



Chairman Tells Shareholders

1972 Earnings Outlook: Moderate Gain

An upswing that started in the third quarter is continuing in the fourth quarter and will generate a moderate gain in earnings for the year, Chairman A. E. Staley, Jr. said in a recent letter to shareholders.

Key factors the Chairman cited for the anticipated improved results for the year ending September 30 are federal income tax investment credits for a portion of the substantial construction expenditures for Staley/Morrisville as well as steady increases in volume for the new Pennsylvania corn refining facility during the third quarter and thus far in the fourth quarter.

"Based on current estimates, along with the expectation of sustained gains in operations through the remainder of the fourth quarter, earnings for the year should be in the \$2.40 to \$2.50 range,

versus \$2.02 for the prior year," the Chairman said.

Morrisville Contributes to Optimism

Commenting on the Morrisville operations, he said, "Acceptance of our new high fructose corn sweetener has been good, and initial output of modified food starches from genetic corn is likewise doing well. Market reception to these highly sophisticated new product lines contributes strongly to an optimistic outlook in our important food ingredients organization."

Continuing, the Chairman said, "Some improvement in depressed bulk syrup prices, which we hope will be forthcoming, will further enhance future results in food ingredients."

In another major segment of our business, the Chairman said the prospect of a larger 1972 soybean crop and pro-

gress in the sales of new food proteins developed in our laboratories reinforces the outlook.

On International and Consumer

Commenting on the performance in other major areas, the Chairman said, "International results are up, partially as a result of improved performance at Staley/Argentina where initial costs have been unexpectedly high; and our Consumer Division continues to show increases in its "Wagner" drinks as well as other food and household lines. An aggressive new product development program continues in the consumer field, as a part of our overall plan for growth in proprietary lines."

These as well as other current developments will be described in greater detail in the Annual Report, which will be mailed to the homes of employees later this fall.

Wanted Now! More Employees Like Blaase

Like many Staley employees throughout the country, Decatur pipefitter Ray Blaase



Ray Blaase

devotes considerable time and talent toward making his community a better place in which to live.

Village clerk, library board trustee, volunteer fireman, little league coach, church trustee, PTA—you name it and chances are Ray has been or is involved. Presently he devotes up to 15 hours a week toward community affairs in the Decatur suburb of Argenta, and sometimes the pace gets hectic as he fulfills his obligations at work, at home, and in the community.

Unfortunately, most of us never hear about the Ray Blaases. Too bad, because they're one of the greatest social assets this nation and our Company have. An asset of such magnitude that there's hardly a Staley community you can visit today without finding a Ray Blaase.

Today, Staley as well as other corporations are being asked by government, investment groups, and other organizations to give a social as well as a financial accounting. At Staley, such an audit would be incomplete without mention of the outstanding voluntary contributions Ray Blaase and others like him throughout the Company are making in their communities.

Coming: An Employee Survey

Thus, during September, employees at all locations will be asked to complete a brief questionnaire on their involvement in community affairs. Your input will be summarized and used as a key portion of a complete social portrait in the upcoming Annual Report. In addition, selected individuals—with their permission—will be featured like Ray in the Staley News.

Be on the lookout for the questionnaire in your location.

Now, more on Ray Blaase and how he's making Argenta a better community.

A 30-year employee, Ray is serving his 12th year in the elected position of village clerk. In this capacity, he invests up to 10 hours a week in carrying out business for the village and attending council meetings.

More Business for the Clerk

Recently his village clerk responsibilities have taken on added dimensions—the village is about to let a contract on a new \$800,000 sewer/waste treatment system, the community's first such commitment.

"It's taken us nine years to get the system ready for bids," Blaase said, "and it's one of the largest and most detailed undertakings in our community's history."

Things are moving ahead also with the local library board, on which Blaase serves as vice president. The board is pushing for a new, modern library to replace the facility that is presently located in an old, renovated house.

"We've selected and paid for the site," he said, "and we're hoping to build the new library

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Fischer Gets New Post In Industrial Products

In a move designed to enhance executive development within the Company's largest profit center, T.V. Fischer has been named to the new position of vice president and general manager-operations, Industrial Products Group.

Reporting to L.E. Dossie, executive vice president, Fischer is responsible for sales and product management, manufacturing, and technical service functions for the Group.

Those functions which previously reported to Fischer while he served as vice president-law and administration have been reassigned. E.R. Stanhope, secretary and general counsel, assumes the industrial relations, patent, transportation, and aviation functions; Nat Kessler, vice president-technical, assumes the purchasing function; and G.L. Bieger, vice president and controller, assumes the internal auditing function.

The functions Fischer assumes account for approximately 50 per cent of the Company's sales revenue and encompass 9 manufacturing facilities employing approximately 2,300. These are:

Industrial sales/product management under J.H. Beaumont, vice president. This includes the marketing of sweeteners, food ingredients, paper and textile products, and a wide range of specialty items for food and industrial uses.

Industrial manufacturing, including those facilities reporting to W.R. Schwandt, manufacturing manager—the corn wet milling operation at Decatur, Morrisville, Monte Vista, Houlton, and Keever; in addition to the operations at Charlab, Gunther Products, Vico, and Asmus.

Industrial technical services, under T.C. Garren, which serves as liaison between sales, manufacturing, and research.

Fischer, 43, joined Staley in 1965 as secretary and legal



T. V. Fischer
Gets new Industrial post

counsel. He was elected to the board of directors in 1970 and serves on the Company's executive committee. He was appointed vice president-law and administration in 1969.



"Starabic 101 Gum" introduces new economy/quality for printers
Researchers Al Kryger (L), Don Wilhelm test product on metal plate

Research Develops Two New Products Aimed at the Printing Industry

Staley research has developed two new products for the printing industry that offer the economies of the Volkswagen and the luxuries of the Mercedes.

They are "Starabic 101 Gum," an economic replacement for gum arabic in the increasingly-popular lithographic printing process, and P3-103 Resin, a water-soluble ink vehicle that improves print quality, hastens drying, and eliminates the health/safety/pollution hazards associated with more-expensive solvent-based vehicles. Both were developed under the direction of Charles Nevin, group leader, industrial starch and chemical laboratories.

According to Jack Gogek, whose special industry sales team will market the products, they offer the customer significant cost savings while returning attractive margins to Staley.

Three Primary Advantages
Primary advantages of the Staley-developed gum over gum arabic are: It's competitively priced; it's formulated from natural products found in the

U.S. and is therefore more readily available than its counterpart which is imported primarily from the Sudan; and it's uniform in quality whereas gum arabic varies from batch to batch.

