

StaleyNews

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Market for ethanol is building; octane enhancers needed for newer vehicles

"Capacity is coming on rapidly and for the immediate future, there will be more than an adequate supply. Abundance is the nature of most new products, though, until the market is created." That statement was made by Bob Schwandt, vice president, industrial products, as he discussed fuel ethanol, a product the company soon will be producing at the new Loudon, Tennessee, corn plant. Start-up of the ethanol facility is planned for fall.

This product is an octane enhancer in gasoline, sold as "super unleaded" at service stations spotted across the country.

"When Staley first made plans to produce ethanol, so did many others," Schwandt recalls. "Going from the early enthusiasm of 1980 when there were close to 200 plant announcements, which would have meant a total production of four billion gallons annually, things have settled down, and by the end of 1982, there will be about eight major plants and 20 or so others of less than five million gallons annual capacity in operation."

Two named national account executives



Bruce Kelly



John Roland

In an effort to more accurately describe the magnitude of their work for the Staley Company, J. Bruce Kelly and John H. "Jack" Roland, Jr., have been named national account executives for sweetener sales.

Jack and Bruce focus on customers which offer a profit potential and buying posture that justify concentrated attention by a national account executive. These accounts generally purchase, direct or influence purchases from a central office for several units, which are geographically dispersed and have substantial overall potential, according to Roland.

Operating out of the company's Springfield, New Jersey, branch sales office, Jack is responsible for New York-area-based sweetener accounts having multi-plant buying duties. He has a variety of these accounts, including General Foods; Pepsico, Inc., part of which is the Pepsi Cola Bottling Company; American Brands; Pfizer; Merck; Hoffmann-LeRoche; Nestle; and ITT Continental Baking Co. From the headquarters of many of these corporations, purchases are made for plants across the country—from California to Chicago and Florida—with Roland coordinating the entire transaction.

Kelly has similar responsibilities with the Coca-Cola Company, based in Atlanta,

Total capacity by the end of this year will be in excess of 300 million gallons annually.

"Sales have been increasing steadily with the current rate at about 130 million gallons a year and expected to reach 200 million gallons by year end," according to Frank Smith, manager, ethanol sales, industrial products.

"Several major oil companies have gone ahead in this business, an indication of acceptance of the economic soundness of ethanol as an octane enhancer in gasoline," Smith said.

The largest producer of this product is currently Archer Daniels Midland, which has two large plants—one in Decatur, Illinois, and the other in Cedar Rapids, Iowa, producing fuel alcohol. The former Hiram Walker plant in Peoria, now owned by ADM, was started up in May, 1982, to produce fuel alcohol as well as industrial alcohol. These three plants have a combined capacity in excess of 50 percent of the total current production capacity in the country.

The second largest producer is Pekin Energy, a joint venture of Corn Products and Texaco, capable of producing 60 million gallons annually. South Point Energy of South Point, Ohio, a partnership of Ashland Oil, the Ohio Farm Bureau, and Publicker, expects to come on stream by year end with an annual capacity of about 50 million gallons. Another major producer will be the Staley Company at Loudon, in for 40 million gallons a year. Then Kentucky Ag Energy will have a plant at Franklin, Kentucky, a joint venture involving Chevron Oil and others, to produce 20 million gallons.

Beyond these larger production facilities, Schwandt mentioned 20 to 25 much smaller

(Continued on Page 2)

Georgia, as one of his primary accounts. He covers a much larger geographical area, handling key sweetener accounts in South Carolina, the major portion of Georgia and Eastern Tennessee, home of McKee Baking Company, another major account Bruce has developed over the past 17 years.

National account executives develop strategies, sales plans, and goals for soliciting/servicing the product requirements of accounts operating on a national or broad regional basis, coordinating such activities for the total corporation with the objective of achieving maximum sales effectiveness and profits, Roland said.

Part of their charge is to develop relations with these corporations on a personal basis at corporate levels, going beyond the purchasing and buyer's function, extending to corporate levels of research and development, production, product management and certainly the purchasing departments.

Both Kelly and Roland must be well versed on Staley's policies, goals and objectives and those of their customers as well. To approach

(Continued on Page 6)



At Decatur, corn gluten feed pellets are loaded into rail cars, which will be taken by Illinois Central Gulf Railroad to Mound City, Illinois, or the Norfolk & Western Railroad to Granite City, Illinois, and then onto barges headed for European ports.

Staley helped reshape numbers that may have influenced EC's initial stifling of proposed corn gluten feed tariff

"If we are to have any impact on the future agricultural policy of the Economic Community, we have to get in early and help determine what the initial changes will be."

That statement was made in early April by Vern McMinimy, director of commodity research, as he discussed the negative impact of the EC's agricultural program not only at home in Europe but around the world... extending its black cloud over U.S. corn refiners.

More specifically, McMinimy is concerned about the EC's threat of imposing a tariff on corn gluten feed imports, most of which come from the United States...and a healthy quantity from the Staley Company.

Corn gluten feed is a major by-product derived in the wet milling process of obtaining starch, sweeteners, and ethanol from corn. The value of corn to a wet milling processor is equal to the sum of the value of primary products and by-products obtained from the corn less the cost of the corn and the process, according to the director of commodity research.

"Thus, Staley is very interested in acquiring and maintaining the best markets possible for all the products derived from corn, including corn gluten feed grain substitute," McMinimy said. "Any restriction on grain substitutes imported by the EC would directly affect U.S. exports and the value of corn gluten feed."

Nearly all of this grain substitute now produced in the U.S. is imported by the EC and used in feed rations in the place of grain and protein meals. The EC's high-price policy for grain is responsible for the U.S. exporting corn gluten feed to the EC market. Livestock feeders in the EC welcome it at prices above U.S. levels, because even at a premium price, they can still formulate a less expensive feed than by using grain produced at home. Grain prices in the EC are supported at nearly twice the world market price of corn, according to Vern.

Grain surplus is the problem

The tariff scare stemmed in part from the EC's inability to curb the pile up of grain surpluses created by its own farm subsidies.

It, therefore, proposed to squeeze imports of livestock feed from the U.S. with the first target, corn gluten—the fastest-growing U.S. agricultural export to the EC. Corn gluten feed is shipped to the EC duty free as a part of a general trade agreement reached in 1967.

Another part of the issue which stirred the cry for tariffs was a fear generated by outdated figures, projecting much greater production of corn gluten feed in the U.S. during this decade. Even until last fall, McMinimy said the EC was still expecting by the mid-eighties imports from the U.S. of corn gluten feed at the 10-to-12-million-ton mark, a fourfold increase over the amount imported in 1980!

Increased production of corn gluten feed is tied to the increased production of corn sweeteners, starch and ethanol. Between 1972 and 1978, essentially all of the increase in corn gluten feed production resulted from the increase in the production of corn sweeteners, which grew at a 9.5 percent annual rate.

Much concern over a glut of corn gluten feed arose with the development in the late 1970s of an aggressive U.S. government-sponsored program to produce ethanol from grain in an effort to limit the U.S. dependence on imported petroleum. If construction plans had been completed, there would have been a very large increase in the production of ethanol from grain and the supplies of by-products, including corn gluten feed. But with the rapid change in petroleum supplies and the government's program cuts, projections of ethanol production from corn and, therefore, the corn gluten feed derived from this program are greatly reduced.

Not in the "know", the EC panicked over the prospects that the alternative energy program, proposed under the Carter Administration, would result in far greater corn gluten feed supplies being made available to those countries by the U.S. in the next few years. McMinimy uncovered this growing problem while visiting with the West German Agriculture attache to the U.S. in June, 1981. From that discussion and the knowledge that the Carter Administration's alternative energy program had been substantially reduced, Vern saw that Staley needed to help develop and convey more accurate information relative to the supply of corn gluten feed than that which existed a year ago among EC countries.

Furthermore, he knew from his days in Switzerland that some Europeans believed that corn gluten was produced as a primary product because of its rapid expansion of exports to the EC market. This erroneous notion together with the grossly exaggerated production expectations for the next few years spelled a huge communications gap between U.S. suppliers and EC consumers.

(Continued on Page 4)

In the News...



