Holiday greetings

The holiday season is again with us. As in the past, it is a time of reflection, thanksgiving and celebration.

We at Staley have much to be thankful for this season. Our company has prospered and the outlook is promising. Each of you played an important role in our accomplishments of 1974 and 1 am sure you will continue to do so in the future.

I want to take this occasion to thank you for your efforts and to send holiday greetings to you and your loved ones. May the coming year bring good health and bappiness.



Company makes gains in energy conservation

from throughout Staley bave been reported for the just-completed fiscal year.

The energy conservation push hegan in earnest last December.

At Decatur, a one percent reduction in fuel consumption and a 1.4 percent decrease in electrical. use were reported for fixed "74. This was based on the total plant energy usage.

Significant energy saving projects underway include installation of jet converts flash steam recovery and additional evaporators in the syrup and dextrose areas which, when completed, will reduce industrial products fuel usage by 9.7 per cent.

Agriproducts reported a reduction in fuel usage of 4.3 percent per bushel ground and a total power usage reduction of 3.5 percent.

Morrisville figures, based upon equivalent gallons of oil used per bashel of grind, showed fuel consumption reduced 9 percent for the full year. Additionally, by the end of the fiscal year fuel saving amount of electricity as the result steps were in effect which were

Energy conservation savings reducing fuel usage by 12.2 percent.

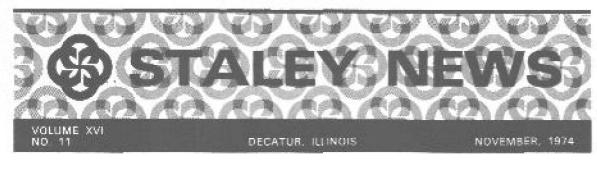
Electrical usage per bushel was reduced by 14.8 percent, largely due to improved utilization of equipment and an increased grind.

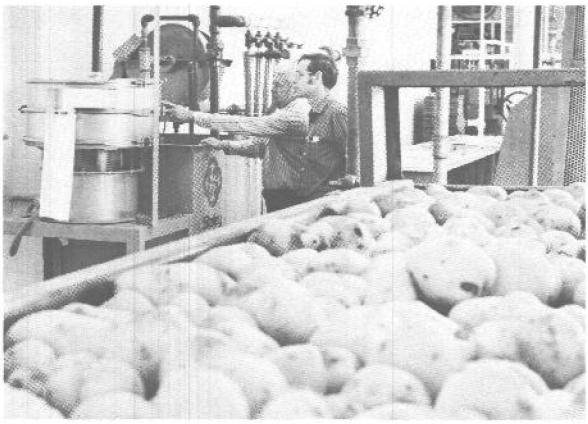
Columbus, which uses both natural gas and No. 2 oil for boiler fuel, achieved an overall energy reduction of 5.3 percent.

At consumer products, significant reductions in fuel and electricity consumption were reported at most facilities.

Circro, which uses the majority of electricity and fuel for consumer, had a 5.7 percent reduction in both fuel usage and electrical consumption per thousand gallons of output.

On a per thousand case basis Arlington registered 2.9 percent fuel reduction and used 12.9 percent less electricity; Pontiac required 17.6 percent less fuel and 13.7 percent less electricity, while Chattanooga used 21 percent less fuel and 8.7 percent less electricity. Detroit used 8.4 percent less total fuel but did require greater of increased grind.





Paul Neumann, left, and Steve Tyler check the operation of the new dry starch recovery unit at Perfect Potato Chips, Inc. Paul is plant manager at Monte Vista, which processes most of the starch recovered at Perfect and in similar operations. Steve is a chemical engineer and did much of the development work.

Expands potato starch potential

Jnit recovers dried starch

oped a method which makes it. practical to install starch recovery units in potato processor's plants even where transport of liquid slurry is unfeasible.

The first of the new units, which uses flash drying of the effluent of the processors-a

Staley technology has devel- dewatered starch cake was installed in October at the Perfect Potato Chip, Inc., plant in Decatur,

The development continues Staley's leadership in the recovery of starch from potato processors. Formerly, the starch ended up in

continuing environmental problem.

Then the company developed starch slurry recovery units which used centrifigual force to concentrate the starch found in the

Several of these slurry units are in operation at 14 locations throughout the country.

The shipment of the slurry to Murtaugh, Ida., and East Grand Forks, Minn, for drying or to Monte Vista or Houlton for processing into industrial starches was costly and drying facilities limited thereby decreasing the number of potential processors who might take advantage of the recovery unit, according to Gene Griffith, manager starch engineering and production.

