

# StaleyNews

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## Shareholders told outlook brighter for Staley corn refining business; high fructose syrup growth expected

Sales of Staley's corn sweeteners and starches are running well ahead of those a year ago and prices are higher on average. These achievements were offset in the first quarter by sharply higher corn costs, according to Tom Fischer, executive vice president, industrial products.

Fischer told shareholders attending their annual meeting February 13 that the increase in sales volumes is particularly encouraging and can be credited to a strong marketing and sales effort, backed by good performances at all Staley production facilities.

"Paramount to these accomplishments is the fact that demand for high fructose corn syrup (HFCS) continues to grow—especially in the all-important soft drink market," the executive vice president said. "Recently, Coca-Cola announced additional approval of HFCS use in cans and bottles of Coke. It is this trend that gives rise to optimism for our corn refining business for the remainder of this year and beyond.

"We are confident that still greater use of high fructose corn syrup in soft drinks—especially Pepsi and Coke—is forthcoming. In fact, we believe there is an increasing likelihood that high fructose corn syrup some day may totally replace sugar as the sweetener in soft drinks."

While further growth is anticipated, according to Fischer, high fructose profitability will continue to be influenced by supply-and-demand, sugar prices and corn costs.

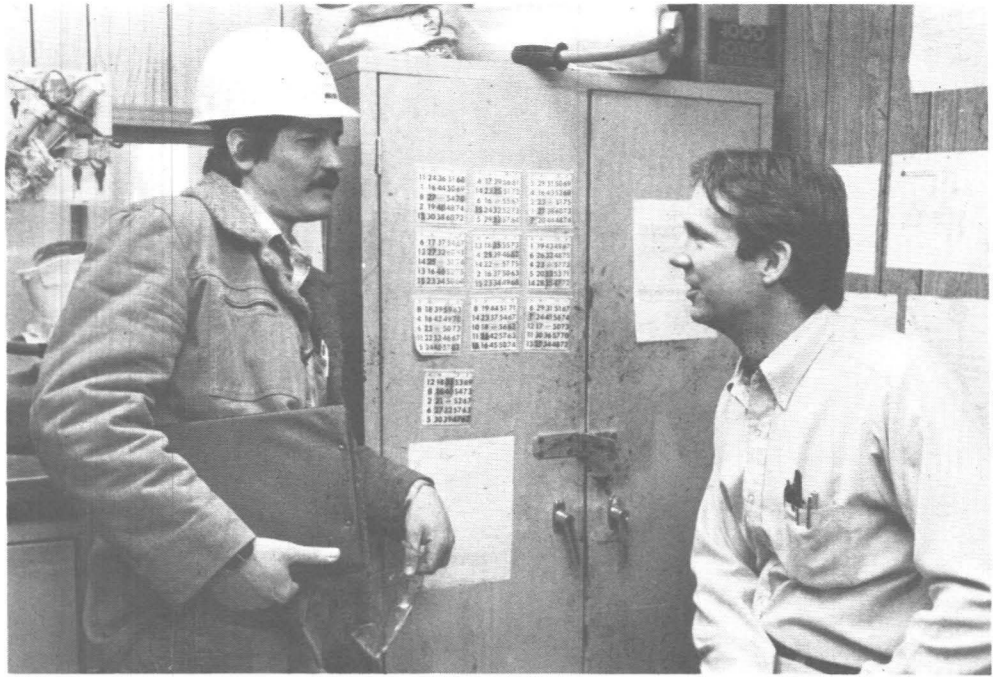
With the February Coke approval, demand for 55 percent high fructose corn syrup is in line with supply, and pricing for HFCS should respond favorably, Fischer told shareholders. During the past few months, prices for HFCS have reflected a normal seasonal slowdown in demand. There have been the usual amount of competitive pressures, which appear to be less severe at this time, and pricing should begin an upward movement, he noted. Spot prices for high fructose corn syrup should again be at traditional discounts to sugar this summer.

"Pricing for our regular corn syrups and dextrose also should improve as we move into spring," according to the executive vice president.

### Starch sales all-time high

Shareholders learned that fueled by the recovering economy, Staley starch sales also are running at all-time record high levels. The strong demand is being led by the paper and construction industries, responding to

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**Safety focus persists**--Even though Morrisville holds the corn wet milling industry's record of hours worked without a lost timer, Frank Mathews, left, and Dave Curry discuss how the plant is going to retain that title. The story about Morrisville's safety campaign appears on pages two and three.

## Difficult conditions for soybean milling described at annual stockholder meeting

An unusual combination of negative factors have had a serious impact on the U. S. soybean processing industry -- including Staley, shareholders learned at their annual meeting in Decatur, Illinois, on February 13, 1984.

Describing the soybean milling operations in terms of present market conditions and outlook was Phil St. Clair, group vice president, agriproducts. He told the gathering that foremost among the factors is a weak demand for soybean meal (a principal protein in hog and poultry feeds), a situation related directly to hog and poultry numbers in this country and increased competition abroad.

"U.S. animal numbers have been reduced during the past two years as producers have faced unfavorable economics and, thus, reducing the size of their operations to minimize financial losses," said St. Clair. "Under normal circumstances, U.S. hog-poultry cycles should be on the upswing by now -- adding to demand for soybean meal. Unfortunately, the upturn has been delayed by the aftermath of the Payment in Kind (PIK) program and last summer's drought.

"High feed costs, related to the extremely small corn and reduced soybean crops this past fall, have discouraged the rebuilding of hog and poultry numbers. They have, in fact, caused a further culling of hogs and a greater reduction of flocks."

Coupled with domestic problems, the vice president pointed out conditions in the world market that have been equally trying for U.S. soybean processors.

"The strong dollar makes U.S. soybean products less attractive compared to those from Brazil or Argentina," St. Clair noted. Continuing, he said, "This situation is worsened by the fact that many foreign competitors are heavily subsidized by their governments. The combination makes it difficult for the U.S. to compete in world markets today."

