

StaleyNews

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Decatur, Illinois/July, 1977



A complete line of quality products is credited with the rapid acceptance of Gregg's Food Service products in California. Doug Haines applies the label to one of those products—liquid frying shortening—ready for shipment from the Garden Grove Plant.

Gregg's sets ambitious targets for food service

In its first year of operations, the Gregg's Food Service Division based at the Garden Grove, Calif., plant has soared from ground level to acquiring more than 200 distributor accounts.

The record is even more impressive considering the late start the division got as it staffed up to call on prospects in the Los Angeles metropolitan area.

But, the division isn't resting on its first year accomplishments. It's only scratched the

surface of one of the "hottest" food service markets in the United States.

The proof lies in one revealing statistic. Of all the sales of restaurants and eating places in the nation last year, nearly 13 percent occurred in California. It's that type of figure that has prompted Gregg's to set its sights next fiscal year on sales figures two and one-half times greater than those for this year.

What has enabled Gregg's to attain such success? Vern Blando, vice president and general manager, credits the offering of a complete line plus superior quality of Gregg's products.

"We offer more products than any of our competitors," Vern explains. "No one can match our selections of salad oils, griddle oil, various mayonnaises, specialty dressings, salad dressings, shortenings and margarines.

"That translates into service. We can be a one-stop center for a distributor's needs."

Vern points out that Gregg's not only offers such products under its own label, but also packages a complete line of products for distributors to sell under their labels.

Another plus to which Vern points is the combined experience of his sales and marketing staff.

"We might have been a new name in the southern California market, but our salesmen have more than 60 years combined experience in the food service field," he says.

(Continued on Page 4)

Corn sweetener demand strong, low prices cause earnings drop

Staley has reported earnings of \$6.3 million or 58 cents a share on sales of \$334.6 million for the third quarter ended June 30.

The totals compare with net earnings of \$12 million or \$1.12 per share on sales of \$230.8 million for the same period last year. Earnings for the third quarter a year ago included \$2.4 million or 22 cents per share derived from the company's sale of one-third interest in two foreign affiliates.

For the nine months, earnings stand at \$18.6 million or \$1.68 a share compared to \$32.5 million or \$3.03 per share for the prior year. Sales for the nine months are \$849 million versus \$568.2 million for the same period of fiscal 1976.

Chairman Donald E. Nordlund said the company's corn refining plants ran at capacity during the third quarter, reflecting

strong demand and growing markets for corn sweeteners even in the presence of low-cost sugar. Mr. Nordlund said the principal reason for lower earnings was reduced profitability of corn sweeteners, especially high fructose corn syrup, which competes with and is priced in relation to sugar.

He attributed the increase in revenues to several soybean mills acquired by the company in March 1976. The Staley chairman indicated, however, that conditions were unfavorable in the third quarter for the company's soybean operations.

Mr. Nordlund said that Staley has interrupted production at several soybean mills because of currently unfavorable market conditions. The Staley chairman said full resumption of soybean operations would begin at harvest with more positive crushing margins anticipated this fall.

Processes check at Lafayette; syrup on stream soon

The \$86 million corn wet milling plant at Lafayette, Ind.—Staley's most ambitious capital expansion ever—was in the final stages of shakedown of processes in late July.

Sanitary district suit against company dropped

A Decatur Circuit Court has entered an order of dismissal of the suit filed by the Decatur Sanitary District against Staley.

The dismissal was granted following a joint request by the Sanitary District and Staley calling for such action.

Both parties agreed to seek the dismissal after Staley gave the Sanitary District an agreement assuring the District that Staley would be able to maintain daily waste discharge limits of 110,000 population equivalent (P.E.). The limitation is calculated on a 10-day average basis.

The company said its reservation to agree to the 110,000 limit earlier, was because it didn't want to promise something to the Sanitary District that it couldn't live up to and that Staley is now confident of compliance.

The company initiated a program to lower its waste loads about a year ago and began installing new equipment last February to upgrade the efficiency of its treatment facility. Staley has expanded and accelerated the program at considerable additional cost. As a result, the company will spend nearly \$1 million this year to reduce its waste loads to the district.

In recent weeks, the company has voluntarily curtailed some production, relocated personnel and realigned processes in an effort to lower its waste loads.