Proven Techniques

The unit installed at Perfect is the combination of three proven-Staley processing techniques-solid concentration, filtrates and flash drying," he continues. "The drying system makes it possible for small as well as large processors to recover starch economically."

Gene says that the starch recovered from Perfect will be sent In Monte Vista. While the volume is not large, the unit gives Staley an opportunity to develop further the total recovery unit concept.

Staley will exhibit the dry starch recovery unit this January at a show in Houston for potato processors, and plans a major promotional effort to place the units around the country.

Interest is high and an enthustastic response to the new concept is expected, says Gene.

The units will be produced by employees at Monte Vista.

Inflation pinch shown in chemical price increases

Editor's Note: Inflation and what can be done about it that's the subject of television commentaries, politicans' speeches and household budgets.

While we are all aware of the impact inflation soaring prices have on individuals, we often forget that inflation increases the cost of doing business. That means, Staley is subject to the same price squeezes and spiraling costs as any of us.

Beginning with this look at the chemical situation. News will examine ways inflation affects Staley and what can be done about

Three is a lucky number, according to an old superstition, But three chemicals used in large volume by Staley can be translated into another meaning. . . increased material costs of nearly \$1 million in the last year

The three chemicals are oxides, used in starch modifications, soda ash and caustic soda. The oxides are petrochemicals while soda ash and caustic soda are inorganic chemicals. Soda ash is an acid neutralizer as well as a

regenerating agent for ion exchange resin. Caustic is used to neutralize acid.

The tremendous increases are indicative of what has happened to all chemical prices, according to Dave Kaylor, assistant purchasing agent. Overall, the corporation purchases more than 300 different types of chemicals.

Dave speaks from a solid basis for his observation. During the past months, he has visited chemical producers which supply Staley and potential suppliers to acquaint them with the company, its products and its progress. The objective to convince them that Staley should figure high in future allocations.

How did this switch in traditional roles occur-with the purchaser suddenly becoming the salesman?

Oversupply

"During the 1960's, there was an oversupply of chemicals," explains Dave. "This depressed prices and the industry in general. Anytime industry-wide expansion and construction of new facilities is deterred, there is an incvitable day of reckoning when demand not

(Continued on page 4)



Soda ash is one of the chemicals that has undergone tremendous price Increases in the past year. The material is also scarce. This scene is at the loading dock at 16 building where Norman Mathias moves the chemical into the building for use in making modified starches.

In the News...



The Candyman...P.3





Makes difference...P.4

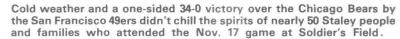
Bears falter, but Staley people enjoy outing

















United Way campaign sets mark Staley employees at Decatur For example, the small

Staley People+The United Way

A Winning Team

responded to the annual United Way appeal with a record \$70,241.

Eaton, George Virgil, John Bolas and Bob Smith.

The amount topped the \$70,000 goal and was nearly \$17,000 above last year's figure. That, combined with the company's gift, made Staley one of the top contributors as the Decatur Macon County United Way worked towards its goal of nearly \$1

In addition to the increased amount of employee gifts, a highlight of the campaign was increased participation.

machine shop, lubrication and oil, sewing room and boiler room each had 100 percent participation.

You did it! And these co-chairmen of the United Way campaign at Decatur send a "thank you" to Staley employees for their support of the campaign which set a record. Left to right, Russ Smith, Ernie Karcher, Zeb

> The riggers had 85 percent participation, while the oil refinery, production and shipping inspection and 17 and 33 buildings each finished at better than 83 percent participation. Several other departments finished with better than 75 percent participation.

Corporate research and development had 91.5 percent participation and industrial products groups, corporate relations, corporate law and agriproducts each surpassed the 85 percent figure.

Other Staley locations also reported enthusiastic employee response to local United Way

At Oak Brook, \$5,548 was reached, surpassing the goal of \$5,000.

At Vico Products in Chicago, participation was 100 percent and the average gift was up 20

Gunther Products hourly employees in Galesburg responded with 100 percent participation.



How many times have you heard someone ask, "It sounds good in theory, but will it work?"

That's not just a casual inquiry for the employees at the pilot plant (59 building) in Decatur--it's a way of life.

The pilot plant is responsible for testing processes and checking the feasibility of new products and their potential return to the company by producing them in small batches.