Furthermore, U. S. soybean processors still are living with the effects of the 1978 Russian Grain Embargo, which relegated the U.S. to a secondary source of supply by the Eastern Bloc -- a market "we" pioneered. In addition, the worldwide recession, with its accompanying international credit problems, has reduced the rate of growth in the world's consumption of soybean products.

"The end result is that U.S. soybean processors have seen their share of the world market shrink drastically. The Staley Company has not been immune to this trend, especially the Decatur soybean plant, which is very dependent on strong exports," St. Clair stressed.

Besides the domestic and international market problems, he cited the short soybean crop this past fall, creating a lack of soybeans to crush. With this limitation, the U.S. industry will operate at a lower rate of capacity, meaning higher per unit operating costs.

### Strengthening position

"All of this means that Staley soybean processing will have another difficult year in fiscal 1984. However, improved world economies, a lower dollar, a lessening world credit crunch, reduced subsidies for foreign crushers, and better East-West relations give us confidence that soybean processing is a viable long-term activity for Staley. Accordingly, we have taken several steps to strengthen our position," St. Clair told shareholders.

(Continued on Page 4)

## Staley enters government bond trading

Staley has formed a new, wholly-owned subsidiary -- Staley Financial Services, Inc. -- to expand into government bond broker/dealer activities. It will be capitalized at \$25 million by the parent company.

The newly-formed organization will encompass Staley Commodities International Inc., a Staley subsidiary, active in financial futures as well as commodity futures brokering, especially in feed grains, oil seeds and livestock. The bond trading will complement the financial futures aspect of the new subsidiary.

Staley Financial Services' new bond trading department is expected to be in operation in May. It will be located in New York City and headed by John R. Burrus, vice president.

Burrus joined Staley from Manufacturers Hanover Trust Company, New York, where he had been manager of the government arbitrage department. Previously, he was manager of the government bond department at J. J. Lowery & Co., New York, and was executive vice president in charge of government trading for New York Hanseatic. Burrus also was a broker for Chadelaine & Co., Government Securities, Inc., New York. A graduate of Rollins College, Winter Park, Florida, he holds a B.S. degree in economics.

William F. Evans, who has served as president of Staley Commodities International, is president of the new company, which is headquartered in Chicago.



Following the annual meeting, shareholders enjoyed foods incorporating Staley ingredients. Stories about the event continue on pages four and five.

## In the News...



Loader/P4



Shareholder/P5



Leader/P6

# Esprit de corps carries Morrisville to corn wet milling industry's safety record

Safety records have been popping around Morrisville for nearly two years, culminating recently with the employees passing up the corn wet milling industry's record of 1,070,909 work hours without a lost-time injury. That milestone was met at 6 p.m. on February 23. As the end of the month rolled by, the plant had surpassed 677 days without a lost timer, heading for its two-year mark in April.

Stirring up increased interest as the industry record approached, the plant's safety committee ran a contest for employees to come up with the date and time at which they would break the industry mark. For coming closest to that moment, Dave Schaffer, warehouse packer and palletizer, won \$50 for his entry of 8 p.m., and Rick Neill, reactor operator, dry starch, won \$50 for his entry of 3 p.m. To celebrate the event, all personnel had a catered meal on either February 29 or March 1.

With each milestone on the way to their coveted safety achievement, employees have been rewarded with remembrances of the occasion to stress the importance of safety in the industrial area, according to Larry Van Doren, plant manager. At the year mark without a lost timer in April, 1983, they received tee-shirts, which were followed by jackets for the million employee hours passed on January 11.

Explaining their current accomplishment in terms of the plant's accident history, Bill Brewer, personnel assistant and co-chairman of Morrisville's safety committee, said that "one out of six recordables was a lost-time accident before the safety string began. Since then, that ratio has improved to about one in 30!"

"Esprit de corps has carried employees to this achievement," said Mike Steiner, maintenance mechanic and safety committee co-chairman. "Morrisville employees have had to work diligently to gain this stature. Our plant is not the most modern and takes more upkeep and work on safety than the newer facilities."

Nevertheless, employees as a whole see no reason why they can't keep the safe times rolling. However, they point out that the safety task is not completed. Summing up their feelings, Carl Lambeck, maintenance mechanic in the electrical shop, says, "There's always room for improvement."

"We'll have to take safety a day at a time to perpetuate this record," said Jean Coulton, Merco operator. "Safety features on the equipment take care of most hazards associated with my work," she said, "but carelessness cannot be designed out of a work area."

A relative newcomer, Jim Mulholland, process utility person, is keeping a close watch out for tripping hazards, such as hoses and pallets. "Pinch points for hands are also to be reckoned with," he said.

"The plant is actually as safe as you want to make it," according to Glenn Steckley, process service operator. "If you want to hurry, you can run into things. If you don't watch, you'll fall over or into something. You cannot quit watching for hazards and wearing safety equipment." Recalling a day he put a gash in his hard hat, Steckley said, "That gash would have been in my head without that hard hat."

"These are all individual items I've mentioned, but I believe more safety improvements could be made around the plant. For starters, I'd like to see the safety work orders stepped up," the 11-year veteran at Morrisville said.

## Good housekeeping necessary

Lead operator Gene Ledger said, "To stay on top, we'll have to be very conscientious about keeping the plant picked up and repairs made." A 12-year employee, Ledger believes the safety program is much more effective with their safety meetings. "Just talking is not always enough to get points across though. You may need a movie or some other form of training reinforcement, which we now are getting."

Good housekeeping is a very important aspect to safety, according to Arnold Patterson and John Stinson, both Staport loaders, who watch steps and platforms. "If we get a spill, we clean it up immediately. It's like walking on lard -- very slippery,"

said Patterson. "The company is doing as much as possible in the way of safety," he believes. "If we have any safety work orders in our area, they are investigated and quickly acted upon, unless involving major expenditures that must sometimes wait."