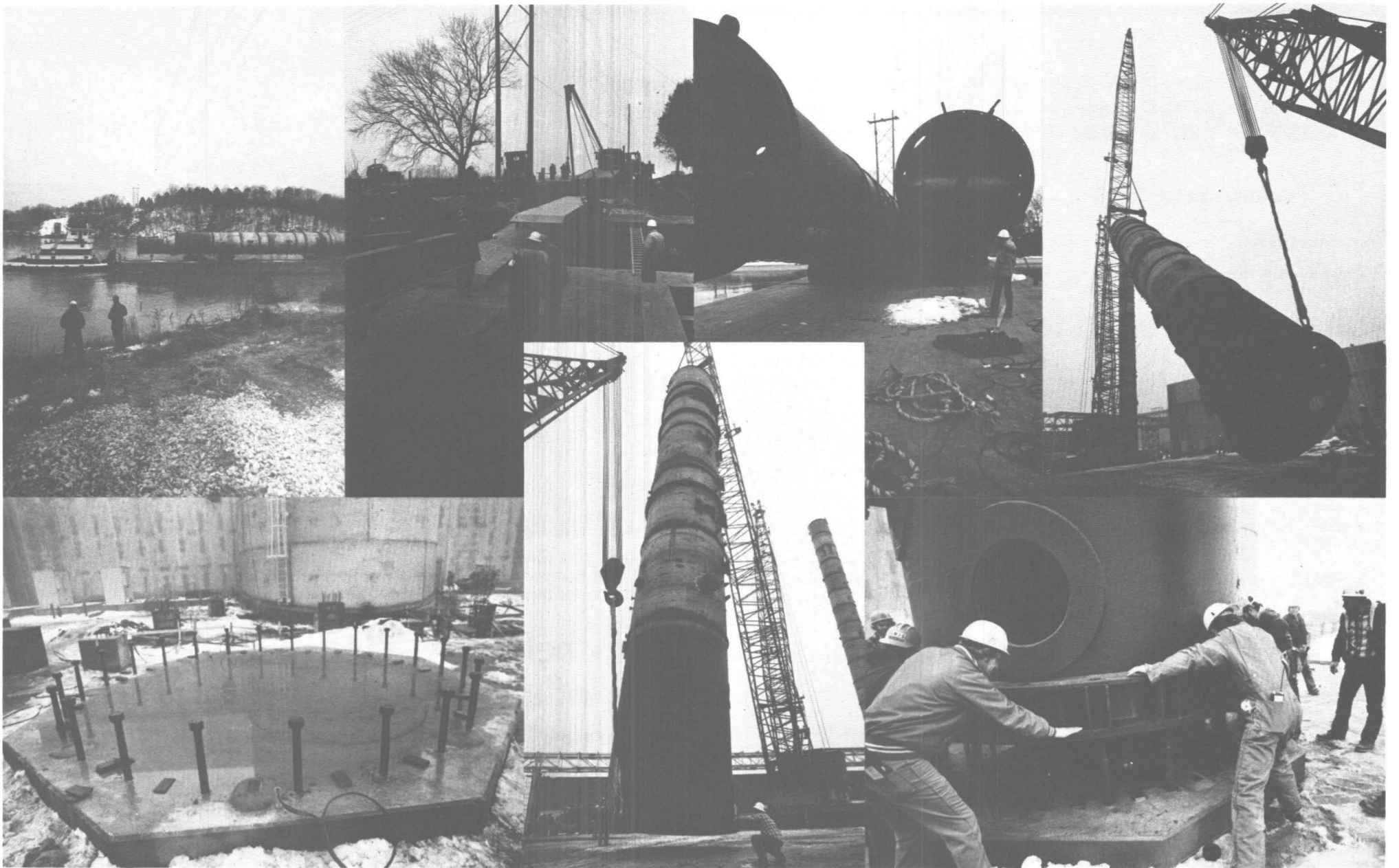
Strategist/P4



Winner/P5



Champ/P8



Cruisin' down the river--Two of the four distillation columns for Loudon's ethanol plant (slated for a fall start-up) are shown making their arrival via barge earlier this year. Due to their massive size, the columns, built in Baton Rouge, Louisiana, by Delta-Southern Co., Inc., were shipped to the plant on the Tennessee River. Pictured making their arrival are the dehydrating column and the beer still, which together with the other two columns, will concentrate alcohol from fermented material into anhydrous alcohol. Called fuel-ethanol, this product, will be marketed to oil companies, mixed with unleaded gasoline, and sold as "super unleaded" at service stations. The beer still is 13 feet, 11 inches in diameter and 115 feet tall, while the dehydrating column is 10 feet, 3½ inches in diameter and 145 feet in height. From the letting of the contract to shipment, these columns required about one year for fabrication, being custom built for the Staley Company. Off-loading ramps are set in place (picture two) from the bank of the Tennessee River to the barge. A size comparison of a column on the barge with the man in the foreground is possible in picture three. Utilizing a "lifting" crane and a "tailing" crane, the beer still is lifted into position in photograph four. This still weighs about 250,000 pounds, while the dehydrating column weighs approximately 330,000 pounds. A foundation support pad and hold-down-bolts in picture five are prepared for the beer still. Almost vertical (photograph six), the beer still will next be swung into position. Workers in photograph seven help "set" the still on its foundation.

Tax incentives encourage production and sale of ethanol enhanced fuel

(Continued from Page 1)
installations dotted across the nation, from coast to coast.

Blended with gasoline

On average, the blending of one part of ethanol with nine parts of gasoline will increase the motor octane about two and one-half points. A typical unleaded product at 87, when blended with 10 percent alcohol, will come out 89 or 90, depending upon the composition of the base gasoline.

The lowest-cost octane booster in the industry is tetraethyl lead. However, new vehicles that have catalytic converters cannot use leaded gasoline because the lead renders the converter ineffective. Presently, about 55 percent of the motor fuel burned in the U.S. is unleaded, with that percentage growing as the pre-1975 autos are retired and the caravan of vehicles requiring unleaded fuel grows.

The Environmental Protection Agency (EPA) has for seven years been requiring oil refiners to gradually decrease lead levels in gasoline and, in fact, has established a limit of 0.5 grams of lead per gallon maximum to reduce the amount of lead in the atmosphere. (A recent article in "The Wall Street Journal" says that a tankful of leaded gasoline spits out up to two ounces of lead!)

While few lives are lost to lead poisoning compared with a decade ago, studies indicate many more people are seriously damaged than once thought by their contact with lead; hence, the EPA's effort to set its maximum content in gasoline. However, Schwandt noted that the EPA has made exceptions to that maximum limit, allowing smaller refiners to produce gasoline with up to 2.65 grams of lead. These allowances are expected to be phased out later this year requiring all refiners to meet the standards, and thereby creating additional demand for alternative octane enhancers.

Alternative enhancers available today are by-products or co-products of the petroleum refining industry. Most common ones are called reformat aromatic compounds,

such as toluene and benzene. Another made in the refinery is MTBE (methyl tert-butyl ether). These compounds are well established, which means that ethanol must be priced competitively, on an octane enhancement basis, with them. Schwandt pointed out that as more alcohol becomes available, it will become more attractive for refineries to optimize their operations using ethanol as an octane enhancer.

To encourage production of domestic alternative fuels, the federal government has exempted motor fuels containing 10 percent ethanol made from renewable resources from the four-cent federal excise tax. In addition, about 22 states have enacted some kind of tax relief to encourage production and sale in their own states, according to Smith.

Illinois, for instance, established a reduction of four percent in the sales tax on gasoline containing 10 percent ethanol. Tennessee has recently enacted legislation reducing the motor fuel tax by four cents per gallon, which will become effective on January 1, 1983. Tax relief has encouraged ethanol fuel use in California, Florida, Michigan, and Iowa.

Iowa, Smith pointed out, has the highest penetration of alcohol fuel. It also has the highest tax rebate. That state, which originally had a seven cent tax relief, has reduced it this year to five cents, still considered significant.

Several states have also established renewable fuels associations or promotion by such groups as the Corn Growers Association to encourage the marketing of ethanol fuels.

Performance booster

A significant percentage of automobiles built to operate on unleaded fuels do not operate satisfactorily on 87 octane unleaded regular gasoline. Symptoms of performance problems are spark plug "knock" or "ping" and run over or dieseling. These problems can usually be corrected by an octane increase of two-to-three points. In most areas, though,

the only higher octane fuel available is premium unleaded, which sells at six-to-10-cents more per gallon.

Here is where ethanol can make a difference to the consumer. Ethanol enhancement can achieve the desired performance at a cost no more than two cents above the regular unleaded product. Thus, it is possible to market an improved motor fuel at a competitive price.

Ethanol fuel has a decided advantage over other fuels. It's a superior de-icing fuel, according to Schwandt. He points out that a can of a popular de-icer will cost about one dollar for a pint, while 10 gallons of "super unleaded" containing ethanol gives a whole gallon of de-icer, which is included in the price of the gasoline.

Some companies claim increased gasoline mileage with the use of a super unleaded product, but according to Schwandt and Smith, this is difficult to substantiate theoretically. However, one large refiner has found that the engine temperature is lower while burning ethanol, which is operating at a leaner mix.

For the foreseeable future, ethanol will be made out of corn because that renewable resource is always available and in large enough quantities that one can build a plant and know for certain that it will have sufficient feedstock. There are other sources of sugar which have been successfully used over the years, including wood sugar from pulping operations, cheese whey, wheat starch from wheat gluten, potato wastes, citrus waste, and molasses.

Schwandt remembers when all alcohol was made by fermentation until after World War II when the petrochemical industry began using natural gas as a raw material at a lower cost than molasses. So by the late 1950s or early 1960s, synthetic ethanol had captured nearly all of the industrial ethanol markets. From that period until recently, fermentation alcohol was produced primarily for beverage purposes because the public would not accept synthetic ethanol in beverages.

However, recent sharp increases in the price of crude oil and natural gas has restored competition....Several producers are now selling industrial alcohol, which is made by fermentation from corn or another carbohydrate material.

Others working on alternatives

The United States is by no means alone in this struggle to come up with alternate sources of motor fuels. The Brazilians, Schwandt pointed out, started eight years ago to achieve some degree of independence from imported motor fuels because that country has no petro-resources. Brazil established a goal for 10 billion liters a year of fuel alcohol from sugar cane by 1990. In 1981, production was about four billion liters or over one billion gallons. Ethanol enhanced fuel in Brazil is at the 20 percent level, and they are attempting to build a base fleet that will run on "neat" alcohol--all alcohol with no gasoline content. Already, a half million vehicles currently are running on neat.

Here in the states, Bell Telephone, the state of California and post offices in Springfield, Illinois and Denver, Colorado are operating fleets of 25 to 50 cars on neat alcohol fuels to give data on emission performance and economy. Hydrocarbon emissions from neat alcohol fueled vehicles are much lower than those burning gasoline, even with catalytic converters, and are of great interest to the heavy smog-plagued communities of Denver and Los Angeles, where tests are being conducted in the use of this type of fuel.

These vehicles, however, are now limited fleet-based operations, according to Schwandt. Army bases, municipal bases, post offices, and the like which operate in restricted geographic areas and trade at the same stations daily, returning home every night, are the ones that will be able to make use of neat fuels.