Currently, 50 Staley people are working on over a dozen such

Dr. R. M. Powers, vice president, research and development says, "The production employees who work at the pilot plant are unique to Staley.

"They do not do a single job, but rather must be familiar with all the processes the company uses, giving them a base of knowledge about operations that may be unequalled in the industry."

The pilot plant makes many products for sale to customers, and that, plus their test runs on new processes, accounts for more than 1 million pounds of products produced monthly.

Dr. Ed Koval, director, applications research, says "The semi-works production is an important step in the introduction of our products to customers before we go into full-scale production."

An example of the versatility expected of the production emplovee in 59 building is their multiple uses of the same equipment to make widely different products.

Dr. Tom Protzman, director engineering research/services, notes that the employees in the pilot plant can receive "new instructions" every day and must continually work with new processes-there is no routine.

Furthermore, their contribution weighs greatly in the decision as to whether new products will be accepted by Staley customers and can be produced economically.

Roger Leiser, group leader, process research and development and pilot plant, notes that the pilot plant is not to conceive product

"One of our functions is to determine if a proposal won't be beneficial to the company. We don't want to invest in production facilities and find a process won't

"Products are reasonably well defined when assigned to us," he explains. "We must test new processes and look at the final product for economics, control, and relia-

An example is a new method for converting starch to dextrose.

Dr. Dick Hahn, director of food and agriproducts, says, "We asked the pilot plant to scale-up the process after most of the lab work had been done."

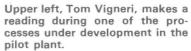
Roger points out that the pilot plant approaches problems from a process viewpoint, even though they may do some lab work to pin down variables. "We're concerned with an economical and reliable way to make the product."

Roger says much of the work on the dextrose conversion was done under the direction of John Rasche, senior development engineer, who developed the basic process. Ed Hughes, pilot plant supervisor, guided the pilot plant

Pilot plant batches range from one hundred to several thousand pounds. During work on the dextrose conversion process the production rate was about a thousand pounds a week.

The pilot plant operates the process as though it is in full pro- makes it possible.





Ted Wisely seals a drum of product from the pilot plant, upper right.

E. O. Walters checks the operation of a roll dryer, lower right.

duction. Only the scale is reduced. Raw materials, from other parts of the plant or suppliers, and production steps are closely

New products and product improvements enable Staley to better serve its wide variety of customers...and the pilot plant and its employees are the "bridge" between theory and reality which







Candy maker turns to Gunther for creamy mints

You're in charge of production of mints for a large regional candy manufacturer that has built its reputation on quality...your company has made a half-million dollar investment in an innovative chocolate-covered mint making process...only to discover that the egg albumen you rely on to make your mints creamy, literally "can't stand the heat" of the process and coagulates, prompting excessive downtime for cleaning and maintenance of equipment.

What do you do to protect your investment in this, one of the most highly competitive of all businesses, where even mils per piece of candy can affect profit?

It's not really as hopeless a situation as it might sound. Witness the case of the Pearson Candy Co. in St. Paul, Minn., which, when faced with these circumstances turned to Staley's G-400 V soy whipping agent, produced by the protein division's Gunther Products in Galesburg.

Pearson is a producer of national brands such as Pearson mints and Salted Nut-Roll candy bars. It also produces Seven-Up and Nut Goody. It has been in St. Paul since 1909 and is one of the largest "regional" candy makers in the nation.

Pearson dominates the market for the type of mints located near cash registers in restaurants. It promotes them as "change makers" and because of coin shortages believes this market, which it originated, to have an especially bright future.

Volume production is one key to success in the change maker market, so company officials were enthused about prospects for a continuous cooking candy making machine which would greatly increase output.

There are only three of the English-made devices in the world and Pearson's is the only one in this country.

Basic Change

The technique, developed by an English manufacturer, represents a basic change in cream candy making.

Mint patty centers had formerly been made by pouring a liquid candy mixture into trays of powdered corn starch which acted as the "mould". The trays were then taken into a storage area for at least eight hours where the centers were allowed to "set" before the trays were returned to a

Avoid falls, enjoy holidays

The holiday season is upon us and it's the time to be jolly--if you aren't recovering from a se injury that's the result of a fall.

December and January are especially hazardous months for Staley people. Of the 38 disabling injuries due to falls at Staley last year, 14 occurred in December and January, Those 38 injuries translated into 275 lost work days.

Nationally, one of every five workers injured in on the job is involved in a falling accident.

What can be done? Here's a checklist which might keep you from injury.