"Awareness of the job and what you are doing are very important to maintaining this record-breaking safety performance," said Stinson. "We bring up unsafe aspects of the job at our safety meetings. Everybody is staying very aware."

"We must know the operation," says Jim Waldron, boiler operator. "We have to watch the boiler and its fuel and air mixtures. If these are out of balance, we could be in serious trouble. But we have good operators who take their work seriously."

"Morrisville is doing a good job at trying to keep up safety awareness," according to Al Deusinger, feed house operator, "but attitudes play an important role also. We must avoid slippery areas and be careful of our hands around equipment."

Agreeing with him, Dennis Krupa, pellet operator, pointed out that he works around many high-speed mills, which fingers don't like. He also stresses the need for hard hats while working on machinery.

Deusinger believes, "Some equipment replacements, repairs or modifications are overdue, creating potential safety problems."

Krupa, who has never had a recordable, pointed out that the plant has some problems that have "been around many years and could have been repaired more easily and less expensively years ago. But even with these areas, accidents have been prevented mainly through awareness. Self awareness is our biggest asset. It makes employees walk around and see what they are doing. I believe that 90 percent of all accidents are an awareness issue."

Awareness gets heavy emphasis, according to Mary Crossett, an ion exchange operator, who was the first woman hired for plant work five years ago. "When I joined Staley, supervisors talked about safety, but the subject was not pushed. However, during recent months, the plant has become very conscious about this subject. We not only have monthly safety meetings on each shift but also have safety mentioned in all channels of communications from daily and monthly newsletters to bulletin boards."

"If safety conscious, an employee will not get hurt, but everyone must pay attention. In this way, we should be able to retain this new record," says Andy Evans, carbon operator. "We have a good safety program for those who want it. . . and Safety Bingo keeps employees aware. There are hazards to every job, like slipping and falling, which can take place on the floor or walking up or down stairs, on top of tank cars or tank trucks. You have to watch your footing at all times regardless of where you work."

## Job awareness stressed

Dick Florek, dextrose operator, agrees with Evans, saying, "I believe special promotions keep employees tuned in to safety. We must pay more attention to our jobs and the tasks we are performing. Also connected with safety, though, is housekeeping, which could be improved." Over his 10 years at Morrisville, Florek has seen many improvements and believes the company is more supportive of safety efforts.

Also considering the importance of housekeeping, Robert Mensah, ion exchange operator, who's been at the plant nearly six years, says, "We must take care of ourselves and areas -- keep the equipment running smoothly. So far, everything is being done to my expectations."

With everybody looking out for himself and the other guy, it makes a difference whether or not someone gets hurt," says Jesse Lucas, fractionation operator. "I've been hurt a few times myself and accidents not only hurt the individual but also everybody concerned with the work place, including family members. No one wants to have an accident."

"My only criticism of our safety program is that safety repairs could be quicker. However, when pumps leak and cannot be

repaired right away, we have to stay on top of the drips, continually washing down the area and then be very cautious. It's a matter of being on guard. . . being careful," said Lucas.

"Each person has his or her own level of safety awareness," said Dave Curry, store-room coordinator. "Some can go through work with no hitch -- others get scrapes wherever they go. Even with signs and guards, if a person doesn't follow rules, the best safety program won't help. Staley has tried to correct most safety problems before they become active problems. But sometimes employees don't use the steps available to them, such as safety work orders or safety problem sheets, which are for all employees to use to help make a safer environment."

Job hazards are lurking if you look for them, according to John Rogers, quality assurance technician in waste treatment. He works with acids and all the equipment and machinery that control the flow of wastewater to Morrisville.

"We do all right on safety. If we don't think a task is safe, we don't perform it unless we have the appropriate safety equipment, such as a mask, gloves or whatever is required." Rogers, who has been at the plant since it was first operational, has had no accidents and tries to make sure that anyone he trains learns the hazards of a job.

A trainee in quality assurance, Henry Krzewinski, says that the various hazards are pointed out as rounds are made. He is told what has happened in the past and what could occur. "You have to know your job to understand the safety aspects of it and the reasons procedures are followed in a prescribed manner."

"Employees here are very concerned about safety," says Mary Ann Ferguson, a casual employee like Krzewinski in the quality control laboratory. She believes rewards for good safety performance are important safety reminders.

"More training is needed for all employees, salaried included, even those who have been at Morrisville a long time," according to Frank Mathews, maintenance utility man. "For instance, we have fire boxes outside. Because most employees do not deal with them, they look for the keys, not realizing they are breakaway boxes. Employees are briefed on department safety items, but fire boxes are among plant items and not covered."

## More training suggested

In agreement with Mathews, Dave Schaffer, warehouse packer and palletizer, says, "We need training on plant safety. We have to keep showing employees and updating their training."

"Part of the problem," as Curry sees it, "is that we show employees once how things are done safely and expect them to remember it. However, if they do not use that knowledge in a short time, they will need a reminder. Take first aid for example. A three-year span between training and retraining may be too long if the skills are not often used."

"No one wants to get hurt," says Joe Crossin, flash dryer operator, who's been an employee three years. He and Bill Krause, roving operator, noted that floors are slick when washed down so everyone must watch where he or she walks, but overall safety is given much respect in their department.

"Ladders are the most hazardous element of my job," says Carl Linson, instrument technician, who has been at the plant more than 11 years. "We need routine inspections to make certain ladder quality is maintained, checking the top mountings, footings and the ladders themselves."

"If I do what I am supposed to do, it's difficult to get into trouble performing my work," said Carl Lambeck. "There is a procedure I use as an electrician -- a trouble-shooting technique, which has built-in safeguards. I can't take things for granted. I have the greatest respect for electricity. It keeps me on my toes, and I always remember it hurts."

"As far as plant safety is concerned, we are going in the right direction, but there's room for improvement. However, I've seen a

positive change in management's attitude toward safety over the years," said Lambeck.