Starabic 101 Gum is recommended for use in light-sensitive coatings in lithographic printing (that process which uses photosensitive plates on which the image is ink-receptive and the non-imaged area is ink-repellent), for preparation of the plate prior to printing, as a principle ingredient in fountain solutions used on the offset press, and as a protective coating applied to plates prior to storage.

Offering significant labor-saving advantages, Starabic 101 Gum goes into solution almost instantaneously in water at room temperature. Solutions of gum arabic require strong agitation in hot water for periods of up to 12 hours.

Product and process development of Starabic 101 Gum were coordinated by project leader Al Kryger. Benchmark evaluations of the product in

various lithographic chemicals as well as introductory sales development were carried out by applications chemist Don Wilhelm. Process development was directed by associate development engineer Roger Hoop, and market introduction was handled by commercial development manager Don Winter.

The Advantages of P3-103

P3-103 Resin is an economic replacement for existing printing ink vehicles in volume-oriented applications. The product's primary function is to aid in pigment dispersion in water-based inks used in flexographic printing, a process used chiefly in such applications as cartons, containers, shopping bags, wrapping papers, and posters. In these applications, high-speed printing is essential, and P3-103 is specifically formulated to achieve rapid drying, smudge and scuff-resistant images.

In addition, P3-103 Resin does not produce the vapors associated with solvent counterparts. Thus, health and safety for printers are improved consid-

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DIVIDEND DECLARED

Directors declared a regular quarterly dividend of 35 cents per common share, payable September 6 to shareholders of record August 21.

The usual dividend of 94 cents per share was declared on the Company's \$3.75 preference stock. It is payable September 20 to shareholders of record September 6.

Shaeffer Is Our Man In Washington, D.C.

Our man in Washington, D.C. for the next year is public relations director Bruce Shaeffer, and he's there to help the administration secure passage of one of the nation's most controversial and top priority packages—welfare reform.



Bruce Shaeffer

One of 40 young executives chosen from nominations invited from top corporations across the nation, he is a participant in the 1972-73 President's Executive Exchange Program, serving in the Department of Health, Education & Welfare where he'll help build and direct an information system geared toward the passage of key welfare legislation.

He was selected by the President's Commission on Personnel Interchange, which was established in 1969 to build a mutual understanding among management personnel in government and industry, as a basis for more effective interaction in our society's pressing problems.

Nominations for the program are invited primarily from the nation's top 500 corporations. After thorough screening, the Commission pares down the number and invites candidates to Washington for interviews. Final assignments are made on the basis of overall qualifications and agency requirements.

Specifically, Shaeffer's assignment is in the office of adult assistance planning which deals with assistance to aged,

blind, and other disadvantaged. His duties will carry him to Capitol Hill where he'll brief legislators on pending legislation. Should the federal legislation pass Capitol Hill, he'll work with state legislatures in explaining how the reform dovetails with state programs.

Commenting on his appointment, Shaeffer said his experience should provide the Company with a rare insight into the inner-workings of government.

"Today, very few corporate decisions are made without consulting the federal legislation that affects those decisions. Thus, it's in Staley's best interest to know more about federal government and how government and business can cooperate and interact favorably.

"Our hope is that this assignment will help achieve those goals and produce more effective legislation."

In Shaeffer's absence, David Satterfield will serve as acting director of public relations.

Charlab Announces New Product for Textiles

CHARLOTTE, N.C.—A new 100 per cent active, cold water soluble product especially designed for finishing knit and woven goods with a soft, full hand has been introduced by Charlab.

"Stafinish" 100 is recommended by Staley for durable press treatments of cotton and cotton/polyester blend fabrics.

The new material is described as a neutral product that combines cross-linking reactants to improve stabilization, durable press properties and strength retention.

Wanted Now! More Employees Like Blaase

Continued from front Page within the next few years."

As for his job as volunteer fireman, it's mostly an unscheduled involvement, with calls often occurring in the dead of night.

Why Is He So Involved?
Why is Ray Blaase so involved in community affairs?

"Everybody should be involved," he said, "especially those who are raising children."

"My involvement with young people keeps me young, and I'm informed on what's happening in my community."

"It's an education and a great way to build lasting friendships. Many of the youngsters I've coached in little league continue to drop by my house."

"I wouldn't trade the joys I've received from my community involvement for anything."

Thanks, Ray, for allowing the Staley News to show other employees what we're after in the Company-wide survey. And thanks for helping shape the opinions of your fellow citizens on the type of community active employees who work here.

New Products

Continued from front Page erably, and environmental controls to trap solvent vapors are not necessary.

Product and process development of P3-103 was directed by applications chemist Ray Drury, who also handled initial market introduction. Technician Jim Hines assisted in laboratory evaluations in various flexographic inks while engineering of the process was coordinated by Roger Hoop and Bill Kimberly.

Commenting on the successful development of the two new products, Nevin said special recognition should be given to the operators and foremen in the pilot plant for their efforts in working with unfamiliar equipment and often-changed operating instructions.

Primary customers for Starabic 101 Gum are lithographic plate makers and specialty chemical companies who manufacture chemicals for the graphic arts industry. P3-103 is aimed at ink manufacturers as well as large-volume users of cartons, boxing, and packaging materials who produce their own inks.

On the announcement of the two products, Gogek called them significant entries for Staley/Decatur into specialty chemicals for the printing industry.

Nordlund Addresses Specialty Feeds

President Donald E. Nordlund delivered the keynote address at Specialty Feeds fall sales meeting September 8 in Decatur.

In keeping with the general theme, the President's address dealt with planning and the important role it plays in business today.

Previously, all the sales representatives had outlined their five year plans during workshops with general manager, Specialty Feeds, Earl Snearley, and sales manager Sam Shanklin.

SERVICE ANNIVERSARIES

August

40 Years
ALBERT SMITH, millwright, 77 bldg.

35 Years
LESTER BORDEN, manager, sweetener sales, Philadelphia, Industrial Products.
NED JOHNSON, machinist, 77 bldg.
NORMAN SCHULTZ, boilermaker, 77 bldg.

30 Years
HAROLD DODDEK, manager, office services, corporate information services.
CHARLES SCHMITT, JR., maintenance planning/control superintendent, Industrial Products.

25 Years
BROWDER BUTLER, pipefitter.
JOHN DANIELS, senior painter-roofer, 77 bldg.
HAROLD FORCE, development engineering helper, 59 bldg.
ROLAND GOODMAN, refined oil schedule coordinator, Agri-Products.
ELDRID HASSINGER, grain unloading operator, 28 bldg.
ROBERT JUSTICE, pipefitter.
VIRGIL KAHLER, operator reliefman, 4 bldg.
VERNON MC CALL, millwright, 77 bldg.
HUGH MC MULLEN, area control chemist-wet processing, corporate engineering.
WILBER REED, starch bulk loader, 20 bldg.
JOHN WALLER, garage mechanic.
KENNETH WITTIG, ion exchange operator, 5&10 bldgs.

