty appetizers, such as Shrimp toast with ham to entrees, such as Canton chicken.

In his introduction, Kaufman notes that the original recipes are "his favorites," and he suggests that they'll quickly be adopted by Cream Corn Starch customers.

"None of these recipes is beyond the realization of even the most inexperienced cook," he explains. "They've been selected from my collections with several important factors in mind. All the ingredients are available in your neighborhood grocery.

Preparation is quick and easy. The ultimate taste is uniquely delicious."

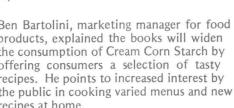
Cream Corn Starch is an essential ingredient for successful preparation of Oriental cooking.

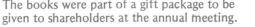
Twelve recipes are featured in the book. Future issues of Staley News will spotlight some of them so employees may give them a

Ben Bartolini, marketing manager for food products, explained the books will widen the consumption of Cream Corn Starch by offering consumers a selection of tasty recipes. He points to increased interest by the public in cooking varied menus and new recipes at home.

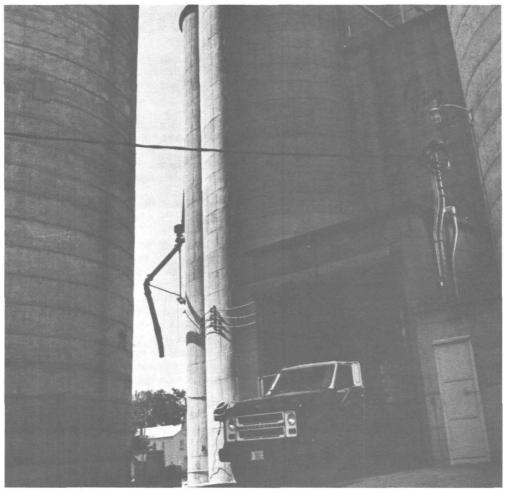
The books were part of a gift package to be

The veteran author and chef points out that









The Ging Elevators in south central Illinois are some of the 19 elevators operated by Staley around the country. A specially appointed safety committee is currently inspecting each elevator to make sure they are as safe as possible.

Employee awareness aids elevator safety

Grain elevator safety is attainable. Like safety in any other industrial setting, however, it requires that employees follow the rules which make a place safe to work.

Remember--a dust explosion is a fast fire. It's a rapid burning of dust particles suspended in the air, accompanied by rapid development of pressure. This rapid release of the heat of combustion causes expansion of both gaseous products of combustion and unreacted gases in the air. It's this expansion that creates an explosion.

Often, a small dust explosion is only the beginning of a destructive chain of events. It disperses additional dusty material which explodes with even greater force. Scattered fires in residual dust usually follow.

Like any fire, only three ingredients are required for a dust explosion-fuel (dust), oxygen (air) and a heat source sufficient to cause ignition. Remove any one of these ingredients and no fire or explosion can occur.

Safety is a continuing concern of the company. That's why a stepped-up effort is now underway to make sure that Staley grain elevators are as safe as possible.

The company has prepared a list of preventative measures which can reduce the chances of explosions. Employees are urged to become familiar with these precautions.

What are the facts about elevator safety? What causes explosions and what is the company doing to keep them at a minimum?

As stated above, it is believed that there are three basic causes of grain explosions--poor housekeeping, open flames and welding, cutting or soldering operations.

Tops in the east. . .that's the record for Stetson Fleming & Sons of Tampa, Fla., which has been named the top consumer products brokerage firm in the eastern part of the U.S. In recent ceremonies, right, Joe Kay, eastern sales manager for consumer, presented the firm with an award recognizing its achievement. Present were, left to right, Kay, Charles Fleming, Bud Maney and Red Prevatt all of Stetson Fleming & Sons, and Jim Friesner, south eastern regional sales manager for Staley.

More to the point, grain handling locations should practice good housekeeping, the job of each employee, and adhere to prescribed safety rules.

The Staley Company currently operates 19 elevators, the majority of which are located in central Illinois. Other facilities with grain storage are Morrisville, Fostoria, Frankfort, Lafayette and Des Moines.

The company for years has had a safety and loss prevention program for its grain handling operations. This includes, but is not limited to, regular inspections by company personnel and insurance carriers.

To intensify those efforts, an elevator "task force" has also been formed which is in the process of inspecting each elevator.

But, employees remain the most important ingredient in elevator safety. They can help keep elevators clean. Employees can assist in enforcing no smoking rules and eliminating other ignition sources. The employee is also the first line fireman, he should know how to report a fire and the location of the nearest fire fighting equipment, as well as how to use it.