--Watch for slippery spots. Clean up oil, grease and water

--Use aisles. Don't take short cuts through storage and machinery areas.

-- Look out for objects on the floor that can roll, slide or trip you up in some other way.

-- Don't run on stairs.

--Use ladders and manhoists properly.

-- Don't jump from trucks or loading docks.

-- And finally, watch your step.

moulding machine where they were flipped upside down to separate the centers from the moulds.

This center-making process was time consuming and costly.

The new technique incorporates "starchless" forming of the centers. The mint is mixed in a continuous cooking system with the whipping agent injected into the mix at the start of the process. The cream center is then deposited automatically in metal Tefloncoated moulds. The moulds move into a tempering tunnel for 12 minutes and are then cycled back to a demoulding phase where the mints are released by compressed air shot through tiny holes in the bottom of the moulds.

The total elapsed time is only 16 minutes--a tremendous potential increase in production.

However, a problem which had not turned up in pilot runs soon became evident. The egg albumen injected in the heat exchanger as the whipping agent was adversely affected by the heat exchanger temperature of 180 degrees and would coagulate in the equipment. Several hours of maintenance was required each day--time during which the expensive machinery could not run.

Pearson officials-particulary John Losleben, purchasing manager-were familiar with Staley because of other company products they used in their candies, and Losleben had a long-standing interest in the use of soy albumen.

Soy albumen is made from soy grits from Decatur. Galesburg employees purify the grits and solubles are washed out in large vats. The material is treated with an enzyme which breaks the large, loop-shaped molecules into smaller ones which have whipping properties equal or superior to egg albumen.

From Pearson's viewpoint,

the main advantage of Gunther 400 V is that it is not adversely affected by the heat of the process.

Furthermore, Gunther 400 V is more stable than egg albumen and offered cost savings at no decrease in quality, according to Pearson officials.

Less Gunther 400 V is required than egg albumen because its whipping factor is greater than egg albumen, adds

"Actually, I believe soy protein is superior in many respects to egg albumen," he continues. "It allows a more uniform air cell which creates a 'creamier' mint. There is no adverse difference in mouth feel. And its lower cost and ability to function under greater temperatures combine to make it even more

Quality of incoming Gunther 400 V is important to Pearson. Don Koedding, production manager, notes that while Pearson conducts regular tests for such things as bacteria content, it relies largely upon Staley to set the standards for the Gunther product and then meet them on a consistent basis--a pattern which has proven success-

"In effect, then, we are staking a great deal on your quality," Don explains, "Your emphasis on quality control acts in our behalf. You're the experts in the soy whipping protein category and we place faith in your expertise. That means everyone who figures in the production of Gunther 400 V has an impact upon

Pearson is undergoing production changes which will allow it to use Gunther 400 V in its other candies--an indication that the "impact" of which Don speaks has been favorable, and Pearson is showing that it believes Staley can continue doing the job.



It's on a grander scale than mom's kitchen, but the principle is the same--delicious candy ingredients after cooking awaiting mixing and final preparation into one of the quality brands in the Pearson line.

On the move

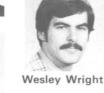


Robert Nihiser



Mel Chapple





David Miller

ROBERT NIHISER from hourly roll to foreman, stores/reclamation. manufacturing MELVIN CHAPPLE from hourly

roll to production department relief foreman, manufacturing JAMES WILSON from scheduling clerk to scheduling supervisor, dry starch.

AGRIPRODUCTS

DAVID MILLER from cash grain manager to manager, grain

CORPORATE

WESLEY WRIGHT from associate research chemist to buyer-manufacturing supplies, purchasing



In what seems to be endless succession, mint centers for Pearson's popular "change maker" line roll on. . .and on. . .and on. Gunther 400 V is used as the whipping agent in the centers.

Anniversaries



Charles Wilber



Harold Fuson

Hilbert Bell



W Mussulman



Arthur Alfred

40 years

HAROLD GENTRY, repairman, 11 building

35 years

CHARLES WILBER, senior mechanic, sheetmetal

CLIFFORD MAST, senior mechanic, sheetmetal DALE FISHER, senior mechanic,

sheetmetal LEE OWENS, stock-sample clerk, 60 building

HAROLD FUSON, senior mechanic. sheetmetal

HILBERT BELL, quality assurance laboratory supervisor, consumer products, Oak Brook

30 years

WAYNE MUSSULMAN, lab head, microbiologcial

Benefits payments up by 13 percent in 1974

The important role employee benefits can play in Staley employees' financial well being was indicated again during fiscal 1974 as both the number of claims submitted to and paid by the Staley Employee Benefits Association increased.

