StaleyNews

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New Des Moines refinery to serve western soybean oil customers and nearly doubles Staley's oil output

Construction begins in April on a vegetable oil refinery adjacent to the Des Moines, Iowa, soybean processing mill. The refinery, to be operational in early 1982, will have the capacity to produce 18 tank cars or 1,080,000 pounds of refined oil per day of soybean salad oil and hydrogenated soy oil.

Most of the refinery's output will be directed toward the West Coast and Southwest, where population growth is concentrated. A large percentage of that production will be going to Gregg Foods to meet the Staley division's needs for salad oils, all-purpose shortenings and margarine, said Larry McNamara, manager, refined oil.

Soybean salad oils are mainly used in mayonnaise, salad dressings and pourable dressings, while hydrogenated soy oils are relied upon for cooking and frying applications and as a major constituent of margarine and shortening.

Vegetable oil refining began at Staley about 1930. Down through the years, the Decatur refinery has been the company's only facility for processing corn and soybean oils.

This project is the second major expansion in three years for refined oils at Staley. The first sizable project since the mid-sixties was a hydrogenation expansion at Decatur in 1977.

Oil demand and economics figured into the decision to build the new refinery, according to McNamara. A shortage of western refining capacity, especially hydrogenation, has been filled by eastern refiners like Staley, which purchased less expensive western crude oil, (anything west of the Mississippi River is considered western), refined it, and shipped the refined oils back to western customers, using low-cost transit rates. However, cancellation of western-transit rates on October 31, 1979, make eastern refineries less competitive, McNamara said.

Construction of an oil refinery at Des Moines will enable the company to maintain and expand its share of the western refined oils market, Lin Shepard, plant manager, Decatur, said. Des Moines is the largest soybean crushing mill west of the Mississippi with a 100,000-bushel-a-day capacity.

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Accomplishments in '79 enumerated

Two especially important factors bearing on 1979's improved financial results were a more favorable environment for corn sweeteners and positive conditions for soybean milling. Shareholders learned that net earnings for the year increased 53 percent, while sales increased by 18 percent from Gilbert L. Bieger, executive vice president, finance, who gave them a capsule view of the year.

Bieger noted that performances of the Consumer Products Group and international operations also were better than in the preceding year.

Coupled with considerably improved corn refining results, the executive vice president said the company processed more bushels of corn than any other corn refiner in the United States. He pointed out that higher corn and energy costs were generally offset by increased selling prices and greater volume sales of corn sweeteners and starches.

The company, Bieger said, retained its leadership in corn sweeteners, ranking first among high fructose corn syrup producers and as a major supplier of regular corn syrups and dextrose.

"Our corn sweetener sales increased by more than 11 percent in 1979, with sales of high fructose corn syrup in particular advancing sharply. Supply-and-demand for HFCS on an industry-wide basis was more favorable for the first time in several years. Sales of regular corn syrups increased in 1979 and profitability was enhanced by a generally tight supply-and-demand balance, which prevailed for most of the year. Dextrose sales met expectations, and the Decatur plant's production unit ran at capacity, a common occurrence in recent years."

In addition, the company's production of industrial and food starches reached a record level in 1979, exceeding 700 million pounds, Bieger told shareholders. He noted that the largest single market for Staley industrial starches again was the paper industry, but that many of the company's industrial starches also were essential in the manufacture of textiles, adhesives and building materials.

Staley's modified food starches were widely used in convenience foods, and new starch drying equipment at the Morrisville corn plant and the Monte Vista potato starch facility was effectively utilized, the shareholders learned.

Turning to soybean operations, Bieger said that processing conditions were good, "especially during the traditionally strong first six months of the fiscal year. Soybean supply was adequate and demand for soybean meal and soy oil was strong in the U. S. as well as overseas."

Continuing, he mentioned the important contributions made by several other Staley agribusinesses, including the food protein division, vegetable oil refinery and country elevators.