20 Years
WILLIAM ASHLEY, lower steep tender, 6 bldg.
ROBERT BAKER, development engineering helper, 59 bldg.
WILLIAM DAVIS, truck operator, 34 bldg.
JAMES DIAL, technician, research and development.
LESLIE FORBES, shift foreman, feed house, Industrial Products.
LESLIE KRAFT, east end operator, 12 bldg.
HARLEY LIENTZ, helper, 29 bldg.
PAUL MAYBERRY, cleaner, 77 bldg.
IRENE PEYLA, secretary/product managers, Industrial Products.
OTHER SUMMERLOTT, JR., controller, Industrial Products.
EUGENE WENDEL, flash dry and grain assistant operator, 12 bldg.

15 Years
MARILYN COOLEY, secretary, computer center, corporate information systems.
CHARLES NEVIN, group leader, starch and chemical lab, research and development.
THOMAS RICHBOURG, manager, sizing sales, Industrial Products.
CHARLES STRINGER, senior research chemist, research and development.
ERNEST WITTKER, supervisor-equipment, Industrial Products.

10 Years
CATHERINE KESSLER, technical systems department secretary, corporate information systems.

5 Years
LARRY AVERY, associate applications chemist, research and development.
FRANK EDWARDS, associate research chemist, research and development.
PATRICK JANNINK, cleaner, 12 bldg.
CESAR JAVIER, associate development engineer, research and development.
LAVONE JESS, central supply clerk, corporate information systems.
ROBERT KELLY, utility laborer, 101 bldg.
RODNEY MARSHALL, 2nd class helper, Gunther.
LARRY MILLER, apprentice analyst, 60 bldg.
MARTHA POGUE, secretary to treasurer, corporate.
GARY SPYRES, analytical chemist, research and development.



Harold Doddek Charles Schmitt, Jr.



John Daniels Harold Force



Eldrid Hassinger Robert Justice



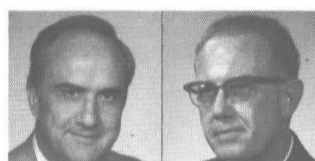
Virgil Kahler Hugh McMullen



John Waller Kenneth Brobst



Alden Foley Roy Larson



Lincoln Redshaw Mylo Roberts



Helen Riggsby Richard Walton



Marvin Cook, Jr. Robert Hahn



Bill Hardy Robert Harrison

July

35 Years
KENNETH BROBST, group leader corporate analytical lab, research and development.
ALDEN FOLEY, maintenance manager, Industrial Products.
ROY LARSON, research chemist, research and development.
LINCOLN REDSHAW, manager of chemical products, International.
MYLO ROBERTS, experimental starch production engineer, Industrial Products.

30 Years
HERBERT MILLIGAN, production control supervisor, Industrial Products.
HELEN RIGGSBY, order edit clerk feeds, AgriProducts.
RICHARD WALTON, machinist, 77 bldg.
WILLIAM THOMPSON, crane operator, 31 bldg.

25 Years
MARVIN COOK, JR., delaval operator, 29 bldg.
HOWARD DANIELS, merco operator, 6 bldg.
VERNER GOSNELL, senior analyst, 60 bldg.
ROBERT HAHN, clockman, 40 bldg.
BILL HARDY, shift foreman packaging-loading, Industrial Products.
ROBERT HARRISON, assistant foreman pipefitters, Industrial Products.

20 Years
ROYAL KESTER, tank farm tender, 29 bldg.
JOHN PRYCZYNSKI, JR., stores project clerk, 77 bldg.
EDWARD REDMON, painter-roofer, 77 bldg.
ROBERT SCHEIBLY, rigger leadman, 31 bldg.
HOWARD STUART, senior painter-roofer, 77 bldg.
JACK THORNELL, helper, 29 bldg.
GLEN WINTER, boilermaker, 77 bldg.

10 Years
BERNARD BORK, electrician, 77 bldg.
ALVIN BUTLER, converter unit operator, 20 bldg.
HUBERT CRUM, development engineering helper, 59 bldg.



Edward Redmon Howard Stuart

JAMES DEGAND, converter unit helper, 20 bldg.
DALE ELLIOTT, syrup production control supervisor, Industrial Products.

EARL HAMMER, flash drier assistant operator, 9 bldg.
HOMER STINE, power sweeper operator, 77 bldg.

15 Years
MARTHA BURGE, chief file clerk, research and development.
ROBERT COOLEY, district manager, Dallas, Staley/Wagner, Consumer Products.
WILLIAM ROBERTSON, director risk management, corporate.
MARIE ROCHE, personnel administrator, Staley Chemical.
ROBERT SMITH, product manager-leulose, Industrial Products.

10 Years
JIM SINGER, plant manager, Charlab, Industrial Products.
CHARLES STREATY, JR., associate applications chemist, research and development.

5 Years
RONNIE BATES, reliefman, 1 bldg.
JEAN BLAIR, chief clerk, auditing.
FRANK BRUCATO, senior industrial engineer, Consumer Products.
FRANK DEL VALLE, senior food technologist, research and development.
JEFFREY LOGUE, utility laborer, 39 bldg.
HARRY LOUGH, senior industrial sales representative, Central Region, Industrial Products.
JACK MOORE, loader, 48 bldg.
CARL NETTERVILLE, helper, 29 bldg.
ROBERT NIXON, programmer, corporate information services.
JOE ROBERTSON, utility, 111 bldg.
JAMES STILL, meal conditioner operator, 101 bldg.
DONNA WOOLEVER, keyed data equipment operator, corporate information services.



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President Donald E. Nordlund (2nd from left) with three of Specialty Feeds top sales representatives (L-R) Wayne Crow, Iowa-Minnesota; Ron Saunders, West Coast; and Larry Brown, Missouri-Kansas

For Apprentice Graduates

Schwandt Identifies 'Job Satisfaction' Robbers

Excessively detailed supervision, narrow job definitions, cumbersome communication systems and rigid rules are major threats to total employee work satisfaction, Bob Schwandt told new Staley mechanics at the recent apprentice graduation banquet at Decatur's Blue Mill Restaurant.

"Unfortunately," the industrial manufacturing manager said, "our industrial society has tended to codify our efforts in the name of efficiency so that many jobs have begun to have a piecework connotation. Consideration for human feelings and fulfillment have suffered.

"This specialization has left the worker with no discretion of how he can best do his job. The recent problems at one of America's newest 'showplace' auto assembly lines is an object lesson on how the boring and repetitive nature of some jobs can alienate the employee from any source of job satisfaction."

