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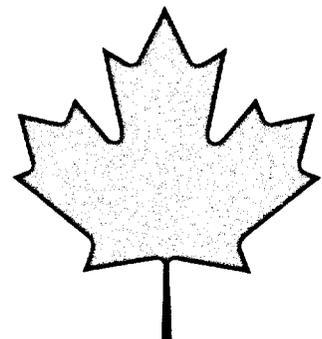
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# Market Studies of United States

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The Market Potential for Canadian Manufactured  
Packaging Machinery and Systems in California



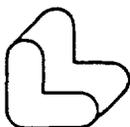
# The Market Potential For Canadian Manufactured Packaging Machinery and Systems in California

PREPARED FOR  
THE DEPARTMENT OF  
EXTERNAL AFFAIRS  
OTTAWA, ONTARIO

Dept. of External Affairs  
Min. des Affaires extérieures

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Peter Louch & Associates  
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## 1.0 Introduction

This report has been prepared for the Department of External Affairs, Ottawa, Canada.

The Department is aware that certain Canadian packaging machinery manufacturers have been exporting machines to the California market for some time. Very little is known, however, of the overall market potential for packaging machinery in California or what prospects this market offers to Canadian manufacturers. The Department believes that the Western United States market and specifically the market in the State of California offers substantial prospects in both the packaging machinery and material sectors.

The packaging machinery manufacturing sector in Eastern Canada is relatively strong. This is evidenced by the fact that approximately thirty machinery manufacturers responded to requests to participate in the study, which has resulted in this report. Most of the respondents were medium to small sized companies; sixty percent had previously exported packaging machinery to the United States, whilst thirty percent had exported directly to California.

The Department wishes to obtain an accurate picture of the size and scope of manufacturing industries in California and an assessment of packaging machinery currently being used in the State. The Department also requested an evaluation of future trends which will enable Canadian manufacturers to assess the viability and practicality of the market.

## 1.1 OBJECTIVES

In order to provide the Department with the information it requires, this study has several objectives. The main objective is to ascertain the extent and potential of the market in the State of California for Canadian manufactured packaging machinery and to provide Canadian manufacturers with an effective marketing tool. Effective and workable market strategies will be provided to enable manufacturers to penetrate the market. Consideration has to be given to the size and, therefore, potential levels of expenditure that small to medium sized manufacturers can afford in marketing.

The second objective of this report is to provide the Canadian packaging machinery industry with the widest possible background information on the overall state of manufacturing in California. Future trends are also examined to assist Canadian manufacturers in formulating long term policy in the development of machine types for this market.

## 1.2 MACHINE TYPES INCLUDED IN THIS STUDY

A list of manufacturers and the machines that they feel have individual export potential was provided by the Department. Analysis of those machine types indicated that the market area should be studied to cover three possible marketable categories for Canadian manufacturers. These categories are as follows:

- Export sales for individual machines--A listing of the Canadian machine types initially offered is given in the Appendix.

- Complete or complimentary systems--The Department feels that certain machine types, in many cases manufactured by different Canadian companies, could collectively provide packaging-line or systems sales potential. The availability of systems as opposed to individual machines may well assist companies in achieving export sales.
  
- Technology--The Department recognizes that in some cases there may be export earning potential for manufacturers when it is impractical to supply completed machines. Specific Canadian manufacturers may have the ability to provide specialized components which could be utilized with existing machinery or incorporated by California manufacturers into their own production. The Department believes that the level of Canadian technology and applied engineering is high in the packaging industry and perhaps higher in some areas than the level currently available to many U.S. manufacturers. Alternatively, there may be a market for pure technology and "joint venturing" in one form or another.

Consideration to all these three basic marketable categories is given in the findings of the report and in the recommendations for effective marketing strategies which are provided towards the end.

### 1.3 MATERIAL PRESENTED IN THE REPORT AND FORMAT OF REPORT

In order to present the best possible assessment of the market, the

first part of the report (Sections 2 and 3) consists of an overview of the United States market for packaging machinery. California's position in that market is examined. This has been done by building a detailed statistical picture of the multitude of industries currently established in the State together with their dollar contribution to the State's economy as a whole. It has been possible to determine the actual manufacturing centers for various types of industry and, therefore, to determine the most effective potential marketing areas for specialized machine sales. An assessment has also been made of California's agricultural and fishing industries and the potential for Canadian packaging machinery manufacturers in these areas.

The second part of the report (Sections 4,5, and 6) consists of a three-part approach which has enabled us to examine in detail the current successes, the potential demand for, and the interest level in Canadian manufactured packaging machinery in California. In order to provide an effective picture, we have examined representative machinery requirements and usage, distribution methods currently being used in the State for packaging machinery, and the position of locally manufactured packaging machinery.

The third part of the report (Sections 7 to 11) covers market penetration by Canadian machinery manufacturers, pricing products for the California market, a comparison of available promotional methods, and documentation and general export information. Shipping and transport costs are also

examined with indications of the different methods manufacturers can use to bring their products to this market.

The fourth part of the report (Sections 12 to 14) contains the market strategies developed during the Study to assist Canadian manufacturers with their export effort and to penetrate the California market. The summary and conclusions follow.

In the Appendix, we provide a detailed directory of distributors and selling organizations identified in the State, intended to assist Canadian manufacturers with selection. We also provide information on promotional organizations which can assist exporters, including trade show organizers, publishers, and associations, as well as other data, intended to assist Canadian manufacturers to a wider understanding of the potential and problems associated with the California market.

#### 1.4 INFORMATION GATHERING

We have used the following methods:

- Interpretation of data to determine the potential market size and the location and growth pattern of possible user-industries.
- Detailed interviews with representative manufacturers selected from each of the major industries which contribute to the State's value-added manufacturing industry.

- Interviews with individuals and companies engaged in distributing California-made, American-made or imported packaging machinery and systems in the State, to determine current distribution methods, trade practices, and interest in Canadian machinery.
  
- Interviews with a representative selection of California machinery manufacturers to determine the potential for Canadian companies to work directly with manufacturers.

# The Market For Packaging Machinery

## 2.0 THE UNITED STATES AS A MARKET FOR PACKAGING MACHINERY

### The Packaging Industry:

The packaging industry in the United States is generally regarded as the Nation's third largest industry. 1981 estimates for all shipments in the industry are close to \$50 billion. It is further estimated that the packaging industry is responsible for 4.2% of the total dollar value of all shipments of manufactured goods. There is no other industry which performs such an essential role in the health and hygiene of a country's products and at the same time can provide most manufacturers with their most effective selling tool.

## 2.1 THE PACKAGING MACHINERY INDUSTRY

It follows, therefore, that the packaging machinery industry will continue to perform an increasingly vital role. On the basis of our research, we estimate that the U.S. packaging machinery industry generally ships around \$0.75 billion machinery products each year. This figure represents a conservative average between Government and industry data. We found that accurate determination of shipment totals has been a special problem for machinery manufacturers and industry planners for some time. One reason for the problem is that the U.S. Department of Commerce has traditionally included packaging machinery under two broad SIC (Standard Industrial) classifications which cover far more than just packaging machinery. The Department has provided

twelve sub-classifications under each of these two SICs, but confusion still occurs. We talked with the Bureau of the Census which provides the figures and with commodity experts at the U.S. Industrial Outlook who disseminate information on the census figures for general use. We understand from our discussions with the Bureau that machines are sometimes unavoidably mis-classified. In addition, some duplication can occur in the transfer of products from one plant to another within the same company or group.

Pressure from the private sector and from the Department resulted in the creation of a specific SIC classification for packaging machinery. At some stage in the future all packaging machinery will be classified under one SIC code, number 3565. The classification will be divided into twenty sub-classifications covering machine types in far greater detail than is currently possible. The new classification was passed into law in January 1982, but unfortunately budgetary cut-backs under the present Administration have delayed progress. It is not known how soon fully documented figures will be released under the new SIC code; most sources we interviewed were not optimistic.

SICs 3551 and 3669--The industry is forced to use partial data provided under SIC 3551 which covers food processing machinery and includes sub-section 35514, which covers most packaging machinery for the food industry; and SIC 3569 which covers all non-food industrial machinery and includes sub-section 35691, which covers most non-food packaging machinery. Some of the information we present is drawn from data covering these SICs.

Table 2.1 following shows national and California totals under both classifications and sub-sections for 1977 to 1979, together with estimates for 1980.

According to the Department of Commerce, the food production machinery industry (SIC 3551) registered gains in 1977 and 1978. Slight gains were also registered in dollar value for 1979 and 1980, but these gains did not cover the cost of inflation. During the same period, the non-food machinery industry (SIC 3569) continued to grow at a healthier rate although, in 1980, growth was restricted to 12.6%, a 4.1% drop over the previous year's 16.4% growth. The 1980 national preliminary figures for SICs 3551 and 3569 show \$6.12 billion total sales. Final California figures are not available for 1980, but in 1978, the State produced 17.4% of shipment totals under SIC 3551 and 10.5% of shipment totals under SIC 3569.

Preliminary 1981 figures show shipments for SIC 3551 at \$2.35 billion with a 3.5% growth in real terms. According to the Bureau of Industrial Economics, California was the national leader during 1981 for overall production under SIC 3551. During that year, the State produced 13.6% of the Nation's total and increased its lead over Ohio (12.6%), its nearest competitor by 4%. Illinois (11.5%), Wisconsin (10.0%), and Pennsylvania (5.1%) were in third, fourth, and fifth places respectively. Preliminary 1981 figures are not available for SIC 3569.

Sub-sections SICs 35514 and 35691--1980 preliminary estimates show total shipments for sub-sections SIC 35514 at \$792.7 million and subsection

SIC 35691 at \$590.1 million for the year. Total U.S. shipments of packaging machinery are, therefore, estimated to have been \$1,382.8 million for 1980. As can be seen from Table 2.1, 1979 to 1980 shipments under both sub-sections 35514 and 35691 show an overall increase of 14 and 16 per cent respectively. However, on an annual basis, these increases were relatively small and in the case of both 1979 and 1980 did not cover the cost of inflation. Although preliminary figures are not yet available for 1981, it is logical to assume that both food and non-food packaging machinery will show signs of recovery and a return to a "real" growth rate in that year.

Packaging Machinery Production in California--Totals for California's shipments are not available for sub-sections 35514 and 35691. However, based on the percentages indicated by the Bureau of Industrial Economics for the main classifications, it is possible that California produces approximately \$50 million of non-food packaging machinery and \$90 million of packaging machinery for food annually.