"Results for the Consumer Products Group were positive. Revenues exceeded $100

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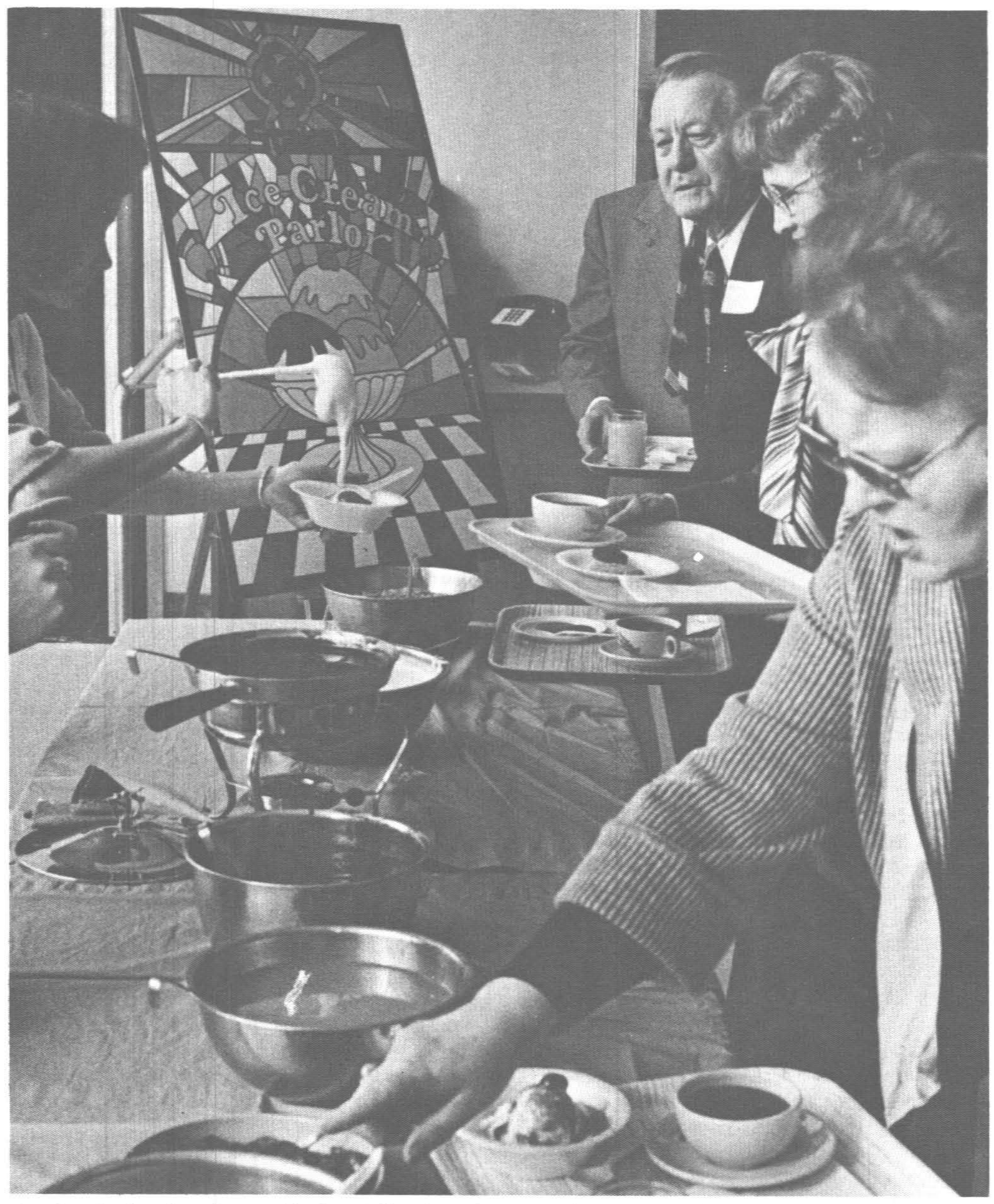

At the Staley Ice Cream Parlor following the annual meeting, shareholders built their own sundaes with ice cream and toppings containing Staley corn sweeteners and munched on cookies incorporating "Staleydex 333", "Isosweet 100" high fructose corn surup, "Sweetose 4300" and Staley Soy Flour. The ice cream's formula used "Staley 300" corn syrup and "Isosweet 100" among ingredients.

Shareholders given glimpse of varied opportunities for Staley in the new decade at company's annual conclave

The company takes satisfaction in the accomplishments of the past decade and looks forward with confidence to the 1980s, Chairman Donald E. Nordlund told 364 shareholders attending the annual meeting held on February 18 in Decatur.

"Fiscal 1980 will be a year of improvement in both sales and earnings for Staley. . . .The positive momentum in corn sweeteners and favorable soybean milling results will provide the main impetus for growth," Nordlund said.

He noted that Staley begins the new decade a very different company than the one which existed 10 years ago. In 1970, the company had one corn plant, one soybean mill and sales of $300 million.

"We enter the new decade with three corn plants, five soybean mills, sales that have increased almost fivefold and a substantially higher earnings base. This growth has been achieved through a strategy of building market share in areas of primary interest and aggressively pursuing new opportunities. We remain committed to this strategy, as emphasized by the current expansions of both our Lafayette and Morrisville corn plants."

Nordlund said the Lafayette expansion is a two-phase program. "The first phase will bring the plant's annual capacity for 55 percent high fructose corn syrup.to approximately 800 million pounds. It will be completed in time to meet the demand of this summer's peak soft drink consumption. The second stage will increase the Lafayette plant's capacity for producing "second generation" HFCS to 1.2 billion pounds and will be on-stream late this year.

"The Morrisville expansion includes a new dextrose unit with an annual capacity of 150 million pounds, which will permit us to better serve the pharmaceutical and brewing industries on the East Coast. It also includes an addition to the plant's basic processing capacity, so that grind can be directed to the new dextrose unit without reducing our ability to produce high fructose syrups."

Both of these projects, he said, illustrate Staley's belief that high fructose corn syrups will continue to grow well into the 80s and emphasize the company's intention to be a full participant in such growth.