"Safety is an on-going struggle," according to Leo Henning, maintenance foreman. "People must be kept aware. Our existing program seems to be working, although we work at it. I send electrical and instrument problems to the safety committee as ideas to work with. Improvements are being made all the time."

"Awareness is important," said Henning. "New employees are given orientation by personnel covering standard procedures and appropriate safety equipment. Then we give them indoctrination on their jobs. One of my policies is 'don't touch unless you know. Translated, if in doubt, ask.'"

On Efrain Gonzalez's job as lubricator, the maintenance mechanic says he must be "part monkey, part human". "I do a lot of climbing. The company doesn't have to tell me to be careful. I want to be safe. That is my own decision, which my safety record attests to over 12 years."

"Emphasis on safety is heavy," says Frank Garzarelli, maintenance mechanic on pumps, who says, "We are very concerned about safety around here. We see some things that need to be changed. Some would have been easier to fix long ago when they also would have been less expensive to tackle."

"I don't want to walk around maimed or lose a finger on the job," says Jim Schreckengost, maintenance mechanic in pipe fitting and fabrication. "Safety is more common sense to me than anything else. I will not pick up a piece of hot metal without gloves."

"Nine out of 10 employees are concerned about safety," according to Joe Gross, a fellow maintenance mechanic. "The biggest concern on the job is to make sure we have appropriate equipment and the job itself is safe. We must do it in the proper manner with the proper equipment. We have adequate training to do our job."

"If a task is on the unsafe side but must be done, we are extra cautious," said Robert Leto, another pipe fitter and fabricator. "We can't always get adequate equipment like welding jackets and sleeves to perform a task safely. We have to continuously think about what we are doing, particularly difficult on repetitious jobs."

Ice, a hazard outside of Wayne Patterson's work area, caused his only accident at Morrisville. That was in 1979 when he fell and broke his ankle. The boiler mechanic, who has been at Staley/Morrisville 10 years, says there's little of a hazardous nature in the control room except concentrated acids, of which they are all careful.

"Out on the floor, the equipment is not dangerous, but there is plenty to stay clear of," according to Patterson. "The plant's safety committee is trying very hard to focus attention on safety. We still need some improvements here though. For instance, we need better access to areas we have to reach. . . . Better ladders and platforms are needed."

Expressing the sentiments of many, Branford Colvin, assistant roll dryer operator, said, "I'm very proud of this industry record. We try to keep the plant safe, reporting unsafe items so they can be repaired. I think we are doing a good job with safety."

Lutcher Wiltz, lead operator, believes, "You have to think safe to be safe. We're going to keep this safety record."

"Even though everything is working fine, an employee must be prepared for the unexpected," says Jorge Micolta, roving operator. Citing steam leaks as an example, he said, "If a person gets burned and hastily tries to get away, he or she could get hurt on something else."

Micolta has seen many safety improvements in the operation of Morrisville during his eight years at the plant, but says there's more to be done. "Not everything can be repaired immediately. Some have to wait for shutdowns, meaning that we have to be on guard and work around them until they can be fixed."

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# Desire to stay #1 strong; vigilance continues on safety awareness



Morrisville employees keep a sharp eye on safety, aiming to keep their hold on the corn wet milling industry's record of hours worked without a lost-timer. That accomplishment took them 1,070,909 hours, which they passed on February 23.

## We have it sold if you can get it here

The item under consideration was a 40,000-pound bulk container of P.F.P. starch for export to Australia, if Staley could learn to load a bulk container. The order came from Staley's Australian agent for starches. Could the company do it?

Accepting that challenge was the Sagamore plant, which had never loaded a bulk container and had no idea how it would be accomplished. . .but they could handle it.

Because the shipment was a food grade starch and because export containers are not always "air tight," employees realized that a liner for the container would be necessary. A liner large enough was located in Vermont through a dealer for Insta-Bulk Inc. of Houston, Texas.

This 20-foot-long plastic bag weighed 150 pounds and came packed in an eight-foot-by-eight-foot-by-four-inch bundle, according to Johnny Crites, supervisor, starch warehouse shipping and receiving, who oversaw the project. This bag was adaptable to either a top or side loading situation.

While Staley hoped for a top loader, none of those containers was available, and the shipment had to be made in one that was filled through vents near the top of the container's doors. With this arrangement, Sagamore's maintenance personnel had to adapt the stainless steel lines with six-inch flexible hoses to reach those vents. This portion of the task was already accomplished when the truck pulled in at 2 p.m., December 7.

When the tractor-trailer arrived at the plant, the 20-foot-by-eight-foot-by-eight-foot containerized trailer, although new in appearance, was not prepared to hold bulk starch. "Without the special insta-bulk plastic bag liner that was installed at Sagamore, the

## Cutting energy costs

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He pointed out that in December, Staley formed a trading partnership with Continental Grain Company for the export of soybean meal and corn feeds to overseas markets. The partnership, named Conti-Staley Export Company, will merchandise protein from Staley corn plants and soybean mills through Continental's extensive network of sales offices in Europe, the Middle East, Far East and Asia. The arrangement will permit the company greater opportunities to participate in export markets.

"In another move, we are installing coal boilers in several of our mills -- to maximize process margins through the reduction of energy costs. When completed, the project should lower our energy costs by some 20 percent."

The most significant immediate action taken, according to St. Clair, was the closing of the Decatur soybean plant -- a decision made with reluctance after much analysis and discussion. The Decatur soybean mill had faced unfavorable conditions for some time, he told the stockholders. These included a surplus of processing capacity in Central Illinois in relation to soybean supply, and the dependence of the plant on a strong export market. However, St. Clair emphasized that the Decatur mill could be reactivated if business conditions warrant.

Summing up his outlook, the group vice president of agriproducts said, "Certainly, soybean processing will make important contributions to the Staley Company in the years ahead. In the long run, international demand for protein and oils will continue to grow as world population increases and the global standard-of-living rises. In this regard, it is worth noting that the need to reestablish a 'fair' world market has reached a new level of awareness in Washington, an important step on the road to revitalizing the export picture of the U.S. soybean processors.