Private Industry Data--The packaging industry's own figures on the annual production of packaging machinery differ radically from Bureau of the Census figures. Modern Packaging\* provided figures for 1978 and claimed shipment totals for that year were \$549.3 million.

\*Modern Packaging is no longer in existence. It was recently purchased by Packaging Digest.

TABLE 2.1

NATIONAL AND CALIFORNIA TOTALS FOR PRODUCTION OF FOOD PACKAGING  
AND GENERAL INDUSTRIAL MACHINERY  
(IN \$ MILLIONS)

SIC	1977		1978		1979		1980	
3569 U.S. General Industrial Machinery.....	2,689.4	-	3,051.4	-	3,560.8	-	4,008.1	-
3569 California General Industrial Machinery.....	292.7	-	323.7	-	-	-	-	-
35691 Packaging Machinery for non-Food Products (U.S.).....	-	440.5	-	517.9	-	554.0	-	590.1
3551 U.S. Food Products Machinery.....	1,576.2	-	1,955.3	-	2,052.0	-	2,114.0	-
3551 California Food Products Machinery.....	242.9	-	341.0	-	-	-	-	-
35514 Packaging Machinery for Food Products (U.S.).....	-	491.0	-	673.7	-	759.5	-	792.7
Total U.S. Packaging Machinery	931.5		1,191.6		1,313.5		1,382.8	

Source: Bureau of Industrial Economics

## 2.2 U.S. SALES BY MACHINE TYPE

The official figures for U.S. manufactured shipments of packaging machinery are obtained by combining the totals for machine types provided by SIC sub-sections 35514 and 35691. Government analysts and private sources feel that figures for machine type shipments contained in these sub-sections tend to be misleading. Mr. Breeden, president of the PMMI, feels that although official figures are closer to actual totals for annual sales, definitions and breakdown into categories provided by Modern Packaging are more concise than those provided under SIC's 35514 and 35691. We have elected to use the Modern Packaging breakdown for that reason. However, in view of the conflict between leading

data sources, we strongly urge Canadian manufacturers to use the figures with caution and suggest that they serve as indicators only. Readers should note that although Modern Packaging totals are significantly lower than Census totals for 1978, which is the latest year available in tabulated form from either source, industry sources generally use the Modern Packaging breakdown as their marketing guide. Modern Packaging figures are shown in Table 2.2 following. The Census Bureau's figures are shown for comparison in Table 2.2(1) in the Appendix.

A comparison of the increases and reductions of the machine types shown in Table 2.2 will give Canadian exporters an indication of whether the machine types they are currently producing or developing could have a secure future in the U.S. market. Canadian exporters should remember, however, that the packaging market is always responsive to new trends in technology and that there can easily be a swing towards machine types that are currently in disfavour if new technology can be demonstrated.

Table 2.2 shows that the highest growth rates from 1974 to 1978 were experienced in shipments of form, fill and seal equipment, which show an increase of 89% over the period. Other equipment types which recorded significant gains were case loading, handling, and sealing equipment, (72% increase); cartoning and multi-packing equipment, (54% increase); and, coding, marking and imprinting equipment, (13% increase).

At the same time, some equipment types experienced significant reductions in shipments. These types were: bag handling, filling and closing equipment

which showed a 48% reduction in shipments over the period; package handling and bottle cleaning equipment, (42.5% reduction); captive packaging manufacturing, (41.6% reduction); thermoforming, including blister packs, (40% reduction); and, fastening equipment, (35% reduction). Nationally recorded reductions in all these types do not necessarily point to the non-viability of equipment in the California market as will be seen when manufacturer-end-user and distributor interviews are presented and discussed later in the report. At the same time, increases sometimes indicate that machinery manufacturers have been quick to recognize possibilities offered by certain sectors and that there may be strong local competition in some areas.

#### National Trends:

It is generally acknowledged that the packaging industry is a mature industry. This means that the demand for new machinery is limited to requirements for expansion, replacement for outdated machinery and, in some cases, replacement due to technical advances in manufacturing processes or machine technology. The U.S. market is responsive to high speed technology and there is an increasing demand for accuracy and efficiency in almost all phases of industrial production. However, the desire for increased efficiency has been somewhat overshadowed by the recession. 1980 and 1981 recession years have inevitably affected sales. Despite the recession, most industry sources agree that the market for new packaging machinery sales has held well and will continue to expand. Naturally, an upturn in the economy and an improvement in the

TABLE 2.2

U.S. SHIPMENTS OF PACKAGING MACHINERY IN 1974 AND 1978  
(IN \$ MILLIONS)

	1974	1978	% Change 1974-1978
Form-fill-seal	45.0	84.9	+89.0%
Filling, counting and vacuum-packaging	88.1	79.8	- 9.5%
Case-loading, handling, sealing and opening	34.9	59.9	+72.0%
Miscellaneous (testing, accessories etc.)	38.8	38.3	- 1.5%
Cartoning and multi-packing	24.5	37.6	+54.0%
Coding, marking, imprinting	13.7	31.8	+131.0%
Package handling and bottle cleaning	49.9	28.6	-42.5%
Shrink wrapping, including tunnels	25.1	27.5	+10.0%
Wrapping and bundling	25.5	25.4	n/c
Scales and checkweighers	23.4	25.0	+ 7.0%
Labelling machines	22.6	24.0	+ 7.0%
Capping, sealing, lidding, except aerosols	20.4	22.0	+ 8.0%
Captive package manufacturing	34.3	20.1	-41.6%
Fastening	22.4	16.0	-35.0%
Thermoforming, including blister-packs	23.9	14.5	-40.0%
Bag handling, filling and closing	13.7	7.2	-48.0%
Heat sealing	6.8	3.4	-50.0%
Aerosols (fill, gas, etc.)	2.0	3.3	+65.0%
<b>Totals:</b>	<b>515.0</b>	<b>549.3</b>	<b>-</b>

Source: C.H. Kline  
Modern Packaging

business climate will result in increased sales. Estimated 1981 shipments under SIC 3551 increased by 3.7% over the previous year, (in terms of 1972 dollars, the base year for measuring purposes) and reversed the downward trend of the previous two years.

Major food manufacturers have continued to consolidate their expertise by product specialization; and mergers and acquisitions have increased. Our research shows clearly that this trend is continuing and that it's results are evident in California. These corporate changes are resulting in the closure of some food processing plants and the construction, re-location, and modernization of other facilities. Realignment has helped to stimulate machinery orders in some segments of the food processing industry, but reduce potential in other segments, as we will show. The U.S. packaging machinery industry generally produces highly technical machinery which does not offer much scope for mass production and fared only reasonably well in domestic markets during 1981.

Leading industry sources predict potential for improved canning machinery and for machinery designed to handle aseptic packaging. Some of the reasons we were quoted for this potential are: Federal regulations governing lead reduction and noise abatement in canning plants are forcing many canning companies to invest in new plant; and, during 1981, the U.S. Food and Drug Administration approved the use of hydrogen peroxide and high temperatures as sterilizing agents in aseptic packaging.

Forecast:

Industry sources predict that slow but steady growth will continue during 1982. The expected decrease in interest rates and benefits accruing from the Economic Recovery Act of 1981 will lead to new investment in improved plant and equipment. Prospects appear promising for growth beyond 1982 as manufacturers concentrate on maintaining high consumer levels in the face of increased energy, materials, and across the board costs for storage and distribution. It is logical to deduce that there will be an increasing demand for continuing research and development to produce new and innovative packaging machinery to assist in maintaining price levels. Canadian companies should be aware of their need to be competitive in technology and be prepared to lead wherever possible.

### 3.0 CALIFORNIA AS A MARKET FOR PACKAGING MACHINERY AND SYSTEMS

#### 3.1 CALIFORNIA'S MACHINERY AND SYSTEMS REQUIREMENTS

U.S. national production of packaging machinery was estimated to be \$1,332.8 million in 1980. This total accounted for 22.6 percent of national shipment totals under SIC's 3551 and 3569 (food processing machinery and general industrial machinery). Industry sources, including the Western Packaging Association, the Packaging Machinery Institute, and Packaging Digest Magazine, variously estimate California's annual requirement for packaging machinery to be between 12 to 20 percent of the national total. On this basis, it appears that California's industries require approximately \$200 million of packaging machinery per annum.

There is no accurate way to determine California's own annual production of packaging machinery. Census figures provide only information for the main SIC classifications (3551 and 3569) and not for the packaging machinery sub-sections 35514 and 35691. California was responsible for 14.1 percent of the national total production under 3551 and 3569 (the main classifications) in 1978, which is the most recent data available. On the assumption that California produces 14 percent of the national total for packaging machinery, the State could have been responsible for 195 million of the national total. At the same time, California has a requirement for \$200 million of packaging machinery. There is, at face value, a disparity of \$5 million only.

This is not, however, a true picture of the available market for imported packaging machinery in California. There are an estimated six hundred

packaging machinery manufacturers of all sizes operating in the United States. We discovered a total of forty-three manufacturers operating in California, which is less than 10 percent of the national total. One hundred and eighty machinery manufacturers are members of the PMMI and these are generally considered to be the larger manufacturers. Sixteen of the PMMI members are located in California, this is again less than 10 percent. The results of our research concerning California manufacturers are given in Section 6.0. As a general rule California exports an estimated 25 percent of all its industrial production internationally. At the same time, an undetermined amount of products are exported to other parts of the U.S. California packaging machinery manufacturers routinely reported that exports featured as high as 70 percent of their total production. For these reasons, it is possible to determine that the requirement for machinery produced outside California is substantially greater than \$5 million. Our conservative estimate is that California offers a \$50 million market for imported packaging machinery of all kinds.