The chairman pointed out that HFCS has been tested and approved by virtually all major soft drink bottlers in most of their brands during the past several years and in many instances sanctioned as a total sugar replacement.

Market redefined

"A milestone for HFCS occurred (in January) when the Coca-Cola Company approved the use of 55 percent HFCS at a 50 percent sugar replacement level in Coke. This has long been our major objective for HFCS and has substantially redefined the market for the 55 percent product. We are

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Directors reelected

Stockholders at the company's annual meeting, February 18, reelected five directors to the board.

Reelected for three-year terms on the board are: William Barnes III, chairman of The Citizens National Bank, Decatur, Illinois; Pierre Callebaut, chairman of G. R. Amylum, Belgian corn refining company; Thomas V. Fischer, executive vice president, industrial products; Donald C. Miller, vice chairman of Continental Illinois Corp., Chicago; and Henry M. Staley, vice president, business and economic analysis.

Trade show exhibitions noted as an important image builder

Just like the trade caravans of years gone by, today's trade shows, in which the Staley Company participates, bring together many merchants for the convenience of buyers. Here they compare, on the spot, the various suppliers' wares. . . .

At the same time, shows provide excellent opportunities to "sell" Staley, its knowledgeable employees, quality products and services.

Staley's starch, sweetener and protein divisions have several trade shows in which they exhibit on a regular basis and jointly participate in the largest annual show in the food industry--the Institute of Food Technologist Expo (IFT), which last year registered over 9,000 persons at its meeting in St. Louis.

Not the case of all shows, IFT is primarily attended by formulators for the food industry, by buyers or purchasing people secondarily and by marketing people thirdly. With the majority of conventioneers being food technologists, researchers or bench people, exhibitors such as Staley strive to provide them with all the latest and most important developments in the food industry, from ingredients or basic materials, which Staley offers, to equipment and services that will help technologists develop new foods or make their existing lines even better.

Staley research, marketing, and sales employees converse with conventioneers at the booth during the day and take up their posts, for continued contacts with customers and potential customers, in the Staley hospitality suite in the evening.

"We hope to hit their hot buttons with our ingredients and technology," said Wayne Renshaw, marketing communications manager, industrial, who is Staley's production chief for trade shows and meetings. "Each year we look for new or different ways to involve the technologist in the use of Staley products."

Expanding upon this idea, Wayne Martin, vice president, industrial sales and marketing, continued by saying, "Trade shows provide an opportunity for Staley to introduce and demonstrate new applications or expanded uses of a product. When possible, we try to precede trends in the industry with our samples or hand outs, thereby underscoring our technological strengths."

Martin pointed to one of last year's IFT samples as a good breakthrough in technology--an all corn-sweetened vanilla ice cream made with Staley's "Isosweet 5500" and "300" corn syrup, a first for the ice cream industry.

Technology underscored

In a similar fashion, Martin said, "The starch division demonstrated a new concept that should be of interest in quick-heat, vendable or special-pack foods. Staley's researchers developed a concept to build a meltable body into a firm, gel-like structure, which melts to form a smooth, thick topping or sauce when heated as in a microwave oven." The backbone of this advancement is a jet-cooked blend of two Staley starches--"Mira-Quik C" and "Mira-Cleer 340". This product was demonstrated with a single serving package of blueberry topping turned upside down on the frozen pancake and heated for a few seconds in the microwave. Presto. . . .the serving is ready to eat.

The protein division has made similar points with its "Procon" soy protein concentrate and earlier soy protein products like "Mira-Tex." Last year, with its new "Textured Procon", the Protein People served sausage links, which contained the new product at a 30 percent hydrated level.

And so it has been over the years not only at IFT Expos but also at meat, soft drink, candy and baking trade shows with Staley's quality ingredients incorporated into finished products to demonstrate to all who try them the quality and versatility of the ingredients and the advanced technological base on which the company operates.

Staley was one of the first companies to hand out samples of finished products incorporating its own ingredients rather than just a vial or package of the raw material itself, according to Renshaw. The company did this on a large scale, giving away these quality samples by the thousands rather than only a few. This approach has been very successful and since copied by others in the food industry, the show planner said.

One of the first hand outs, which served a dual purpose and proved quite successful at both, Renshaw said, was Smucker's Strawberry Perserves. The product demonstrated that an excellent preserve, jam or jelly could be made without all of the sugar heretofore used. This sample proved fruitful for both Staley and Smucker who were interested in having the federal standard of identity changed so that corn sweeteners could replace sugar in those products. Staley had a quality hand out, and a short time later, the industry's standard of identity was changed.

Philosophically, by giving samples away at shows, exhibitors gain the conventioneers' attentions while they are at a booth. "You must have an outstanding product though," said Larry Cunningham, marketing manager, sweeteners, "or you can make a negative impression. Word travels around rapidly about companies handing out quality goods. We try to have our samples be a commercially manufactured product which incorporates a Staley ingredient like Hershey's topping--a high-class product that's well recognized in the food industry."