In place of these alienating factors, Schwandt called for involvement, autonomy and stimulation of growth.

"Involvement," he said, "is the ability to accept an assignment as a personal challenge so that there can be a feeling of pride on total completion of the job. The problem-solving or troubleshooting jobs will yield a special type of satisfaction even though there is no hand-crafted creation to show for the work.

"Autonomy is the ability to employ your creative and intellectual ability to the job at hand. The ideal supervisor will set the priorities, provide the general plan and offer advice in a guiding, rather than directive environment. Your feeling of autonomy should not be threatened by excessively detailed supervision, narrow job definitions, cumbersome communication systems, or rigid rules.

"It is the challenge to take



Apprentice graduates and guests are: (Front L-R) Everett Hite, James Frydenger, John Jordan, David Castor, Emil Schimanski, Donald Landgrebe, Robert Smulik, Don Kush, Clarence Wangrow, Gary Duez; (Second Row L-R) Michael McKey, David Watts, Joseph Tortorice, Cecil Barr, Walter Maus, James

Estes, Donald Brown, Al Foley, Charles Schmitt, Dwight James, Robert Schwandt; (Back Row L-R) Eddie Ecklund, Jack Doore, James Corley, John Rice, David Bailey, Paul Baughman, Laurence Voyles, Bill Miller, Ray Book, Shelley Heiland.

on a little risk of the unknown that makes work fun.

"Stimulation of growth... or some call it 'job enrichment'... is just a fancy name for giving an employee on the job more responsibility and recognition as a person who is increasing in value to himself and his organization."

In concluding his remarks to the apprentice graduates, Schwandt said, "I believe you men have the potential to achieve this satisfaction of growth."

Following Schwandt's remarks, graduates received their certificates of completion, emblematic of a major investment in continuing education. The three-year apprentice program includes approximately 450 hours of classroom instruction on the employee's own time



in Decatur's Continuing Education program, 5,700 hours of practical work experience, all with an average grade of 75 or better in classroom and craft tests.

Graduates are: Electricians Paul Baughman, Ray Book, Jack Doore, Robert Smulik and David Castor; Millwrights Gary Duez, Gerald Durlinger, Robert Force,

Joseph Tortorice and David Watts; Pipefitters David Bailey, James Corley, James Estes, James Frydenger, Everett Hite, John Jordan, Donald Landgrebe, Michael McKey, John Polley, Robert Sowers, Laurence Voyles; Tanners Daniel Edgecombe and Walter Maus; and Machinists Stoy Bliss and John Rice.



Among the 48 Staley blood donors at the AIW drive were (L) Karl Webb, 5-10 bldg. operator, and Stoy Bliss, machinist. Volunteer nurse Edith Beaver makes sure the donation's properly labeled.

AIW Blood Drive Nets 48 Pints From Employees

The nine-year-old son of a Staley employee has 12 additional replacements for the more than 50 pints of blood he has used this year, thanks to volunteer donations at last month's Red Cross Bloodmobile, which was sponsored by the Allied Industrial Workers.

The youngster's name is Kevin Martin, son of senior systems analyst Roman Martin. In appreciation of the donations, Roman said in a letter to Staley employees:

"Our special thanks to those people who donated blood in Kevin's name. More is needed as always, but the help of my coworkers is deeply appreciated."

In light of the donations for Kevin and the fact that overall gifts were up (387 pints vs. last year's 348), general chairman Al Artze, Staley pipefitter, called the drive "a success."

Although overall gifts were up, participation by Staley employees was down (48 pints vs. last year's 65). Particularly encouraging, Artze said, was the number of designations for needy Staley employees and dependents. Of these 48 gifts, 34 were so earmarked.

Assisting Artze as co-chairmen for the solicitation among Staley employees were Donovan Brewner, engine room helper, and Robert Ellison, salary administration supervisor.

This year's drive marked the 18th consecutive year the AIW has sponsored the Red Cross Bloodmobile during one of its monthly visits. During this period, over 6,500 pints of blood have been collected.

Retirees Invited To Monthly Luncheon

Retired Staley employees and their spouses who want to whoop 'n' holler once a month are invited to a luncheon at Swartz Restaurant.

According to retiree Edmond (Skeeter) Moore, the organizer, the noon event is scheduled the last Friday in each month.

Retirements

- LOUIS BAILEY, warehouse clerk, storeroom August 1
- ORVAL HALE, gateman, August 1
- RAY M. HERRON, materials coordinator, pilot plant, August 1
- MARION F. JACKSON, I & C Mechanic, August 1
- EDWARD TAYLOR, helper, engine room, August 1



Pipe shop clerk Kathy Hendrickson (R) goes through the preliminaries. Taking a blood sample is Mrs. Robert Wood of the Red Cross staff.

50 Years of Progress: The Staley Soybean Story

A.E. Staley, Sr. Started It All Sept. 30, 1922

Fifty years ago this month, A.E. Staley, Sr. threw the switch that started the nation's first commercial soybean processing facility and thereby pioneered a multi-billion dollar industry.

For the Company's founder, it was the fulfillment of a dream that dated back to his first encounter with the strange, yellow bean before the turn of the century on his father's farm in North Carolina where he had seen a handful brought from China by a missionary.

Although soybeans had been grown and used for animal forage in the United States prior to 1900, commercialization was virtually nonexistent until Mr. Staley kindled interest after World War I. In 1916—four years after the Company had started refining corn in Decatur—he again turned his attention toward soybeans. The hurdles were significant—soybean processing was an unknown art in this country, there wasn't enough beans for processing, and outside of a few thousand pounds of oil, there was little demand for the products.