It must be remembered, however, that this market potential is already actively serviced by at least the fifty sales organizations discovered during our research and that they are experiencing considerable success with both a wide range of U.S. and imported machinery. U.S. national imports of food processing machinery (including food packaging machinery) were \$284 million in 1980. A confirmed \$181 million of these imports are for packaging machinery of all types. U.S. Industrial Outlook

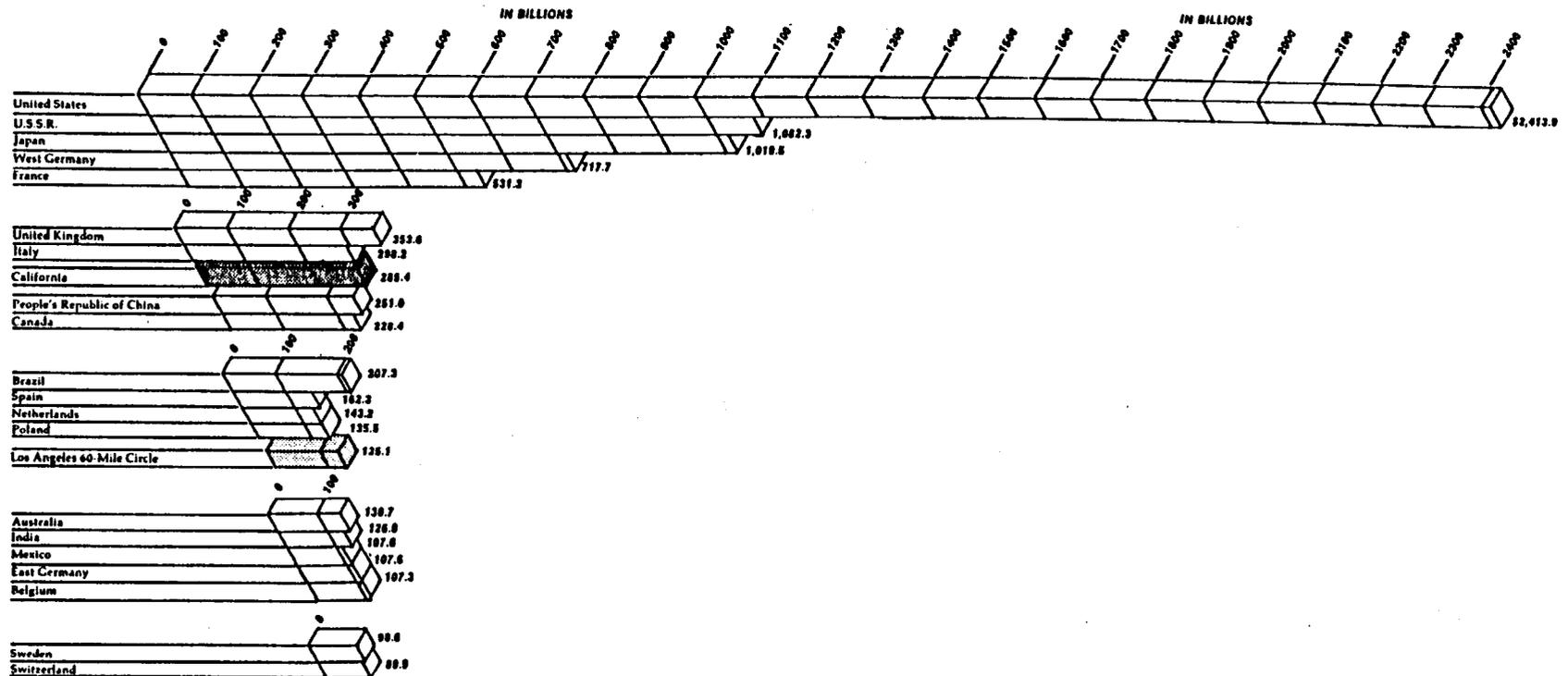
Economist, Mr. Irving Axelrod, advised that the majority of these packaging machinery imports are for high speed technological machinery. We estimate that approximately \$30 million of this total is sold in California. Several distributors felt that Canadian manufacturers will need to apply considerable effort to develop effective selling relationships with distributors in the State. This is particularly true in California since Canadians are competing with aggressive manufacturers from all over the world. Comments on U.S. and California imports of packaging machinery are given in a later section.

### 3.2 THE CALIFORNIA ECONOMY

The economic recession, which has drastically affected the industrial nations in the western world in recent years, has fortunately not affected California to the same degree. The State's inflationary growth in the 1970's gave way to recession in early 1980, although the severity of the downturn was of short duration at the State level. California's diverse economy base, which includes a myriad of modern industry and agriculture, is generally more stable and resilient than other states. The long-term economic outlook in California depends on success in reducing inflation which is still a major source of uncertainty although economists predict that the inflation in the nation will ease towards the third-quarter of 1982. Economists also point out that the economic issues facing California have become much more widely recognized and business, government, and individuals have begun to formulate plans and programs aimed at resolving them.

## INTERNATIONAL COMPARISONS

Gross Regional Product of California and the Los Angeles "Sixty-Mile Circle"  
compared with the Gross National Products of the world's leading nations.  
 (Preliminary 1979 totals converted to U.S. Dollar equivalents).



Note: The above figures, taken from the *World Bank Atlas*, should be regarded only as approximations due to (1) the uncertainties involved in converting the GNP estimates of many countries into U.S. dollar equivalents, (2) the difficulty of making satisfactory GNP estimates for some countries even in their own monetary units, and (3) the preliminary nature of the 1979 estimates.

Source: Security Pacific Bank.

California's major growth took place in the late 1950's and 1960's when the State experienced a remarkable population explosion and when numerous industries were established. Many of these industries have rapidly grown to national leadership status. Today, virtually every manufacturing industry is represented in the State and everything is produced from steel to aeroplanes and electronics; from furniture to canned fruits and vegetables. California offers a wide variety of goods to consumers and services a wide variety of local, national, and international markets. The State is also the leading producer of agricultural crops in the United States and ranks amongst the nation's top fish producing states. There is now a growing trend for companies that have traditionally based themselves in the East and Midwest to relocate their manufacturing plants and headquarters in the West and in the "sunbelt" regions.

California is an industrial giant. If the State were a separate nation, it's gross regional product would rank eighth among the world's top ten industrial economies. In terms of national scale, about one-tenth of the United States' population and employment is to be found in California. It is the focal state in the Western United States, containing 60 percent of the population of the seven western states\*. California offers approximately 60 percent of all the employment in the western region. The State showed a 28.4 percent increase in employment in manufacturing between 1970 and 1980, compared to a 5.1 percent increase for the United States as a whole, and compared with Chicago (-12.4%) or Greater New York (-19.1%) over the same period.

\*The seven western states include Arizona, California, Idaho, Nevada, Oregon, Utah, and Washington

Population increases in California are no longer the major contributing factor to the State's economy. Nevertheless, the population continues to grow strongly. 1980 Census figures revealed the State had a population of 23,939,000, whilst preliminary figures indicate that California leads the nation in population growth for 1981. The State accounted for half a million new residents in that year, representing a 2.2% increase over the period. The State continues to attract immigrants from other parts of the U.S. and from other countries in search of the wide range of employment possibilities and the attractive California life-style.

As previously stated, California has experienced recent patterns of recession, albeit minor compared to the national level. The State's long-term economic outlook and the future for vigorous plant and equipment spending depends on a balanced economic expansion. California's future growth will depend on the industries that form the basis for this expansion and on the industries that draw income from outside the region. These industries, which include aerospace, electronics, and agriculture, are expected to advance above average growth over the next few years.

For the purpose of this study, we do not intend to dwell in detail on the overall nature of the California economy but will proceed to examine the importance of the spread and diversity of industry and agriculture in the State, to assist Canadian manufacturers to identify the best potential markets for their products

### 3.3 INDUSTRIAL PRODUCTION IN CALIFORNIA (Value-Added Manufacturing)

The total value of shipments made by California's value-added manufacturing industries was \$176 billion during 1980. California leads the Nation in the value of products shipped, the number of people employed in manufacturing, and in value-added by manufacturing. This is, in part, due to the high productivity of California's skilled labour force.

In 1980, the State accounted for 9.5 percent of the Nation's total shipments. In that year, California registered a 30 percent increase in shipments over 1976 figures compared with the Nation, which registered a 21 percent overall increase. As the first ranking manufacturing state in the Nation, California is approximately 27 percent ahead of Ohio, it's nearest competitor. Michigan, Texas, Illinois, and New York follow Ohio in that order. This fact alone makes California an attractive target for export oriented Canadian machinery manufacturers.

It can be seen from Table 3.3 following that the State's most important industry groups in 1980, ranked by volume of sales, were food and kindred products, which accounted for 16 percent of the State's total. Transportation equipment ranked second at 12.9 percent and electric and electrical equipment followed at 10.6 percent. For the purpose of this study, and as shown in Table 3.3, we have included industries which produce shipments totaling \$131.4 billion. (We have not included industrial groups which offer little potential to the packaging machinery industry. These groups include the heavy metal industries and petroleum and coal products).

TABLE 3.3

SELECTED MAJOR MANUFACTURING INDUSTRIES IN THE STATE OF CALIFORNIA  
TOTALS FOR 1980 AND 1978 WITH PERCENTAGE INCREASE

SIC	Description	Total Value 1980 Shipments (\$ millions)	% of Ca. Totals	Total Value 1978 Shipments (\$ millions)	% In- crease 1978-80
20	Food & kindred products	28,234.2	16.0%	22,982.7	23.0%
22	Textile mill products	1,174.7	.6%	999.2	17.0%
23	Apparel & other textile products	4,658.9	2.6%	3,967.1	14.0%
25	Furniture & fixtures	2,874.7	1.6%	2,466.8	16.0%
26	Paper & allied products	4,524.4	2.5%	3,496.2	14.0%
27	Printing and Publishing	6,274.6	3.5%	5,187.1	21.0%
28	Chemicals & allied Products	8,539.0	4.8%	6,803.3	25.0%
30	Rubber & miscellaneous plastic products	4,487.7	2.5%	3,674.3	22.0%
32	Stone, clay & glass products	5,005.5	2.8%	4,140.4	21.0%
35	Machinery except electrical	16,627.3	9.4%	11,499.8	47.0%
36	Electric & electrical equipment	18,833.1	10.6%	12,574.1	50.0%
37	Transportation equipment	22,839.2	12.9%	21,136.5	8.0%
38	Instruments & related products	4,762.1	2.7%	3,465.9	37.0%
39	Miscellaneous Manufacturing Industries	2,637.6	1.5%	2,091.7	26.0%
Total Major Selected Manufacturing Industries in California:		131,491.0	74.4%	104,485.1	26.0%
Total All Manufacturing Industries in California:		176,709.3	100.0%	135,765.2	30.0%
U.S. Total All Manufacturing Industries:		1,849,101.1	-	1,523,429.9	21.0%
California Percentage of Total U.S. Manufacturing:		9.5%	-	8.9%	-

Note: selection does not include petroleum and several other industries which offer very little potential to machinery manufacturers

California is also the Nation's leading agricultural state and accounts for \$13.7 billion in agricultural commodities. This represents a large portion of the State's 1980 total material cost of a food producing industry which shipped \$28.2 billion. California ranks first in the Nation in food production. Leading industry sources predict that the State's food industry will continue to grow at above the national average. The food industry in California spent \$614.7 million on new plant and equipment during 1978, which represents the State's highest industry capital expenditure.