Among other name-brand products distributed by the Industrial Products Group at shows have been Sealtest Ice Cream, one of the first to use HFCS in its products; Smucker's Ice Cream Topping; Hershey's Chocolate Syrup; Southland Ice Cream and Dr. Pepper in a Pepperland Float named by Renshaw; Lipton Cup-of-Soup; Henri's Salad Dressing; Wagner's drinks; Farnsworth cookies; Sprite and Mt. Dew; Del Monte puddings and French's gravey mixes.

Likewise the Protein People have shown commercial uses of their edible soy proteins in samples like Heinz Chili and Heinkel's meat products. As Barry James, director of marketing, proteins, said, "It is good advertising for Staley when conventioneers see that a quality processor is commercially using your product.

Protein samples for both IFT and the protein division's other meat-oriented show, the American Meat Institute (AMI), have covered the range of uses including Snak Stix, luncheon loaves, bratwurst, summer sausage, sizzlers, luncheon links, chicken, ham or beef rolls, and sausage patties, which were charbroiled in processing and then heated in a microwave oven at the show. An interesting tack was taken by the protein division at one AMI show when luncheon loaves made with "Procon" soy protein concentrate were taste-tested and compared on the spot with a similiar product incorporating only milk solids.

Gaining acceptance

"When the concept of extending meat products to make them even more delicious was very new," Bill Robinson, director, product management, proteins, said, "Staley either had to make its own samples or have a processor prepare them. This was before there were commercially made products available for sampling."

The sweetener folks also were faced with either making their own drinks or having a bottler make up a "Brand X" for show giveaways with the first attempts at getting the beverage makers interested in the use of high fructose corn syrup as a replacement for sugar in their products. So the first thrusts at the National Soft Drink Association's shows in the early 1970s were to convince a bottler's marketing people that by using "Isosweet 100" HFCS in their beverages, they were not going to destroy the quality that they had worked long and hard to achieve. By quality, Staley meant public acceptance of the drink, flavor, color, mouthfeel and all of the other things that go into making an acceptable, popular drink. The same problem confronts a new starch or any other new ingredient as a replacement for one already used in a product.
A processor must first be convinced that the new ingredient will not compromise the quality of his product.

Few new products are introduced to bottlers at the NSDA show, except perhaps new flavors, said Renshaw. From year to year, not many innovations take place in drinks since the bottling industry won't tamper with success for the sake of saving pennies. A supplier must prove to them that his ingredient will not adversely affect their products. It's a credit to high fructose corn syrup and to Staley products specifically that HFCS has almost been universally accepted by bottlers, Renshaw pointed out.

Lasting impression important

Rated high in importance, among trade show goals, is projecting a good image. As conventioneers return home, the company wants them to come away believing that "Staley is a class outfit. The people know what they are talking about; they have good products and they present them effectively."

"Staley believes in the personal approach," said Cunningham, "as well as in producing the highest quality product that the industry can afford and in doing a good job of servicing our accounts. Quality and service become particularly important when one considers the number of companies making corn syrup, high fructose corn syrup, dextrose and starches that are similar. There's not much difference between some of these products so it's the company's performance many times that counts heavily in customer allegiance."

"At these trade shows, we sell Staley," Martin emphasized. "The integrity of our people, the attributes of our service and the quality of our products are all underscored with trade show participation as well as advertising and public relations activities."

While most results are not immediately forthcoming from exhibiting at trade shows, Larry McNamara, manager, refined oil, reported that from his first experience at IFT last year, he had obtained at least three valuable sales contacts to support Staley's hydrogenated oil sales efforts.

Generally though, its difficult to pin down sales specifically made from trade show contacts, but the results are nevertheless there. Bench people, picking up literature, tasting samples at the booth, or conversing with Staley representatives about blue sky ideas, will remember those conversations or will be reminded of the company as they cull the literature for ideas when they are back on the job.

"We don't weigh cost of exhibiting at a show with the dollar results because many of the results are a long time in coming," said Martin. "For instance, the concept of using all corn sweeteners in ice cream may not convert a processor tomorrow. It's difficult to know sometimes what finally causes the manufacturer to change to a new formula, new ingredient or a new manner of making his product. However, it is certain that exposure at a trade show, reading about a product or concept, having a Staley representative acquaint the customer with the merits of our product, all contribute to the final sale.

Summing it up, James said, "Trade shows are an integral part of the marketing effort. They're an important facet of building the Staley image."

> The sweetener division is involved in four shows in all. Besides IFT and the National Soft Drink Association's show, which are held annually, they exhibit at the National Confectioner's Association's (NCA) show and the Baking Expo. The candy show, also participated in by the starch and protein divisions, is scheduled every third year, and the Baking Expo, in which the protein division has been a booth partner with sweetener and starch, is every fourth year.