Major Strides Started in 1916

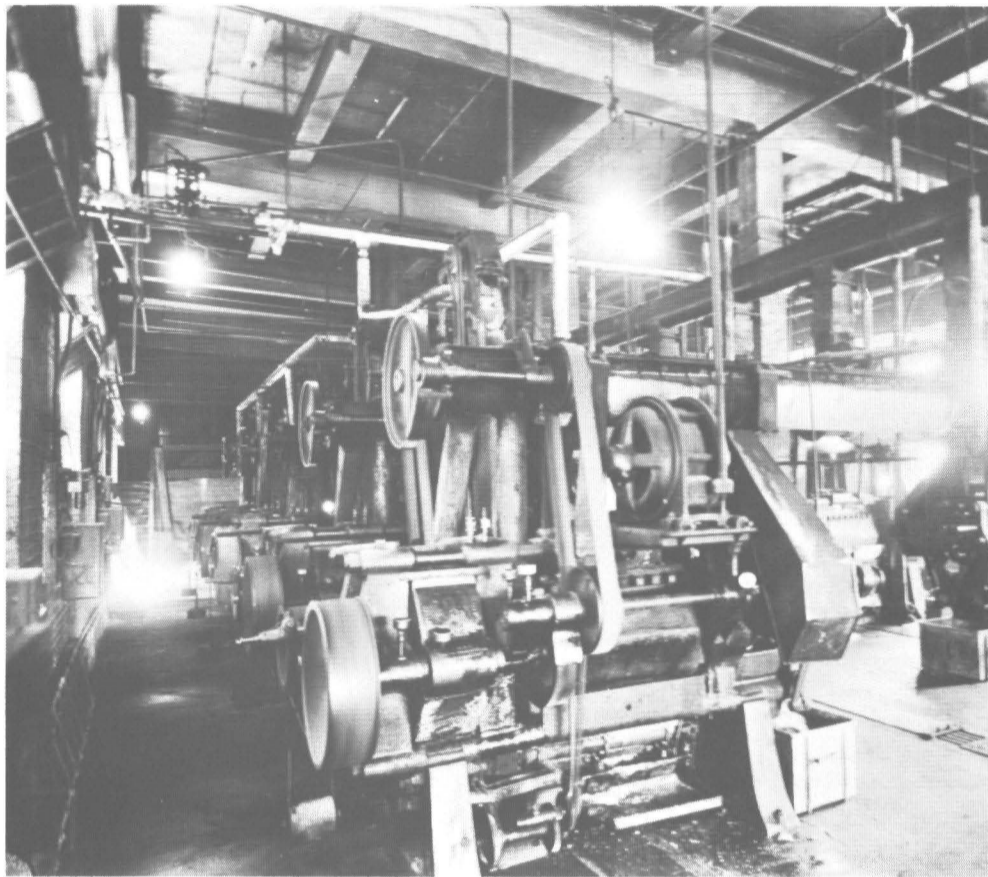
In the following six years, the Company made major strides toward resolving these difficulties. As early as 1916, Staley grain buyers were encouraging Central Illinois farmers to grow beans. Meanwhile, Staley salesmen were busy trying to convince feed mixers of the outstanding protein value of soybean meal. And at Decatur, a soybean expeller plant was under construction.

By fall of 1922 everything was in order. On September 30, Mr. Staley threw the switch that set the mills into motion, grinding beans for which the Company paid 99¢ per bushel.

By today's standards, the initial expeller plant was small, processing only 500 bushels daily, but in the ensuing 50 years processing capacity at Decatur has been increased almost 200-fold.

Progress Marches On

Since that historic day in 1922, Staley has steadily developed new soy products and improved, expanded, and modernized facilities. Among the major steps forward are: semi-refined oil in 1925, soy flour in 1926, refined oil in 1928, soy sauce in 1933, soy



Here's what the inside of Staley's first soybean processing plant looked like back in 1922. It was the first commercial soybean processing facility in the United States.

grits in 1935, new oil refinery in 1937, purchase and operation of a processing plant at Painesville, Ohio in 1939 (subsequently closed in 1969), new solvent extraction plant at Decatur in 1945, soy lecithin in 1947, major expansion of the Decatur extraction plant in 1950, acquisition of Gunther Products in 1969, and the announcement of "Mira-Tex" textured vegetable protein in 1970.

Since 1922, the soybean industry has grown by leaps and bounds. Today, soybeans are the nation's leading export crop, second largest (behind corn) cash crop for the nation's farmers, and, according to the American Soybean Association, the country's fastest growing major industry during the past decade.

And it all started at Decatur, September 30, 1922. As testimony to this fact, all soybean meal is today sold on an f.o.b. Decatur basis.

Soybean Fact Sheet

Over 46 million U.S. acres were planted in soybeans in 1972 with an anticipated yield of 1.29 billion bushels.

More than 40 firms at approximately 120 plants process over 700 million bushels annually in the U.S., yielding 36 billion pounds of meal and 8 billion pounds of oil. An additional 500 million bushels are exported or put in storage.

Protein is the bean's prime attribute. Beans contain nearly twice the protein content of red meat or cheese and ten times the protein of milk. Soybeans also contain all eight of the amino acids essential for balanced nutrition.

Each 60-pound bushel yields nearly 47 pounds of meal and slightly less than 11 pounds of oil. The remainder is primarily moisture loss.

Major domestic uses of soybean meal are animal feeds (80%) with the remainder going into foods and industrial products.

Major soybean oil uses are shortening (31%), cooking and salad oils (31%), margarine (19%). Other major uses include pharmaceuticals, antibiotics, sandwich spreads, mayonnaise, candies, and various industrial products.

Foods to Feeds Applications Run Gamut

Applications for soy-derived products run the gamut—from food and animal feeds to a host of industrial uses.

In volume, animal feeds are the largest application, accounting for over 13 million tons of the high-protein meal annually. About half the 13 million tons is consumed by poultry and broilers while the other half is divided among hogs, dairy and beef cattle, and other livestock.

Today, bean processors have for the most part standardized meal output at two products—44% protein meal and 49% protein meal.