For today, though, Staley is concentrating on opening up the markets for fuel ethanol, soon to be produced at Loudon.

Staley Viaduct's future is large concern for company, community

Heavily traveled, the Staley Viaduct, which traverses the railroad tracks running through the Decatur plant and separates many of the manufacturing areas in corn processing, is counting its days in its present form as it celebrates its 54th anniversary this month. Resurfaced and repaired over the years, including once in 1979 when support beams were found to be rusted and dangerous, the bridge has been the focus of studies to recommend ways of replacing the deteriorating structure.

Ray Stanhope, group vice president, administration and government relations; Dick Barnett, civil structural manager; and John Clifford, public relations manager, met with the Decatur City Council on Tuesday, May 25, to express the company's opposition to the replacement of the Staley Viaduct on 22nd Street or through any other operating area within the facility.

They expressed concern that such a project would impose safety hazards on Staley employees, impair job security, inhibit daily operations during construction, and reduce the feasibility of future investments in Decatur. Construction accidents were a major topic of concern due to the safety of employees and the possibility of shutting down Decatur operations.

The Illinois Department of Transportation is currently studying four alternatives to the deteriorating viaduct: Removing the existing viaduct and not replacing it; replacing the structure along 22nd Street; building a new viaduct diagonally through the Staley plant, connecting 27th Street south to 22nd Street north; and building a new viaduct east of the elevator, connecting 27th Street on the south to 27th Street on the north.

"Constructing a new viaduct through the Staley operating areas (along 22nd Street or diagonally connecting 27th Street to 22nd Street) creates many long-term safety hazards as well as disruptions to plant operations," said Dick Barnett. "Damage to the numerous underground and overhead utility and conveyor lines would result in partial or complete plant shutdown; construction accidents could result in personal injury or plant shutdown; vehicles falling off the completed structure as experienced in the past few years could cause major problems; spalling concrete falling to the area below would eventually become a reality (again as we have experienced in the past).

"The deaths and losses associated with the recent collapse of a bridge in East Chicago during construction and the known fact that the severity and frequency of accidents associated with bridge construction has resulted in workmen's compensation rates being over four times that of our corn refinery rates only reinforces our concerns," said Barnett.

"Decisions regarding the final location of the Staley Viaduct must take into consideration the safety of our employees; the potential production loss, which at today's margin is \$500,000 per day including period expenses and the resulting wage loss of \$100,000; and reduction of grain purchases by over \$1,000,000 per day," said Stanhope.

"Of the four alternatives being studied, the company prefers having traffic rerouted to the east of the Staley grain elevators, thereby, removing heavy traffic from the central part of the manufacturing area—never an ideal route for a major thoroughfare," said Stanhope.

"To help the project along, Staley has offered to donate 5.7 acres of land. Moving the route out east beyond the manufacturing area would minimize disruption at the plant and remove the safety hazards to Staley employees," he said.

"Although the decision on this project is not expected until December of this year, Staley must give whatever input possible to make sure that the new location will not prove such a detriment to the company, its employees, and operations that it can't be tolerated. A negative impact on the Staley Company would very seriously affect the community."



In the top picture, 7th Street is pictured as it looked in 1927, running down the east side of the Staley plant. No manufacturing facilities existed to the west of the street. The frame house stands on the location of first aid today. The long structure running alongside the road is 35 building. In the bottom photograph, taken in 1982, one sees the viaduct running between manufacturing areas with 35 building (motor storage and manufacturing office) adjacent to the roadway, far down the viaduct.

Seventh Street becomes "vehicular skyway"

As operations geared up at the Staley/Decatur plant in 1912, no one knew that it would eventually sprawl over 400 acres and become one of the most formidable manufacturing sites in Central Illinois.

Back then, 22nd Street, running along the east side of the plant, was called 7th Street, even then a major north-south artery. Safety hazards existed in those days. Motorists had to cross the busy Wabash Railroad tracks to the north of Eldorado Street and a street car line terminated at the southern edge of the tracks, over which pedestrians crossed daily to get home or to "catch" the street car.

A decade later, expansions of the corn plant, increased traffic in the vicinity and plans for additional tracks made the situation intolerable.

Suggestions to rectify the situation included building a footbridge over the tracks so pedestrians wouldn't have to wait for trains to pass and to construct a million-dollar subway for north-south automobile traffic. Such proposals were cast aside.

Then came a suggestion for a viaduct. Long before plans were finalized, Mr. Staley began purchasing property along 7th Street to accommodate the structural supports for the

massive "modern vehicular skyway," as Gene Staley referred to it.

Growth of the community was moving rapidly to the northeast beyond the tracks, and a viaduct became an ideal solution to the worsening predicament alongside the Staley plant. The community enthusiastically endorsed the idea.

Financing this bridge was a big issue though. According to Thomas W. Samuels, a Decatur attorney, who settled in the community in 1914, the project would benefit not only Staley but also the Wabash, City of Decatur and Decatur Township. Therefore, the project would require the cooperation of all four parties.

After preliminary negotiations, they agreed to work out a joint contract with each party paying its proportionate share of the \$250,000 cost, according to Samuels. Staley and the Wabash each paid a third, and the final third was divided equally between the city and township.

Because property on which the southern end of that structure would rest was in the city and the northern end, the township, an old statute threatened to thwart the viaduct project—the city not being able to build only "half a bridge." For a time, consideration

was given to abandoning the artery and closing off 7th Street. . . . (One of the current proposals for the Staley Viaduct!) Attorney Samuels eventually convinced the City Council that the legal problem was more imagined than real.

With problems resolved, plans were finally announced in 1925 and construction began the following year. A ribbon-cutting ceremony took place on July 3, 1928, opening "the Staley Viaduct, the great safe, expediting route to the northeast."

But over the years, the two-lane viaduct has become a traffic bottleneck and structural liability. The old problem of access surfaced again in the late seventies with an encore of the earlier demand for a "better roadway to the north and northeast." Since then, however, the safety of the viaduct has been held in question. And here the problem rests uneasily today as studies are made to determine the best manner of handling traffic that uses the viaduct.

It is understandable that A. E. Staley, Sr., was very proud that the viaduct was constructed in the 1920s, solving transportation and pedestrian problems of that era. However, with the Staley Company's needs changing over the years, the structure is no longer in a viable location.

Protein blueprint readied for '83 and coming years

Unlike other protein division meetings, a gathering in May, attended by domestic and international personnel, focused on planning and unit business strategies rather than sales and marketing. Key to this type of session was a sharing or exchanging of and analyzing of data and then agreement tentatively on a course of action.

Those involved included marketing, sales, production and research personnel. With all protein division units represented, they together worked out their basic direction for the coming fiscal year and the next five years.

In attendance were Lila Sanchez, manager, Puerto Rico; John Nichols, international sales manager, Amsterdam; Jaap van Son, manager, Amsterdam branch; Nigel Anstis, manager of Staley London; and district managers Ann Winterich, Bill Tyler, John Potter, Ron Lenz, Harry Lough, and Sam Clemens from across the U.S.

Addressing the group were Dan Camerer, national sales manager; Joe Empen, manager, Gunther Products; Dennis Honnold, marketing manager, food protein; Frank Janes, manager, lecithin products; Kent Mittelberg, vice president, food and specialty products; Steve Moore, product manager, food protein; Frank Orthoefer, section manager, protein and oils, research and development; Bob Powers, president; Bill Robinson, general manager of the division; Grant Smith, manager of Vico Products; and Rich Williams, production manager of food protein.

Seeking a team approach rather than the more traditional product manager's "game-plan-for-the-year", the protein division has involved at the outset those who will implement the plan, giving them a stake in setting their own goals. "This type of session provides a defining of concepts, a merging of efforts, an interface of people, a collection of data, and an immediate analysis and diffusion of it," said Grant Smith, who is assigned the responsibility of actually condensing the protein division's five-year plan this year.

With interest area discussions that affect or encroach upon one another, the attendees began to understand more clearly the view points and trade offs of the other units within the division. This type of session afforded a positive flow of information between different units: the environment lent itself to commitment toward common goals without dominant personalities or static or vested interests holding forth.

"It was exciting to hear people from divergent functions, such as marketing and production, agreeing...Trade offs were taking place...After explanations of one unit's business motives and moves, others were coming to conclusions in sympathy with one another," said Smith.

Decatur cohorts share joy

It's seldom that the birth of a child half way around the world stirs such interest in Decatur, Illinois, but Sarah Lindsey Nichols was on the mind of a group of Staley/Decatur employees in early April. She's the three-month-old daughter of John and Joni Nichols, recently of Amsterdam.

John, international sales manager for protein, just returned to home base of the food and specialty products team, Decatur, after a year and one-half in the Netherlands. To keep his stateside cohorts abreast of the approaching birth, he and his wife devised the "Nichols Baby Lottery." Those who bought a \$5 ticket had a chance at a guaranteed \$100 purse awarded to the one coming the closest to the birth date, time, and sex of their first child.

Sharing the good fortune were Peggy Albert, export sales administrator, protein, specialty products, and Marjorie Reinhold, secretary to the general manager, protein, specialty products, who divined the Nichols' daughter would arrive April 8. Actually, Sarah made her grand entrance at 10:25 a.m., April 6, weighing 6.6 pounds and measuring 18.5 inches. The blue-eyed beauty was born with long black locks, just like her mom's.



Around a group photograph of those attending the protein division's meeting this spring are candid photos of domestic and international personnel planning business strategies.

Hyping productivity

By means of this type of informational exchange, the division is attempting to increase productivity of its resources—including not only machinery but also technology, personnel, and capital.

An attempt is being made to reexamine and possibly restructure some business units, with more emphasis on market needs being satisfied, and less toward equipment used to produce the product. "In developing strategies that affect products, promotions, production, distribution, and price, it is important to stay in close touch with market need or we will be innovated out of the picture," said Robinson.

