

StaleyNews

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Company primed for success in growth areas: new products coming, healthy balance sheet while funding expansions

The company's earnings for this year are not expected to match the record level of 1981. Shareholders were told at their annual meeting. More than 317 attended the event held February 8 in Decatur.

After recapping the lower earnings in the first quarter, Chairman Don Nordlund told them that fiscal 1982 should not be dismissed as a year that will be devoid of achievement. "To the contrary, it will be significant in terms of accomplishments that are of immediate as well as long-term importance to the company.

"Our corn refining operations will achieve a number of sales and production goals this year. Demand for corn sweeteners will strengthen in the spring and our plants should operate at high levels for the remainder of the year," he said. "High fructose corn syrup pricing also should improve with the stronger demand and as sugar prices stabilize at higher levels in response to supports contained in the recently enacted Farm Bill."

The chief executive officer said the company is in an excellent position to take advantage of the continuing rise in demand for high fructose and the stabilization of sweetener prices at more favorable levels. He pointed out that the Lafayette and Morrisville expansions are in place, and construction of the Loudon, Tennessee, plant is proceeding ahead of schedule. The Loudon plant will

Earnings, sales off 1st quarter

Staley reported net earnings of \$16,508,000 or 73 cents a share on sales of \$393,054,000 for the first quarter ended December 31, 1981. The totals compare with net earnings of \$32,700,000 or \$1.48 per share on sales of \$552,309,000 for the same period last year.

Chairman Donald E. Nordlund attributed lower earnings to less favorable market conditions for the company's high fructose corn syrups and other corn sweeteners. Nordlund said unit sales volume of high fructose was strong, but margins reflected depressed sugar prices, which were considerably below those for the same period the prior year.

The Staley chief executive said results from the company's soybean milling operations were unsatisfactory. He cited sluggish demand for soybean products.

Performances of the company's corn refining affiliates in Europe and Mexico were variable, the Staley chairman reported.

Looking ahead, Nordlund said demand for corn sweeteners should strengthen in the spring and pricing should improve from current levels. He added that soybean crushing margins are expected to be better in the second half of the fiscal year, although operating rates will be at seasonal lows.

process over 70,000 bushels of corn daily and will have over 600 million pounds of high fructose capacity.

The chairman continued by saying, "In December, the company announced that it had agreed in principle to acquire the Lafayette, Indiana, corn refining plant of Anheuser-Busch. The Busch plant is a 35,000-bushel-a-day plant that produces both regular corn syrups and starches from dent corn and waxy maize. It has an annual finishing capacity for about 350 million pounds of corn syrup and approximately 130 million pounds of starch.

"Purchase of this plant will permit greater flexibility in our corn refining operations, and we will be acquiring additional grind more economically than building a new plant. Most importantly, the Busch plant fits into our plans for emphasizing specialty products, including chemicals from carbohydrates," Nordlund told the shareholders.

The Loudon project and the Busch plant purchase confirm Staley's confidence in the future for corn refining, the chief executive officer said. He noted that on completion of this plant and purchase, Staley will have in place over 400,000 bushels of daily grind and 3.5 billion pounds of annual high fructose capacity. "This reinforces our position as 'number one' in domestic corn grind and in high fructose syrups."

Soybean future optimistic

Staley is equally optimistic about the future for its soybean processing operations, Nordlund told the gathering.

"Domestic demand for soybean meal should strengthen later this year as the economy improves, and crushing margins will become more attractive. Worldwide demand for soybean oil also is expected to increase substantially this year with U. S. crushers taking a large share of the increase due to expected

(Continued on Page 2)

Staley to buy interest in research firm

Staley has agreed to purchase a 40 percent interest in Bio-Technical Resources, Inc., of Manitowoc, Wisconsin.

Founded in 1962, Bio-Technical Resources is a research firm specializing in fermentation technology and bio-engineering with increasing emphasis in genetic engineering.

Purpose of the investment in Bio-Technical Resources is to expand the firm's work in genetic engineering, pertaining to products from corn, soybeans and other renewable resources. Priority will be given to the development of unique concepts in sweeteners and food ingredients as well as novel processes for specialty industrial chemicals.



Among shareholders attending the annual meeting, February 8, was Estella Launtz, Staley retiree, pictured here awaiting her name tag. Some 317 attended the event held in the research center, Decatur.

'81 most successful year in company's history; to become "springboard" to greater accomplishments in future

"Last year at this time it was my pleasure to report to you that the company had achieved record results for 1980," Bob Powers, president, told shareholders at their annual meeting. "Today, I am pleased to report that Staley surpassed those totals in fiscal 1981--setting new records for sales and earnings."

Net earnings for 1981 were \$105,800,000 as compared to \$73,800,000 for fiscal 1980. Net earnings per share were \$4.75 versus \$3.51 for the previous year. It was the first time in the company's history that earnings exceeded the \$100 million level. Also for the first time--sales reached \$2 billion as compared to \$1.6 billion in 1980.

Elaborating, Powers said that the major contribution to earnings came from the company's corn refining operation. "Demand was strong for corn sweeteners, especially high fructose corn syrups (HFCS), and our three corn refining plants operated at high levels," he said. "In fact, they set a new company record for bushels of corn processed in a year.