Despite California's impressive performance in the food sector, forty-eight of the Nation's top fifty food producing companies are headquartered elsewhere. However, most of the United States' larger food companies maintain substantial branch or divisional plants and facilities in California. In addition, a large number of medium sized to smaller food processing firms are native to the State. The California Manufacturers Register\* lists approximately eight hundred companies operating plants in the food industry covering all aspects of food production. Many of these companies offer substantial prospects for Canadian machinery manufacturing companies, as will be seen from our selected industry interviews.

California is the Nation's leader in the transport and equipment (including aerospace) and electric and electrical (electronics and computers) industries. These industries form a part of SIC groups, numbers 37 and 36, as shown in Table 3.3. Today, one out of every four manufacturing workers

\*California Manufacturers Register is published by Times Mirror Press, 1115 Sth Boyle Avenue, Los Angeles, CA 90023-2197

in the State is employed in one of these "high technology" industries. These dynamic industries have grown remarkably in recent years and economists predict continued growth and diversification in this sector over the next decade. The transportation (aerospace) industry spent \$445.1 million on new plant and equipment during 1978 while the electric and electrical (electronics and computers) industry spent \$607.0 million over the same period.

Prospects for packaging machinery sales are not encouraging in the short term for the aerospace and electronics industries; these industries do have packaging requirements of course, but they are generally highly specialized. The aerospace industry relies mainly on solid foam packaging for the relatively low volume, high cost components that it produces and most items are hand-packed. The electronics industry is developing a more positive need for packaging services but these needs often result in the development of custom-made machinery. It is envisaged that the electronics industry will offer wider prospects because its products are becoming increasingly consumer-oriented. This is an area with enormous growth potential and could offer Canadian manufacturers substantial prospects in the long term. The transport (aerospace), electric and electrical (electronics and computers), and the food industries account for \$69.9 billion (39.5%) of the State's total shipments.

Most other industrial groups, including those selected for this study, contribute less than 5 percent each to the State's total shipment value, and totaled \$61.5 billion during 1980. This figure represents



a 26 percent average increase in growth over 1978. These other industrial groups do not have the same degree of exposure in the State and are, therefore, not as visible. The importance of the other California industries selected for this study can be assessed from Table 3.4 and from the industry interviews presented later.

### 3.4 INDUSTRIAL PRODUCTION AND MARKETING CENTERS IN CALIFORNIA

The majority of California's value-added manufacturing industries are located in three readily definable geographic areas. When these areas are examined in terms of the diversity of the industries which they contain and the collective dollar value of their output, they make the State a very attractive proposition to prospective Canadian packaging machinery exporters.

The three main production and hence marketing areas in California are: the Los Angeles marketing area; the San Francisco marketing area; and the San Joaquin marketing area. We have presented information in the following tables designed to show Canadian exporters the relative strengths and the diversity of industry that the three areas contain.

Table 3.4 presents a clear picture of the importance of the three selected marketing areas. The table shows the value of manufacturing in the State in 1978 and that the selected marketing areas shipped \$127.2 billion (93.7%) of the State's total (\$135.7 billion). In 1980, the State's total shipments were valued at \$176.7 billion. The selected

TABLE 3.4

MANUFACTURING IN CALIFORNIA: NUMBER OF ESTABLISHMENTS, VALUE  
OF SHIPMENTS, AND VALUE ADDED BY MANUFACTURING

Marketing Areas	Manufacturing Establishments 1977				Value of Manufacturing 1978				Capital Expended Total (million dollars)
	Total Establishments	% of State Total	Total Establishments with 20 or more employees	% of all Employees in State	Total Shipments (million dollars)	% Increase in Value of Shipments	% Value Added by Manufacture	% of State Total of Added Value	
<b>Los Angeles Area:</b>									
Los Angeles/Long Beach	21,119		6,543		59,220.3	10.7%	46.1%		1,578.9
Anaheim/Garden Grove/Santa Ana	4,703		1,225		10,891.4	14.2%	56.5%		471.0
Riverside/Ontario/San Bernardino	1,681		461		4,528.9	15.5%	48.8%		242.9
Oxnard/Simi Valley/Ventura	529		139		1,206.1	20.2%	52.3%		42.9
Total: Los Angeles Marketing Area	28,032	61.9%	8,368	58.0%	75,846.7	15.1%	50.9%	58.6%	2,344.8
San Diego	2,013		464		5,095.7	23.6%	53.9%		171.9
Total: San Diego	2,013	4.4%	464	3.6%	5,095.7	23.6%	59.9%	4.4%	171.9
<b>San Francisco Area:</b>									
San Francisco/Oakland	5,780		1,538		19,804.1	11.5%	36.5%		460.2
San Jose (including Santa Clara)	2,671		762		13,238.4	16.7%	55.7%		819.6
Vallejo/Fairfield/Napa	275		79		1,534.4	18.5%	28.4%		41.9
Total: San Francisco Marketing Area	8,726	19.3%	2,379	21.3%	34,576.8	15.5%	40.2%	24.0%	1,321.7
Santa Cruz	458		104		565.5	8.6%	52.7%		33.1
Santa Rosa	291		60		741.1	10.5%	52.0%		21.6
Total: Santa Cruz Santa Rosa	749	1.6%	164	1.3%	1,326.6	9.5%	52.3%	1.1%	54.7
<b>San Joaquin Area:*</b>									
Sacramento	876		210		2,720.5	16.7%	39.2%		91.6
Stockton	414		139		2,051.4	3.5%	36.6%		71.7
Modesto	303		105		2,234.3	19.7%	35.8%		60.3
Fresno	699		198		2,125.2	13.9%	38.7%		75.7
Bakersfield	334		78		1,231.4	29.0%	28.4%		44.8
Total: San Joaquin Area	2,626	5.8%	730	5.7%	10,362.8	4.9%	35.7%	6.1%	344.1
Totals: Selected Marketing Areas:	42,146	93.0%	12,105	90.0%	127,208.6	13.7%	46.6%	94.2%	4,268.1
Totals: State of California:	45,289	100.0%	12,883	100.0%	135,765.2	12.3%	46.0%	100.0%	4,493.1

\*Mainly regarded as agricultural production areas

Source: Department of Commerce Census of Manufactures

marketing areas were responsible for approximately \$165.5 billion of this total, showing a 7 percent growth rate in real terms between 1978 and 1980. As can be seen from this table, the selected marketing areas contributed 94.2 percent of the total value-added by manufacturing in the State during 1978 and that 95 percent of all new capital invested in manufacturing is spent in the selected marketing areas. Table 3.4 also shows that in 1977 the marketing areas contributed 93 percent of the State's manufacturing establishments and employed 90 percent of the State's workforce who were employed in value-added manufacturing. (1977 figures, showing manufacturing establishments, were the latest figures available and have been used together with the 1978 value of manufacturing figures).

Table 3.4(1) shows in some detail the comparative strength and location of selected industries in the State and shows which industries represent prospective customers for Canadian packaging machinery and systems. Machinery manufacturers will find the table particularly useful in planning sales visits to the marketing areas and as a basis guide to California's varied industries. Due to certain peculiarities of the Census Bureau's data gathering process, some industries are not mentioned in the Annual Survey of Manufactures and in the Census of Manufactures, which formed the basis for the information contained in the table. For example, substantial industries such as the wine and seafood industries were not mentioned. In these cases, we used our local market knowledge to obtain a picture of these industries and their most important production locations.

TABLE 3.4 (1)