Importantly, employees are urged to report unsafe conditions to their supervisors and, if possible, immediate corrective action should be taken. The supervisor should follow up to make sure corrective action is taken as required.

These steps--plus the continued safety awareness of employees--can help make clean, well-maintained elevators safe places to

Gunther product receives award

Staley protein technology has received the Candy and Snack Industry Technological Achievement award for 1977.

The award is made by the Candy and Snack Industry trade magazine, which cited Gunther K-44 and K-88 Kosher whipping proteins as two of the most significant developments to have been made commercially available to the industry in

The magazine noted that because of their powerful whipping and foaming properties, the products can be used in a variety of baked goods, confections and beverages.

Brokers add dimension to Staley sales effort

A riddle: What adds an extra dimension to Staley's sales program? Answer: The broker. Many Staley employees don't realize the important role he plays for the company. But, Staley customers are made aware on almost a daily basis. And the service brokers provide should earn the respect of each Staley employee.

What is a broker? Simply put, he (or the firm which he heads) is a key member of the Staley team that (1) represents Staley in the field to customers (2) a large, independent business which has rightfully earned a reputation for service, quality and reliability independent even of Staley (3) a business that, even though it is large and successful. employing several employees, still reflects the character of the person who founded it.

Case in point--the Bruce Chaney & Co. brokerage firm headquartered in Cleveland. To find out how a brokerage firm with a long record with Staley works, Staley News visited Cleveland. Chaney is one of the largest Staley brokers and has one of the longest associations with Staley.

Chaney has placed Staley in a strong position in the Ohio market with his effective representation and customer

Chaney observed its silver anniversary as a Staley broker in 1977. Bruce Chaney--a dynamic man who, despite surgery on his hip, and the financial independence to slow down and enjoy the fruits of his efforts, remains a hard driver, heading up his brokerage firm, and working closely with another business owned by the family.

And therein lies yet another interesting aspect of the Chaney operations. One of the companies is Cleveland Syrup, a blending facility for sucrose and. . .you guessed it, Staley's corn sweeteners. Cleveland Syrup also has the authority for trucking these blends to Staley customers. Cleveland Syrup has its own quality control facilities, adding yet another step to a quality assurance program which begins with the manufacturer.

Although Cleveland Syrup is independent from other Chaney operations, there is a relationship through Chaney's role as broker for a complete line of Staley industrial products, including sweeteners and starches, and the blending operation performed by Cleveland Syrup. Incidentally, Chaney is also the broker for Staley's protein line.

Also, the firms are located at one site in Cleveland, allowing efficient communications and the best service possible to customers.

On the move



CONSUMER

GARY AMUNDSEN from finished goods inventory control supervisor to inventory control supervisor, consumer products, manufacturing

CORPORATE

KELLY TAYLOR from applications chemist to senior technical service specialist, corporate research

WILLIAM WATTERSON from systems manager, consumer products, to business consultant, corporate information systems NANCY ANDERSON from senior research steno, corporate research, to lead research steno, corporate research

SHARON BUTLER from telephone operator, to senior telephone operator, office services, corporate information

VELDA LINDSEY from lead research steno to secretary, division vice president, international

INDUSTRIAL

LOUIS BELLETIRE from management, trainee to territory manager/west coast, industrial sales

AGRIPRODUCTS

TOM SCOTT from senior chemical engineer to manager, oil refinery

Bruce has been joined in the family businesses by his two sons. One, Jim, described the "hows and whys" of a broker to Staley

"A broker is able to look at the total needs of a customer," he says. "Our goal is to build a long term relationship which will be of benefit to the customer, ourselves and the principal company which we represent."

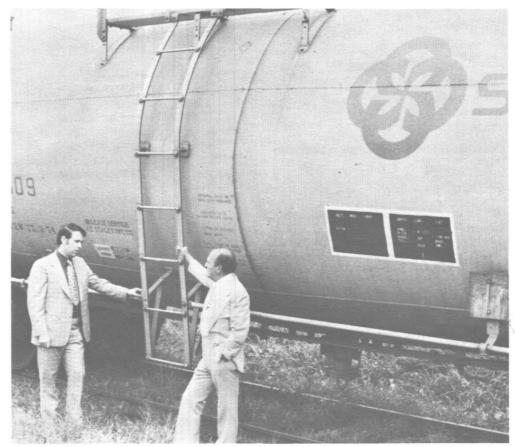
Jim continues that Staley is the largest principal of the Chaney brokerage.