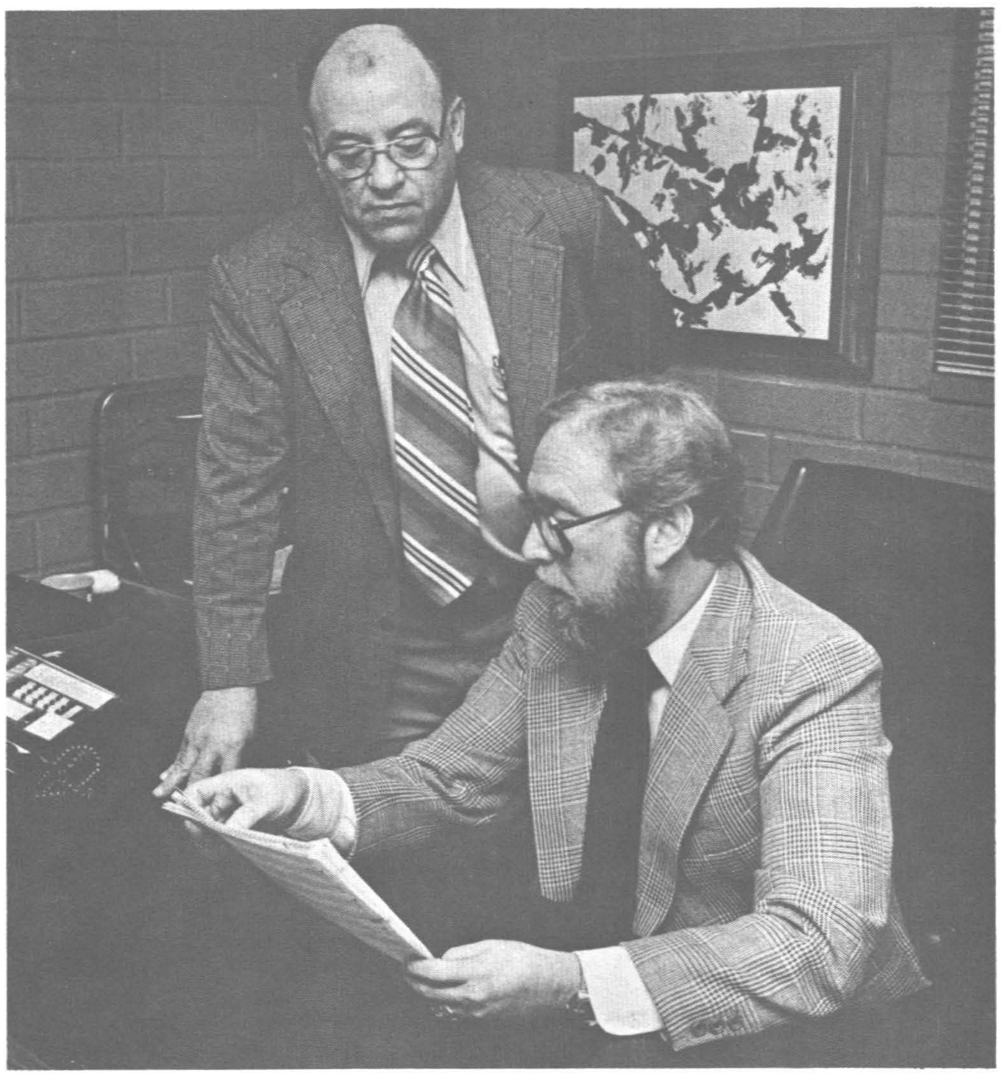
A coming issue of the "Staley News" will feature the planner of trade show extravaganzas and his tribulations.

Common stock offered

The company announced the public sale of 1.5 million shares of its common stock on February 14 at a price of $46.50 per share. The shares were sold through a syndicate of underwriters managed by Dillon, Read & Co. Inc.

Net proceeds from the sale, together with the company's general funds, will be available for funding further expansion of Staley's existing businesses, including additional high fructose corn syrup capacity beyond that presently under construction, and possible expenditures for new businesses.

Staley is the nation's leading producer of high fructose corn syrup, which is widely used as a sweetener in beverages and processed foods.



Early results of new joint marketing ventures in the western portion of the country for Gregg Foods and Staley foodservice lines are eyed by Lowell Tiller, vice president, foodservice, Gregg Foods, standing, and Ron McConnehea, Gregg's regional sales manager, foodservice.

New western areas opened up in joint foodservice marketing efforts

With a successful joint marketing venture well established in the Pacific Northwest, Gregg Foods, and the Oak Brook division of the Consumer Products Group, together have launched additional marketing efforts for their foodservice lines.

In a new mountain region, sales of both product lines are being handled together through common foodservice brokers in individual markets under Gregg's regional manager, Bob Carlson. Based in Oakland, California, he supervises an area covering Northern California, Montana, Idaho, Utah, Arizona and New Mexico.

Since Staley foodservice had sales and distribution in those western states, a joint effort there became an ideal means of expanding Gregg's marketing area. This new program is the first in which both groups share expenses and profits.

"While giving Staley brands added emphasis, the program gives Gregg's line market expansion," said Lowell Tiller, vice president, foodservice, Gregg Foods.