Sanitary District Manager/Engineer Charles E. Hughes indicated that the district was pleased with the company's actions.

"Staley's record in June and July has been most acceptable," he said, "and the improvement has been instrumental in letting us operate our plant more efficiently in recent weeks.

"We look forward to continuing our good relations with the Staley Company," he concluded.

An extraordinary effort was put forth to get the plant ready for operation. In addition to the by-now fully staffed contingent of nearly 145 Lafayette-based employees, nearly 100 Decatur and Morrisville employees were on hand assisting in final checks of processes. At one time, nearly 1,500 contractor's employees were on site, working around the clock.

The first product to come off the line will be regular corn syrup in August. High fructose production is scheduled to begin in the next 60 days.

The plant will grind 70,000 bushels of corn daily when full production gets underway. The site consists of 140 acres.

Highlights of the plant include the unique Foxboro computer system which represents the largest computer assisted control system in the corn wet milling industry.

Within the plant grounds, there are three miles of railroad track. The plant will also be capable of handling up to several hundreds of incoming and outgoing trucks daily. A fleet of more than 200 rail cars and tank cars is assigned to the plant.

The completion of the facility firms up the Staley role as the nation's leading producer of corn sweeteners, joining plants at Morrisville and Decatur.

Oscar Brennecke is plant manager.

House says no to sugar subsidy lid

In spite of intensive lobbying efforts by the Corn Refiners Association and strong opposition from corn belt states, the House of Representatives failed to put a cap of \$50,000 on payments to individual sugar growers as part of a Carter Administration subsidy plan for the sugar industry.

Originally, the plan called for unlimited payments to individual farmers. Under that formula, five large Hawaiian sugar cooperatives and their members would have received 20 percent of the \$250,000,000 suggested by the Administration. Also, one farmer is reportedly in line for \$1 million.

The plan first drew opposition from the CRA which staged a multi-state press tour through the Corn Belt. Shortly afterwards, Sen. Robert Dole (R-Kans.) offered an amendment which the U.S. Senate passed limiting the payments to \$50,000 per grower.

Similar action was needed in the House of Representatives, however, so an intensive effort calling on 160 key Congressmen was started by CRA. Several member firms participated in the calls, and after a week-long effort, Rep. Floyd Fithian from

(Continued on Page 4)

Confectioners honor 'Candy Man'

Yet another reason why Staley research has been called by competitors "The feather in the Staley hat" was provided in July when Carl Moore, research associate, technical services, received the research and education award for 1977 from the National Confectioners Association.

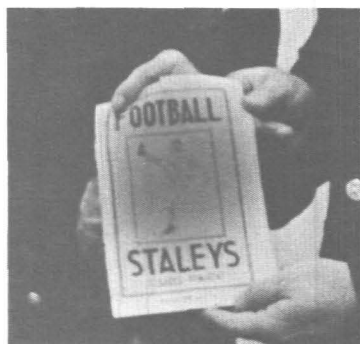
The award recognizes Carl's outstanding contributions to confectionery technology. (See May Staley News for article on Carl entitled "The Candy Man".) The award specifically recognizes Carl's role in developing a simple method of producing cast cream center candies and caramels.

Carl is active on NCA's educational committee and has served as a faculty member for numerous confectionery education courses throughout the last eight years. He has been with Staley 16 years.

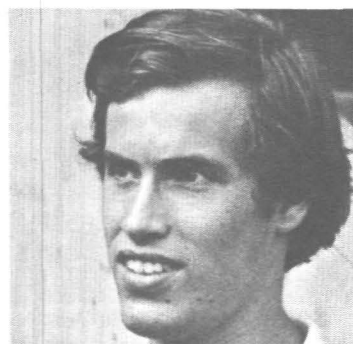
In the News...