"Sales of high fructose corn syrup reached a new high as a result of two factors. First, high fructose continued to experience rapid growth as a nutritive sweetener in processed foods and beverages, particularly in soft drinks; and second, Staley was in an excellent position to capitalize on this continued growth because of timely expansions," the president pointed out.

Increases in high fructose capacity were made at both Morrisville, Pennsylvania, and Lafayette, Indiana, corn plants in 1981.

The Lafayette expansion, completed last March, brought the plant's high fructose capacity to 1.4 billion pounds. Previously, the plant's high fructose capacity had been limited to 800 million pounds. The Morrisville expansion, completed in July, 1981, increased the plant's corn grind to 50,000 bushels a day and added finishing capacity for the 55 percent high fructose syrup, which is used primarily in soft drinks.

High fructose sales spiraled

"These expansions made it possible for the company to increase its HFCS sales by more than 30 percent in 1981. Even more note-

worthy, sales of the 55 percent high fructose doubled."

While high fructose held center stage, the company's other corn sweeteners also performed well, he noted. "Sales of regular corn syrups were good, and Staley enhanced its position as a leading supplier by adding new corn syrup capacity at the Decatur

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Two elevated to vice presidents



Lee Miller



Bob Schwanke

Two new vice presidents have been named at Staley. They are Leland B. Miller, vice president and treasurer, and Robert L. Schwanke, vice president and controller.

Miller joined Staley in 1959 as a chemical engineer and was promoted to superintendent of the company's Decatur plant syrup refinery in 1963. In 1966, he was named assistant director of facilities planning and three years later was promoted to director of that function.

He became director of corporate planning in 1971, retaining those duties when named assistant treasurer in 1973. Miller was elevated to treasurer in 1977. He holds B. S. and M. S. degrees in chemical engineering and an MBA from the University of Illinois.

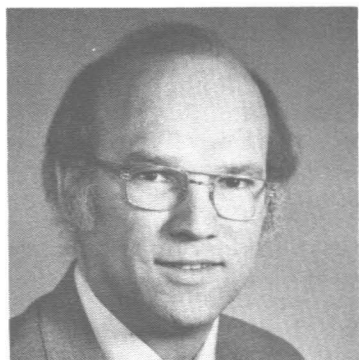
Miller serves on the board of directors of Progress Resources Center and is a member of the American Management Association's Finance Council.

Schwanke joined the company in 1971 as assistant corporate controller and was promoted to corporate controller in 1973. He previously had been associated with Arthur Andersen & Co., as an audit manager, and with the General Electric Company.

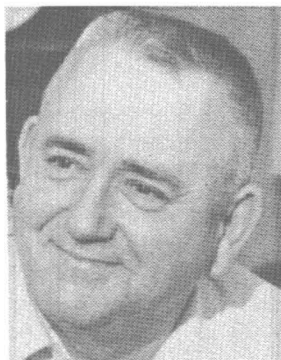
A graduate of the University of Wisconsin, Schwanke holds a B. S. degree in accounting and is a certified public accountant.

He is a member of the board of directors and president of the Decatur Swim Club and was co-chairman of Staley/Decatur's 1981 United Way campaign.

In the News...



Coordinator/P2



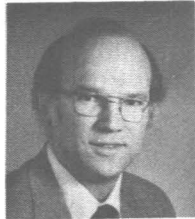
Heiland/P3



Reveler/P4

Employee Assistance coordinator named

Ronald J. Dreier has joined the company as coordinator of the Employee Assistance Program (EAP). This year-old service is directed toward employees, retirees and their dependents who have problems with chemical dependency—alcohol or drug related problems.



Ron Dreier

Dreier comes to Staley from St. Mary's Hospital, Decatur, where he has been director of the alcoholism treatment program. An employee of the hospital since 1975, he was the first director of that program. Dreier also serves as vice president of the board of directors of the Alcoholism Council for the Decatur Area.

Prior to working for St. Mary's, he was executive director of the Massac County Family Counseling Center in Metropolis, Illinois and director of the Outagamie County Family Treatment Program in Appleton, Wisconsin.

He holds a master's degree in social work from the University of Wisconsin in Milwaukee, a B. A. in sociology from Quincy College, Quincy, Illinois and will receive his MBA from the University of Illinois in May.

The program's coordinator says his primary role is seeing that those in need of help obtain the appropriate assistance for their situation. For this reason, at all Staley sites, he will be setting up and developing liaison relationships with private or state-supported agencies which have the expertise to provide services, particularly related to alcoholism and drug treatment.

"Chemical dependency is a behavior-oriented illness," the new EAP head said. "By this, I mean that a person can be afflicted with cancer, diabetes or heart disease and co-workers and family may never know. However, if someone is addicted to alcohol and/or drugs, people who are close to that person are made aware of the problem because its symptoms relate to external behavior."

Dependencies are illnesses

"Alcohol and drug dependencies are illnesses, not moral, psychological, emotional or social weaknesses and can affect any employee. Such dependencies affect family and private life as well as having a direct impact on job and work performances," according to the program's coordinator.