"In the meantime, we look for an improved U.S. economy and good crops in the fall of 1984 to substantially improve livestock and poultry cycles, a prerequisite for rebuilding protein demand in this country and returning soybean processing to a positive stature."



Sagamore employees are shown preparing and loading a 40,000-pound bulk container of starch for export to Australia. To give the product an air-tight ride, they installed a 20-foot-long plastic bag, into which the starch was loaded.

starch might have leaked all the way to Australia," said Rich Voteau, plant manager.

Installation of the bag in itself was some feat since directions accompanying it were aimed at unloading procedures rather than installation and filling. So the commodity handling and maintenance personnel tackled the project, making their own modifications along the way.

First, they nailed a one-by-four piece of lumber attached to the bottom of the bag to the floor about three inches from the front bulkhead. Then they attached the bag by means of its two rubber straps at its top corners to rings in the corners of the trailer at the front of the bulkhead.

With the bag well anchored, they rolled it out to the rear. Because the rear paper bulkhead attached to the bag didn't seem too substantial, they supported it in place with three two-by-fours furnished and cut to fit by the maintenance personnel. With this reinforcement, they hoped to prevent a rupture of that bag.

Outfitted with its "baggie," the truck then was positioned at the starch bulk loading station, where a filling tube was inserted into the fill port and an exhaust tube, into the exhaust port of the bag. Still collapsed, the bag was inflated prior to filling by using the bulk loadout blower about three minutes.

Finally the exhauster was turned on and product filling began. The main point to be remembered now was not to overload.

Calculating the quantity of starch by using a timer and blower pressure, they first set the timer for 44 minutes. At the end of that time, the truck went to the scales for a weight check and registered only about 30,000 pounds. The light reading required the truck to return to the loading area, and P.F.P. was loaded another 14 minutes. Thereafter, the container was closed, sealed and sent once again to the scales where it now registered 39,640 pounds. Close enough.

The time was only 5 p.m. Within the next half hour, laboratory approval was obtained on the P.F.P. and the truck departed at 5:30 p.m., --just three hours from start to finish on loading. . . .Not bad for Staley's first overseas containerized bulk starch loading experience. Crites figures the next time much less time and fewer employees would be required because "we now know what we are engaged in and what to expect." If we could get a top loader, there would be fewer modifications, thereby cutting preparation time.

Though the operation went very satisfactorily for a first-time job, Sagamore and the starch business unit are awaiting feedback on the shipment when it arrives at its destination.

If a success, this could provide a new, steady outlet for Staley, one of the first in the industry to try this type of bulk starch overseas venture.

## Demand for starches expected to improve

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growing consumer confidence and spending on packaged goods and home construction. As a consequence, the company expects supply-demand for starches to improve and, coupled with lower corn costs, result in higher margins during the second half of 1984.

"Hopefully, margins on corn sweeteners as well as starches will be enhanced by more favorable corn costs in coming months," Fischer said. "Lower corn prices will depend, of course, on a return to full planting by farmers and an assist from Mother Nature during the growing season."

Staley is well positioned to take advantage of the improving conditions in corn refining shareholders were told. The company's daily corn refining capacity today is well in excess of 400,000 bushels at five locations. Staley's corn sweetener production capacity is 4.5 billion pounds a year, of which 3.5 billion pounds is devoted to high fructose corn syrup. Starch capacity is over 900 million pounds annually.

A recent addition to Staley corn refining is the Loudon, Tennessee, plant, devoted to the production of high fructose corn syrup as well as ethanol.

"That facility has exceeded our best expectations in terms of output and efficiency," said Fischer. "The plant's ethanol unit has been operating at capacity since starting up in the fall of 1982, and it likely will do so for the foreseeable future."

The executive vice president noted that the market for ethanol continues to grow. The product is fully proven and accepted today as an effective octane booster in motor fuel. Of late, however, ethanol's profitability has been squeezed by the combination of high corn costs and depressed gasoline prices. Here again, relief may be forth-

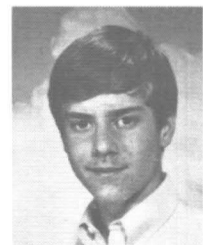
coming if corn costs respond to larger crop expectations this year, according to Fischer.

"Staley views ethanol as its first successful corn-based product outside of sweeteners and starches. We are optimistic that several others will emerge soon from our chemicals from carbohydrate program, which is making good progress. Our first chemical from corn starch is now being produced and sold commercially from our plant in Arkansas. The product, methyl glucoside, is being used in insulation and several other industrial applications. Meanwhile, work is proceeding at the Arkansas plant on other chemical products as well as some new food and industrial starches.

"In all, Staley expects fiscal 1984 to be a year of progress in corn refining."

## Earns Eagle Award

Alan Russell was presented the Eagle Scout Award, the highest scouting award for boys, in ceremonies held on February 19, 1984. The 14-year-old son of Wayne, corporate field construction engineer at the Sagamore and Lafayette/South plants, is a member of Boy Scout Troop 313 in Lafayette, Indiana.



Alan Russell

Undertaking the ambitious program to meet the Eagle Scout requirements, Russell performed a community service project of three months duration. That project focused on an area conservation program to combat soil erosion at the Prince of Peace Lutheran Church, of which he is a member.

Alan investigated erosion, its causes, prevention and management with park department maintenance personnel. Thereafter, he worked out his proposal, which received the necessary approval of his troop and the district scouting council. Then he formed work crews comprising fellow scouts and managed the job. After the work was completed, he wrote a final report on the program, which was geared to test his planning and leadership abilities.

Besides this project, Alan also had to complete 21 merit badges to round out his experiences.

Involved in scouting programs since he was eight years old, Russell earned the Arrow of Light while a Cub. That is the highest award given at that level of scouting.