Baseball/P2



Football/P3



Having a ball/P4

Al Morgan reveres baking art

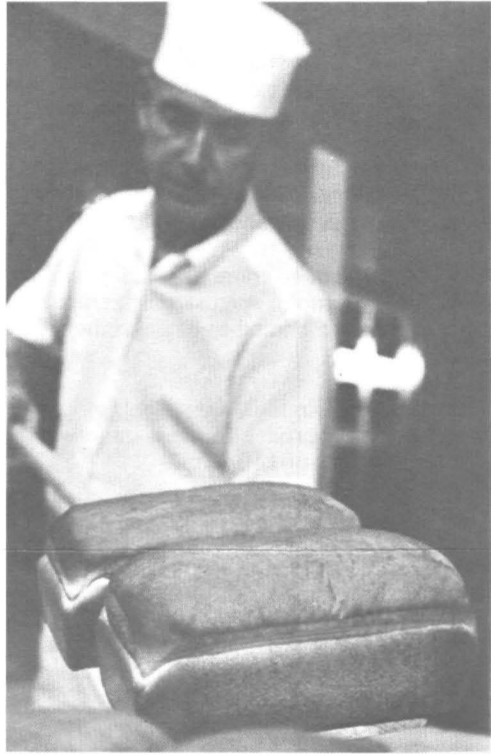
Is there something mystical about baking? Almost from the beginning of time, bread has been a staple of the human diet. And from those primitive beginnings, an industry—some would say an art form—has evolved that has brought the American public a new, wider variety of baked goods.

But although baking today uses new sweeteners, such as Staley IsoSweet, and protein additives and starches to make pies, pastries and breads, there is one person, at least, at Staley to whom baking is still a "kind of miracle."

That's Al Morgan, who for the past 30 years has been the Staley baker. Al says he came to the company on a six-month trial after 10 years in the baking industry.

"No one ever told me if I passed the six-month probation or not," says Al, who is assigned to research and development. "For all I know, they've just been extending it every six months." Such a whimsical approach, however, doesn't give full import to the role Al plays as Staley's baker's man.

"When I came to the company, the food technical division consisted of two people, plus Larry Tremble, Sr., who was a baker but was on the road a lot working with customers.



"It was decided that a bench man was needed in Decatur to help test formulas, and I was chosen."

During his 30 years with Staley, Al has helped incorporate a wide range of Staley products into bakeries around the nation.

"I work closely with customers when they're considering how to use a starch, sweetener or protein ingredient. It keeps me on the road about 90 percent of the time."

For example, during a recent week, Al was in Pennsylvania to show a baker how to use IsoSweet in bread, then to St. Louis to assist a baker with a new bread formula and then back to Decatur, where he used a recipe for lemon squares from Mrs. Ken Jones to make some sample cakes for an IFT show in St. Louis. The only difference in the recipe of Mrs. Jones, whose husband, Ken, is manager, food technology, and Al's finished product was that the IFT cakes contained IsoSweet instead of sugar and Dura-Gel starch.

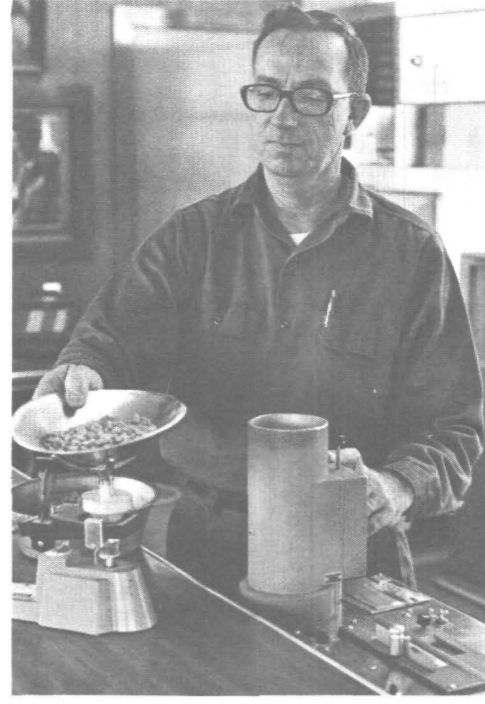
The following week, Al was scheduled to return to another Pennsylvania baker which was considering switching from Nu-Col to Rezista and Dura-Gel starches for its frozen pies. He was also to make a presentation on high fiber baked goods to a midwest baker. He believes fiber ingredients from Staley will play an important role in future baking advances.

Al has also worked with Staley customers on snack foods, frozen breads and baking products, rolls, and just about any bakery item one can imagine.