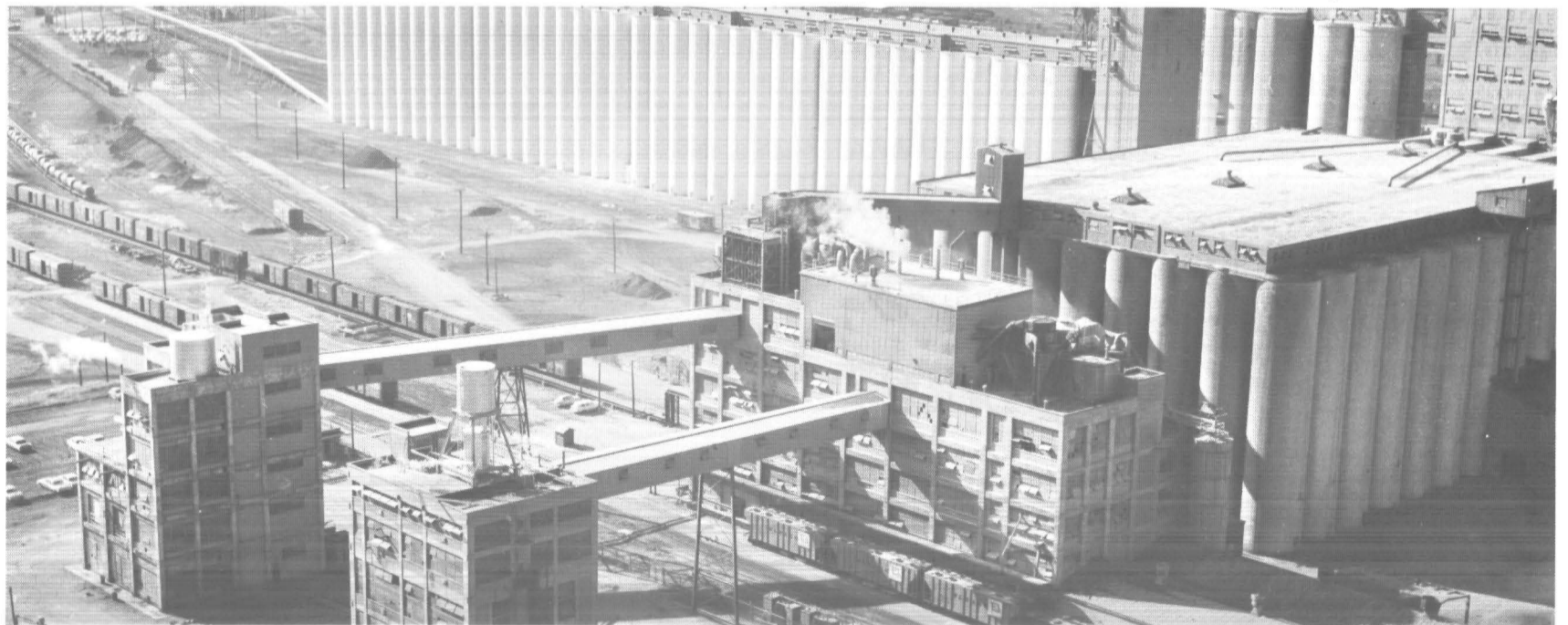
Presently, less than 1% of soybean meal is further processed for food applications. Soy grits and flour are used to fortify such items as bakery products (breads, cookies, doughnuts, rolls, pie crust, and pastry); as nutritional meat extenders in wieners, franks, sausage, luncheon meats and spreads; in prepared pancake, waffle, and cake mixes; and as a nutrition-builder in infant foods.

Soy oil is used chiefly in foods as a key ingredient in margarine, salad and cooking oils, as well as frying and baking fats. Major industrial uses of soy oil include paints, plastics, and soaps. In addition, soy lecithin, an oil derivative, is used primarily as an emulsifying agent in bakery products, in chocolates, as a wetting agent in cosmetics, and as a dispersing agent in paints and inks.

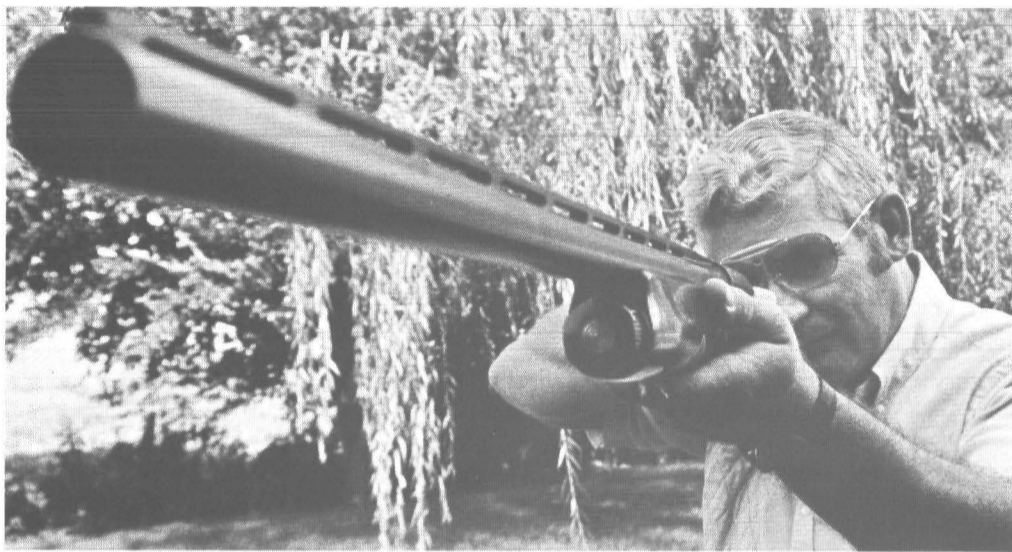
By far the fastest growing application is soy proteins for human consumption. Among these specialty proteins are textured vegetable protein (including Staley's "Mira-Tex"), which can be extruded into almost any shape, flavored and/or colored to resemble a variety of meats and vegetables; soy protein concentrate, a liquid containing 70% protein and used primarily to fortify ground meat and cereals; and soy protein isolate, a dried, 90% protein used in the powdered form to fortify a variety of processed foods and in the spun form to simulate meats.

According to the Stanford Research Institute, soy protein consumption will increase dramatically in the next 8-10 years, with industry sales reaching \$2 billion by 1980 vs. today's \$30 million.

The "Wonder Bean" . . . its versatility and promise are amazing.



Today the soybean extraction plant and the elevators (background) take up a good portion of the east end of Staley's 400-acre Decatur complex. Beans are prepared in the large building in the center and flakes are sent to the two extraction towers (left) where oil is separated through a solvent process.



Clay pigeons are bound to scatter when skeet shooting champion Joe Adams pulls the trigger. He missed only six pigeons in 200 shots in Illinois State skeet shoot recently.

Staley Employee Wins Three Awards In State Skeet

Missing only six times in 200 shots, Joe Adams, garage transfer helper, took home two individual trophies in the recent Illinois state skeet shooting championship at Palos Park, Illinois.

In the 410 Class AA competition, he knocked down 96 of 100 birds for third place and in the 28 gauge Class AA category he bagged 98 of 100 targets for third place.

In addition, he was a member of the five-man 20 gauge team winner in Class B.

For the sharpshooting Adams, these latest additions are just three of several awards he's won as one of the nation's outstanding marksmen.

AgriProducts Captures Clean-Up Trophy and...

Practicing the type of on-the-job housekeeping that makes Food and Drug inspectors dance with delight, some 2,000 Staley/Decatur employees have completed what administrator Dan Taylor describes as a "most successful" annual Clean-up Contest.

Housekeeping during the two-month contest improved to the tune of a measured 14%, earning 3,594 free theater passes for participating employees. In total, 38 of the 44 competing departments met or exceeded a pre-established PAR.

In the contest for the "Best Division" trophy, it was AgriProducts (35.5% better than PAR) in a squeaker over General Services (33.3%) and Industrial Process (31.4%).

In summarizing the contest, Taylor said the results were much better than expected, considering that PAR's were harder to achieve this year, the contest covered a longer period (two months vs. the normal one month), and that standards for prize winning were raised (a department had to be 25% over PAR to win the free tickets).