"Alcoholism," Dreier said, "is an illness that can be defined simply as drinking which adversely affects one's life. We don't ask how often, how much, what drink or what time of day it's consumed. We ask only if the drinking adversely affects his or her life in any of the major areas—family relationships, job relationships or performance, financial stability, personal health, emotional and psychological health. All of these symptoms are behavior related."

"The unfortunate part of this illness is the fact that not only is the person affected but also people around him or her as well. Family, friends and co-workers begin to cover up and make excuses. Supervisors sometimes ignore inappropriate behavior or poor performance, hoping that things will improve, thereby negating the need to confront the situation head on."

For this reason, the new EAP coordinator will be undertaking on-going training programs for supervisors at all management levels as well as union representatives to help them identify and confront situations in which chemicals are adversely affecting employees' job performances. Training will be provided on problem identification, ways to motivate the person to seek treatment, and how to assure that he or she obtains the right kind of treatment.

"Chemical dependencies are no longer helpless situations," the new EAP coordinator said. "Recovery is attainable with the right kind of help and easier for the person, family, and all concerned the earlier treatment begins."

"Contacts with the program may be made through self-referral or referral by one's supervisor or union representative or medical personnel," said Dreier.



The shareholders' meeting included registration, reports by the chairman and president, business on hand, refreshments and socializing.

Company increased share of domestic crush

(Continued from Page 1)

plant. Our corn syrups are used in confections, canned goods, beer, baked goods and many other processed foods.

"Sales of dextrose increased as our new production unit at the Morrisville plant completed its first full year of operation. Dextrose is used as a fermentation agent in light beer and as an ingredient in many foods and pharmaceuticals."

Powers told shareholders that the company's industrial and food starch business showed improvement in 1981. "Pricing was better than the previous year's unsatisfactory level, accounting for a 17 percent sales increase. Emphasis again was placed on the more specialized modified starches for both the food and industrial markets. The leading industrial markets are the paper, textile and adhesive fields," he noted.

"As for our soybean operations—the five Staley mills operated efficiently, and the company increased its share of the domestic soybean crush for the second consecutive year. Crushing margins, however, were considerably below those for a year ago."

The most favorable period for soybean milling was the first quarter, according to Powers, but crushing margins were unattractive in the second half of the fiscal year. "The weakness was caused by a combination of factors: soft protein demand in this country, reflecting poor economics in poultry and livestock, and a supply-and-demand imbalance for protein and edible oil in the world market."

"As you may recall, the company has a number of other agribusinesses in addition to corn refining and soybean milling. These include food proteins, refined vegetable oils, country elevators, commodity futures trading and sunflower seed processing."

Proteins gain popularity

"Our food protein sales were encouraging last year, although overcapacity in the industry led to very competitive conditions." Explaining, Powers told shareholders that food proteins comprise a small but growing business for the company. The products continue to increase in popularity as ingredients in processed meats, convenience foods and baked goods. Important overseas markets also have developed for these products, especially in Eastern Europe, where they are used to extend meat supplies that often are inadequate.

"The company's refined oils division set several records in 1981," Powers said. "However, as I mentioned a moment ago, there was an overabundance of vegetable oil in relation to demand both in the U. S. and worldwide. These conditions caused unfavorable pricing through the year."

In order to provide confidential consultations, the EAP office in Decatur is located in Park 101 away from the headquarters-plant complex. Dreier points out that all consultations or contacts remain confidential.

Office hours are between 8 a.m. and 4:30 p.m. or at the employee's, retiree's or dependent's convenience. Appointments are made by calling 423-4444 from an outside line or extension 4444 from a Staley/Decatur telephone. Personnel located outside Decatur should consult their new telephone directories for dialing instructions.

Staley produces both refined corn and soybean oils. The products are used principally as ingredients in margarine, salad dressings and shortening and as a cooking and frying oil.

"The company now has two refineries—one in Decatur and the other in Des Moines, Iowa," he explained. "The Des Moines refinery commenced operation last November. We are quite proud of it. Because of its computer technology—the plant is the most modern and efficient in the industry and, to date, it has met our best expectations."

Fiscal 1981 also proved to be a record year for the company's commodity futures trading subsidiary—Staley Commodities International. Explaining, Powers told them the firm achieved a new high in commissions, increasing them 50 percent—in a year that saw sluggish trading on the commodity exchanges.

Elevator business good

"Business was good in 1981 for the two Staley country elevator subsidiaries—Livergood Grain Company and Ging, Inc.," he said. The two firms operate nine country elevators throughout Central Illinois. The ninth elevator was acquired last September when Staley purchased the Homann Grain and Supply Company at Altamont, Illinois.

The president reminded shareholders that the company's newest agribusiness is sunflower seed processing. "Staley has been engaged in this activity overseas for several years, but we are just entering the U. S. market through a joint venture plant in North Dakota. The North Dakota plant is nearing completion and is scheduled to begin processing seed this spring."

Turning to the international operations, Powers said they enjoyed a successful year in 1981. "Earnings improved substantially, primarily because of a more favorable market in Europe for corn sweeteners. Share of equity companies' earnings increased to \$4,000,000 compared to \$719,000 for the prior year."

"Important contributions were made by our corn refining affiliates in Mexico, Belgium and England and our soybean processing affiliate in Spain."