"Economics play an important role in the baking industry," says Al. "Like a lot of other business, bakers are caught in a price squeeze. That's why it's important that we provided them with quality products that are reasonably priced. My job is to help on the service which makes a part of the total marketing package and gives us a competitive edge."

That's the business side of Al. But there's another part—the artist who can, despite the many modern bakeries he has been in, talk with awe of baking.

"Baking is an art, especially in fermentation. Yeast is a living thing that can be shaped. It reacts differently under various circumstances. Actually, when you think about it, baking is kind of a miracle."



Ging elevator employees at work. Top left, Leon Burgess, checks an incoming load of soybeans at Edgewood. Top right, Dianne Jones, works on books at Cowden. Bottom, Bob Dunaway with a grain car ready to be loaded.

Champaign's Hank Parker goes to bat for his community

Did you know that the Champaign Plant has its own "Hammering Hank?" It's not the Hank Aaron of baseball fame, but Hank Parker, plant manager, who has probably gone to bat as many times for the Champaign-Urbana community as Aaron did for the baseball Braves.

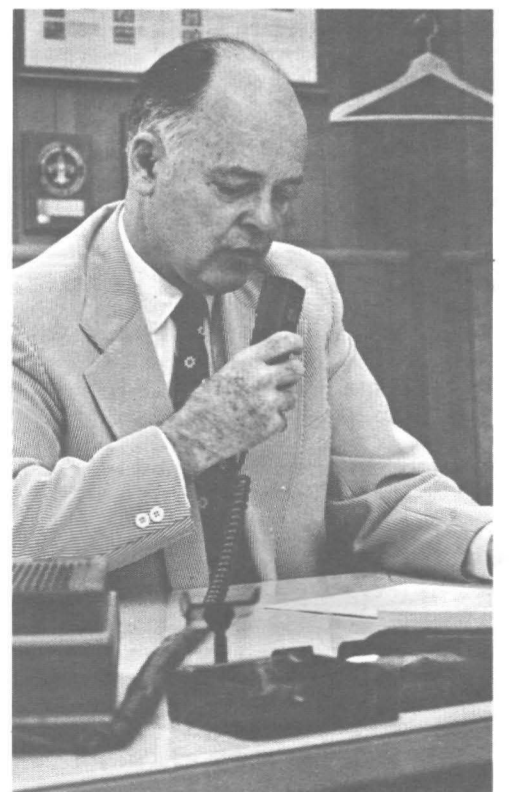
Hank Parker is not one of those guys who believes in letting George do it. He's currently completing a term as president of the Champaign Chamber of Commerce. He'll serve again next year on the Chamber's board of directors. In addition to that, he's served in executive functions with the Boy Scouts and the Salvation Army. His office walls are lined with certificates of appreciation, recognition of his efforts.

Why would a man with the responsibilities of running a soybean processing plant take on the additional duties of community involvement?

"I believe the business community has to be involved," he says. "If we don't take on these jobs, who will? Businessmen have acquired skills which can be put to use on behalf of the towns where they live. Business represents a wealth of administrative and organizational talent that must be tapped."

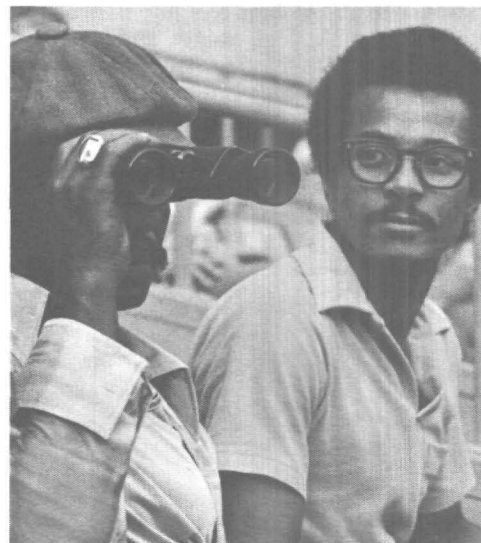
Champaign is a unique town. It is the site of the University of Illinois, a Big 10 school with more than 30,000 students. The academic community is strongly entrenched and Hank sees one of his biggest jobs as bringing the school closer to business.