Top performances in each division were turned in by AgriProducts 32-48-49 bldgs. (51.9% over PAR); Industrial Process 12-26 bldgs. (57.8% over PAR); and General Services 41-42



VP Jim Moore (R), production head E.P. Kerven (next to him) accept "Clean-Up" trophy from Dan Taylor (L). Others (L-R) Jim Warnick, David Weybright, Ed Williams, Glenn Sternes of Soy Flour Plant, John Collins of sanitation

bldgs. and 77 bldg. Transfer Dept. (tied at 100%).

For all those who participated, Taylor and inspector

John Collins pass along a "job well done."

There's Several Winners in Safety Program

Engine room switchboard operator Frank Waller and boiler room repairman Clete Quillen symbolize the safety-on-the-job performance that helped make plant utilities the leading section in this summer's "Take Stock in Safety" program.

Between them, Waller and Quillen have worked over 70 years without a lost-time injury, and they were two of approximately 80 utilities employees whose "safety stock" in the 13-week program was cashed in for the maximum \$3.90 value.

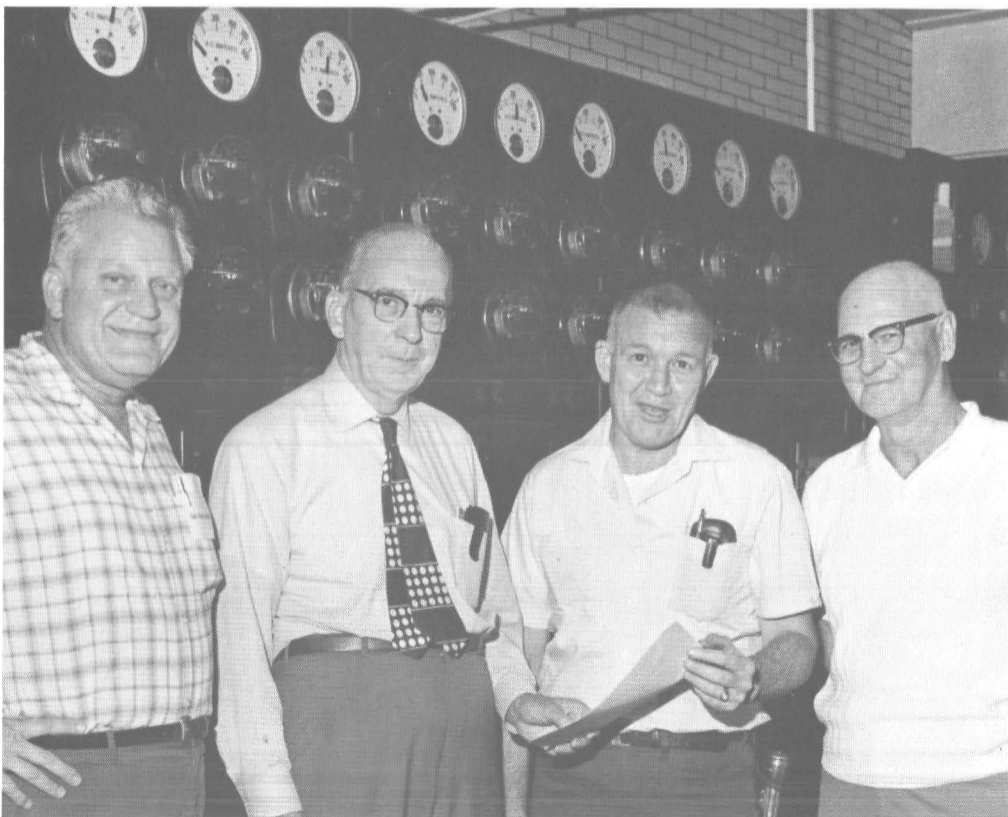
Designed to emphasize safety during the normally critical summer months, the "Take Stock in Safety Program" was termed a success by safety director Don Brown. Throughout the summer, overall accident experience decreased by 20%.

As a result, approximately 1,840 employees received "stock" ranging in value from \$2.30 to \$3.90, which they cashed in at Swartz Restaurant.

In addition to utilities' pace-setting \$3.90 value, other divisions and their shares were: maintenance—\$3.60; wet milling—\$3.30; dry starch \$3.00; syrup/dextrose and pilot plant—extra board-control lab—\$2.60; and AgriProducts—\$2.30.

Endorsed by the Health and Safety Committee, the summer emphasis reinforces the committee's belief that each employee has a share in overall safety at Staley/Decatur.

Speaking on behalf of the committee, Brown said safety should be looked upon in two



Section head Jim Galloway (2nd from left), foreman Bill Burchard (2nd from right) accept "safety shares" for utilities. They're flanked by Frank Waller (L), Clete Quillen (R) who haven't had a lost-time injury in over 70 years

ways—as an individual and group effort.

"The individual is responsible for his own safety," he said, "and his actions also affect

the well-being of his fellow employees."

In addition to Brown, Health and Safety Committee members are Ernie Karcher,

utilities; Ray Blaase, mechanics; Robert Collier, operators; Larry Hale, safety; and John Collins, sanitation.

Purchasing Introduces New Concept In Hardware/Mill Item Procurement

A new concept in procurement, called the Speedy Order System and appropriately shortened to S.O.S., is being evaluated by Corporate Purchasing in conjunction with the Staley/Decatur Storeroom.

The new system is designed to improve procurement of some 6,000 specialty hardware/mill items not stocked in the Storeroom due to less-frequent demand and inventory costs of over \$150,000 annually. Even though they're not stocked, these items are often needed to prevent costly down time.

According to director of purchases Wayne Martin, the new system, adopted in late August, will provide the Company with better values and reduce the associated paperwork without sacrifice in service.

At the heart of the Speedy Order System is a cost-plus contract with one of Central Illinois largest suppliers, Black & Company of Decatur. Awarded in competitive bidding, the contract establishes Black as a major source of these supplies. In return for this large portion of Staley's business, Black agrees to maintain ample stock, sell the items on a negotiated cost-plus arrangement, and handle most of the paperwork.

Cost-plus arrangements are common in construction contracts, but they are relatively new in this application, Martin said.

Speed, availability, and convenience are three key advantages of the new system. Orders are placed through the conven-



Black & Co.'s Stu Black reviews the first S.O.S. order With buying assistant Doris Basler of corporate purchasing

ience of the telephone by either Storeroom Manager Ken Higdon or Buying Assistant Doris Basler of Corporate Purchasing. Upon receipt, Black selects from its available stock and delivers the same day. In addition, Black fills out the necessary paperwork, thus eliminating some 2,000 Staley-prepared purchase orders annually.

One year in development, S.O.S. was guided to completion under the direction of Purchas-

ing Analyst Dave Kaylor with assistance from Purchasing Office Manager Dale Carter, Management Trainee John Creekmur, Higdon, and Basler.