"In summary," the president said, "1981 was the most successful year in the history of the Staley Company. We take great satisfaction in the year's achievements, but we do not intend for them to become a 'high water mark.' Instead, our objective is to make 1981 a 'springboard' to even greater accomplishments in the future."

Four directors reelected

Stockholders at the annual meeting, February 8, 1982, reelected four directors to the company's board.

Reelected to the board for three-year terms are: Nathan Kessler, Robert M. Powers, Robert K. Schell and Francis H. Wagner. Powers is president and chief operating officer of Staley. Kessler and Wagner are vice presidents of the company, and Schell is a financial consultant.

Prospects for bean processing excellent

(Continued from Page 1)

smaller shipments from competing exporters.

"Longer term, the prospects for soybean processing are excellent. World demand for vegetable protein has increased nearly 60 percent over the past decade. In the same time frame, world usage of soybean meal has risen approximately 200 percent. This trend is expected not only to continue, but to accelerate," the chairman said.

On the supply side, he mentioned that the growth of Brazil as a soybean producer may be nearing a plateau. "Over the past 10 years, Brazil has become a very competitive force in soybean production, rising to 'number two' in the world. Today, however, Brazil is utilizing practically all of its good, readily available soybean acreage, and by necessity it is starting to rotate soybeans with other crops. The end result should be greater export opportunities for the U. S. soybean industry in coming years, based on expanding world protein demand and heavier dependence on the U. S. industry."

"It is this scenario," Nordlund said, "that encourages Staley to pursue an even larger role in soybean milling. To this end, in December, we announced the purchase of a 100-acre site at Memphis, Tennessee, for the eventual construction of an export-oriented soybean plant."

Returning to 1982, he told shareholders that the company's other agribusinesses also expect to make progress, among them the country elevator subsidiaries.

"Finally, fiscal 1982 will be another meaningful year for the company's research activities."

(Continued on Page 3)

Officers elected

During its February 8 meeting, directors of the company elected the following company officers:

Donald E. Nordlund, chairman; Robert M. Powers, president; Gilbert L. Bieger, executive vice president, finance; Thomas V. Fischer, executive vice president, industrial products; Nathan Kessler, vice president, technical; Edward J. Koval, vice president, international; Thomas H. Lafferre, vice president, engineering and purchasing; Wayne S. Martin, vice president, industrial sales and marketing; Leland B. Miller, vice president and treasurer; and Kent N. Mittelberg, vice president, food and specialty products.

Also elected were Kenneth A. Robinson, vice president, soybean crushing; Phillip M. St. Clair, vice president, agriproducts; Robert L. Schwanke, vice president and controller; Henry M. Staley, vice president, business and economic analysis; Raymond Stanhope, vice president and secretary; Warren T. Trask, vice president, industrial manufacturing; Frank H. Wagner, vice president; Stephen A. Hellrung, assistant secretary; Charles J. Meyerson, assistant secretary; and William S. Robertson, assistant treasurer.

Bloodmobile at Decatur becomes Heiland memorial

Honoring a Staley retiree who devoted many years of volunteer service to the Red Cross, the Decatur plant's April Bloodmobile visit will be held in his honor, becoming the Shelley Heiland Memorial Blood Drive.

Heiland, who retired from the company on January 31, 1980, as foreman of the Decatur plant's pipefitters, died on February 3, 1982. He had worked for the company 39 years and given the community many years of volunteer service. Although not his only activity, the Red Cross and its blood program received a large percentage of Shelley's commitment, making the Staley visit of the Bloodmobile a fitting way to remember him.

The annual in-plant visit at Staley/Decatur will be on April 15 and 16 in the plant cafeteria, first floor of 77 building. Visits will be scheduled from 11 a.m. to 5 p.m. on April 15 and again from 6:45 a.m. to noon on April 16. To avoid waiting, which could occur if a large number of employees arrive at the same time, donors are encouraged to make appointments through the medical department.

Co-chairmen of the event from the plant include members of the union's safety committee -- Billy Bob Davis, painter; Jim Napier, rigger and Tom Gillum, spouter, elevator C&D, chairman of the committee, and J. B. Webb, safety supervisor. Also sharing the co-chairmanship are Bob Moore, supervisor of loss control, risk management, and Brenda Smith, employee activities, public relations, for 62 building participation and Norm Kocher, supervisor of operations and budget control for 63 building.

"Once again our goal will be 500 units of blood, a goal met several times, but not in the past couple of years," said Webb. "This year I'd like to see Staley push participation up to the maximum number of donors (500) that can be handled in a two-day session -- 300 on Thursday and 200 on Friday -- in Heiland's honor. Shelley was one who gave not only the company but the community a good share of his time and was always in there pitching in times of emergency. This drive would be a great way of showing that we all care about others too," the safety supervisor said.

Donors will be eligible to win one of 15 gift certificates. The winners will have a choice of spending the \$25 certificate at Tom's Grill, Sear's or Bergner's.

Staley already holds a special place in the Bloodmobile program in Decatur, having been the first company in Macon County to allow an in-plant visit of the volunteer unit. The company also claims the top donor in the city--Hubert Crum, who has given more than 19 gallons. Crum is a development engineer helper in 59 building.