"One way we've done this is by working closely with the school of agriculture," Hank says. "People from the University of Illinois frequently visit the plant, and we try to work together on things of mutual interest to the agricultural community."



Hank says during his tenure as Chamber president, he has pursued the goals typical to most Chambers—better transportation, more jobs, better schools—all things which Hank describes as "building a better place to live."

After he's through with his term next year on the Chamber Board, Hank, who has been with Staley and Swift for more than 30 years, claims he's slowing down. Perhaps. But as the interview with Staley News was over, the phone rang. It was another Chamber member making an inquiry about community affairs. With a slugger like Hank at the plant, it's a good bet his teammates won't let him fade out of the picture.



Nearly 150 Staley employees and members of their families were on hand for the annual trek to St. Louis for the Cub-Cardinal game on July 2. Cubs lost but everyone, as these pictures indicate, had a good time.



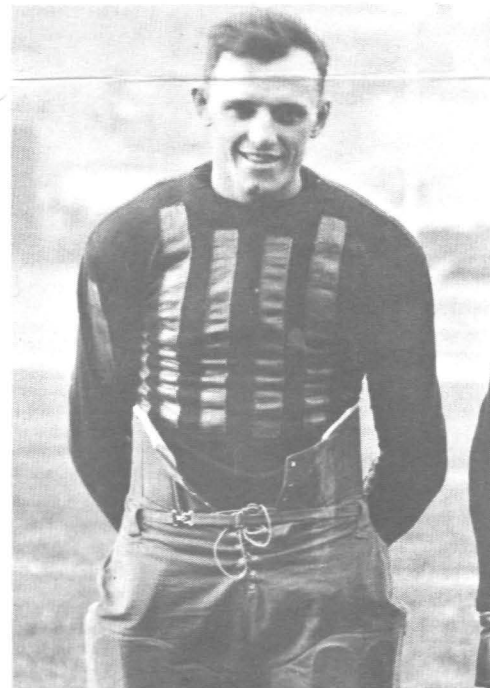
Dike Edleman, left, University of Illinois standout of years' past and now with the school's grant-in-aids office joined Donald E. Nordlund, right, recently as the two met with George Halas to make plans for Staley Day Sept. 10 at the U of I. The three are holding an original 1922 program of the game in Cubs' Park between the Decatur Staleys and the Detroit Lions.

Company's role in NFL founding to be honored

Staley Day at the University of Illinois this year will mark a highlight in the nation's sports history as George "Papa Bear" Halas and the Decatur Staleys, a charter member of the National Football League, are honored on Sept. 10.

Mr. Halas has been selected as "I" Man of the Year. A University of Illinois athlete and graduate, Mr. Halas formed the Decatur Staleys in 1920. That team, which contained four NFL Hall of Famers, was the forerunner of the Chicago Bears.

To commemorate the occasion, the Staley Company is sponsoring a University of Illinois scholarship. Former Bears' players,



Halas in younger days as player coach of the Decatur Staleys.

NFL teams, and other interested people are being invited to contribute to the scholarship fund which will bear both Mr. Halas' and Staley's name.

Once again, the company will host the "World's Largest Tailgate Party," at the Round Barn in Champaign preceding the Sept. 10 game between Illinois and Michigan. Last year, 1,000 tickets were sold for the event. This year, 2,000 tickets go on sale in the first week of August. For \$5, an employee may purchase a ticket for admission not only to the game, but to the party at the Round Barn where he may eat all the food he can hold. Complimentary beverages are also provided.

At last year's party, employees and members of their families consumed more than 5,000 pieces of chicken, 200 pounds of potato salad, 200 pounds of cole slaw, 16 kegs of beer and eight cases of beer.

On the move

CORPORATE

JAMES HINES from ink technologist, industrial products, R&D, to associate research chemist

INDUSTRIAL

TERRY GREENE from engineer trainee to project engineer, corporate engineering

AGRIPRODUCTS

ROBERT KELLY from assistant foreman, agri maintenance to maintenance foreman, Satellite 1, agriproduction



J. W. Hines

New candy-making method helps manufacturers save money

Ingredient economy is central to the new production concept of aerated confection centers introduced by Staley at the NCA/RTI Joint Confectionery Expo in Chicago in June.