The freshman at Sunnyside High School in Lafayette plays in his school's Pep Band and is secretary of two organizations -- the youth group at his church and the Order of the Arrow scouts.

## Focus on safety

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"Safety is a personal responsibility. Not every employee is a safe employee. Whether we retain this record depends on the individuals working here," said Jorge.

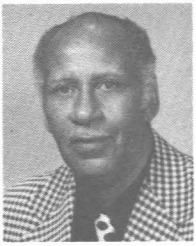
Rich Johnson, Staport leadman, agreed, "It's up to each employee to keep the achievements rolling in. Individuals made this record possible. We'll only keep it, though, with total awareness on the job."

"Getting this far has taken everybody's effort," says Mike Judge, roving operator, and an employee at that location nearly 10 years. "We've become much more safety conscious in recent years." He recalls the days when told, "Get the job done." He says the focus now is on "performing the job safely."

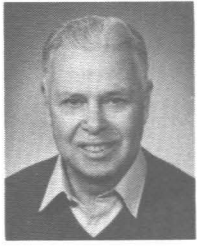
## Joining the leisure life . . .



I.G. "Sug" Boren



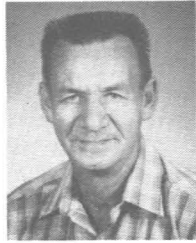
Melvin Chapple



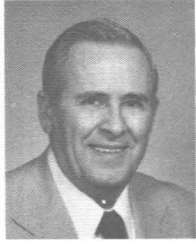
Robert Hawthorne



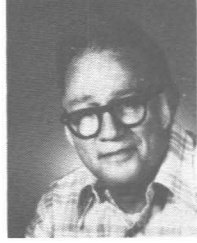
Fred Quintenz



Billy Hardy



Howard Hawthorne



John Williams

### Effective February 1, 1984

IVAN "SUG" BOREN, plant superintendent, soybean milling, agriproducts, Champaign  
 MELVIN CHAPPLE, supervisor, starch modification, dry starch, manufacturing, industrial products, Decatur  
 LEO EDWARDS, relief production supervisor, grain, agriproducts, Decatur  
 LETHA EHRENFELT, administrative assistant, sweeteners, sweetener business unit, industrial products, San Mateo, California  
 BILLIE FETROW, production supervisor, soybean milling, agriproducts, Decatur  
 BILLY HARDY, supervisor, starch warehouse, dry starch, manufacturing, industrial products, Decatur  
 ROBERT HARRISON, night maintenance coordinator, maintenance, manufacturing, industrial products, Decatur  
 HOWARD HAWTHORNE, maintenance planner, syrup and dextrose, manufacturing, industrial products, Decatur  
 ROBERT HAWTHORNE, senior painter and roofer, 5 and 10 building, Decatur

FRED QUINTENZ, maintenance coordinator, syrup and dextrose, manufacturing, industrial products, Decatur  
 CARL SIMROTH, production supervisor, refined oil, agriproducts, Decatur  
 LOUIS VON HATTEN, supervisor, power, utilities, manufacturing, industrial products, Decatur  
 JOHN WILLIAMS, production supervisor, elevator, grain, agriproducts, Decatur

## Dividends declared

Directors of the company on February 13 declared a regular quarterly dividend of 20 cents per share of common stock. The dividend was payable March 5 to shareholders of record February 23.

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.

## Morrisville earns award for EAP

For establishing an effective policy on the treatment of the disease of alcoholism, Staley/Morrisville has earned Bucks County Council on Alcoholism's eighth annual distinguished service award to industry. The award was given to Larry Van Doren, plant manager, and Louis Frederick, union president, at the organization's annual meeting.

Staley was selected for this award because "it has invested a great deal of time and money to destigmatize alcoholism, to help all employees understand the dynamics involved in addiction and to successfully deal with these problems," Vail P. Garvin said in making the presentation.

The chairperson of the dinner meeting continued by saying, "Management, through their corporate Employee Assistance Program, has demonstrated a total commitment to education and support of employees experiencing alcohol and drug problems.

"This is a joint commitment between management and union, who work together as a team. The company's full support has resulted in willingness of employees recovering from alcohol abuse to share with others their experiences and their sources of help," said Garvin.

Alcoholism is a growing problem in America, according to the keynote speaker George Gallup Jr., president of the internationally known Gallup Poll. However, he said an increasing number of people are realizing the serious nature of this problem and want to see more programs to combat it.

Gallup's organization, based in Princeton, New Jersey, devotes a great deal of time conducting polls that ask Americans how they feel about alcohol and the problems it causes.

"We see a vital need to continue our surveys to shed light on two major questions: What are the lifestyle factors that lead to alcoholism? What are the most effective preventive and treatment techniques?"

Polls show that 65 percent of Americans say they drink alcohol. "This is the lowest level since 1969," Gallup said. "The key reason is that during periods of hardship, such as during the recent recession, the level of drinking declines."

### Drinking a teen problem

One of three Americans say drinking-related problems have caused troubles in their families, his polls indicate. "Since 1974, there has been a dramatic upturn in these family problems," Gallup added.

Among the 18 to 24-year-olds, 40 percent say that alcohol has caused family troubles. He noted though that the problem of

## Officers elected

During its February 13, 1984, meeting, directors of the company elected the following company officers: Donald E. Nordlund, chairman; Robert M. Powers, president; Thomas V. Fischer, executive vice president, industrial products; Nathan Kessler, vice president, technical; Edward J. Koval, vice president, international; Wayne S. Martin, vice president and general manager - sweeteners; 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; G. David Satterfield, vice president, corporate relations; Robert L. Schwanke, vice president, finance; Robert K. Scott, vice president and general counsel; Henry M. Staley, vice president, business and economic analysis; E. Raymond Stanhope, vice president, administration and government relations and secretary; Warren T. Trask, vice president, engineering and purchasing; Frank H. Wagner, vice president; Ralph A. Wagner, controller; William S. Robertson, assistant treasurer; J. Patrick Mohan, assistant secretary, and Janet L. Somers, assistant secretary.