## SELECTED MANUFACTURING INDUSTRIES IN CALIFORNIA 1977-1978 SHIPMENTS IN \$ MILLIONS

SIC	INDUSTRY GROUP	MARKETING AREA LOS ANGELES/LONG BEACH/ANAHEIM SCSA*				ADJACENT AREAS San Diego	SAN FRANCISCO/OAKLAND SAN JOSE SCSA*			ADJACENT AREAS		SAN JOAQUIN VALLEY				
		Los Angeles Long Beach	Anaheim Santa Ana Garden Grove	Riverside San Bernar- dino/Ontario	Oxnard/Simi Valley Ventura		San Francisco	San Jose	Fairfield Napa Vallejo	Santa Rosa	Santa Cruz	Sacramento	Stockton	Modesto	Fresno	Bakersfield
20	FOOD & KINDRED PRODUCTS	6,646.4	1,171.9	483.2	162.1	665.4	3,832.2	1,163.6	468.1	219.9	317.6	1,198.4	1,153.8	1,511.4	1,046.4	136.0
201	Meat Products	1,641.3	-	50.8	-	119.7	164.7	67.5	103.9	26.1	-	-	-	-	-	-
2011	Meat Packing Plants	-	-	-	-	-	-	-	103.9	-	-	-	-	-	-	-
2013	Sausages/Other Prepared Meats	428.4	-	-	-	-	130.0	-	-	-	-	-	-	-	-	-
2016	Poultry Dressing Plants	-	-	-	-	-	-	-	-	-	-	-	-	109.1	-	-
202	Dairy Products	759.3	150.2	-	-	40.3	387.3	54.1	-	-	-	152.6	-	-	110.8	-
2026	Fluid Milk	529.0	-	-	-	39.8	307.5	-	-	-	-	-	-	-	-	-
203	Preserved Fruit & Veg.	376.1	392.7	-	135.3	-	450.3	708.5	-	39.5	159.8	397.8	321.9	652.3	373.2	-
2032	Canned Specialties	35.3	-	-	-	-	90.0	-	-	-	-	-	-	-	-	-
2033	Canned Fruit & Veg.	119.6	169.8	-	-	-	219.6	415.8	-	-	-	-	338.2	348.7	-	-
2035	Pickles/Sauces/Salad Dressings	94.9	-	-	-	-	105.9	-	-	-	-	-	-	-	-	-
2037	Frozen Fruit & Veg.	40.0	50.5	-	-	-	15.7	-	-	-	159.5	-	-	-	-	-
2038	Frozen Specialties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
204	Grain Mill Products	371.9	-	132.8	-	-	185.0	-	-	-	-	196.3	252.4	-	-	-
2047	Dog/Cat & Other Pet Food	140.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
205	Bakery Products	537.6	100.4	-	-	61.5	391.7	46.0	-	-	-	-	-	-	-	-
2051	Bread/Cake & Related Prods.	485.2	-	-	-	61.5	241.7	-	-	-	-	-	-	-	-	-
2052	Cookies & Crackers	42.3	-	-	-	-	113.1	-	-	-	-	-	-	-	-	-
206	Sugar & Confect. Products	113.7	-	-	-	-	489.4	-	-	-	-	67.2	-	-	-	-
207	Fats & Oils	319.5	-	-	-	-	325.5	-	-	-	-	-	-	-	133.7	-
2079	Shortening & Cooking Oils	200.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
208	Beverages	1,008.0	100.4	104.8	-	76.7	337.2	155.2	-	90.8	-	58.4	129.2	-	205.2	42.7
2082	Malt Beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2084	Wines, Brandy & Brandy Spirits	-	-	-	-	-	-	-	-	86.8	-	-	-	-	-	-
2086	Bottled & Canned Soft Drinks	301.3	113.1	85.7	-	-	144.1	-	-	-	-	-	-	-	33.5	-
209	Misc. Foods, Kindred Prods.	1,454.1	129.9	36.8	-	-	890.4	44.1	-	-	-	22.7	-	-	26.2	-
2091	Canned & Cured Seafoods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2099	Food Preparations NEC	335.1	-	34.3	-	-	139.7	-	-	-	-	-	-	-	-	-
22	TEXTILE MILL PRODUCTS	633.0	140.0	44.4	-	9.1	20.5	-	-	-	-	-	-	-	-	-
227	Floor Covering Mills	352.3	93.0	-	-	-	-	-	-	-	-	-	-	-	-	-
2272	Tufted Carpets & Rugs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	APPAREL OTHER TEXTILE PRODUCTS	3,007.2	65.6	65.6	26.5	81.5	561.7	-	-	-	-	-	-	-	-	-
232	Men's & Boys' furnishings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
233	Women's & Misses' outerwear	1,933.3	-	18.8	-	-	248.9	-	-	-	-	-	-	-	-	-
234	Women's & Children's undergarments	108.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
238	Misc. Apparel & Accessories	54.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
239	Misc. Fabricated Text. Prods.	354.1	41.3	-	-	-	46.8	-	-	-	-	-	-	-	-	-
25	FURNITURE & FIXTURES	1,699.9	304.3	46.4	-	40.0	159.5	-	-	-	-	-	24.4	-	17.2	-
251	Household Furniture	1,237.4	-	38.2	-	30.7	92.5	-	-	-	-	-	-	-	-	-
2511	Wood Household Furniture	-	48.2	-	-	15.8	12.8	-	-	-	-	-	-	-	-	-
252	Office Furniture	154.9	-	-	-	-	11.8	-	-	-	-	-	-	-	-	-
26	PAPER & ALLIED PRODUCTS	1,319.5	455.2	89.0	117.3	18.7	572.4	171.3	-	-	-	100.4	-	203.4	-	-
263	Paperboard Mills	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
264	Misc. Converted Paper Prods.	446.0	209.8	-	-	-	228.7	-	-	-	-	-	-	-	-	-
2643	Bags except Textile Bags	149.7	-	-	-	-	29.0	-	-	-	-	-	-	-	-	-
265	Paperboard Containers/Boxes	691.2	178.2	62.5	-	15.8	220.2	86.4	-	-	-	-	-	-	-	-
27	PRINTING & PUBLISHING	-	448.1	131.5	-	328.1	1,057.7	340.2	24.0	19.3	13.2	105.6	22.6	35.5	45.0	-
2711	Newspapers	632.2	93.9	72.7	-	98.2	314.5	147.0	17.2	14.4	-	64.7	16.3	-	-	12.9
2721	Periodicals	325.5	22.8	-	-	-	53.9	-	-	-	-	-	-	-	-	-
273	Books	-	17.8	-	-	-	111.3	35.2	-	-	-	-	-	-	-	-
278	Blankbooks & Bookbinding	115.6	-	-	-	-	15.6	-	-	-	-	-	-	-	-	-

\*SCSA: Standard Consolidated Statistical Areas

Note: Individual areas viz: Los Angeles/Long Beach, San Jose etc. are defined as SMA's (Standard Metropolitan Areas) by the Bureau of the Census

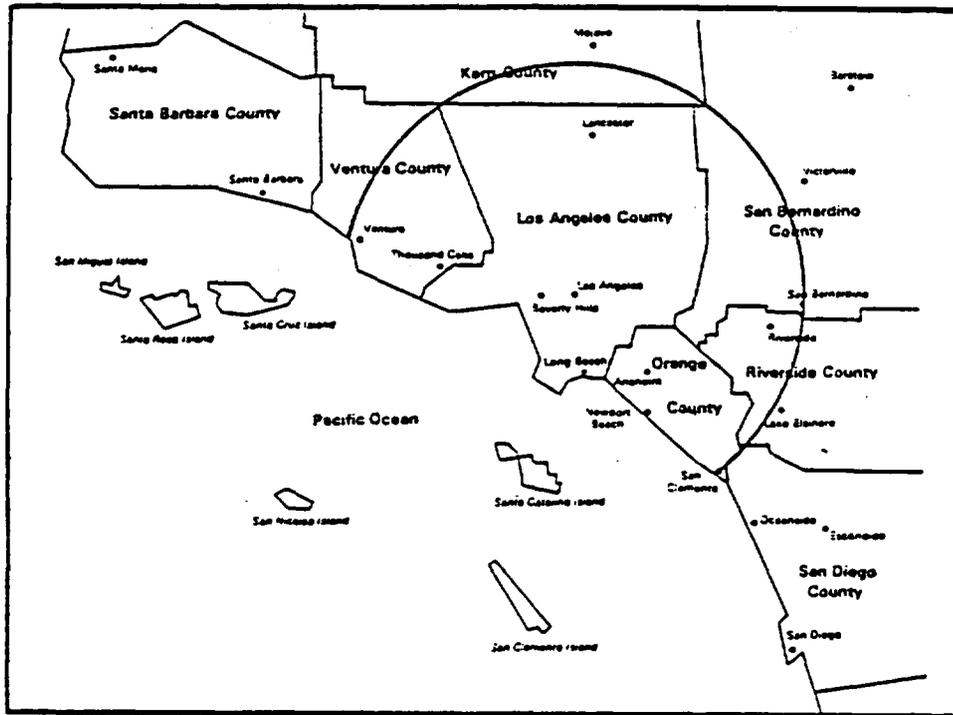


Table 3.4(1) formed the basis for the selection of industries interviewed during the study, the results of which are given in Section 4. Shipment totals for the industries included in the table are presented under two, three and four digit classifications. The two digit figures are the totals for each industrial group, the three and four digit figures are totals for sub-classifications and form only a portion of the two digit totals. All two digit totals are taken from 1978 census figures whilst three and four digit figures are taken from 1977 census figures, which were the latest available under these sub-classifications. The figures presented in this table can be used as indicators only since they have been drawn selectively over a two year period. Table 3.4(1) can be used in conjunction with the previous Table 3.4, which will enable Canadian machinery manufacturers to obtain an overall picture of the state of industry in California.

#### The Los Angeles Marketing Area:

The Los Angeles marketing area consists of the Los Angeles-Long Beach area, the Anaheim-Garden Grove-Santa Ana area, the Riverside-San Bernardino-Ontario area, and the Oxnard-Simi Valley and Ventura area. These areas, shown on the map following, collectively make up the "Los Angeles consolidated statistical area" and fall within the area that has commonly come to be called the "Los Angeles sixty mile circle". The sixty mile circle had a population of 10.7 million in 1980, representing 46 percent of the State's total inhabitants. The area is the Nation's second largest population center and is responsible for half of the economy of the State of California.

### LOS ANGELES MARKETING AREA



By any measure, the area ranks as a manufacturing giant. The 1977 Census of Manufactures established that there were 28,032 manufacturing establishments in the Los Angeles marketing area. Employment in manufacturing in the area increased by 23.1 percent between 1970 and 1980, compared with reductions of 19.1 percent for the Greater New York area and 12.4 percent for the Greater Chicago area over the same period.

The Los Angeles marketing area ships approximately 55 percent of the State's total dollar value in manufactured goods annually and is responsible for 59 percent of the State's value-added by manufacturing total. The Los Angeles area alone, with its diversity of industry, is one of the world's major markets and offers excellent opportunities for export oriented Canadian packaging machinery manufacturers. The area

could provide an ideal base for Canadian companies who wish to establish their own marketing and sales operations in the State. Whilst most of the State's industries are represented in the Los Angeles area, some are stronger than others and their products are currently more suitable for intensive packaging machine usage under current technology. Table 3.5 should be used to provide a guide to the relative strengths of the industries and to assist in determining potential for Canadian machinery sales in the area.

We interviewed representative companies from the following industries during the study: food processing and beverages; pharmaceuticals and other chemically related products; printing and publishing; paper related industries, including bag making and cartons; aerospace and transportation industries; and, toy manufacturing. The results of our interviews, together with comments on industry trends and prospects, are presented in a following section.

Other industry groups contribute significantly to the manufacturing output of the Los Angeles area but do not appear to offer significant prospects for machinery sales; they are:-

The furniture industry--75 percent of California's furniture industry is located in the Los Angeles area. Currently the industry does not appear to offer substantial prospects for packaging machinery sales. We anticipate prospects should improve in the medium to long-term as manufacturers seek to reduce labour costs and intensify their investment in automated and semi-automated plant.

The apparel industry--Los Angeles is a major center for the garment industry and has a multitude of small and medium sized companies located in the area. In addition, several large companies, including Levi Strauss, are headquartered in Los Angeles. Most garments are packaged manually. There are no hosiery manufacturers located in the area.

Textile mill products--There are a number of mills for carpets and textiles located in the marketing area. However, our research showed they offer few prospects for machinery or systems sales.