This program was initiated after successfully testing a similar concept in the states of Washington and Oregon, beginning in the spring of 1978. At that time, Gregg, the wholly-owned subsidiary of Staley, was appointed sales agent in the northwest for Consumer Products' entire foodservice line. Staley products include pancake and waffle syrups, Staley corn starch, textured proteins such as "Imitation Bacon Bits" and "Nutra-Mate," and "Wagner 15+1" fruit drink bases. None of these products is a type represented in Gregg's line, which is more oil-related–solid/liquid shortenings, mayonnaise, salad dressings, various oils and margarines.

Consumer originally selected Gregg Foods as its agent to better serve the foodservice industry with a consolidated sales and shipping effort in the northwest. Prior to this arrangement, Staley had brokers in Washington and Oregon to handle its sales.

A program much like the two-year-old pilot project also began last fall in Southern California, covering San Diego and Los Angeles. Now in Portland, Oregon, and Garden Grove, California, Gregg Foods is brokering Staley's line through its own direct sales force, and products of both foodservice lines are warehoused and shipped together.

Benefits derived from these combined marketing programs are far reaching. Both lines are represented in one call, making them more important to the foodservice trade with greater variety and number of products available. Consolidated product shipments equal a savings on freight charges. In addition, the joint program provides improved supervision of direct and broker sales efforts.

Varied opportunities for Staley in 1980s

(Continued from Page 1)

confident that demand for 55 percent HFCS will more than triple during the next three years," Nordlund said.

He stressed that the current building program at Lafayette will "rapidly position us to take greater advantage of this potential, but a further increase in our 55 percent syrup capacity is necessary to keep pace with the market growth."

Looking to these future needs, Nordlund told shareholders that the "company sold 1.5 million new shares of common stock (in February), raising $67 million for the express purpose of increasing our capability to produce 55 percent HFCS beyond the current expansions at Lafayette."

Another priority for the company in this decade is to strengthen our role as an innovator in starch technology, according to Nordlund. He said, "We will continue as a major supplier of both industrial and food starches, but also are increasing our research emphasis on starch technology related to today's world of high costs and potential shortages.

"One obvious shortage is energy, and the company has studied in detail the production of ethanol for use as a motor fuel extender. The key to the viability of producing ethanol for Gasohol, however, remains in the Congress and the various incentives included in pending legislation. Once these are clearly defined, the Staley Company will be in a position to evaluate a commitment to power alcohol."

However, Nordlund said that any decision will consider the many other opportunities and priorities and will be made on the basis of "the long-term interests of the company and its shareholders and not on the basis of short-range opportunism."

Turning to soybean processing, the chairman said that Staley is "bullish" on the outlook for its operations. "As the nations of the world seek to improve human nutrition, more and more vegetable protein and oil will be required. Soybean milling is vital to the supply of these increased quantities of protein and oil and to the accomplishment of the goal of improved nutrition.

According to Nordlund, the result may well be a period of unprecedented demand for soybean products in this decade. "Staley intends to become an even larger factor in the protein and oil market of the world," he said.

Turning to the international scene, the chairman noted that Staley's operations performed well during the first quarter, and while the longer-term outlook is more mixed because of political unknowns, "overall we consider the company's international prospects good."

In summary, Nordlund told shareholders that the company is positioned to "take full advantage of favorable trends in corn sweeteners and soybean products. Sales and earnings are advancing as expected. The balance sheet is strong, cash flow is good and average return rates are above the cost of capital. We are building for the future."

Dividend declared

Directors of the company on February 18 declared a regular quarterly dividend of 25 cents per share of common stock. The dividend was payable March 10 to shareholders of record February 28.

The usual dividend of 94 cents a share was declared on the company's $3.75 preference stock. It was payable March 20 to shareholders of record March 6.

Accomplishments traced

(Continued from Page 1)

million for the first time," he said. A primary reason given was the performance of Gregg Foods, a division of the company. Case sales of its "Gold-n-Soft" margarine rose to an all-time high.

During the 12-month period, international operations made meaningful contributions, according to Bieger. He said, "Demand was excellent for corn sweeteners and starches produced by Staley affiliates in England, Belgium and Mexico and conditions were favorable for our soybean processing operations in Spain."

Capital expenditures during fiscal 1979 totaled $37 million, primarily the result of three major projects, the executive vice president told them. These, he said, are the addition of the new 55 percent fructose syrup unit at Lafayette last spring; the enlargement of capacity at the Champaign soybean mill; and the start of construction on the dextrose unit at Morrisville. Expansion activities and accomplishments of last year continue in a direction which Staley has taken throughout the past decade.

Briefly reviewing the decade, Bieger said that since fiscal 1971, sales have increased at an annual compound rate of 20 percent, made possible by growth in corn and soybean processing capabilities. Net earnings for the same period also have shown a compound growth rate of 20 percent per year.

Over the decade, cash flow has grown at 20 percent per year--equal to earnings growth, Bieger pointed out.

Debt ratio, another key financial measurement, has been influenced since 1971, according to Bieger, by two large capital expenditure programs--the acquisition of four soybean mills and the construction of the Lafayette corn plant . Prior to major expansions in 1976, debt ratio had been pulled down to a low point and began another decline in 1978. He said that in the future, Staley will continue using debt, within target range, to fund growth.