## Five directors reelected

Stockholders at the annual meeting February 13, 1984, reelected five directors to the company's board.

Reelected for three-year terms are: John W. Joanis, Joseph B. Lanterman, Donald E. Nordlund, Boyd F. Schenk and Robert L. Schwanke.

Joanis is the chairman of the board of Sentry Insurance, Stevens Point, Wisconsin; Lanterman, former chairman of Amsted Industries, Chicago; Nordlund, chairman of the Staley Company; Schenk, president of Pet Inc., St. Louis, and Schwanke, vice president of finance, Staley.

alcohol abuse is particularly growing among teenagers.

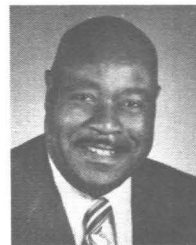
"Teenagers name alcohol as one of the most serious problems of their generation," he explained. "Four in 10 teenagers say they drink. Among boys 16 to 18, this increased to six in 10. And 36 percent of the teenagers who drink say they drink more than they should." His surveys indicate alcohol is served in the homes of one in five teenagers when they get together for parties with friends.

Fortunately, more Americans are becoming aware of the dangers of alcohol abuse, according to the speaker.

"Seventy percent of Americans say it's a serious problem. Twenty-six percent say it is a very serious problem. Only four percent say it is not a problem."

## Human Relations award to Al Dobbins

Service is his middle name. For his numerous volunteer efforts, some of which have had regional and national acclaim, Al Dobbins, cooler operator, 17 building, Staley/Decatur, has been presented the Decatur Human Relations Commission's Community Service Award.



Al Dobbins

Dobbins was cited for a long career of service, including assisting in the aftermath of the May 1, 1983, tornado in Decatur. After spending many hours helping assess the damage, he assisted with cleaning up the stricken area.

A 33-year volunteer with the American Red Cross, Dobbins is a member of the Macon County chapter of that organization. He sets aside 25-to-30 hours a month for various Red Cross activities, which have grown from motor corps driver, to include first aid instruction, blood program work, good grooming presentations and a gardening program. But he's also busy with Frontiers International and the Boys Club programs, which benefit the community and church work. Dobbins is also a member of the Illinois Secretary of State's Senior Citizens Advisory Council.

Al created two of the Red Cross programs. In 1966, he developed a grooming presentation for the elementary schools, introducing first through third graders to not only good grooming but also to nutrition, sanitation and minor homemaking skills. This program has continued to be popular and well received by the youngsters.

He's best known throughout the community and even on a national level though for his Green Thumb Operation, which he originated in Decatur 13 years ago through the Red Cross. He spearheaded the program to locate vacant properties, clear them, divide them into gardening plots, assign families to spaces and provide them with the means of learning how to grow vegetables and to prepare them. A program meant to supplement the grocery basket as well as improve the neighborhoods has grown from 19 to more than 110 families.

Besides being active in Red Cross programs, Dobbins has served on its board of directors, has worked to develop Red Cross services in the county area and has been a member of the disaster committee.

This is certainly not his first award for meritorious service. Al earned the American Red Cross Heart of Illinois Division's "Volunteer of the Year" award in 1979 and a year ear-

(Continued on Page 6)



The shareholders' annual meeting included registration, business overviews, business on hand, refreshments and socializing. A new film, covering the Staley Company today, was previewed at this event.



**Officers chosen**—Marie Luedke, engineering secretary, seated, at left, is president of the Staley Women's Club for 1984. Other officers include Barbara Patterson, business systems designer, also seated, vice president; and standing, from left, Nancy Smallwood, chief clerk, internal auditing, treasurer; Nancy Born, secretary, operations, manufacturing, agriproducts, the recording secretary, and Jean Short, secretary, plant personnel, corresponding secretary.

## 45 celebrate 485 years of service



**Herb Roszell**



**Janice Petzel**



**Larry Kaufman**

### 35 Years

**HERBERT ROSZELL JR.**, director of administration, protein, food and specialty products, Decatur

### 25 Years

**LARRY KAUFMAN**, senior mechanic, pipe shop, Decatur  
**JANICE PETZEL**, secretary to the vice president of industrial relations, corporate administration, Decatur

### 20 Years

**THOMAS BRABENDER**, maintenance supervisor, syrup and dextrose, manufacturing, industrial products, Decatur  
**ALYCE LIVINGSTON**, research technician, advanced research and development, corporate research, Decatur  
**JAMES PROCTOR**, cleaner, 40 building, Decatur  
**GEORGE SCANLON**, supervisor, dextrose, syrup and dextrose, manufacturing, industrial products, Decatur  
**GEORGE WITT JR.**, truck driver, 77 building, Decatur

### 15 Years

**TERRY JOHNSON**, rail and motor coordinator, manufacturing services, industrial products, Decatur  
**TERRY MENK**, technician, refinery, manufacturing, industrial products, Lafayette/South  
**ROBERT MYERS**, boiler operator, soybean milling, agriproducts, Frankfort  
**MARJORIE OLDHAM**, secretary to the area superintendent, corn milling, manufacturing, industrial products, Decatur

### 10 Years

**DARRELL ALLEN**, production helper, 44 building, Decatur  
**PAM COOPER**, secretary to the manager of maintenance, manufacturing, industrial products, Decatur  
**DANIEL DEAN**, flash dryer and grind operator, 12 building, Decatur  
**ROY ELMORE**, technical superintendent, protein, food and specialty products, Decatur  
**CLARENCE GORDON**, centrifuge operator, 44 building, Decatur  
**DENNIS HOUSTON**, evaporator operator, 5 building, Decatur  
**JAY HUMBURG**, assistant laboratory supervisor, soybean milling, agriproducts, Frankfort  
**ALBERT KELBLEY**, elevator operator, soybean milling, agriproducts, Fostoria