"Specialty businesses are different from commodity businesses," Kent Mittelberg pointed out to the group. "Our experiences this past year with Staley specialty businesses located outside Decatur have shown that they can be very profitable. However, they must be run differently than a commodity-oriented business. We must, therefore, even though we are located in Decatur, learn to manage and operate our specialty businesses as specialty businesses and not as commodity businesses. If we do not, we will not be able to compete with other specialty businesses in the marketplace."

"Uncertainties in this 'specialty' business force us to be especially knowledgeable about the externalities that impinge upon or affect it, such as embargoes, tariffs, subsidies, government regulations, and consumer acceptance of soy," said Robinson. "Due to such uncertainties, a constantly changing environment as well as technological changes, after plans are implemented, frequent mid-course adaptations are required to take advantage of the opportunities presented."

Summing up this meeting, Robinson said, "We have been studying who we are, who we want to be, what our strengths and weaknesses are versus the competition, where our markets are, what their future profitabilities are and then deciding if we are structured correctly to service those market needs."

Following this identity search, the group continued with a more traditional forecasting of specific goals and objectives dealing with specific people and accounts to form realistic volume figures for 1983, according to Camerer.

Global perspective on planning

This meeting was strategically a more global planning endeavor than undertaken in prior years, involving domestic as well as international personnel because of Staley's increasing interest in international protein markets. Therefore, a global perspective in

long-term planning has become important. "It is important that our programs reflect the different market needs of international versus domestic selling efforts," said Dennis Honnold.

The outlook for individual protein products such as "StaPro" and "Textured Procon" soy protein concentrates is quite good, Dan Camerer said, noting that abroad StaPro is used heavily in high fat emulsion systems such as those in sausages. Domestically, Textured Procon is being used by the pre-cooked meat industry with great success.

Vico and Gunther products are themselves customers of the division—in-house outlets, providing value-added margin sources to the division's product base. "Vico has not been operated as a growth-oriented business up to now, such as proteins," Smith said. "There must be a synergistic balance of business units—some for growth, some for profit and return on capital, both in the future and presently."

"Vico's recent role has been to provide some of this profitability, synergism, and future opportunities. While other units are growing, it is important to have another group provide cash and spread overheads," Smith said.

The thrust of Gunther Products and its specialty whipping agents is being carried out domestically by Charlie Kraut, product manager. A new aerated fruit beverage, in flavors such as orange and peach, is taking off domestically and is targeted for introduction into the international market, according to Empen. Mousse-based desserts, a good market for Gunther whipping agents, are also becoming popular not only at home but also internationally. In the U.S., one manufacturer has gone with an ice cream type mousse, while others are looking at it as a dessert product, Empen said.

Last year, a new Kosher soy albumen was developed for confections and is being sold domestically as well as to Israel. It is particularly useful in nougat-centered candy bars. Plans for the coming year include a couple of new whipping agents, which promise advantages over existing Gunther products, said Empen.

"Plans for 1983," Honnold said, "call for a concentration on areas in which we can do a good job, realizing that we cannot be all things to all people. With limited resources as far as sales personnel, technical staff, and production capabilities go, we are headed into areas in which we can excel. For instance, the pre-cooked meat market is growing, and it's one in which we have much technical expertise. Our protein products fit well in that market. Rather than going into other markets, we have put a great deal of emphasis on this particular category."

Potential for imports misunderstood

(Continued from Page 1)

The Community's fears were based on a misunderstanding of the situation as it relates to the quantities of corn gluten feed they have imported in the past and potential for imports in the future due to rapid expansion in the production of ethanol in the U.S., he said.

Those fears led some within the EC, particularly France, the leading grain producer, to call for barriers that would limit the import of corn gluten feed. Hence, the threat of a tariff or import quotas.

Staley becomes involved

The Staley Company with its prominent position in the wet milling industry is among the most knowledgeable as to the developments taking place within the industry. Thus, the best evaluation of the current situation and the probable developments in the next few years should be obtainable from the people in the company. Through the efforts and knowledge of Bob Schwandt, vice president, industrial products, and Bob Schuerman, vice president, government relations, projections for the production of corn gluten feed were developed through 1986. (All factors considered, production of corn gluten feed in 1985 is expected to reach 4.52 million metric tons, up 1.72 million tons over that produced in 1980. . . . This total falls far short of the 10-to-12 million metric tons expected to arrive in the EC by that time.

Perhaps in part through the efforts of Staley personnel contacting U.S. legislators and policy makers with updated information and McMinimy's informational conferences in the U.S. and abroad in recent months, consideration of this tariff has been stifled, at least for the time being. . . a major victory for U.S. trade interests and the Staley Company as well.

For some time, McMinimy, along with the company's governmental affairs department, in cooperation with the U.S. Feed Grain Council, the Corn Growers Association, and American Farm Bureau have been striving to make known the impact of EC policy on U.S. farm products, the processors of them as well as on U.S. exports. John Stehr, government affairs manager; Bob Staley, manager, legislative affairs; Bob Schuerman; Ray Stanhope, group vice president, administration, government relations; Gene Bryant, director of exports, soybean milling, agriproducts; and Dave Miller, director of commodities, industrial products, together with Vern have sought out decision makers and trade negotiators to bring current information to them that could influence EC policy and perhaps help shape U.S. trade and farm policies in turn.

While the governmental affairs staff has focused primarily on U.S. officials with

(Continued on Page 5)

"Our strengths obviously are our people and products," Camerer pointed out. "We have a very strong technical expertise not only in the meat laboratory and research staff but also in our sales force, who have experienced hands-on training with the researchers. We will go after the value-added product lines, getting away from commodity products. We are in a specialty product division in which we see much room for expansion of Staley's value-added products and growth in the future," said the national sales manager.

After establishing common goals and priorities, a path is being laid to implement them, according to Robinson, "Even with a plan, though, we will have to make adjustments for it to succeed. It is important to always remain flexible to take advantage of a constantly changing marketplace, but one in which we believe high quality soy protein concentrates will be a preferred ingredient. Our plan is to maximize that business."

How best can we apply those facilities and people in the future to improve the returns on our capital? On this question hangs the ongoing strategic planning of the protein division.

Safety pays off at Decatur plant

"Staley does a very good job stressing the need to work safely, but much of the responsibility must be left up to the individual....With maturity and experience, we seem to become more careful in performing our assigned tasks."

That statement was made by one of the annual winners, George Bray, in the Decatur plant's year-long safety promotion, which was wrapped up April 30.

Grand-prize winner in the contest was Duwayne Williams, who received a four-day trip for two to his choice of one of four destinations. Bray, the other annual winner, was presented an expense-paid weekend for two as his safety prize. Quarterly winners in the contest's final period were Joe Martina and John Barber, who have won home entertainment equipment by working safely.

Williams, a mechanic in the pipe shop and a nine-year veteran of the company, had his name drawn from qualifying employees in contest groups that worked all year without a recordable injury. He had his choice of visiting Las Vegas, New Orleans, Washington, D. C., or Miami and selected the "action spot" in Nevada, where he and his wife, Mona, plan to see the shows and try their luck at the "tables."

Bray, automatic starch packer in 20 building, had his name drawn from eligible employees who worked at least 80 percent of their scheduled time during the contest's 12 months and did not have a recordable injury. The 33-year Staley veteran (July 25) has decided to take his wife, Alice, to Chicago, having a choice between that city and St. Louis for a weekend on the company. (Both trips included travel, motel, and expense money for meals and incidentals.)

The annual winners' names were drawn by the plant's health and safety committee and the annual awards were presented by Art Schoepfer, Decatur's industrial plant manager; Dean Burdick, manager of the Decatur agriproducts operations; and Jesse Barker, chairman of A.I.W. Local 837's bargaining committee.

Winner of the grand prize began his career on the extra board and moved on to 47, 8 and 9 buildings when they were all together and then to 118 as a drying operator before going to the pipe shop. Williams says that over the years, he has experienced some minor scrapes, most of which have occurred while on his job in the pipe shop, where he rubs shirt sleeves daily with steam and chemical lines. In fact, the final contest day, he received a small burn on his forearm from a pipe that caught him just right, even though he was wearing a long sleeved shirt. Because the injury required no more than a little ice and some watching, he remained eligible in the contest!

In spite of his few brushes with accidents, Duwayne believes the company is conscientious in trying to make employees aware of job hazards. He noted that "foremen hold regular meetings to point out things that prevent trouble, such as filling a gas welder only after allowing it to cool so that the gas doesn't explode. Then too, anything safety related, which needs repairs, gets attention immediately."

Equipment respected

Bray, who started on the "board" 33 years ago and bid into 20 building shortly thereafter, has worked most of his years at Staley in the starch/packaging department.

"Working with machinery and equipment daily, I have found that all of it is to be respected. It took an accident, though, to make me wiser," said Bray. Among the hazards confronting him on the job are belt conveyors, in which one can catch fingers, and the automatic case packer, which has many "grabby" arms.

Bray recalls skinning up his hand in the automatic case packer once, but quickly added that it did not amount to a lost-time injury. Speaking of that equipment, George said, "The packer moves so rapidly, not waiting on the operator." He had his hand caught between a couple of the arms. "You learn to respect and watch it (the packer) when it's in operation." With experience, he's learned that "around such machinery, one must think through all actions. Reacting without thought does not pay. That's when an accident will occur."

"Staley's safety consciousness rubs off on employees. A safety committee inspects and does a remarkable job finding even the smallest items that could cause an accident. If by chance an employee also sees something hazardous between committee visits, he or she should report it to a committee member so that it too will be repaired."