"A good broker can handle all of the requirements of a company like Staley," Jim explains. "We work closely, of course, with many Staley people. . .John Bolas in Cleveland, Ron McCoy, Ken Jones and Larry Cunningham in Decatur. Bryon Fast and Ken Iwanusa are the sales representatives in the Ohio area. We feel our close relationship with people such as this and our knowledge of a particular customer's needs allow us to do the best job for everyone.

"Remember, we're paid only for performance. That makes us especially aware of the need to totally service our accounts. We need that repeat business.'

That philosophy has served Chaney well. It's one of the nation's leading brokerage firms and its alliance with Cleveland Syrups has made that company a leading supplier of sweeteners to the mideast states.

Chaney has been instrumental in Staley's relationship with one of the largest users of Staley syrups--J. M. Smucker Co. The excellent service he provides this key customer has been most beneficial in the



Jim Chaney, left, and John Bolas, mideast regional manager/sweeteners, discuss the Chaney Brokerage operations near a familiar sight--an incoming Staley tank car.

development of this relationship.

"We want to be a good representative for the Staley Company. We know that they'll stand behind us in turn with quality products and service," says Bruce Chaney,

the founder of the company.

"Our guys are willing to work around the clock. If you don't someone else will take your business away from you. Like I said, we'll sell your product for you."

Hydrogenated oil plant nears startup

(Continued from Page 1)

Even then, the process isn't complete. The oil must be cooled and the catalyst must be removed. This requires a series of steps. The first is cooling filtration, a final treating and then drying before the oil is run through a final filter.

This leaves what is referred to as a base stock. There are several varieties of oils which are possible depending upon the use-for margarine, frying or baking.

Also, the preferences of customers for different properties must be met, says Tom.

The oils are blended with other base oils to attain a product which now awaits only deodorization. This step is important since blandness and stability are essential

characteristics of hydrogenated vegetable oils which have been developed to replace animal fats such as lard and butter.

Although the hydrogenated oils contain no cholesterol, they are still classified in the category of fats for marketing purposes.

"Like a lot of people, we're anticipating the starting of this process," Tom says. "We know it marks the company's entry into a new line of oils, and I'm glad that we were able to meet the completion schedule that was given by marketing."

New markets, new opportunities

(Continued from Page 1)

market. Salad oils, which Staley presently produces, represent only 34 percent of the market, while hydrogenated oils represent 45 percent of this market. The remaining 21 percent consists of oils not processed by Staley. "Hydrogenation enables us to direct our sales thrust towards 79 percent of the edible oils market", says Larry. "Additionally, hydrogenated oils command a

substantial premium over our present salad oils. Our major competitors are full line suppliers. As we join them, we see good product demand from accounts we presently service, as well as product requirements of Gregg's Foods, Inc., a Staley subsidiary. Gregg's uses hydrogenated oils in several products, including Gold 'n' Soft margarine."

Larry says that while many of our competitors have a greater capacity than Staley, following our introduction, studies will be made on the feasibility of building additional refining facilities outside Decatur.

The multimillion dollar expansion began in 1977. The new buildings will be designated 91--where the hydrogen is produced, and 90--where the hydrogenation takes place.

The oil sales force is headed by Larry. In Decatur, oil sales will be handled by Rol Goodman, Steve Gaston, and Powell Clary. Iim Crawford will handle eastern district operations from Little Falls, New Jersey, with Lyle Wiegand in charge of the district from Orange, California.

Wagner sales show gains; television appearances set

As Wagner fruit drinks register upward spiraling sales increases, it is planning a concentrated schedule of television appearances for the first quarter of calendar 1977traditionally the strongest sales period for

The sales increases in major markets across the country added up to a 21 percent increase in volume nationally. Especially strong performances were registered in Los Angeles, case sales up 231 percent, Philadelphia, sales up 209 percent and New York, sales up 119 percent.

This performance provides the base for the advertising push with Wagner appearing on such shows as Match Game: \$20,000 Pyramid; Concentration; Price Is Right; Tattletales; Hollywood Squares; Gong Show; Cross Wits and Liars Club.

At the same time, Wagner has managed to hold the line on price increases while major competitors have undergone considerable

recently completed consumer research indicates that Wagner users look upon the drinks as substitutes for pure juice drinks, so labels will now designate the entries as Wagner Breakfast drinks, with a "sun burst" calling attention to their Vitamin C

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