Another important financial measurement he elaborated on was growth in capitalization, which, since 1971, had been at a compound rate of 14 percent per year. For the past five years, Bieger said the average rates of return have been about 12 percent on total capital employed and 15 percent on stockholders' equity. Working capital has grown at an annual compound rate of slightly less than 13 percent compared to almost 14 percent growth for total capitalization, the financial officer noted.

Summarizing, Bieger told shareholders the company's achievements in the 1970s were substantial and its results for 1979 were encouraging. "Certainly the company ended the decade on a positive note, and we have every intention of continuing this trend in the future."

Shareholders received a financial overview of the past year and decade as well as insight into the many accomplishments of the company at the annual meeting, February 18. An overflow crowd watched the meeting on a monitor in the research cafeteria.

New Iowa refinery to serve West, Southwest

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The company's growth in refined oil sales out west has been restricted by the amount of western crude oil that could be brought into the Decatur plant, refined and taken out west again. Now the company will be able to take advantage of all the crude oil produced at Des Moines. Since that plant has been in operation, only a small portion of the crude oil produced there has been shipped to the Decatur plant for refining. Most of it has been sold to competitors for processing. Staley's main oil competitors out west are Cargill, Honeymead and Archer Daniels Midland Co.

The refinery

The latest process and control equipment and processing and design technology will go into this facility, which will utilize a conventional water degumming-caustic refining process, followed by bleaching, hydrogenation and deodorization. Design features minimize energy consumption and environmental impact, while optimizing refining yields, which will be accomplished through the use of computer control technology, electronic instrumentation, bulk handling systems, heat reclamation and reuse, and closed-circuit cooling and process water streams.

To be built on 9.6 acres, the refinery will also include support functions to enhance communications, planning and scheduling efforts for better overall production.

Studies show that the use of oils in the market for which this plant's production is geared is two to one in favor of hydrogenated oils over salad oils. For this reason, when production reaches capacity, the output will be 12 tank cars of hydrogenated oil a day and six tank cars of salad oil. At peak production, 367 million pounds of refined oil will be produced annually, of which 245 million pounds will be hydrogenated. However, processing will provide the ability to produce salad oil at the full 18-tank-car-rate during the start-up and hydrogenation oil market development period, the latter estimated to be about three years.

By-products of the refining operation will include "Sta-Sol" lecithin concentrate, acidulated soapstock and vegetable oil distillate.

Although this plant will have the capability to deodorize sunflower seed oil, cotton seed oil and palm oil, current plans do not call for this type of refining activity, McNamara noted.

Marketing trends

Between 1969 and 1978, the population of the United States grew about eight percent but consumption of all types of food fats and oils increased more than 15 percent. While the use of all fats and oils increased by only 1.4 percent annually, the use of vegetable oils increased at an annual compound rate of about three percent, meaning that vegetable oils gained market share at the expense of animal fats. Soybean oil consumption increased 38.9 percent, an annual compound growth rate of 3.3 percent. The increase in soybean oil use represented 88.4 percent of the total market growth for all vegetable oils.

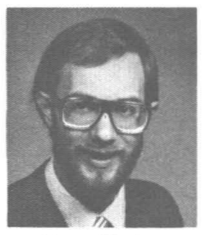
Soybean oil made inroads into each major edible product category during those 10 years. Its use rose only a little--from 59.9 percent to 61.6 percent--in shortening, but took a giant stride--from 70 percent to 79.5 percent--in salad and cooking oils and went from 76.4 percent to 82.5 percent use in margarine.

Reasons for this growth, according to Shepard, included better price and availability of soybean oil; trend of diet and cholesterol-conscious consumers toward using more unsaturated oils and less saturated fats; and increased hydrogenation processing, allowing the manufacture of shortening entirely from vegetable oils. In addition, many consumers switched from butter to lower-priced vegetable oil margarines, and they've continued to purchase greater quantities of convenience and snack foods, which incorporate these oils. A change in eating habits has also figured into the picture accounting for the explosive growth of drive-in and fast food restaurants and the increasing popularity of salad bars as Americans continue to enjoy eating out.

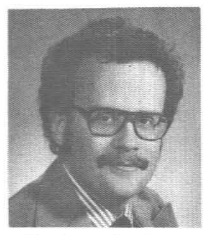
Paralleling population growth, soybean oil usage has been increasing faster in the western half of the country than in the eastern half. In states west of the Mississippi, growth in the next 10 years is projected to be about half again as large as in the east--a healthy climate for further growth in soybean oil sales.

With crude oil supply available and the demand for refined oil growing at a faster rate out west, the Des Moines expansion of Staley's refining capacity is certainly a natural. . . .

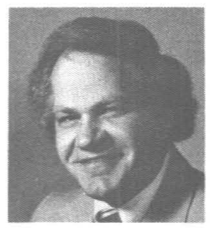
On the move . . .