As far as Bray is concerned, the newer automatic packers help control dust in 20 building. Prior to their arrival well over a decade ago, he remembers the messiness of hand-packing bags. "Automatic packers fill and weigh the bags and send them down a belt to the palletizers. The whole job has been revolutionized by this machinery, making packing as well as clean-up much easier."

Winning the quarterly drawing from among those who worked at least 66 percent of their scheduled time during the quarter with no recordable injury, Joe Martina has retained a clean safety slate his four years with Staley. He was hired in March, 1978, proceeding through duties with the extra board to 47 building and then to 20 building, where he has been working since November of 1978. He's a member of the floor gang in that building and also works on packing and loading starch there as well.

"Throwing bags, I have to know how to lift properly with good body mechanics," according to Martina. "I am conscious of safety for my own good but don't see any employees doing dangerous things in this building." Although he considers his work area fairly safe because "20 building is kept clean," Joe explains that starch, itself, could be a problem if the building were not tidy. Martina considers his largest hazard the fork-lift for which he is always on the lookout.

Safety gear needed

The other quarterly winner, whose name was also drawn by the plant's health and safety committee from names of qualifying employees in contest groups that had worked the entire fourth period without a recordable injury, says his job is full of hazards—climbing, sandblasting, fumes, and mixtures of paints.

"We have to wear appropriate safety gear for each job," says John Barber, senior painter and roofer in the paint shop. Most of the time, he wears a mask on the job, and while sandblasting, also dons a suit and hood to more fully protect himself.

For one who must climb all over the plant, Barber says a fear of heights would be a handicap. He gets a lift once in a while in a cage on a crane but mostly climbs to his work areas. John works next to steam, chemical, and acid lines throughout the Decatur complex and must remain alert at all times.

A Staley employee 28 years, Barber began his career in July of 1954 on the "board." From there, he moved to 34 and then on to 48 buildings, throwing bags. Thereafter, in the yard department, John was on a section gang before joining elevator C and D 16 years. At the elevators, he ran an engine and spout and weighed in grain. He moved on to the paint shop in 1975.

Although he too has suffered a few nicks on the job, Barber has never encountered a lost timer. "I've been very fortunate avoiding a bad accident over the years. Either I'm safety minded, lucky, or a combination of the two! However, I don't do anything that I haven't checked out thoroughly before hand."

Speaking of the company's philosophy about safety, John says it hurts the company as well as an employee to have an injury. Not only does the company lose the employee's expertise during recuperation, but it also takes care of the medical bills.

As far as he's concerned, Staley has always been safety conscious. Comparing his earlier days at Staley with the present, Barber recalls regularly turning in hazards he discovered on the job years ago. However, since there has been a health and safety committee surveying the plant, normally he doesn't see any problem areas. "I think the committee, comprised of union and company personnel, is doing a great job of detecting unsafe areas and correcting them."

All in all, the four recent contest winners believe that for a plant the size of Decatur



Annual and fourth quarter prize winners in the Decatur plant's year-long safety promotion are pictured, in the front row, left to right, Joe Martina, Duwayne Williams, grand-prize winner and his wife, Mona, George Bray and John Barber. Those making the awards, in the back row, from left, are Tom Gillum, chairman of the health and safety committee, Dean Burdick, Jesse Barker and Art Schoepfer.

EC holds grain prices above world level

(Continued from Page 4)

whom McMinimy has also had contact, Vern has spoken far and wide on the EC grain substitute subject, taking the opportunity whenever it presented itself. Among those who have heard his discourse on the corn gluten feed issue was Senator Charles Percy's governmental affairs subcommittee on energy, nuclear proliferation, and government process last fall.

McMinimy also addressed a joint meeting of The Society of Feed Technologists and the U.S. Feed Grain Council in London early this year. Thereafter, he reiterated the numbers and facts to officials at the Agriculture Ministry in Paris, France; Bonn, West Germany; and Brussels, Belgium. In addition, a paper he prepared on the subject was duplicated for the Foreign Agriculture Service in Washington, D.C. and distributed to all U.S. embassies in the European Economic Community for their use in communicating with various European government officials with regard to the corn gluten feed issue. Bob Schuerman distributed copies of Staley's paper on a trip to Western Europe in the fall of 1981. This information made a timely arrival on the scene and found a ready audience!

Price creates market

The EC purchases most all of the corn gluten feed produced in the U.S. and will continue to do so as long as their internal grain price remains well above world market levels. By holding their grain prices well above world levels, the EC encourages increased grain production, imports of grain substitutes, and reduced internal grain usage. The result is a surplus of grain. "Exporting the excess grain produced with government assistance, regardless of world prices, is very expensive and damaging to their budgetary situation," according to Vern.

"Making adjustments to their agricultural policy will likely prove to be necessary but is complicated by the fact that 10 countries are involved in establishing the policies...a situation that tends to favor continuation of the current policy

"If we help them determine what the realities are—for instance inform them that supplies of corn gluten feed are more likely to be 4½ million tons rather than 10 or 12, then I believe they will be more likely to arrive at a policy that is best for both them and us.

"Any policy is designed to deal with realities and to the extent that we help them know the realities, we have influence. Beyond that, I believe one can maybe help them

having as much activity performed by as many people, the number of lost-time accidents is surprisingly low. With 1,400 hourly plus supervisory personnel working in the plant, anything can happen. "An effort on everyone's part is keeping accidents in check," says Barber.

Working safely certainly has paid nice dividends, they all agreed.

understand what policies serve their needs and have the least damaging effect on us.

"Any policy has a positive posture for some and a negative one for others. If they impose barriers against the import of corn gluten feed, it will have a negative influence on the economic welfare of people who feed hogs and dairy animals. Those increased costs will be passed on to EC consumers. On the other hand, limiting corn gluten feed might be beneficial to the grain producers. The policy of limiting corn gluten feed imports may be difficult for the grain producers in the EC to sell given the fact that it could lead to increased costs to the livestock feeding sector and consumer on down the line."

Vern believes that in the long run, the EC will have to change from a generally high-price policy that results in reducing internal consumption and costly export subsidy to a policy where lesser quantities are exported from the EC, and the cost of those exports would be born by the producer.

"It's obviously not just what the U.S. is doing in producing and exporting corn gluten feed that results in the EC wanting to take action. It's what is happening there. It is a grain problem within the EC rather than a corn gluten feed problem," McMinimy explained.

"They (the EC) would like to shift the burden of the solution onto someone else, but even if they are successful in that move at this time, it only defers the time when they finally have to solve their own basic grain problem. If they have to spend more and more to export excess grain on the world market, they have just bought a little more time. The problem remains unsolved: The crisis arrives when they run out of money...."

Since the threat of a tariff was voiced, the U.S. president, bolstered by U.S. legislators taking policy stands in their respective houses, has warned the EC that the U.S. would look with disfavor on any import duties imposed on corn gluten feed.

In the meantime, Ray Stanhope says there are still some rumblings from the EC about the issue. Critics of U.S. corn gluten exports believe they can slap a duty on the product without violating provisions of the General Agreement on Tariffs and Trade. If the Community applied the duty without violating the agreement, the U.S. would have little basis for protest.

In addition, at the end of May, the Community announced a program to license gluten feed imports starting in August. While theoretically acceptable, a licensing program has great potential for mischief. For these reasons, Stanhope thinks a show of strength could be very important.

"A united show of support from the legislative branch to go with the determination of the executive branch might be just what is needed to quiet the EC on corn gluten feed," said Stanhope.

Customers seek High schools name top scholars among graduates their advice

(Continued from Page 1)

privately service these accounts, they must possess in-depth knowledge of the corn wet milling industry and its by-products, especially as it relates to shipments to multiple destinations. They must also have a good knowledge of the world sugar picture and its impact on the "at home" sugar and sweetener policies as they affect the company and customer to provide insight to these key accounts.

They have done their homework very well, according to their boss, Wendell Ray, eastern regional manager, sweeteners, industrial products, who says, "I am extremely pleased that Jack and Bruce have been singled out for this type of recognition. They have earned it."

"I have worked with these men many years and take great pride in their accomplishments . . . and those of the entire sales force, as well. I have found them extremely capable; they have earned my full confidence in dealing with accounts of this magnitude."

Early HFCS ties

Discussing his major account, Kelly said he had good contacts with Coca-Cola many years, working with that company since it began incorporating Staley's "Isosweet 100" first generation high fructose corn syrup in non-cola beverages, about six months after Staley began manufacturing it at Morrisville in the early '70s. Then, according to "Call Report A-1," dated January 25, 1980, which rests on Bruce's desk, the Staley Company began selling Coca-Cola in a big way on "Isosweet 5500" for use in its name brand.

At their 16 syrup plants across the country, Coca-Cola combines 55 percent HFCS, sugar, and its own cola concentrate to make a Coca-Cola syrup, which is shipped to its bottlers across the nation. They, in turn, make and bottle the retail product.

Everything that is done for the 16 syrup plants is handled through Coca-Cola USA headquarters in Atlanta. Bruce is responsible for all sweetener order follow-up, tracing of shipments, quality of shipments, rejections, if any, and expediting orders. In other words, all sweetener sales functions for these plants are handled in Atlanta for Coca-Cola USA by Bruce.

Speaking of this relationship, Kelly said, "It has been especially gratifying to be able to sell and service national accounts such as Coca-Cola. Coke and Staley are in the same class in their respective industries, and consequently each has a need for, and obligation to, the other."

"It is my responsibility to assist in maintaining the current excellent relationship, to insure that each party is constantly aware of its obligations and to promote the best interest to the Staley Company. While this can be intricate at times, it is still fun to be where the action is!"