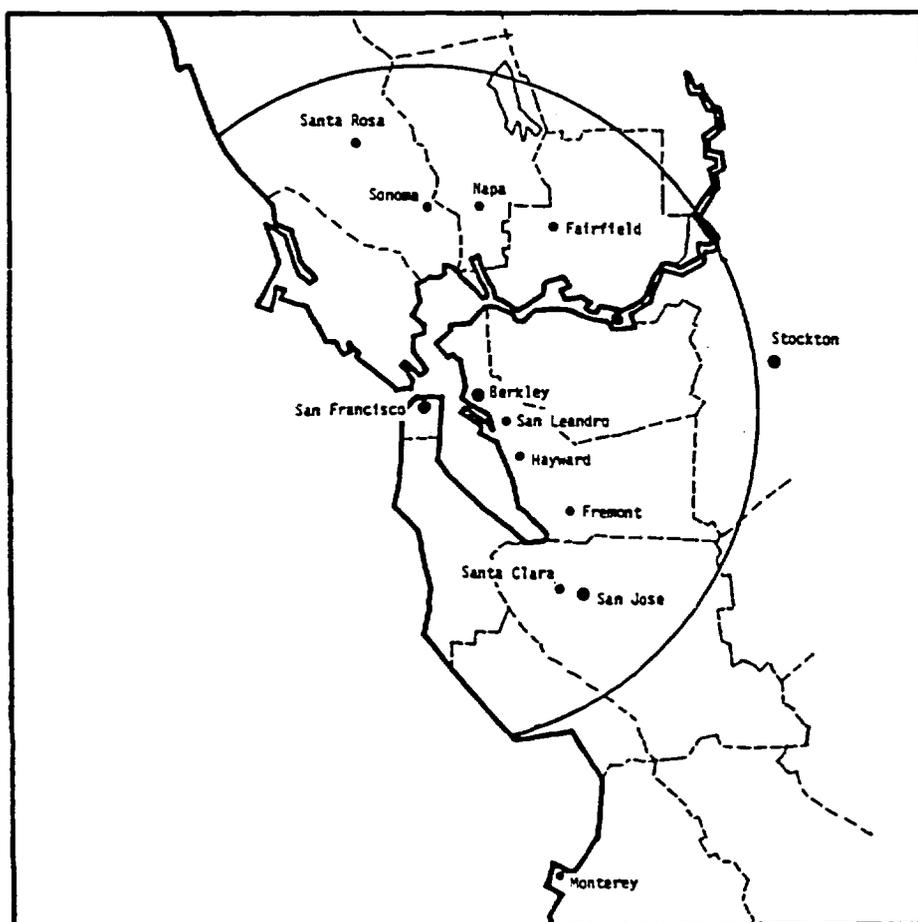
#### The San Francisco Marketing Area:

The San Francisco marketing area includes San Francisco-Oakland, San Jose-Santa Clara, and the Vallejo-Fairfield-Napa areas. These areas, shown on the map following, collectively make up the San Francisco, Oakland and San Jose consolidated statistical area. The San Francisco marketing area had a population of 5.18 million in 1980. This represents approximately 22 percent of the State's total inhabitants. The San Francisco area produces approximately 25 percent of the State's total manufactured shipments. Industrial growth in most sectors has been somewhat slower than in the Los Angeles region.

The term San Francisco marketing area is something of a misnomer since the actual area of San Francisco is very small and the surrounding areas (included in the San Francisco consolidated statistical area) contribute substantially to the overall total for the area. San Jose, in particular,

has shown the greatest increase in industrial production for the area in recent years. This increase is due largely to the fact that the bulk of the Nation's semi-conductors are produced in that area, which has come to be known as "Silicone Valley" In 1978, San Jose contributed 39 percent of the San Francisco marketing areas's total shipments.

#### SAN FRANCISCO MARKETING AREA



1977 census figures show that there were 8,726 manufacturing establishments situated in the San Francisco marketing area. These establishments were collectively responsible for shipping 25.5 percent of California's total shipment value and achieved 24 percent of the State's total value added by manufacture. San Jose was the State's individual leader in

value added by manufacture, with a ratio of 55 percent. The San Francisco marketing area attracted 29 percent of the new capital invested in manufacturing for the State in 1978; 62 percent of this total was spent in the San Jose area.

The San Francisco area cannot command the same degree of industrial strength as the Los Angeles area; however, most industries represented in the Los Angeles area are also represented in the San Francisco area albeit to a lesser degree. When interviewing companies in San Francisco, we concentrated primarily on those industries which are stronger in the San Francisco area than in the Los Angeles area. Consequently, we interviewed representative companies from the following industries:-

Food processing--preserved fruits and vegetables; cookies and crackers; the candy and ice cream industries; and, the wine and brandy industry. Industrials--the electronics and office equipment industries, consisting of the computer and office machine industry, and those industries that are related to or use semi-conductors.

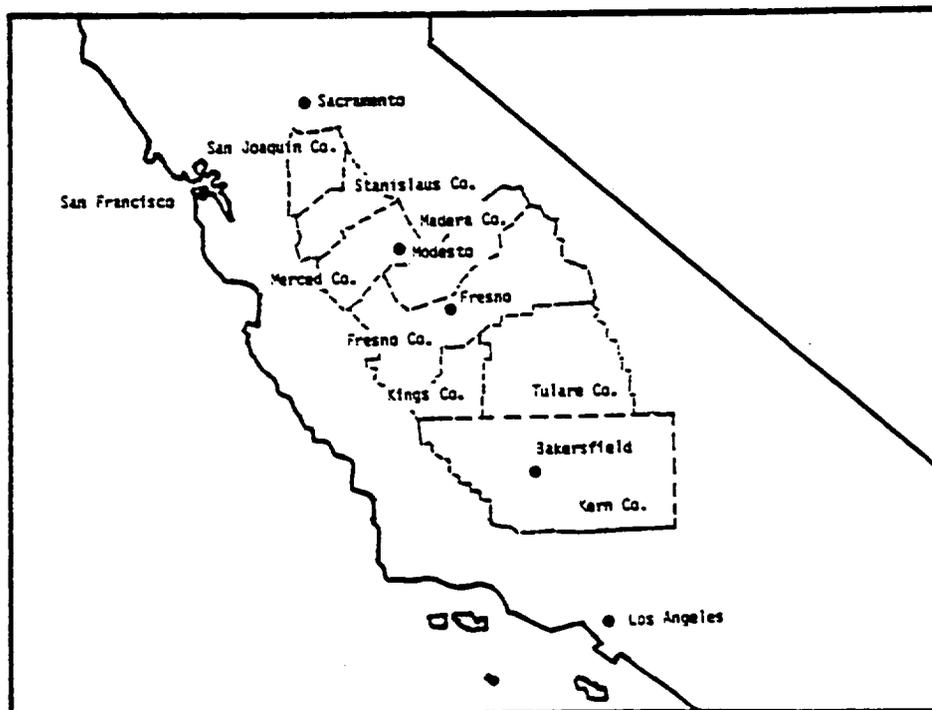
#### The San Joaquin Marketing Area:

The San Joaquin marketing area, which includes Sacramento, Stockton, Modesto, Fresno, and Bakersfield, is not classified as a standard consolidated statistical area by the Bureau of the Census. (For the purpose of this report, we have constructed a composite of the area). The San Joaquin area is generally considered to be one of the State's leading industrial areas--we feel that the area should be considered in

terms of it's overall contribution to California's economy. Industrial figures do not take into account the fact that the San Joaquin Valley area is the State's and the Nation's leading agricultural producing area. The San Joaquin's agricultural contribution will be discussed in a later section where certain interesting new trends are being developed. (We have included Sacramento in the San Joaquin marketing area because it is geographically close to other centers in the area, and because it is located in a substantial agricultural area).

The 1977 Census of Manufactures established that there were 2,626 manufacturing establishments in the San Joaquin area. These manufacturers collectively shipped 4.9 percent of the State's total shipment value during 1978. The area was responsible for 6.1 percent of

#### SAN JOAQUIN MARKETING AREA



the State's total value added by manufacture and attracted 7.6 percent of the new capital invested in manufacturing for the State in 1978.

The San Joaquin area is strong in food processed products. One notable industry is the wine industry; the bulk of the Nation's grapes are grown in the area and many of the Nation's top wine-makers operate there. The Northern San Joaquin area and Sacramento is the Nation's second largest rice producing area and is served by a deep water grain handling port located at Sacramento. The San Joaquin area is starting to assume a greater industrial importance as industries are starting to decentralize to the area. At present, light manufacturing and electronics form the core of this new industrial activity in the area. We restricted our interviews in the San Joaquin area to food processors and wine producers.

### 3.5 AGRICULTURE IN CALIFORNIA

California's agricultural industry is a potential source of sales for Canadian packaging machinery manufacturers. In 1981 California was the Nation's leading agricultural state for the thirty-fourth consecutive year. Preliminary 1981 estimates show California's gross farm receipts were \$13.2 billion, 30 percent ahead of Iowa, the next state, which grossed \$10.1 billion. Texas was in third position with receipts of \$9.2 billion. The secret behind California's agricultural strength is that it closely parallels the State's industrial success.

California's agricultural production is considered to be one of the most diversified in the world. No one crop dominates the State's agricultural economy and most crops individually account for less than 2 percent of the State's gross farm income. California leads the Nation in the production of forty-nine crops and agricultural commodities; a large number of these crops are specialty crops in which the "Golden State" accounts for most of the U.S. production. The following list details those crops in which California is the leading U.S. producer.

Crop and Livestock Commodities in which California leads the Nation:

Alfalfa Seed	Celery	Lettuce	Pistachios
Apricots	Chili Peppers	Lima Beans	Plums
Artichokes	Cut Flowers	Melons	Pomegranites
Almonds	Dates	Mushrooms	Potted Plants
Asparagus	Eggs	Nectarines	Prunes
Avocados	Figs	Nursery Products	Rabbits
Broccoli	Garlic	Olives	Safflower
Brussel Sprouts	Grapes	Onions	Spinach
Cantaloups	Kiwi Fruit	Oriental Veges.	Strawberries
Carrots	Ladino Clover Seed	Peaches	Sugar Beets
Cauliflower	Lemons	Pears	Tomatoes
		Persimmons	Walnuts

It must be remembered that the crops and commodities listed above are not all numbered among the State's leading farm products and that other products feature significantly in the State's own listing of top cash earning crops and commodities. California's leading twenty farm products are given in Table 3.5(1) in the Appendix.

Increasing Interest in Basic Processing--The above information is important to Canadian machinery exporters because it indicates the breadth of the State's food processing industry which is based primarily on California's agricultural production. Our research showed that many of California's leading agricultural producers are showing an increasing interest in taking a share of the basic food processing for themselves. This move is seen as a means of strengthening and protecting margins which are subject to substantial price fluctuations. This has been particularly noticeable during the present recession. Agricultural producers now feel it is logical to control as much of the production cycle as possible to maximize profits.