Ron Fiala



Robert Staley



Larry Hearn

INDUSTRIAL

CINDY BRUCE, from messenger-office, corporate office services, to records posting clerk, maintenance, industrial manufacturing
JOYCE COCHRAN, from employment secretary, industrial relations, to secretary, specialty food products, industrial sales and marketing

CONSUMER

SUE KWILINSKI, from order service clerk, distribution, consumer products, to secretary, technical division, consumer products
DEBRA DREW, from management trainee, consumer products, to associate product manager, marketing, consumer products

CORPORATE

CHERYL COOLEY, from messenger-office, corporate office services, to employment secretary, industrial relations
RON FIALA, from junior computer programmer, corporate information systems, to associate management science analyst, corporate information systems
NANCY IRBY, from messenger-office, corporate office services, to purchase order typist, purchasing
SHIRLEY PEOPLES, from data input operator, corporate computer center, to computer operator trainee, corporate computer center
ROBERT STALEY, from management trainee, industrial relations, to government affairs representative, public relations

AGRIPRODUCTS

LARRY HEARN, from senior merchandiser, commodity operations, to crude oil sales manager, commodity operations, agriproducts
LEWIS WADE, from hourly roll, Des Moines, to production supervisor, Des Moines

Larry Landwehr displays the trophy he received in recognition for eating the most pizza in the finals of a local contest raising money for Easter Seals.

Dubious honor!

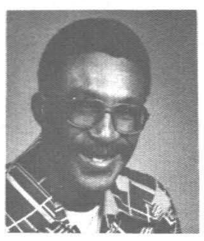
Some people might be reluctant to accept a "Golden Pig Award", but Larry Landwehr, systems maintenance analyst, Decatur, took the honors right in stride as the winning contestant in Pizza Hut's local benefit for Easter Seals. For his efforts, Larry was able to contribute $66.50 from sponsors.

In the first round of competition, Landwehr came in second, eating only 19 pieces, but returned in the finals and downed 16 even larger slices of cheese pizza. In each feast, he consumed more than one and one-half large pies, a feat accomplished by eating at a moderate, steady pace.

Although coerced into the contest by fellow employees, who rounded up sponsors for him, Larry entered into the spirit of the contest and trained for the event, ruining his diet and waistline by nearly 10 pounds. He had only two weeks to dissolve the excess weight before rejoining his diet club or pay a penalty.

For a worthy cause, surely the scales tipped in Larry's favor. . . .

480 years of service represented



Charles Orr

40 Years

ROBERT BURCHARD, senior mechanic, machine shop

35 Years

CHARLES ORR, heavy equipment operator, yard department

20 Years

THEODORE LIERMANN, senior development engineer, food products, R&D
VERNON MCLAUGHLIN, shift foreman, Houlton
C. WESLEY HICKS, manager, business systems department, corporate information systems
WALLACE WEBSTER, production supervisor, agriproducts, Frankfort

15 Years

EDWARD CREAGER, shift foreman, dry starch, industrial
DAVID CASTOR, assistant foreman, Satellite V
JACKIE CRAWLEY, senior mechanic, elevator C & D
BENJAMIN RIVERA, track laborer, yard department
TOM MECHTOLDT, mechanic, millwright
THOMAS HANKINS, auto starch packer, 20 building
ROBERT ENGLAND, PS drier operator, 20 building
WILLIE HOLLOWAY, bag marking operator, 20 building
RONALD BARRETT, merco operator, 6 building
MOSE AVALOS, trailer operator, transfer
MERLIN HOWELL, preparation operator, Champaign

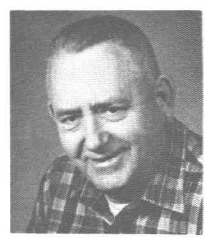
10 Years

ROBERT BASLEY, general maintenance, Champaign
LAWRENCE MARGISON, JR., bagging operator, Houlton
LARRY ADAMS, process support, 99 building
MICHAEL MERCER, mechanic, pipe shop
ROBERT DORSEY, water treatment operator, 2 building
STEPHEN ISLAKER, chemical operator, 16 building
EVERETT BOEHM, starch bulk loader, 20 building
DELMAR COLLIER, process support, 99 building
ROBERT MOOTH, applications chemist, starch processing, R&D
KATHERINE MARMITT, production/shipping clerk, Cicero
NORMA HARMEIER, expediting/tracing specialist, administration, industrial
DANIEL RILEY, traffic manager, Des Moines
GARY SUYDAM, laboratory manager, Gunther

5 Years

STEVEN MOORE, food technologist, food products, R&D
JOHN YEAGLE, field engineer, Morrisville
DANIEL TANG, senior development engineer, food products, R&D
LARRY HEARN, crude oil sales manager, agriproducts
Y. ROBLES, inspector lineman, Cicero
JAMES HANNON, laborer, Champaign

Joining the leisure life . . .



Shelley Heiland

Effective January 31, 1980

KENNETH WITTIG, process support, 10 building
SHELLEY HEILAND, foreman, pipefitters
LLOYD BLANKENSHIP, construction supervisor, maintenance, industrial manufacturing
NORRIS FORD, JR., conversion A operator, 16 building

Staley

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