Community loses key volunteer; donating blood a fitting tribute

With the death of Shelley Heiland, a Staley retiree, the Decatur community lost a valued volunteer. Heiland, who was captain of the Sheriff's Auxiliary and first back up to the county's emergency service director, was also well-known for his Red Cross work for more than two decades.

A member of the Red Cross board, Shelley was particularly involved in first aid, serving as chairman of that program for many years, and the activities of the blood program, of which his widow, Juanita, is chairman.

While Mrs. Heiland assisted with donors at Bloodmobile visits, Shelley worked the recovery station or walked donors. Then too, the Heilands were called upon to provide emergency transportation for blood to local hospitals and those in outlying communities.

The Heilands involvement with Red Cross dates back 23 years when a good friend needed blood. They went to a hospital to give: Shelley was accepted as a donor and Juanita, deferred. Still wanting to help, she decided to become a Red Cross volunteer.

Shelley's interest in the organization sparked after taking a first aid class his wife instructed 20 years ago. He also became an instructor, spending many hours since his retirement on January 31, 1980, as foreman of the pipe shop, Decatur, teaching first aid and working first aid stations at large gatherings in the county. During the past 17 years, the Red Cross figures Shelley trained some 1,208 persons in first aid.

The Heilands were two of the first certified to teach the Red Cross home nursing services' vital signs course. Shelley also taught cardiopulmonary resuscitation since 1974

"When it comes to supporting the blood program of the American Red Cross, the Staley Company and its employees have always been big boosters," according to Webb.

Before larger sessions were spread over several days, the company had the most successful one-day drive in the entire midwestern area--collecting 666 pints of blood in a single 12-hour session in 1958.

Residents of Macon County last year used 6,464 units of blood components. "We are fortunate to have this voluntary blood program," says Webb. He continued, "The recipient is not charged for this blood but assumes only a portion of the cost of collecting, processing and delivering the blood, included in a hospital administration charge. Financial support for the program comes from contributions to the Red Cross through the United Way campaign.

"Because this service is so vital to our community, let's give it our full support. It only takes a little time to give and the rewards are many. Think of it as your own life line to someone else. Giving feels good," Webb added.

when he became an Emergency Medical Technician.

His training proved helpful to many. Besides lending assistance to persons at first aid stations, Shelley, during his last year with Staley, teamed up with another first aider to administer CPR to a co-worker who had suffered an attack on the job, giving the victim aid until an ambulance and emergency personnel arrived.

Shelley's last days were spent at his fondest pursuits -- helping others. Following one of the city's heaviest snowstorms on record, Heiland assisted stranded motorists and others for nearly 12 hours two days before he suffered his fatal heart attack (February 3, 1982). And at the time of his attack, he was checking on the home of a family member who was out of town.

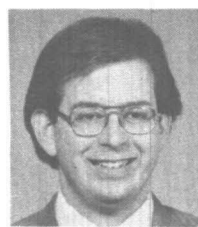
Because Shelley made the Red Cross a special interest, it is fitting to make Staley's Bloodmobile visit a living memorial to this ol' friend and co-worker. Plan to give at the next in-plant visit in Decatur on April 15 and 16. See the details about the drive in the other Bloodmobile story on this page of the "Staley News."

Dividends declared

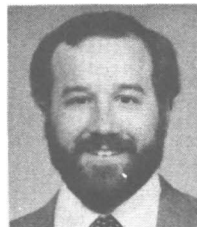
Directors of the company on February 8 declared a regular quarterly dividend of 20 cents per share of common stock. The dividend was payable March 8 to shareholders of record February 22.

The usual dividend of 94 cents a share was declared on the company's \$3.75 preference stock. It was payable March 19 to shareholders of record March 5.

On the move around the company . . .



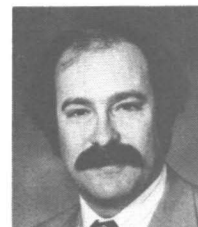
Ken Patterson



James Holbrook



Helen Zindel



James Cooper



Ken Whitsitt



William Baker



Bradley Gerdes



Kevin Swanson



Joe Curtis



Robert Mustell



William Patterson



Mike Noland

CORPORATE

CHUCK STREATY, from associate food technologist, to food technologist, protein products development, food and agriproducts, research, Decatur

KEN PATTERSON, from associate food technologist, to food technologist, sweetener applications technical service, food and agriproducts, research, Decatur

JAMES HOLBROOK, from food technologist, to food scientist, sweetener applications technical service, food and agriproducts, research, Decatur

KEN WHITSITT, from draftsman, to senior draftsman, engineering services, Decatur

RONDA ENGLAND, from secretary to the assistant treasurer, corporate finance, to secretary to the vice president of engineering and purchasing, Decatur

MARIE LUEDKE, from clerk, engineering services, to secretary, project engineering, corporate engineering and purchasing, Decatur

LORETTA MILLER, from messenger, corporate office services, to secretary of insurance and loss control, corporate finance, Decatur

BARBARA PATTERSON, from computer programmer, to business systems designer, corporate information systems, corporate finance, Decatur

DALBERT VICKERS from computer programmer, to business systems designer, corporate information systems, corporate finance, Decatur