**DANIEL LANE**, ion exchange operator, 5 building, Decatur

**DAWN MOWEN**, visual information processing clerk, administration, industrial products, Decatur

**RONALD RICHARDSON**, production supervisor, soybean milling, agriproducts, Frankfort

**STEPHEN RING**, shift repairman, 1 building, Decatur

**DAVID SIMMONS**, production supervisor, soybean milling, agriproducts, Champaign  
**WILLIAM TATE**, production helper, 44 building, Decatur

**JOHN THOMPSON**, manager, starch recovery operations, starch business unit, industrial products, Murtaugh

### 5 Years

**BONNIE BELL**, process supporter, 118 building, Decatur

**JOHN BRAUN**, helper, 99 building, Decatur

**JOHN CLIFFORD**, manager, public relations, corporate relations, Decatur

**NANCY FAIR**, secretary to the director of corporate engineering, corporate engineering, Decatur

**THOMAS GIDEON**, expeller and flaking operator, 11 building, Decatur

**MICHAEL HICKCOX**, laborer, soybean milling, manufacturing, agriproducts, Des Moines

**ELLEN JONES**, helper, 29 building, Decatur

**KEVIN KISTLER**, helper, 29 building, Decatur

**GERALD KNOY**, technician, wet mill, manufacturing, industrial products, Lafayette/South

**CARL MASON**, cleaner, 99 building, Decatur

**ROBERT MILLER JR.**, maintenance service manager, manufacturing, industrial products, Lafayette/South

**SUZANNE MONTGOMERY**, secretary, export sales, soybean milling, agriproducts, Decatur

**DENNIS MURRAY**, conveyor unit helper, 20 building, Decatur

**RICHARD REITZEL**, security coordinator, manufacturing services, industrial products, Decatur

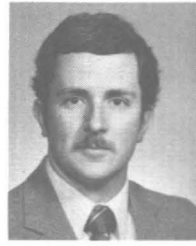
**JUAN RODRIGUEZ**, machinery operator, manufacturing, Gregg Foods, food and specialty products, Garden Grove

**WILLIAM ROGERS**, technician, wet mill, manufacturing, industrial products, Lafayette/South

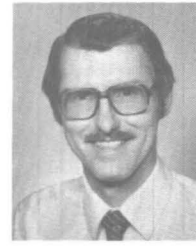
**MICHAEL WESTMAN**, operator, manufacturing, Gunther Products, food and specialty products, Galesburg

**DONALD WILLIAMS**, technician, refinery, manufacturing, industrial products, Lafayette/South

## On the move around the company . . .



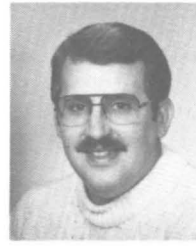
**Terry Bessler**



**David Hammond**



**Steven Hudson**



**Daniel Rutherford**



**David Zollinger**



**P. J. Braun**

### CORPORATE

**TERRY BESSLER**, from chemist, to research chemist, food and agriproducts, research, Decatur

**CHERYL BROWN**, from junior quality assurance technician, refined oil, agriproducts, to senior technician, food and agriproducts, research, Decatur

**HELEN DILLS**, from senior technician, to technologist, food and agriproducts, research, Decatur

**DAVID ENRICO**, from staff project engineer, to associate project engineer, project engineering, Decatur

**RONALD FIALA**, from associate management science analyst, to senior computer programmer, information systems, finance, Decatur

**TERESA HUNT**, from office messenger, to telephone operator, office services, finance, Decatur

**CATHY LANDRETH**, from employment secretary, industrial relations, to secretary, employee communications, corporate relations, Decatur

**MICHAEL LEADERS**, from production supervisor, Des Moines oil refinery, agriproducts, to foreman, pilot plant, chemicals from carbohydrates, research, Decatur

**MAX MATTIONE**, from associate instrument engineer, to instrument engineer, engineering services, Decatur

**DANIEL RIZZO**, from systems consultant, to systems manager, information systems, finance, Decatur

### FOOD AND SPECIALTY PRODUCTS

**DAVID HAMMOND**, from plant manager, Muskogee, to senior plant engineer, protein, Decatur

**DAVID ZOLLINGER**, from foreman, pilot plant, chemicals from carbohydrates, corporate research, to plant manager, Vico Products, Chicago

### INDUSTRIAL

**DENNIS ADKESSON**, from process engineer, to senior process engineer, technical, quality assurance, manufacturing, Decatur



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

Address Correction Requested

**P. J. BRAUN**, from secretary, employee communications, corporate relations, to order entry coordinator, dextrose, administration, Decatur

**JAMES CORNELISSEN**, from associate chemical engineer, to chemical engineer, manufacturing, Lafayette/South

**ROBERTA HAWSE**, from relief railroad motor coordinator, manufacturing services, to order invoice processing coordinator, administration, Decatur

**STEVEN HUDSON**, from technician, refinery, to syrup superintendent, manufacturing, Lafayette/South

**PATRICIA JONES**, from administrative secretary, to administrative assistant, sweeteners, sweetener business unit, Langhorne sales office

**ELLEN KULLANDER**, from administrative secretary, sweeteners, to administrative assistant, sweeteners, sweetener business unit, Northbrook sales office

**DANIEL RUTHERFORD**, from quality assurance laboratory supervisor, soybean milling, agriproducts, to quality assurance chemist, corn milling, manufacturing, Decatur

**RONALD ZITROW**, from staff plant engineer, to associate plant engineer, manufacturing, Loudon

## Other awards earned

(Continued from Page 5)

lier was named in the "Who's Who Among Black Americans." He also was chosen as an "Outstanding Volunteer" two years ago by the local Volunteer Action Force.

A willing worker, Dobbins unselfishly parcels out his day to others. . . working around his job at Staley where he's worked for 30 years and his family life.

## Staley News

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

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 Photographer. . . . .Dave Mjolsness  
 Typographer. . . . .Cathy Landreth

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