Commenting on the new system, Martin said it should provide several advantages.

"This evaluation, Martin added, "is a significant move toward new concepts in purchasing... and will serve as the springboard for more widespread implementation."

On The Move

AGRIPRODUCTS

DAVE MILLER from grain buyer-statistical supervisor to assistant refined oil sales manager.

SANDY STEWART from grain invoicing clerk to grain accounting clerk.

LYLE WIEGAND from assistant refined oil sales manager to Western district manager.



Dave Miller

Lyle Wiegand

CONSUMER PRODUCTS

MARK LEONI from finished goods inventory control clerk to finished goods inventory control supervisor.

VAN MOY from production supplies scheduler to production and supplies supervisor.



Paul Seaberg

CORPORATE

RAYMOND HARPER from auditor to claims and administration supervisor.

DAVID KAYLOR from buyer of equipment and maintenance to purchasing analyst.

CHARLOTTE STRINGER from compensation clerk to job analyst.

BETTY POLEN from keyed data equipment operator to supervisor, central supplies and messengers.

INDUSTRIAL PRODUCTS

JAMES BENNETT from manage-

ment trainee to employee relations specialist, Morrisville.
CLOYD BLAIR from mixing shift foreman to shift foreman, processing.

RESEARCH AND DEVELOPMENT

DAVID KOCH from shop clerk to utility technician alternate.

VELDA LINDSEY from senior research steno to lead research steno.

PAUL SEABERG from associate research chemist to research chemist.

New Consumer Responsibilities For Freyfogle and Brooks

OAK BROOK, Ill.—Marketing and manufacturing for two key Consumer Products operations are under new managers as a result of a recent announcement by Group vice president F.H. Wagner.

Principals involved are E.B. Freyfogle, who has been named manager, Florida Citrus Operations, and R.W. Brooks, director of marketing, who



E. B. Freyfogle

R. W. Brooks

assumes most of Freyfogle's former responsibilities as director of operations for the Consumer Group.

Reporting to Wagner, Freyfogle is responsible for all operations and sales of both the Orange Concentrate Plant, Lakeland, Fla., and Redd Laboratories, Safety Harbor, Fla.

In assuming Freyfogle's former manufacturing, administration, and quality assurance functions, Brooks now directs the production and marketing of all the Group's food, household, laundry/clothes care products, including sales/product management at Oak Brook as well as production facilities in Cicero, Chattanooga, and Pontiac, Mich.

The financial control function, under D.A. Sullivan and previously reporting to Freyfogle, now reports to Wagner.

New Polymers Announced

KEARNY, N.J.—Two new acrylic polymer emulsions for producing transparent coatings and polishes have been introduced by Staley Chemical.

"Ubatol" U-3072 is an all-acrylic copolymer that results in floor polishes that exhibit good depth of gloss, excellent resistance to powdering and easy removability.

"Ubatol" DW-875 is an acrylic interpolymer containing zinc salts which complexes the system sufficiently to make films resistant to water and detergents, but easily removed by dilute ammonia solutions.

Because of its excellent powdering resistance, U-3072 is also suggested by Staley Chemical for possible use in heavy-duty industrial applications.

For Decatur/Chicago Group It's 'Take Me out to the Ball Game'

From Decatur and from Oak Brook, too
Came Cub and Cardinal fans so true
To watch their teams and give a cheer
To eat fried chicken and drink some beer.
When the baseball game was through
The Cubs had won it, 3 to 2.
The bus pulled up and we got on,
But Dan and three females were gone.
Tom Myers said, "They can't be far,"
And headed for the nearest bar.
He found them there and back they ran,
Noreen and Pat and Joan and Dan.
The game was great, the group had fun
We even saw a cheap home run.
So order food and buy some beer,
"Cause I can't wait until next year!

CHICAGO, Ill.—The "Windy City" will never be the same.

Not after some 100 Decatur and Chicago-area employees got together at Wrigley Field July 29th to see the Cubs and St. Louis Cardinals do battle.

Larry Landwehr, of the Staley/Oak Brook facility, perhaps summed up the day's fun best with this original poem.



Look who's taking part in the fun at Wrigley Field. Upper left, it's Jim Robertson, stores project clerk, Decatur, who's ringing one up for the Cubs; upper right, Dick Smith, manager, Vico Products, who can't believe the umpire's call; and below, it's the whole gang.



SAY IT!--A Forum for Employees

As a forum for key comments/suggestions introduced by employees through SAY IT!, the Staley News is initiating this column, which will appear each issue.

In case you missed the announcement, SAY IT's the new two-way communications vehicle that enables you to express whatever's on your mind to Management. Question, comment, suggestion—they're all appropriate. Our promise to you is that we'll send you the best reply we can come up with.

SAY IT!, like Staley NOW, the Staley News, Morrisville Morsels, Consumer Rumor, and our lively bulletin board program, represents the desire to keep you well informed and in turn gain the benefit of your insight as to how to make Staley a better place to work.

Look for SAY IT! on the

backside of NOW or jot down your comment on any piece of paper and send it to Public Relations, Decatur. We'll take it from there.

Q. Why doesn't Staley have an employee activities program?

A. Timely moment to bring up the subject. This Fall, Public Relations will conduct a survey among a sample of employees in an effort to sound out the level of interest in employee activities (i.e., sports, recreation, hobbies, travel, etc.). If the survey reveals a keen interest, you'll see organizational probes being made before the end of the year. Employee activity programs have already been launched at Staley/Oak Brook and Staley/Morrisville—upon popular request. Our task now is to determine the extent of interest in other locations.

Q. Would it be possible for

the Company to initiate a 'company store' in which employees could purchase Staley products?

A. Such a 'store' is being considered for Decatur as well as non-Decatur locations.

Q. Why not consider Decatur's new Holiday Inn as a future site for the annual Service Awards Banquet?

A. Future site selection will be part of a comprehensive re-evaluation of the Service Awards Program by Industrial Relations. Other factors to be considered (we mention these because other SAY IT's have mentioned them) are: the possibility of providing more recognition for long-term service by non-Decatur employees, and inviting spouses. Any changes coming from these evaluations will not likely go into effect until after the 26th Awards Banquet next January.

New from Staley Chemical

KEARNY, N.J.—A new shellac-modified polystyrene emulsion for production of flexographic inks has been introduced by Staley Chemical.

The emulsion—"Ubatol" U-5612—is an improved version of ultra-fine particle size with low foaming properties.

Low foaming makes U-5612 a superior product from the standpoints of preparation and press performance.

Staley Mfg. Co.
P. O. Box 151
Decatur, Ill. 62525

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