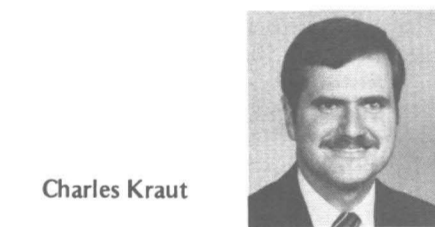
DAVID MICHL, from management accountant trainee, to associate management accountant, corporate development and international, Decatur

INDUSTRIAL

WILLIAM BAKER, from materials scheduling clerk, Morrisville, to assistant purchasing buyer, industrial manufacturing, Loudon

JOE CURTIS, from associate process engineer, to process engineer, manufacturing, industrial products, Decatur

VIRGINIA DAILLY, from clerk stenographer, to midwest region administrative assis-



Charles Kraut

tant, sales and marketing, industrial products, Decatur

ANN HUFFMAN, from secretary, project engineering, corporate engineering and purchasing, to secretary of marketing, industrial products, Decatur

ROBERT MUSTELL, from energy director, to manager, energy conservation and starch plants, industrial products, Decatur

SHIRLEY WEGER, from starch inventory coordinator, to order entry assistant, starch, administration, industrial products, Decatur

HELEN ZINDEL, from consignment inventory coordinator, to manager of price development, sweeteners, administration, industrial products, Decatur

AGRIPRODUCTS

JAMES COOPER, from assistant traffic manager, to plant transportation manager, soybean milling, Des Moines

BRADLEY GERDES, from operations technician, to production supervisor, refined oil, agriproducts, Des Moines

KEVIN SWANSON, from operations technician, to production supervisor, refined oil, agriproducts, Des Moines

WILLIAM PATTERSON, from supervisor, special projects, corporate transportation, corporate administration, to manager, transportation economics, agriproducts, Decatur

FOOD & SPECIALTY PRODUCTS

MIKE NOLAND, from controller, protein and specialty feeds, to controller, food and specialty products, Decatur

CHARLES KRAUT, from senior food scientist, food and agriproducts, research, to product manager, Gunther Products, food and specialty products, Decatur

New products based on renewable resources

(Continued from Page 2)

ities; in particular, the development of new technology and new products, based upon the renewable resources of corn and soybeans. An example is our chemicals from carbohydrates program--the creation of starch-based products to replace petrochemicals," the chief executive officer said.

Field trials under way

"We are gaining valuable experience in our new semi-works plant in Decatur, and our customers are continuing with field trials and tests of these new products."

The chairman pointed out that the most advanced product is methyl glucoside, which has potential use in insulation foams, packaging films, paints and adhesives. "In fact, we are now filling some commercial orders for the product.

"A second product, based on similar technology, is showing promise as a surfactant in the multibillion pound detergent market. We will keep you apprised of the program's progress in the months ahead."

Nordlund pointed out that a new dimension was added to Staley's research orientation

on February 5, 1982, when the company reached agreement in principle to purchase a 40 percent interest in Bio-Technical Resources, Inc., of Manitowoc, Wisconsin.

Through association with BTR, Staley will be at the forefront of genetic engineering and use it to shape its businesses in the future.

"In summary, the Staley Company is well positioned for success in growth businesses," Nordlund said. "We have exciting new products coming from research and we have maintained a healthy balance sheet while funding major expansions of our production capabilities. Cash flow will be strong again this year and it is expected to remain strong in the years ahead. Capital expenditures in 1982 will exceed \$200 million for the second straight year. Expenditures are expected to return to more normal levels thereafter.

"Finally, I would like to express appreciation to our dedicated and talented employees for their contributions this past year and to acknowledge the loyal support of you, our shareholders."

86 employees compile 1,120 years of service to the Staley Company

40 Years

OTIS CHENOWETH, planner, manufacturing, industrial products, Decatur

35 Years

MERVIN KINERT, estimator, engineering services, corporate engineering and purchasing, Decatur
 MELVIN RIDDLE, senior mechanic, pipe shop, Decatur
 HAROLD E. SMITH, lead packer, 29 building, Decatur
 RALPH SHERDEN, principal process engineer, manufacturing, industrial products, Decatur
 CLYDE AYDT, senior mechanic, tin shop, Decatur
 JOHN FIELDS, stores operator, storeroom and reclamation, Decatur
 GUY RIGSBY, repairman, 11 building, Decatur

30 Years

CHARLES WALKER, senior sales service engineer, sales and marketing, industrial products, Decatur
 RICHARD LOCKMILLER, product manager, Gunther Products, food and specialty products, Decatur

25 Years

MARSHALL SPAIN, JR., dryer operator, 9 building, Decatur
 DONALD LEWIS, ion exchange operator, 5 & 10 building, Decatur
 CHARLES CREMER, senior research chemist, starch processing, corporate research, Decatur

20 Years

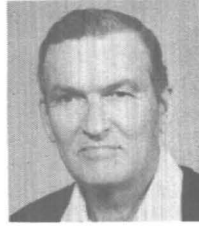
JACQUE DEVORE, secretary, government relations, corporate administration, Decatur
 DUANE CHICOINE, director, engineering services, corporate engineering and purchasing, Decatur
 MARGE REINHOLD, secretary to general manager, protein, food and specialty products, Decatur