A total of \$2.24 million was paid by the Association in behalf of Staley people. This is a 13 percent increase from the previous year. The 1974 payments included 15,078 hospital, medical, surgical, major medical, diagnostic and health and accident claims. Included in the claims were payments for 9,580 days of hospital confinement.

25 years

DARRELL KING, extraction operator, 101 building ARTHUR ALFRED, shift leader, Vico, Chicago

20 years

FRANK JANES, manager, soy flour & gluten, protein division FRANCIS O'DONNELL, maintenance A leadman, Houlton MAX ESPINOSA, mechanic, Monte Vista

HUGH O'NEILL, technical paper representative, paper & textile, industrial

LAUREN INCARNATO, relief night superintendent, industrial manufacturing LONNIE WILBER, senior mechan-

ic, machine shop LLOYD RIGGS, trailer operator, transfer department

DONALD SIGMON, carbon operator, 5 & 10 building

10 years

ROBERT LENTS, project leader, program maintenance, corporate information systems KENNETH ALBERT, dextrin lead-

man. Houlton RODNEY FARRAR, boiler lead-

man, Houlton JACK FINCH, mechanic, Sno Bol

RONALD NUSBAUM, soy feeds schedule coordinator, agriproducts marketing

LARRY DONAHUE, assistant general manager, polymer adhesives, Staley Chemical GEORGE ESPINOSA, lead opera-

tor, Monte Vista DORIS JEAN BLAKELY, production, consumer products, Arling-

CLAYTON RUSSELL, truck driver,

Youth responds to Linda's message

The nearly 30 children, none of whom are more than six years old, lean forward in their seats, anticipating what is to come.

Their Sunday school teacher on this day is Linda McCoy, a messenger in 62 building, and her special "friend," Tuli-Lu-a ventriliquist's dummy.

Linda and Tuli-Lu are becoming well known at many church, school and civic activities for young people around central Illinois with their show.

News visited Linda as she performed for the children at her church in Decatur.

Linda began with some jokes which the children enjoyed and then had a Bible quiz with the children trying to answer before Tuli-Lu.

Assured now of their interest, Linda and Tuli-Lu told the children the story of Noah and the Ark.

Tuli-Lu is versatile. She appears before youth groups other than in church.

When we are doing a show for scouts, we don't use a religious theme," Linda explains. "Instead, we have a different act which entertains but informs the children with an educational message."

Linda's interest in youth groups has deep roots. Her father is a minister and her husband is a lay preacher. And, as their six-year-old son took an interest in things about him, Linda found herself drawn into youth work.

Her husband, Jack, doesn't escape, and, in fact, helped Linda get started when they began conducting puppet shows

"We were surprised at the response, especially from the adults who enjoyed the shows as much as the kids," says Linda.

The step up to ventriliquism was soon to follow. Her enthusiasm and love of children is evident... and the children respond (see

"I believe this is something I can do for children," concludes Linda. "It's hard to describe the enjoyment and satisfaction I get from working with them. All I can say is I'll keep doing it as long as I





Linda McCoy and her friend Tuli-Lu perform for a group of children at Linda's church in Decatur. One of the reasons for Linda's success with her entertaining approach is reflected in the faces of the children, proving that a child's fascination with puppets and dummies is as real today as it was centuries ago.

Dividend up; capital needs, earnings cited

Staley directors have voted to increase the company's quarterly dividend rate from 35 to 40 cents per common share.

The increase reflects current earnings and a strong outlook for 1975, yet also acknowledges pressing capital needs for future expansion.

The company is in the process of expanding output of all corn sweeteners, and has indicated that further expansion will be necessary to meet demand. Currently nearing completion at Morrisville is a 50 percent expansion in high fructose syrup. At Decatur a 15 percent expansion in overall corn refining capacity will be completed over the next several months.

Also under way is an expansion of food protein output to include soy protein concentrate as well as additional soy flour and textured protein.

The dividend at the new rate of 40 cents per common share is payable December 6 to shareholders of record November 25.

The usual dividend of 93 cents per share was declared on the company's \$3.75 preference stock. It is payable on December 20 to shareholders of record December 6.