California's Leading Agricultural Production Areas:

Table 3.5 shows how California's agricultural production areas relate to the industrial marketing areas selected for this study.

The San Joaquin Valley--This area covers one of the marketing areas previously outlined for industrial production. The San Joaquin Valley is the State's leading agricultural production area. Forty-seven of the State's top fifty crops are grown in the area. Fresno County is the leading county in the San Joaquin area and produces more than \$2 billion assorted commodities annually. Clearly, there is a demand for agriculturally oriented packaging machinery and materials in the State. Discussions with leading agriculturalists support the view that the San Joaquin Valley and other agricultural areas in the State offer

TABLE 3.5

CALIFORNIA'S LEADING AGRICULTURAL COUNTIES AND HOW THEY  
RELATE TO MARKET AREAS ESTABLISHED FOR THE STUDY

Market Area	Rank	County	Value 1980 (\$ millions)	Principal Commodities
Los Angeles Marketing Area	9	Riverside	692.5	Grapes, Grapefruit, Cotton, Alfalfa, Dates
	11	San Bernardino	511.7	Milk, Eggs, Cattle & Calves, Alfalfa, Chickens
	12	Ventura	484.3	Lemons, Celery, Eggs, Oranges, Strawberries
	17	Los Angeles	261.9	Nursery Products, Alfalfa, Milk, Strawberries
	18	Orange	246.7	Nursery Products, Strawberries, Oranges, Tomatoes, Cauliflower
Total:			2,197.1	
San Diego	13	San Diego	412.0	Nursery Products, Avocados, Tomatoes, Eggs & Milk
San Francisco Marketing Area	7	Monterey	745.4	Lettuce, Broccoli, Strawberries, Cauliflower
	24	Sonoma	194.8	Wine production
	35	Napa	66.9	Wine production
Total:			1,007.1	
San Joaquin Marketing Area	1	Fresno	2,002.3	Grapes, Cotton, Cattle & Calves, Poultry, Milk
	2	Tulare	1,337.0	Grapes, Milk, Oranges, Cotton, Cattle & Calves
	3	Kern	1,272.4	Cotton, Grapes, Almonds, Cattle & Calves, Citrus
	4	Merced	794.0	Milk, Chickens, Cattle & Calves, Almonds, Chicken
	5	San Joaquin	760.9	Milk, Grapes, Tomatoes, Almonds, Cotton
	8	Stanislaus	742.4	Milk, Chickens, Almonds, Eggs, Cattle & Calves
	10	Kings	635.2	Cotton, Milk, Cattle & Calves, Alfalfa
	14	Madera	369.0	Grapes, Cotton, Almonds, Milk, Cattle & Calves
Total:			7,940.2	
Leading Counties not in selected Marketing Areas	6	Imperial	757.1	Cattle, Alfalfa, Cotton, Wheat, Sugar Beet
	15	Santa Barbara	300.0	Avocados, Cattle & Calves, Lettuce, Broccoli, Cauliflower
	19	Yolo	234.7	Tomatoes, Wheat, Rice, Corn, Beets
	20	Butte	229.1	Rice, Almonds, Cattle & Calves, Walnuts, Prunes
Total:			1,515.5	

Source: Security Pacific Bank

Canadian packaging machinery manufacturers some serious prospects. This is of particular interest to manufacturers with bulk handling, bagging and other agriculturally related equipment and systems.

The Los Angeles Agricultural Area --This area closely parallels the Los Angeles marketing area. The five counties in the area produce \$2.19 billion of agricultural commodities and contribute approximately 17.4 percent of the State's total. San Bernardino County is the State's leading milk and cream producer.

The San Francisco Agricultural Area--San Francisco is not a noted agricultural center in the State. The area does, however, contain Monterey County which is the seventh largest agricultural producing county in the State. In addition, Sonoma and Napa counties are within easy reach and these are the headquarters for many of the State's leading wineries. San Francisco offers easy road access to Sacramento and the Northern San Joaquin Valley area.

### 3.6 FISHERIES AND RELATED INDUSTRIES IN CALIFORNIA

In 1980 California was the Nation's second largest fish producer in terms of dollar value. The State's fish sold at wharveside for a 1980 total of \$323 million, while the total volume of fish landed was 804 million pounds. California's leading fishing ports are San Pedro in the Los Angeles marketing area, which was the highest individual earning port in the U.S. during 1980, and San Diego, closeby. These two ports contributed 72 percent of the State's 1980 volume and 76.6 percent

of the State's earning from fishing.

The principal species caught in these two ports is tuna which accounted for 63 percent of all fish caught and brought to the State's fisheries. Most tuna caught in California is canned. The four largest canneries on the West Coast are located in San Pedro and San Diego. Tuna canners in the State have experienced severe problems caused by a glut on the world tuna supply which coincided with several cases of defective canning. These resulted in major recalls in some cases, and one of the State's leading canneries has closed indefinitely. Leading tuna canners are starting to use a seamless two-part can which reduces the risks inherent in the traditional seamed canning method. Van De Kamp Fisheries (Sea Kist Tuna) are investigating retortable pouch packing but are concerned by the excessive costs that conversion will incur.

The National Marine Fisheries Service confirms that the remaining California catch is sold fileted or fresh and that much of the fish that is sold breaded or specially prepared and frozen in portions is imported. We were advised that there are one or two general fish companies operating in the north of the State and we include interviews with these companies in the Manufacturer-end-user section.

Leading retailers consulted confirmed that there is a major market trend towards fresh fish. They attribute this to the Nation's increasing health consciousness. California retailers prefer to buy high quality

seasonal packs of fresh fish whenever possible. The preferred packaging method in current use in California markets is plastic or foam trays with film overwrap. Many markets pack their own fish, while some use contract packers; others buy the packaged product direct from the fishery. Retailers are looking for trends in packaging which will increase the shelf life of the fresh product. They consider retortable pouch packaging to be the trend of the future. The only drawback with vacuum processes for fresh fish and meats at present is the extra cost that it adds to the product. This is largely caused by the excessively thick film which is currently used. Retailers advised that a considerably quantity of fresh fish being sold in California is Canadian and Alaskan.

#### 4.0 MANUFACTURER-END-USER INTERVIEWS

During the course of the study we interviewed a number of established California manufacturers. Manufacturers were selected from the industry groups shown in Tables 3.3 and 3.4(1). Readers will find that the largest selection of interviews was conducted with food manufacturers because the food industry proved to be the industry most applicable for the current range of Canadian packaging machinery being offered. Other industries were interviewed wherever possible in relation to their application to the range of machinery.

##### Criteria for Interviews:

Manufacturers were interviewed by telephone and in some cases personal visits were made. We attempted wherever possible to work from a set questionnaire. Questions were designed to determine: Manufacturer's current machine usage; planned future machinery and systems requirements; awareness in technology currently being offered; degree of technical assistance required in planning new systems; favoured machinery distributors; attitude to direct purchasing from machinery manufacturers; prediction of changes in consumer's buying patterns; awareness of "brand name" and packaging machinery manufacturers in general; knowledge and attitudes to Canadian machinery and systems; and decision makers for purchasing.

It should be noted that it was not always possible to obtain satisfactory answers to all questions, for a variety of reasons. For this reason the interviews are presented in a precis form. Generally, however, manufacturers

proved very receptive. Because of the wide variety of industries contacted, it is impractical to present answers in a tabular form; we have, therefore, elected to summarize the findings at the end of this section.

#### 4.1 THE INTERVIEWS

The interviews are not presented in alphabetical order but wherever possible industry groups are kept together.

##### Meat & Meat Products--

##### ZACKY FOODS

P.O.Box 3207,  
2044 North Tyler Street,  
South El Monte, CA 91733  
Dub Roberts, General Manager, Fresno Plant

(213)283-8292  
(209)486-2310

We were advised to talk to Zacky's Fresno plant. Zacky Farms prepare and pack whole and cut portions of fresh chickens and turkey. The company uses Weldotron automatic tray wrap systems for chicken and chicken pieces. Pre-printed Cryovac bags are used for the turkeys. The company is currently looking at a "deep chill" process designed to hold the temperature of the product at a steady 28 degrees until it reaches the retail store. The company does not anticipate any significant changes in consumer portion buying habits in the near future. Zacky Farms is one of California's larger poultry packing companies and employs about 500.

##### HOFFMAN BROTHERS PACKING CO.

2731 South Soto Street,  
Los Angeles, CA 90023  
Mr Larry Ryan.

(213)264-1181

Hoffman Brothers is one of Southern California's larger meat packers. The company handles beef, pork, sausage, hams and bacon, and lard and suet. Hoffmans use a variety of machines on their packaging lines including Mahaffy & Harder for the bacon products, Standard Knapp for sausages and weiners, and Tiromat machines which are also used for weiners. It is not certain whether these Tiromat machines were supplied from Europe or from Canada. Canadian manufacturers will need local professional representation to penetrate this company.

## GALLO SALAME

250 Brannan Street,  
San Francisco, CA 91407  
Dave De Rico.

(415)495-6000

Gallo is always interested in new technology and regards itself as an industry leader in the prepared meats field. Gallo uses mainly Mahaffy & Harder thermoform fill and seal machines. Could be interested in Canadian machinery but will only purchase from companies that have effective local service agents and carry adequate supplies. Mr De Rico purchased a large quantity of Canadian metal detectors recently. The locally appointed distributor/service organization was not able to get the machines operating satisfactorily and four were sent back to Canada to be repaired. Mr De Rico had been assured by the Canadian manufacturer that service arrangements would be adequate before placing the order.

Bakery Products--

## WINCHELL'S DONUT HOUSE

A Division of Denny's Inc.  
1624 Valley View Avenue,  
La Mirada, CA 90637  
Steve Dringenberg, Production Supervisor.

(213)587-1200

Winchells produces bulk ingredients for the company's large chain of retail donut stores. There are 1000 employees. Winchell's uses a wide variety of machines including Elliott case sealers, Hascon fillers (for fillings in one gallon containers), Black air packers (for dry pre-mixes), Triangle fillers (for hot fillings), and Durable Corp conveyor systems. The company is planning to increase its capacity and will add automatic palletizing and conveyor systems in the near future as well as adding new lines to handle smaller (5-7 lb bags). Mr Dringenberg feels that U.S. packaging technology is adequate for his industry at present and his company prefers to buy U.S. equipment wherever possible. He has Canadian metal detectors and recommended Durant & Co and Packaging Devices as distributors. Winchell's prefer direct purchase on all new equipment. Mr Dringenberg is interested in reviewing Canadian products provided they fit in with his existing packaging lines. Areas he is currently investigating are: wet or dry fillers, checkweighers, sealers and cartoners, palletizing systems.