15 Years

MICHAEL LENTS, systems software consultant, corporate information systems, Decatur
 WILLIAM WATTERSON, systems manager, corporate information systems, Decatur
 RICHARD HAHN, vice president, research and development, Decatur



Mervin Kinert



Harold E. Smith



Charles Walker



Charles Cremer

DON MILLER, western regional manager, sweeteners, sales and marketing, industrial products, San Mateo
 TOM REED, senior mechanic, millwright, Decatur

10 Years

JOHN ROGERS, quality assurance technician, manufacturing, industrial products, Morrisville
 RICHARD ROGERS, quality assurance technician, manufacturing, industrial products, Morrisville
 GARY SADOFF, quality assurance technician, manufacturing, industrial products, Morrisville
 TIMOTHY SHAW, shift foreman, manufacturing, industrial products, Morrisville
 BILL BROWN, computer operator, corporate information systems, Decatur
 HARLAN RICHARDS, operations manager, manufacturing, industrial products, Lafayette
 ANTHONY SOTTILE, buyer, equipment and maintenance, manufacturing, industrial products, Morrisville
 JOHN BRACEY, quality assurance technician, manufacturing, industrial products, Morrisville
 WALTER MAYLIE, special procedures analyst, manufacturing, industrial products, Morrisville
 DAVID ZOLLINGER, associate research chemist, food and agriproducts, corporate research, Decatur
 FRANCIS GARZARELLI, maintenance mechanic A, Morrisville
 VINCENT KALOKITIS, maintenance mechanic A, Morrisville
 DENNIS KRUPA, pellet operator, Morrisville
 EUGENE LEDGER, lead operator-preparation, Morrisville
 GEORGE REID, dry starch operator, Morrisville
 ROBERT SHERO, lead operator, Morrisville
 WILLIAM THEILACKER, maintenance mechanic A, Morrisville
 RICHARD NEILL, reactor operator-starch, Morrisville
 PHILLIP ALLEN, dry starch operator, Morrisville

ARMANDO CIOTTI, Jr., ion exchange operator, Morrisville
 ROBERT DICKSON, maintenance mechanic A, Morrisville
 RICHARD DONOVAN, warehouse-packer, Morrisville
 HAYDEN EVANS, maintenance mechanic A, Morrisville
 ROBERT FAY, maintenance mechanic A, Morrisville
 CHARLES GRIDER, dry starch operator, Morrisville
 LAWRENCE HUTSON, JR., lead operator, Morrisville
 WALTER JONES, JR., maintenance mechanic A, Morrisville
 FRED PORTER, lead operator, Morrisville
 JAMES SCHRECKENGOST, maintenance mechanic A, Morrisville
 PHILLIP THOMPSON, maintenance mechanic A, Morrisville
 LUTCHER WILTZ, JR., lead operator, Morrisville
 ROBERT WOLFE, JR., merco operator, Morrisville
 RONALD YORK, maintenance mechanic A, Morrisville
 STANLEY CAMPBELL, maintenance mechanic A, Morrisville
 ROBERT ELCHECK, warehouse packer-pelletizer, Morrisville
 LOUIS FREDERICKS, maintenance mechanic A, Morrisville
 SYLVESTER ALLEN, operator A, Vico
 PAUL KUTENITS, maintenance utility man, Morrisville
 RICHARD BREECH, reactor room operator, Morrisville
 EDWARD ZIDEK, roving operator, Morrisville
 JOSEPH CAVANAUGH, maintenance utility man, Morrisville
 DAVID CURRY, warehouseman, Morrisville
 JOSEPH ROUSE, maintenance mechanic A, Morrisville
 SAMUEL LIVINGSTON, roving operator, Morrisville
 KATHLEEN BURK, accounting clerk, soybean milling, agriproducts, Champaign
 EUGENE GEORGE, maintenance engineer, manufacturing, industrial products, Morrisville
 JOANNE JONES, secretary of operations and technical, manufacturing, industrial products, Decatur
 HAROLD SCHWARZ, senior analyst, manufacturing, industrial products, Morrisville

5 Years

TONY MEDINA, lead warehouseman, Monte Vista
 BENJAMIN VANSYOC, gateman, plant protection, Decatur
 VIRGINIA BOUGH, technician, wet milling, manufacturing, industrial products, Lafayette
 WILLIAM CAMP, plant manager, soybean milling, agriproducts, Frankfort
 JAMES COOPER, plant transportation manager, soybean milling, agriproducts, Des Moines

DARRELL DAVIS, technician, plant services, manufacturing, industrial products, Lafayette
 DENNIS EWERS, night superintendent, manufacturing, industrial products, Lafayette
 JAMES HODGEN, area manager, refinery, manufacturing, industrial products, Loudon
 WILLIAM LEHNHARDT, senior research chemist, food and agriproducts, corporate research, Decatur
 JAMES MATTERN, technician, refinery, manufacturing, industrial products, Lafayette
 JAMES MILLER, area manager, plant services, manufacturing, industrial products, Loudon
 GEORGE YUOCHUNAS, technician, refinery, manufacturing, industrial products, Lafayette
 JANE EINSTEIN, technician, wet milling, manufacturing, industrial products, Lafayette
 GARY MCDOLE, technician, utility, manufacturing, industrial products, Lafayette
 STANLEY VANDERKLEED, technician, refinery, manufacturing, industrial products, Lafayette
 JOHN VOIGHT, technician, wet milling, manufacturing, industrial products, Lafayette
 JUDITH REED, secretary to plant manager, manufacturing, industrial products, Morrisville

Joining the leisure life . . .