Incorporating a high amylose starch, whipping agent and corn sweeteners, this innovation is positioned by the company as a way in which candy manufacturers may help hold the line on or reduce ingredient costs for quality bar candies.

The unique combination of Gunther's D-100 whipping agent and Mira-Creme high amylose starch produces an aerated, short-textured candy center without the necessity of sucrose crystallization. This allows the confectioner to take advantage of the economy provided by corn sweeteners as a sugar replacement in a major candy application.

Most conventional, short-textured nougats are approximately 50 percent sugar. By contrast, Staley's formulation replaces

sucrose with a combination of corn sweeteners—either Sweetose corn syrup or a blend of Isosweet 180 high fructose corn syrup and Neto 7350 high maltose corn syrup.

In the formulation, the whipping agent serves as an economical replacement for the traditional egg albumen, which in this process fails to withstand the high temperatures used in cooking the nougat. The company cites the protein's whipability (twice that of egg albumen) in conjunction with the high amylose starch as giving the mix excellent whipping properties and stability.

The formulation is said to shorten up in a manner similar to a sugar-grained confection, but its high moisture content, 15 percent to 17 percent compared to about 12 percent in conventional, short-textured nougat centers, promotes economy as well as palatability. Excellent shelf stability is anticipated as the center can be formulated with significant quantities of reducing sugars for best moisture retention.

Anniversaries

40 YEARS

KENNETH BROBST, group leader, corporate analysis, engineering research
ROY LARSON, senior research chemist, engineering research
MYLO ROBERTS, process engineering supervisor/starch, dry starch
LINC REDSHAW, director, governmental relations, corporate public relations

35 YEARS

HERB MILLIGAN, supplies and ingredients supervisor, industrial product administration
RICHARD BAME, operating supervisor, Fostoria plant
HELEN RIGSBY, chief order edit clerk, administration, agriproducts

30 YEARS

BILLY HARDY, assistant foreman, satellite V, dry starch
ROBERT HARRISON, assistant foreman, machine shop
MARVIN COOK, JR., shift foreman, oil refinery
GLEN WINTER, mechanic, round house
JOHN PRYCZYNAKI, stores coordinator, 77 building
EDMOND REDMON, painter-roofer
ROYAL KESTER, acid-treatment tank operator, 29 building
ROBERT SCHEIBLY, rigger leadman, riggers
JACK THORNELL, tank farm tender, 29 building

25 YEARS

BERNARD BORK, senior mechanic, electric
HUBERT CRUM, development engineer helper
JAMES DEGAND, junior painter-roofer
EARL HAMMER, dryer operator, 9 building
ALVIN BUTLER, mechanic, millwright
DALE ELLIOTT, syrup production control supervisor, 17 building

20 YEARS

ROBERT COOLEY, district manager, Dallas, consumer products marketing
WILLIAM LIPPINCOTT, general foreman, Champaign plant
MARIE ROCHE, personnel manager, Morrisville
ROBERT E. SMITH, director/sweetener sales, industrial

15 YEARS

CHARLES STREATY, JR., associate food technologist, food products, R&D

10 YEARS

HARRY LOUGH, district manager, protein
DONNA WOOLEVER, data input operator, corporate information systems



K. Brobst



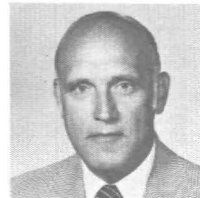
R. Larson



M. Roberts



L. Redshaw



H. Milligan



H. Rigby



M. Cook



R. Scheibly



B. Bork



H. Crum



E. Hammer

FRANK BRUCATO, manager, maintenance & engineering, consumer products manufacturing
JEAN BLAIR, chief-clerk auditing
JAMES STILL, 3rd year apprentice, tin shop
JEFFREY LOGUE, stores coordinator, 80 building
JOE ROBERTSON, converter operator, 118 building

5 YEARS

ART ADLER, JR., research technician, engineering R & D
ROBERT MONCRIEF, reactor room operator, Morrisville
MICHAEL SOTTILE, Staport leadman, Morrisville
DONALD ROSS, unloading, Houlton



The atmosphere and excitement of Washington came to Decatur Staley in July when Illinois Senator Charles Percy visited the research center. Among the employees greeting Senator Percy were, left to right, Sophie White, Velda Lindsey and Janet Thiede. The Senator met with company officials and saw a sampling of foods fortified with corn and soy products. His comment: "I'm proud to see an Illinois company taking such leadership in providing the public with nutritious foods."