"From this vantage point, it is quite easy to observe just how well our competition reacts to Coca-Cola requirements. I can honestly report that the Staley Company is head and shoulders over our competitors in terms of product quality, detail accuracy, and service to this giant corporation's 16 syrup plants. It is fitting that we are the premier supplier and they are the premier user."

A 23-year veteran of the Staley Company, Jack Roland, a native Philadelphian and Villanova graduate, joined the company in November of 1958, following a stint in the Navy. Completing his management training in the spring of 1959, he was assigned to a territory in Baltimore, Maryland, responsible for sales of all industrial food products (syrups, starches, food proteins) in Washington, D.C., Maryland and Virginia.

In the fall of 1971, Roland was promoted to district sales manager and assumed the responsibility of the company's New York office. Then, in 1974 after the specialty starch sales organization was formed, Jack's responsibility focused on sweetener sales in the New York metropolitan area to major multi-plant accounts.

In March, 1980, Pepsi approved a 50 percent replacement of sugar in their Pepsi-Cola



Diane Pritts



Debbie Myers



Sharyl Grant



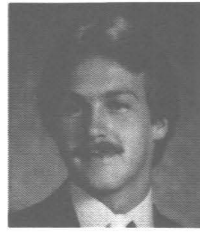
Lee Winkleblack



Tammie Reynolds



Mary Stanhope



Brett Emmons



Lauri Dunn



David McDonald



Karen Cassidy

Among 1982 high school graduates across the country, five children of Staley employees have been designated as head of their classes; two, salutatorians; two, class orators or equivalent, and two, ranked fourth among classmates.

Having the distinction of being No. 1 in her class at Macon High, Macon, Illinois, is Diane Pritts. Valedictorians of other classes included Debbie Myers of Clinton Prairie High School, Clinton County, Indiana; Sharyl Grant of Argenta-Oreana High School, Argenta, Illinois; Lee Winkleblack, who shared the honor with two others at Stephen Decatur High, Decatur, Illinois; and Tammie Reynolds from Lakeview High, Decatur, Illinois.

Salutatorians included Mary Stanhope of Eisenhower High, Decatur, Illinois, and Kevin Cole from Calvin Coolidge High in Washington, D.C.

Brett Emmons was designated orator at Stephen Decatur High, Decatur, Illinois, and Lauri Dunn, first essayist of her class at Houlton High, Houlton, Maine.

Ranked fourth in their classes were David McDonald of the Class of '82 at Arthur High, Arthur, Illinois, and Karen Cassidy of Hodgdon High, Hodgdon, Maine.

Diane Pritts, daughter of Tom, quality assurance supervisor, manufacturing services, industrial products, Staley/Decatur, had a perfect "A" average throughout her four years of school and is an Illinois State Scholar. Reflecting her class standing, she was Grand Marshall at commencement her junior year.

Her activities have included serving as president of the National Honor Society her senior year, having been inducted her junior year; class secretary sophomore through senior years; a member of the Beta Society for those maintaining a "B" average or better her final two years; participation in

Post-Mix Fountain Syrup with Isosweet 5500 HFCS. Pepsi had previously approved the use of Isosweet 5500 at the 100 percent level of substitution in their Allied products, i.e., Mountain Dew, Patio and Teem, according to Roland.

"Staley takes pride as the leading supplier in serving the majority of Pepsi's company-owned plants, which today are in excess of 22 and growing," Jack said. "Needless to say, priority efforts on both Staley and Pepsi management teams, including research, marketing and sales, have been under intense dedication to achieve approval of HFCS in Pepsi Cola bottles, cans and pre-mix formulas—that's our Challenge!"

Bruce Kelly graduated from Franklin College in Franklin, Indiana, took a tour of duty with the U.S. Army and worked with the Lilly Tulip Cup Company briefly before beginning his Staley career on October 16, 1961. His first job at Staley took him back to his hometown of Indianapolis, from which he covered a territory of Southern Indiana and Kentucky, selling the entire line of industrial food products. He had one of the largest territories then—20 million pounds, Bruce recalls, which compares with 650 plus million pounds today!

In the spring of 1964, Kelly was promoted to assistant branch manager in charge of industrial food sales to the Southeast from the Atlanta, Georgia, sales office. He was made manager of that office in January of 1971. Like Jack, he assumed command of sweetener sales for the Southeast in 1974, when the specialty starches were spun off into their own group. Over the years, Bruce has continued with the responsibility for the Atlanta office.

Staley's only sweetener national account executives, Bruce and Jack are truly VIPs, holding very meaningful and important jobs with the company!

homecoming activities all four years and serving on the prom committee her junior year.

The Macon High standout also participated in the Scholastic Bowl her junior year and TEAMS competition this year. She has been selected for inclusion in "America's Outstanding Names and Faces," "The Society of Distinguished American High School Students" and "Who's Who Among American High School Students." Diane will attend St. Louis College of Pharmacy, from which she has received the Faculty Memorial Scholarship and the Presidential Scholarship based upon her ACT scores and grades. She also was the recipient of the Iota Chi Grant from Macon High.

Debbie Myers, daughter of Bob, boiler and water treatment operator at the Frankfort, Indiana, plant, had an overall 3.84 average when she graduated from Clinton Prairie. She has been a member of the National Honor Society, class treasurer, yearbook editor, newspaper staff typist, and a member of the Latin Club, Future Business Leaders of America, Future Homemakers of America, and Hoosier State delegate.

Ms. Myers received the Hoosier-Scholar Award and the Outstanding Accounting, Advanced Shorthand, and Journalism Award. Debbie will attend ITT Business Institute to prepare for a career as a legal secretary or accountant.

Sharyl Grant, daughter of Mary, secretary to the director of sweetener sales, industrial sales and marketing, industrial products, Staley/Decatur, plans to major in business administration at Illinois State University, Normal. Her school activities have included National Honor Society, pompon squad, and Varsity Club. She is the recipient of an International Foreign Language Award in French, an American Outstanding Names and Faces Award, and Daughters of the American Revolution Good Citizenship Award this year.

Vice president of her graduating class, Lee Winkleblack is a daughter of Dick, director of accounting, corporate control, Staley/Decatur. Her school activities have included choir, Songsters, French Club, Student Council, Class Council, and National Honor Society.

Lee was a Lincoln Essay co-award winner this year for her paper and delivery on the Lincoln-Douglas Debates. She plans to attend the University of Illinois in the Liberal Arts and Science College.

Lakeview's last

Heading up the last graduating class from Lakeview High which closes this year, Tammie Reynolds, daughter of Sharon, data control clerk, corporate information systems, Staley/Decatur, looks forward to further studies at Lewis University at Romeoville, Illinois. Her school activities have included National Honor Society, Student Council, and Intra-City Student Council, cheerleading four years, track, orchestra and wrestling statistician. She is an Illinois State Scholar and received the Daughters of the American Revolution Good Citizenship Award.

Serving her class as co-salutatorian, Mary Stanhope, daughter of Ray, group vice president, administration, government relations, has been host sister and president of American Field Service at Eisenhower High, a member of the Student Council,

track team, French Club, National Honor Society two years, and an Illinois State Scholar. She plans to obtain a degree in flight technology from Northwestern Michigan College and Western Michigan University.

Kevin Cole, son of Ed, business systems designer, corporate information systems, corporate finance, Staley/Decatur, completed his high school education in Washington, D. C. and ranked second in his class. He plans to enroll in the pre-medical curriculum at Howard University in that city this fall.

Stephen Decatur's orator, Brett Emmons, is a son of Bob, manager of corn feeds, commodities, industrial products. He has participated in German Club, football, track, Senior Class Council and has served as president of the National Honor Society.

An Illinois State Scholar, Brett was a regular on the High Honor Roll, recently won the German-American National Congress Award and was named Outstanding Fourth-Year German Student. He plans to study in the College of Agriculture at the University of Illinois, Urbana.

Combining scholarship with athletics, Lauri Dunn, daughter of William, maintenance superintendent, Staley/Houlton, was first honor essayist of her class (equivalent to orator) at Houlton High. An All-Maine Scholar, she has been a member of the National Honor Society her last two years, attended Dirigo Girls State, at which she was elected a state senator.

Lauri was listed in "Who's Who Among High School Students" her junior year and the "American High School Athlete." She served as captain of last year's girls Eastern Maine runners-up basketball team and the 1982 Eastern Maine Championship team, was named to the all-tourney team both years and to the All-Aroostook County basketball team last year. This year, she was elected to the first Girls Eastern Maine All-Star Basketball Team that defeated the Western Maine All Stars, becoming state champions. She was recently elected to the Girls All-Maine Basketball Team and named the Houlton team's "Most Valuable Player" two consecutive years.

Ms. Dunn also played on the varsity softball team that won the Aroostook County League Championship last year, holds that title this year and will play for the Eastern Maine Championship. Lauri won their class racquetball championship both sophomore and junior years and her class and school competition this year. She will attend Springfield College in Springfield, Massachusetts, majoring in physical education.

President of the senior class and Student Council this year, David McDonald has graduated fourth in his class at Arthur High School, at which he was a member of the National Honor Society and received the Sons of the American Revolution Award.

David has been awarded the Timm Trust Academic Scholarship and the Presidential Scholarship from Eureka College, Eureka, Illinois, based on results of an academic examination and faculty interviews. He will major in business finance at Eureka.

Ranked fourth in the 1982 graduating class at Hodgdon High, Karen Cassidy has combined

(Continued on Page 7)

Swing into summer in practical, more classic attire

The economic crunch has sent fashions reeling into a more practical state, at least in the summer styles modeled for the Decatur Staley Women's Club. Some moderately "trendy" apparel, however, was shown for the junior and up-dated missy coupled with basic togs for more active pursuits, which spilled over into children's and adult's apparel as well.