Wendell Wimmer

Effective December 1, 1981

DALE MATHEWS, trailer operator, 77 building, Decatur

Effective January 1, 1982

HENRY WHITE, shift foreman, corn milling, 75 building, Decatur

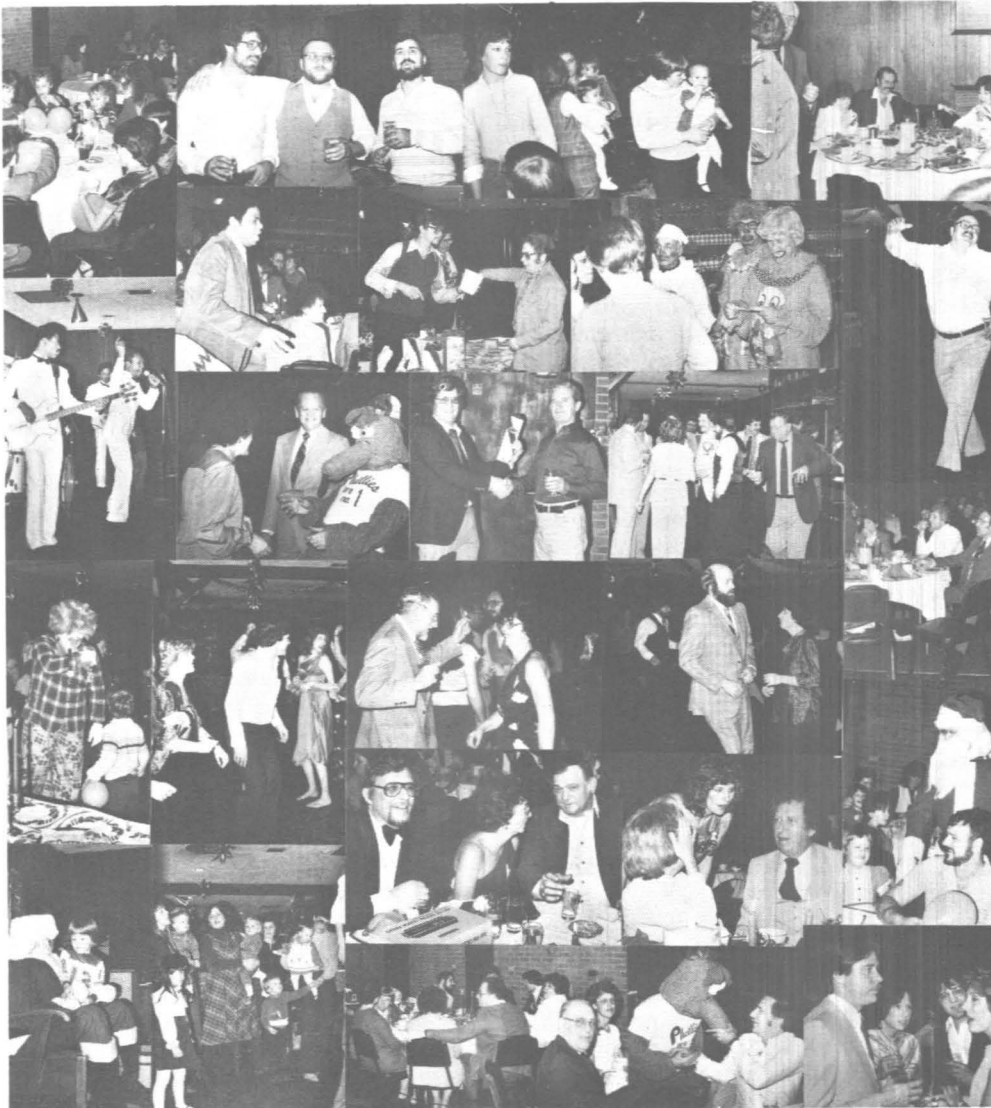
Effective February 1, 1982

ANNABELLE BENSON, senior stenographer, administration, industrial products, Decatur
 WILLIAM LUBY, manager of starch engineering and production, industrial manufacturing, Decatur
 WALTER JOHNSON, senior operational auditor, auditing, Decatur
 WENDELL WIMMER, manager of price development section, industrial administration, Decatur

Staley News

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

Manager, Employee Communications Sue Muckensturm
 Manager, Visual Communications Clay White
 Photographer Dave Mjolsness
 Typographer Cheryl Whitten



Not long ago—With spring rushing in, it's difficult to remember the tough winter Staley employees tolerated, but the holiday parties pictured here for Morrisville employees and their children were certainly some of the more enjoyable memories of those months.



A. E. Staley Mfg. Co.
 2200 E. Eldorado St.
 Decatur, IL. 62521

Address Correction Requested

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