STALEY NEWS

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

Manager, Employee Communications..... Dan Hines

Manager, Visual Communications Lee Jeske Assist. Photographer. . Roy Enloe



Joining the ranks of The Golden Years this month are Arthur Fox, Harold Reeve, Roy Hornback, William Bourne, Luke Owens, Virgil

Congratulations to Bill Copenbarger who celebrated his 90th birthday Oct. 18. Bill, who retired in 1951, was born in Waynesville, Ill. Actually, it was a time for double celebrating as he and his wife observed their 39th wedding anniversary Oct. 16.

Retirees are reminded that they may have blood replaced for themselves or members of their immediate family at no cost by the Red Cross anywhere in the country. This service is made possible by the support of Staley employees for the unit over the years. Latest example was John Talley, a retired foreman from 12-16 building who needed blood replaced for his wife. Contact 423-4411, ext. 372 or 135, or write The Golden Years, 2200 E. Eldorado, Decatur, Ill. 62521, for details.

In last month's Golden Years' column we listed several retirees, including A. F. Heideman, who had 47 years service. His son, Dewayne, production helper, 44 building, has given us an interesting fact-Dewayne is not only following in the footsteps of his father, but is the third generation of his family to work at Staley. His grandfather was an early employee, working with the company until his death in 1913. Are there any more families with three generations of Staley employees? We'd like to hear from you.

Safety reports that several retirees have taken advantage of the special prices offered them on safety prescription lenses and frames. Remember, as a Staley retiree, you are entitled to purchase glasses through the safety office, usually at tremendous savings. For example, a pair of glasses and frames typically runs no more than \$12. You are also entitled to purchase up to two pair of safety shoes a year at special discount prices. For more information, call 423-4411, ext. 311.

Inflation pinch

(Continued from page 1) only catches up with supply, but outstrips it.

'The result will be overdemand, undersupply and higher prices. The day of reckoning in the chemical industry came early in

Dave notes that while increased profitability has enabled chemical concerns to plan for expansions and new plants, increased capacity will not reach the market until 1976 and 1977-meaning there may be up to three more years of tight supplies and price increases. Deterrent?

The one deterrent to higher

prices would be a general slowdown in the economy.

"We've noticed some slackening of the situation recently," he continues, "but not enough to relieve the supply-demand situation in which we find ourselves."

Dave points out that the company is taking action to guarantee that all chemicals are used pro-

"Production and materials planning under Chuck Miller acts as a watchdog on chemicals usage,' says Dave.

'Usage figures are watched closely and when there is a variance, we set out to discover the reason. Process employees can contribute greatly to this by following prescribed formuliza-

"We are also working closely with research on ingredients specifications for new products.

"The point is that when a company deals with as large a volume of chemicals as we, it sometimes seems the supply is endless--it isn't and it's costly. Our job then is to use them in proper quantities and

Staley Mfg. Co. P. O. Box 151 Decatur, III. 62525 Return Requested



Employee's effort helps keep Ford plants rolling

Can one person make a differance on a job? You bet! Delores Dillman, general of-

fice clerk for Staley Chemical at Lemont, provided an example with her persistence and follow-through on delivery of an adhesive shipment to help keep Ford Motor Co. production lines moving, adding to the Staley reputation for service.

The adhesive--A-325--is used by Ford to adhere vinyl tops to its Torino models. When adhesive supplies ran low at Ford's St. Paul and Chicago plants, the Lemont plant was notified. Although the adhesive is produced at Staley Chemical's Kearny plant, the Lemont facility serves as a midwest distribution point.

Shipments of the adhesive from Kearny to Lemont are made by a private trucking firm. Because of traffic problems the shipment did not arrive as scheduled one morning recently. Delores had to send trucks, which were standing by to speed the adhesive on to St. Paul and Chicago, back to their terminals.

That afternoon, the driver of the delivery truck from Kearny called and said he would arrive about 5:30 p.m. Delores agreed to wait and got to work to get the other trucks back.

One firm refused to return to the Lemont plant and would make the delivery to Ford only if Delores would arrange for the adhesive to be delivered to its

That was the start of frantic telephone activity by Delores as she made necessary connections.

She called the affected Ford plants to check their operating schedules and how late they would be open to receive shipments.

She stayed on hand until the truck from New Jersey arrived-at nearly 7:00 p.m.

Delores then made sure the incoming shipment was placed on trucks bound for the Ford destinations. Even then, she wasn't through, as she contacted the Ford plants to let them know the shipments of adhesive were in transit.

Thanks to Delores' efforts, the adhesive got to the Ford plants before they ran out, providing another example of the competitive edge provided by concerned employees.



Delores Dillman