Models for the women's and missy's styles included Jan Benson, direct order price clerk, industrial products; Sue Fonner, secretary to group vice president, agri-products; June Frymire, purchasing coordinator, corporate engineering and purchasing; Ann Grinestaff, extra board assistant, manufacturing, industrial products; Fran Noland, secretary to the executive vice president, industrial products; Roberta Probst, order entry assistant, syrup, industrial products; Chris (Wells) Livingston, legal secretary, and Trudy Hebert, retiree, who wore the latest from Mimi's Clothes Closet and Field's Ready-to-Wear. John Clifford, manager, public relations; Larry Cunningham, marketing director, sweeteners, industrial products; Lynn Grider, marketing manager, refined oil, agriproducts; Bill Taylor, systems consultant, corporate information systems; Jimmy Rice, five-year-old son of Ginny, credit clearance assistant, corporate finance, and Jimmy Jackson, 12-year-old son of Carol, aviation coordinator, showed off apparel from Doolin's Men & Boys Wear.

To perk up a wardrobe, women may select a jacket to be worn with skirts, pants or a dress, blouses, a couple of skirts and pants besides a new frock. Men, on the other hand, may add a sportcoat, pastel shirts, tropical-weight slacks and appropriate accessories to create different ensembles. A new suit for the businessman or woman is always appropriate with the best return on investment being an all-season, all-occasion outfit of good quality.

Blends are returning to fabrics and resemble the all-natural fibers. Polyester combinations allow a choice between a neater look that's more easily cared for and the wrinkled all cottons or linens.

Dressy clothes are fairly basic and street length, commented Donna Graham, fashion coordinator for Field's and commentator for the women's fashions. Most of these, she added, may be dressed up or down with accessories to pinch hit for several types of occasions.

For a more casual look, split skirts are "in," enjoyable to wear and may wind up below the knee or the length of shorts. Many dresses and skirts incorporate pleats this season—some very slimming. The prairie look in skirts calls for gingham checkered fabrics, and western skirts of a by-gone era are returning to be worn with fussier blouses, incorporating high ruffled collars and gingerbread-accented sleeves, according to Tom Daly of Mimi's.

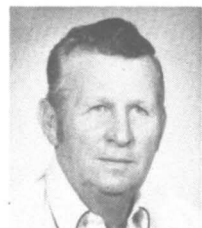
Joining the leisure life . . .



Harry Atkins



Carl Koslofski



Harry White

Effective May 1, 1982

HARRY ATKINS, superintendent, starch processing and shipping, dry starch manufacturing, industrial products, Decatur

LORRAINE PETTY, senior stenographer, corporate office services, corporate finance, Decatur

CARL KOSLOFSKI, rigger leadman, 31 building, Decatur

HARRY WHITE, mechanic, garage, Decatur
THURMAN LAMBIRTH, analyst, 99 building, Decatur



Fashions modeled for the Staley Women's Club's style show are featured in this montage. A photograph catches several of the men making an attitude adjustment before their debut.

Jeans perhaps are fading. No pun intended. Daly suggests that sweatpants will likely replace jeans in the '80s for a relaxing garb. "With exercise enthusiasts abounding, wouldn't it be more natural to toss on a pair of 'sweats' after work?"

Look for wardrobe extenders

Fashions from Field's, which offer more traditional, classic styles, included a two-piece white knit dress with subtle pink stripes, easily mixed and matched with separates as a wardrobe extender. This outfit was modeled by Sue Fonner, who also wore an aqua shirtwaist, which had a shiny thread woven throughout, allowing it to be dressed up or down depending on the occasion.

Several skirt lengths are apparent, but Mrs. Graham said women should decide where hems look best on their legs and wear them accordingly.

Appearing like separates, Fran Noland's navy top and white skirt were actually one piece. She also showed off a "no-green" jacket dress with a multi-colored striped bodice, fashionably smart and available in half sizes.

Pink was Trudy Hebert's color as she modeled a four-piece dusty rose suit, made dressier by exchanging a skirt for the pants. She also appeared in a raspberry tunic dress-over-skirt ensemble cinched at the waist with a double wrap sash, which, if removed, allowed the dress to flow freely—perfect for a dressy daytime affair or evening function.

Turning to a sportier look, June Frymire donned a yellow knit shirt and blue wrap skirt with appliqued tulips, a twosome that's great for casual wear or popped over shorts for a stop at the "nineteenth hole." She also modeled a white linen-look dress with inverted pleated sleeves. By adding a brown jacket and changing purse and shoes, this dress easily goes from day to nighttime wear.

Fashions promenaded from Mimi's ranged from trendy to classic. Stripes were a favorite on Jan Benson, who wore a multi-colored striped blouse ruffled over the shoulder with a pair of white slacks and then a multi-colored striped suit. The commentator pointed out that there are several jacket lengths and styles which should be selected according to preference and fit.

From the depths of the jungle, Chris (Wells) Livingston swung on to the scene in a stunning red-on-black printed blouse and pants, the latter elasticized at the ankle. She then sported a royal blue blouse and three-layered royal blue and white printed skirt, which could be rearranged with other wardrobe pieces, including a navy blue jacket, such as one worn by Roberta Probst as part of a suit she modeled. From businesswoman to tomboy, Roberta also appeared in a blue and white striped blouse with blue pants. Mrs. Graham noted that pants are no particular length—down to the shoe or up to the ankle this season.

Setting off fashions with her Florida tan, Ann Grinestaff wore a two-piece over blouse and skort (short divided skirt) in watermelon

and jade print over white. For a dressier occasion, she chose a one-piece camisole-like top and split skirt finished like knickers below the knee in a red flora print on black and beige background.

Styles of men/boys a hit

Although club members and guests likely absorbed more fashion ideas from the women's outfits, they carefully observed (by their comments) all that was modeled by the men and youngsters, Bob Dondeville of Doolin's says their apparel has returned to a more traditional state, including the Oxford button-down shirts with suits. A soft shoulder replaces the high European jacket and coat shoulders. Polyester/cotton-blended slacks remain on the scene joined by a sailcloth-like hopsacking, which ties in with knit shirts and deck shoes for casual wear.

The "preppy look," formerly geared to collegians and young adults, has invaded the youngsters' wardrobe with knit shirts, slacks and striped belts. The younger generation also has adopted dad's sweatsuit, cut to size of course, for lounging and play.

Two- or three-piece suits in polyester blends are ideal for spring, summer, and fall and retain a crisp appearance. These are accompanied by white, blue or other Oxford button-downs or soft pastel shirts.

Ready for a day at the office, Larry Cunningham appeared in a three-piece blue pinstripe suit and white shirt, then headed for a racquetball game in a beige terry shirt with off-white shorts.

Bill Taylor wooed the ladies in a three-piece brown suit set off with a white button-down shirt and rust-tone tie and later addressed a golf ball in a soft yellow knit shirt and gray linen-look slacks.

Ready for outdoor adventures, Lynn Grider coupled a kelly green knit shirt with navy walking shorts cinched off with an elastic belt with kelly green accent stripe. (Dondeville mentioned that such accessories have taken on much importance in men's wear.) Ready to join Larry on the court, Grider also wore a navy shirt with red accent stripe and white shorts with a navy terry insert down each leg. Prepared to ward off a chill, he modeled yellow slacks and a blue, burgundy and white stripe knit shirt and burgundy windbreaker.

Pointing out the importance of accessories, John Clifford tied in a burgundy belt and striped tie with his beige suit and blue Oxford button-down. With a flare for color, he also donned a red sportcoat, tropical slacks and a blue and green knit shirt.

Looking like a miniature detective, Jimmy Rice approached the audience in a trench coat over brown suit. He also allowed mothers to see what active youngsters prefer wearing—gray sweatpants and jacket as well as a soccer shirt and shorts.

Also ready for outdoor action, Jimmy Jackson was outfitted in a yellow, black and gray striped shirt with gray sweatpants and a

Any more with honors? "News" wants to know

Employees whose children have received honors this academic year or have graduated valedictorian, salutatorian, orator, or with a similar title reflecting class standing, are asked to notify the "Staley News" this month. They will be featured in the August issue of the "News." Deadline for submitting information is July 15, but the sooner the better.

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 as well as 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 on the backside at the bottom in very small letters with the child's name, being careful not to emboss the picture.

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

sun bright orange and white shirt accompanying white tennis shorts. He dressed up in a navy blue blazer, white knit shirt and light blue slacks, touched off with deck shoes, shown with casual attire for all ages.

From commentary and fashions, it's obviously a time for a more casual approach to life. . . .

On the move . . .



Peggy Ruff



Robert Stanberry



Cheryl Beery

AGRIPRODUCTS

MARK SCHMIDT, from junior merchandiser, Frankfort, to merchandiser, soybean milling, agriproducts, Champaign
PEGGY RUFF, from sales assistant, mid-west, to merchandiser, refined oil, agriproducts, Decatur

INDUSTRIAL

ROBERT STANBERRY, from pool foreman, to maintenance supervisor, satellite II, syrup refinery, manufacturing, industrial products, Decatur

CORPORATE

CHERYL BEERY, from junior computer programmer, to computer programmer, corporate information systems, corporate finance, Decatur

Scholars named

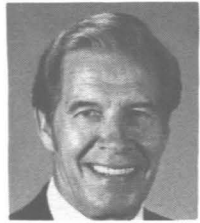
(Continued from Page 6)

school with work. The past two years, she has been part-time secretary at Staley/Houlton.

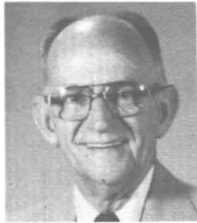
A National Honor Society member, Karen was Dirigo Girls State alternate and served the past two years on the Dollars for Scholars fund-raising committee.