John Kuzniewski, west coast regional manager, digs into a heap of pancakes topped with the new 100 percent natural Staley syrup at a meeting to introduce consumer sales people to the new formula.

All-natural Staley Syrup set for national introduction

Staley has changed its formula and introduced the first all-natural waffle and pancake syrup.

The syrup—developed after two years of research and marketing studies—is the only one on the market that combines natural maple flavoring and no preservatives. The company conducted surveys that showed that 8 of every 10 consumers preferred an all-natural product that was thicker without the use of preservatives.

The syrup is being introduced in an eastern region of the country, bounded by New

York City, Miami and Kansas City. A national roll-out is scheduled soon. The new entry will be packaged in 12-, 24-, and 36-ounce bottles and will be competitively priced says Ben Bartolini, product manager.

The introduction will receive heavy promotional support, including cents-off coupons, local newspaper ads, consumer sampling and publicity, promotions, plus television exposure on several highly rated television game shows, followed by major-market TV spot campaigns. Specially prepared eye-catching in-store displays will be available.

Gregg's sets ambitious goals for food service

(Continued from Page 1)

Bill Dalton is sales manager. Ron Schmer, Ron McConnhea and Mike Newman report to him, as does Tom Roberts who handles private label retail sales.

Gregg's entry into the food service market was announced by a series of advertisements in trade publications months before the Garden Grove plant made any product.

This was followed by staffing the sales force which immediately began making calls on prospects.

Bill Dalton initiated a newsletter to keep customers informed of trends in the food service industry. It is mailed to more than 160 customers today and the demand to be placed on the mailing list is growing.

Bill outlines a seven-point list of what he believes to be Gregg's assets.

"One—we have skilled marketing assistance. We're armed with extensive product knowledge and technical experience, and we stand ready to help our customers in their efforts to penetrate a range of markets.

"Two—we offer technical service on the spot to help customers make better use of our products.

"Three—we assist the distributor with his sales training needs.

"Four—we'll assist the customer with his research and development.

"Five—we'll pitch in to support his quality control efforts.

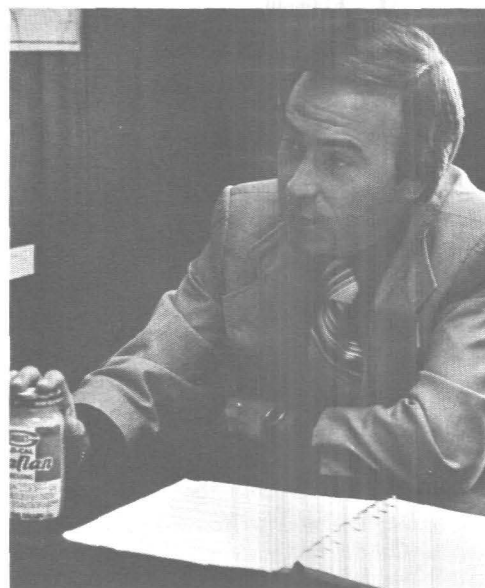
"Finally, we offer the most modern processing facility on the West Coast, conveniently located for fast delivery. And the seventh, but not least important point—we have an experienced production

management that is recognized in the industry for its achievements.

"It's easy to be enthusiastic about representing this type of company," Bill continues. "We don't believe we have to take a back seat to anyone in the food service industry."

Typical talk from a hyper-salesman? Not hardly. It still takes hard work, not merely talk, to land an account, and the Gregg's crew is aware of that.

One of the most effective methods is a direct comparison of Gregg's products with those that a prospect might be using. Small quantities of the product being considered are provided for the prospective customer and rigid quality control tests are applied. It's the type of challenge Gregg's seeks, and the results have been successful.



Bill Dalton is Gregg's sales manager.