Cassidy was selected a candidate for the gifted and talented program at the University of Maine in Orono. Her senior year, she was captain of the soccer team and vice president of Student Council, which she served as treasurer her junior year. Karen will attend Mercy Hospital School of Nursing in Portland, Maine.

96 celebrate anniversaries



Ralph Dombroski



Melvin Grolla



Elmer Randall



Bill Lindsten



Helen Wangrow



Leo Frey



Mary Blacet



Jackie Payne



Richard Fiala

40 Years

RALPH DOMBROSKI, marketing manager, corn syrup, sales and marketing, industrial products, Decatur
 KENNETH SCHUMAN, technical supervisor, dry starch, manufacturing, industrial products, Decatur
 MELVIN GROLLA, senior mechanic, machine shop, Decatur
 ELMER RANDALL, senior mechanic, machine shop, Decatur
 HUSTON DORSEY, reel tender, 20 building, Decatur

35 Years

WILLIAM LINDSTEN, losses, wastewater treatment supervisor, utilities, manufacturing, industrial products, Decatur
 HELEN WANGROW, supervisor, order entry, starch, administration, industrial products, Decatur
 JACK KUNZEMAN, utility operator, 101 building, Decatur
 THOMAS HALL, senior mechanic, round house, Decatur
 LEO FREY, power system operator, 2 building, Decatur
 CLIFTON MARTIN, JR., senior mechanic, instrument and control shop, Decatur

30 Years

MARY BLACET, utility statistical clerk, manufacturing, industrial products, Decatur
 JACKIE PAYNE, maintenance supervisor, soybean milling, agriproducts, Frankfort

25 Years

RICHARD FIALA, manager, agriproducts engineering, manufacturing, Decatur
 MARJORIE MILLER, compensation analyst, industrial relations, corporate administration, Decatur

20 Years

LARRY LEACH, production supervisor, soybean milling, agriproducts, Frankfort

15 Years

HENRIETTA KECK, supervisor, industrial accounts payable, control, industrial products, Decatur
 ALBERT PRICE, supervisor, starch specialties, dry starch, manufacturing, industrial products, Decatur
 WILLIAM JOHNSON, corporate credit manager, corporate finance, Decatur
 BRUCE KAYLOR, senior mechanic, pipe shop, Decatur
 FRED ZEIMET, process supportman, 6 building, Decatur
 ROBERT KERVIN, maintenance A-11 leadman, manufacturing, industrial products, Houlton
 JAMES NELSON, operator, Gunther Products, protein, food and specialty products, Galesburg

10 Years

MICHAEL O'BRIEN, maintenance administrative specialist, manufacturing, industrial products, Morrisville
 JOSEPH JAY, warehouse bagging operator, manufacturing, industrial products, Houlton

ELDA KENNEDY, production worker, Gregg Foods, food and specialty products, Portland
 BEULA BLADES, printer, Gregg Foods, food and specialty products, Portland
 DOROTHY WILLIAMS, plastics packer, Gregg Foods, food and specialty products, Portland
 JAMES CROSSIN, substrate ion exchange operator, manufacturing, industrial products, Morrisville
 RICHARD BATES, laborer, soybean milling, agriproducts, Frankfort

5 Years

THOMAS ROBERTS, retail sales manager, Gregg Foods, food and specialty products, Garden Grove
 NELDA HUNTINGTON, supervisor, inventory, Gregg Foods, food and specialty products, Garden Grove
 MICHAEL LAYTON, technician, utilities, manufacturing, industrial products, Lafayette
 DAVID BALDAUF, technician, utilities, manufacturing, industrial products, Lafayette
 LYNN KEHRBERG, technician, refinery, manufacturing, industrial products, Lafayette
 RONALD RECHKEMMER, personnel administrator, manufacturing, industrial products, Lafayette
 PHILIP WHITE, technician, utilities, manufacturing, industrial products, Lafayette
 DAVID ANDERSON, technician, wet milling, manufacturing, industrial products, Lafayette
 DAVID BEAVER, technician, wet milling, manufacturing, industrial products, Lafayette
 DAVID BERNINGER, technician, wet milling, manufacturing, industrial products, Lafayette
 RICHARD BUDREAU, technician, wet milling, manufacturing, industrial products, Lafayette
 JIM ELOFF, technician, utilities, manufacturing, industrial products, Lafayette
 DEBRA FORDING, technician, refinery, manufacturing, industrial products, Lafayette
 STEVEN FRANKLIN, technician, wet milling, manufacturing, industrial products, Lafayette
 CHARLES FRANZ, technician, refinery, manufacturing, industrial products, Lafayette
 ALICE HANCOCK, technician, refinery, manufacturing, industrial products, Lafayette
 CARROLL HEGG, technician, refinery, manufacturing, industrial products, Lafayette
 LINDA JARRARD, technician, wet milling, manufacturing, industrial products, Lafayette
 BARRY KALEY, area plant engineer, manufacturing, industrial products, Loudon
 JOHN LAFFOON, technician, utilities, manufacturing, industrial products, Lafayette
 THOMAS LEMMING, technician, wet milling, manufacturing, industrial products, Lafayette
 GREGORY MARTIN, technician, wet milling, manufacturing, industrial products, Lafayette
 GARY MITCHELL, technician, wet milling, manufacturing, industrial products, Lafayette
 RENEE MITCHELL, technician, wet milling, manufacturing, industrial products, Lafayette
 STEVE MOREHOUSE, technician, wet milling, manufacturing, industrial products, Lafayette
 BRETT MUNSON, technician, refinery, manufacturing, industrial products, Lafayette



At long last--Organized for 18 years, the A. E. Staley Mfg. Co. bowling team in Frankfort, Indiana, finally took first-place honors this season with a record of 79 wins, 41 losses. Responsible for this feat are teammates in the top row, from left to right, Don Spray, utility operator; Cliff Harper, maintenance; Jim Hickman, production supervisor; and Jack Shirar, meal room operator. And in the bottom row, from the left, the champions continue with Jay Humburg, laboratory assistant; Bob Carney, extraction operator; and Ed Carney, preparation operator. The Dairy Queen League, in which these Staley fellows bowl, had 18 teams rolling this year.

MARVIN NASH, technician, utilities, manufacturing, industrial products, Lafayette
 RICKEY OAKLEY, technician, refinery, manufacturing, industrial products, Lafayette
 CHARLES OGDEN, technician, refinery, manufacturing, industrial products, Lafayette
 GALE PITNER, technician, refinery, manufacturing, industrial products, Lafayette
 GARY REED, technician, wet milling, manufacturing, industrial products, Lafayette
 MICHAEL SCHNEPP, technician, wet milling, manufacturing, industrial products, Lafayette
 JEFFREY SEE, technician, wet milling, manufacturing, industrial products, Lafayette
 ROBERT SKILES, technician, refinery, manufacturing, industrial products, Lafayette
 WENDY WOODS, pool foreman, manufacturing services, industrial products, Decatur
 LEWIS WRIGHT, JR., laboratory specialist, manufacturing, industrial products, Lafayette
 STEPHEN YOST, technician, wet milling, manufacturing, industrial products, Lafayette
 GERALD DOWNHAM, technician, refinery, manufacturing, industrial products, Lafayette
 THOMAS KEISER, technician, utilities, manufacturing, industrial products, Lafayette
 ROLLIE NORTON, technician, refinery, manufacturing, industrial products, Lafayette
 CANDACE CRAIG, technician, plant services, manufacturing, industrial products, Lafayette
 CLIFFORD GRIFFITH, technician, wet milling, manufacturing, industrial products, Lafayette
 MONTE HOLDER, technician, utilities, manufacturing, industrial products, Lafayette
 RICHARD KEYS, JR., technician, refinery, manufacturing, industrial products, Lafayette
 RICKY MILLER, technician, refinery, manufacturing, industrial products, Lafayette
 EDWARD MILLS, technician, wet milling, manufacturing, industrial products, Lafayette

MICHAEL MYERS, technician, plant services, manufacturing, industrial products, Lafayette
 LARRY NYDEGGER, technician, wet milling, manufacturing, industrial products, Lafayette
 DONALD PHILLIPPO, technician, refinery, manufacturing, industrial products, Lafayette
 EUGENE ROBINSON, technician, refinery, manufacturing, industrial products, Lafayette
 JAMES ROMINGER, technician, refinery, manufacturing, industrial products, Lafayette
 ROBERT SARGENT, technician, wet milling, manufacturing, industrial products, Lafayette
 KENNETH SKOOG, technician, wet milling, manufacturing, industrial products, Lafayette
 JANET SUMMERS, technician, refinery, manufacturing, industrial products, Lafayette
 REGINA SMITH, technician, wet milling, manufacturing, industrial products, Lafayette
 LOREN KEOWN, technician, refinery, manufacturing, industrial products, Lafayette
 JAN VERHOEVEN, on-line instrument specialist, computer process control, corporate engineering and purchasing, Decatur
 JERRY DONNOE, technician, wet milling, manufacturing, industrial products, Lafayette
 CYNTHIA GIESING, purchase order and cost analyst, manufacturing, industrial products, Lafayette
 STEVEN HUDSON, technician, refinery, manufacturing, industrial products, Lafayette
 STEPHEN KUNEY, technician, wet milling, manufacturing, industrial products, Lafayette
 BRUCE MCCORMICK, technician, wet milling, manufacturing, industrial products, Lafayette
 STEPHEN PELL, technician, utilities, manufacturing, industrial products, Lafayette
 JAMES YOUNG, technician, wet milling, manufacturing, industrial products, Lafayette
 ARTHUR BOUCHER, labeler, Gregg Foods, food and specialty products, Garden Grove
 JEROME CARRE, meal loader, soybean milling, agriproducts, Des Moines



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