Holland student at Staley as part of exchange program

An additional international flavor was provided to Staley operations in Decatur for three months when Sjoerd-Jan ten Kate of Holland worked with the company as part of an international exchange program to acquaint European students with American business operations.

Sjoerd, who was quickly renamed "John" by host Bob Ellison, compensation manager, held various assignments within the company, trying his hand at such tasks as manpower studies, marketing techniques and personnel turnover reporting.

"The purpose of the program is to allow students such as myself a firsthand look at how business works," Sjoerd explained. "The variety of assignments I had at Staley helped me meet that goal."

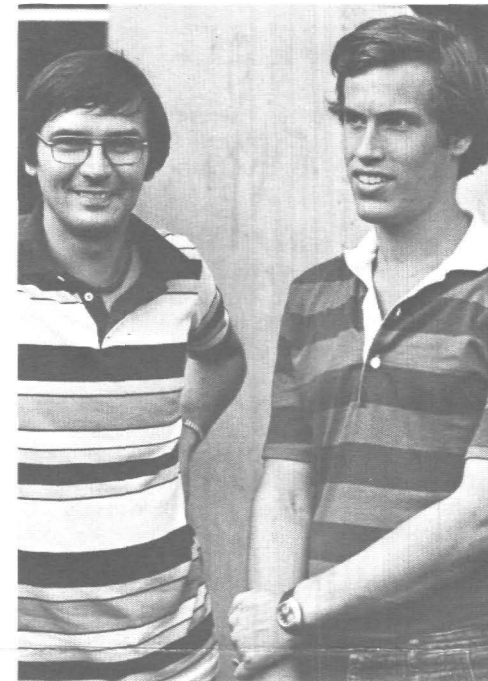
Holland is a small country, and one of the things that struck Sjoerd while in America was the vastness of the country. "I had expected something about the same as in

Europe," he mused, "but the U.S. is enormous."

Although his country is small, Sjoerd believes that Hollanders are much more aware and knowledgeable about life in the U.S. than Americans are about European affairs. "One of the standard questions Americans asked me was about Dutch people wearing wooden shoes," he said. "I am afraid many people don't realize that the Dutch cities of Amsterdam and Rotterdam are among the busiest ports in the world, and likely are two of the most cosmopolitan cities known." Sjoerd hastens to add that he doesn't mean to be critical of Americans, but only that he wishes they understood more about modern Europe.

Sjoerd's father is a businessman who purchases lecithin from Staley. Dave Gullette, European regional manager, and Jaap van Son, European area sales manager, who works with the account, helped make the arrangements for Sjoerd to come to this country and work with Staley.

After he finished his stint with Staley, Sjoerd switched from his working student role to tourist, visiting Denver, San Francisco, Los Angeles and Las Vegas. He then returned home where he will continue his studies for several more years before entering the business world and becoming another in the growing army of men and women whose business skills transcend national boundaries.



Bob and Sjoerd at ballgame in St. Louis.

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

"We intend to become a strong profit center for Gregg's," concludes Vern. "We've set our sights high and it's going to take a lot of

hard work to meet our goals. But we believe we've got the right combination of product and talent to get the job done."

House rejects payments lid

(Continued from Page 1)

Lafayette, Ind., agreed to offer an amendment to the farm bill that would also limit payments to \$50,000.

Strong support for the limit came from the Allied Industrial Workers who represent employees at Decatur and Morrisville. The International, headquartered in Milwaukee, telegraphed several Congressmen who were considered essential to enactment of the payment limitation, pointing out that without a limit, workers in the corn wet milling industry were being treated unfairly. Also, local union presidents Bill Strohl, Decatur, and Charles Mohn, Morrisville, contacted representatives from their areas urging support of the payment cap.

Although the House failed to enact a pay-

ments lid, the lobbying efforts of the CRA is given credit in large part with the Administration's plan to support price supports at 55 percent of parity. That means raw sugar would sell at 14 cents a pound.

Authorative sources, including one major news service, says that the Department of Agriculture urged congressman not to impose a lid until public hearings were held on a national sweetener policy, and that the move came about as the result of opposition to the two cents subsidy.

Also, as News went to press, sources were saying that an international sugar agreement of some sort will likely be sought, and there will be some moves to restrict imports into the United States.

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