## POGE'S FAMILY BAKERY

1800 South Anderson Avenue,  
Compton, CA 90220  
Mr Leonard Danryd, Director of Manufacturing.

(213)636-9712

POGENS (Continued)

Pogens is the largest baker in Western Europe. The company's world headquarters is in Sweden. Pogens California plant has 100 employees. The company operates both horizontal overwrapping type packaging lines for trays and vertical form fill and seal lines. Pogens operates Doboy, Otem H 500 (Italian), Kliklok, and Pemco machines. The company is planning to move into flat bottomed bags and cookies packed for vending machines in the near future. Mr Dandryd is interested in anything new from Canadian sources; specifically horizontal overwrapping machines.

VAN DE KAMP'S HOLLAND DUTCH BAKERS INC.

2930 Fletcher Drive,  
Los Angeles, CA 90065  
Bob Colberg.

(213)255-0171

Van De Kamps are a large Southern California bakery employing 750 people. The company produces mainly horizontally packaged products. Overwrapping machines, horizontal tray packers and Kliklok tray erectors were mentioned. Overwrapped coffee cakes will be the company's next area of expansion

OROWEAT FOODS COMPANY

480 South Vail Avenue,  
Montebello, CA 90640  
Dennis Horberg, Purchasing Director.

(213)721-5161

Oroweat operate baking plants in eight states (a total of 13 plants) and the bulk of these are located in the western U.S. with five in California. The company uses A.M.F. bagging machines for bread, rolls etc. and Wright vertical form, fill and seal machines mainly for croutons etc. Oroweat is planning to expand in California and is interested in looking at new sources for poly-bag fillers, overwrappers and vertical form, fill and seal machines. The company prefers to buy its machinery direct from the manufacturer.

PIONEER FRENCH BAKING CO.

512 Rose Avenue,  
Venice, CA 90291  
Mr Bob Garacochea, Chief Engineer.

(213)392-4128

Pioneer produce french bread and rolls. The company uses Foremost bagging machines for polybags and National machines for paper and cellophane wrapping. Pioneer are planning to expand in two years. Pioneer do not see any new trends in portion packaging but will convert from cellophane to polypropylene on some products. Polypropylene is harder to seal initially but forms a more effective seal.

Dairy Products--

## ADOHR FARMS

Division of the Southland Corp,  
4002 West Westminster Avenue,  
Santa Ana, CA 92703  
Bob Larson, Plant Manager.

(213)625-2581

Adohr Farms is a full line dairy products company and employs 420 people. Mr Larson advised that the company operates a variety of packaging lines. Their plant includes: Ex-Cell-O carton forming and filling equipment, Cherry Burrell carton forming and filling equipment, Cernac glass and plastic filling equipment, and Federal plastic filling equipment. Adohr are planning to expand into aseptic brick-pack filling in the near future. Adohr generally purchase their new equipment on a "Lease back" basis; they have not bought any Canadian machinery to date and are heavily influenced by "Brand Names". Adohr would be interested in seeing what Canada has to offer specifically carton fillers and processing equipment. The company does not see any major changes in consumer buying habits in the near future but will be moving a larger proportion of its production into plastic.

## KNUDSEN CORPORATION

P.O.Box 335, Terminal Annex,  
Los Angeles, CA 90051  
Mr Jack Senter, Purchasing.

(213)744-7000

The Knudsen Corporation is one of California's top one hundred industrial corporations. Knudsen produces milk, cream, buttermilk, cottage cheese, citrus juices, cream cheese, butter, ice cream, yoghurt, puddings, deli specialty items, sour cream and frozen novelties. Knudsen employs 2100 people at its seven plants in California. One plant is located in Nevada. Mr Senter is located in the corporation's main Los Angeles plant, where the company concentrates on yoghurt and cheese production. In that plant the company uses imported Gasti yoghurt and cheese filling and capping equipment and Cherry Burrell machines for milk filling and casing. Knudsen are constantly evaluating new production equipment available on the market. Generally the corporation goes for state of the art plant. Cherry Burrell dairy plant is produced locally in Fresno California; the company seems to have achieved a virtual monopoly on milk handling equipment in the West. Mr Senter is interested in looking at any new equipment for cheese and yoghurt filling, cartoning or conveying. We would suggest that Canadian companies also tackle Knudsen's head office purchasing division.

## JOHNSTON FOODS COMPANY

P.O.Box 3096,  
Glendale, CA 91201  
Mr Ed Steward, Plant Manager.

(213)245-3778

## JOHNSTON FOODS COMPANY (Continued)

Johnston Foods concentrates exclusively on producing yoghurt products. Mr Steward advised that his company uses Auto-Pak machines for filling and South West Forest cartoning machines in their yoghurt lines. Johnstons are planning to expand their existing packaging lines. They are looking at high speed continuous mation fillers and other automatic packaging equipment. The company is planning new yoghurt related lines but would not be specific. Mr Steward felt that the industry would continue to move towards plastic and aseptic packaging. He is interested in looking at any new equipment that may have a bearing on his product. Johnstons currently use paper cups for their yoghurt.

## DAIRYMAN'S COOPERATIVE CREAMERY ASSOCIATION

400 South Main Street,  
Tulare, CA 93274  
Mr Leigh Blakely

(209)686-1611

The Dairyman's Cooperative employs about 350 people. The company produces butter, market milk, cream cheese, cottage cheese, yoghurt, sour cream, milk by-products (non-fat dry milk solids and skim milk), dairy feeds and fertilizers, whipping cream, powdered sweet and semi-sweet dry whey, and cheddar cheese. Mr Blakely advised that the company uses imported Benhill machines for butter packaging; SIG wrapping and printing machines for cream cheese; California made Autopak machines are used for the yoghurt and sour cream; Anderson fillers are used for packing 8 oz cottage cheese portions. In addition Kliklok wrapping machines, Schroeder casing equipment and Leiderman powder bagging machines are used.

Dairyman's Cooperative is not planning new packaging lines in the near future but is always interested in updating or replacing existing machines if more advanced equipment is available. Mr Blakely is interested in seeing Canadian machinery specifically machines capable of handling and packaging chip dips or soft cheese or double seal machines capable of placing a film between cap and cup.

## FOREMOST MCKESSON FOODS GROUP

Headquarters:  
1 Post Street,  
San Francisco, CA 94104  
Regional Office Southern California  
5729 Smithway St,  
Los Angeles, CA 90040  
Dave Bush, Packaging Supervisor

(415)983-8300

(213)728-1191

The Foremost Group is California's tenth largest industrial corporation. The group is a major U.S. distributor of drug and health care items, alcoholic beverages and chemicals. The group produces and markets a broad line of food products internationally and is the nation's largest supplier of bottled water and dairy by-products. Foremost operates fourteen plants in California and employs in excess of

## FOREMOST MCKESSON FOODS GROUP (Continued)

3,500 people. Mr Bush is packaging supervisor for Foremost's Los Angeles plants. He would not comment on the type of expansion that the company is planning. Mr Bush advised that the company uses Cherry Burrell, Ex-Cell-0 and Federal filling machinery in its Los Angeles area plants; he feels that technology is adequate in the industry at this time and that Foremost generally purchases its equipment from distributors. Foremost usually lays out its total requirement for a new system before contacting distributors but would be interested in reviewing available Canadian equipment. Canadian manufacturers should also contact Foremost's headquarters in San Francisco.

Mr Bush recommended Pump Systems Inc. in Santa Ana California as a worthwhile distributor.

## CARNATION CO.

5045 Wilshire Blvd.,  
Los Angeles, CA 90036  
Roy Lazar, Chief Engineer.

(213)932-6000  
(213)932-6120

The Carnation Company is one of the nation's top fifty food producers, and is California's eleventh largest industrial corporation. The company possesses a number of divisions producing a wide variety of products. Divisions are: the Dried Food Division, which is the company's largest division and uses more packaging equipment than all the company's other divisions; the Pet Food Division which produces canned and bagged pet foods; the Milling Division which produces animal foods in fifty and one hundred pound bags; the Tomato Division which produces mainly canned but also some aseptically packaged fifty pound containers of tomato paste; the Fresh Milk and Ice Cream Division which uses mainly Cherry Burrell filling machines; the Evaporated Milk Division which packages in cans; the Potato Division which has a Canadian sub-division (making french fries), this division uses bagging machinery.

We then talked to Mr Sam Maney who is the packaging engineer for the Dried Food Division, specifically he is responsible for dried milk, yoghurt, chocolate, and Coffee Maid products. Carnation uses Pneumatic Scale vacuum fillers for it's Coffee Maid products together with Norvac volumetric fillers and Consolidated pneumatic scale cappers. Powdered milk products are packaged using R.A.Jones and Bartelt machines, Pyramid case sealers and Delamere and Williams fillers. Carnation's yoghurt is pouch packed whilst chocolate is pouch and cannister packed. Pyramid and Delamere & Williams machines are Canadian supplied.

Mr Maney was not prepared to give any indication of the company's planned expansion. He is planning to add new vertical form fill and seal machines, netware filling machines and carton forming machines. Mr Maney is also interested in low-level palletising equipment.

We understand that Carnation is about to make a major move into health foods and that the company will be producing its own brand foods and opening a chain of its own stores in the Los Angeles area to test the concept. Consequently we feel Canadian manufacturers could do some worthwhile business with Carnation in the near future.

Juice and Citrus--

## SUNKIST GROWERS

Orange Products Division,  
616 East Sunkist Street,  
P.O.Box 3720,  
Ontario, CA 91761  
Mr La Nier

(714)983-9811

Sunkist is California's largest citrus converter. The company produces concentrated and natural strength juices, essential oils, pectin, food supplements and cattle feed, made from oranges, lemons, and grapefruit. Sunkist employs about 1300 people and operates two processing plants in Southern California. The company currently operates the following types of packaging lines: hot fill packs, metal cans, frozen composite cans and bulk packing systems. Sunkist has no immediate expansion plans outside normal replacement schedules. The company works with both distributors and manufacturers direct; leases or purchases direct depending on the machine; and is not influenced by brand names. Mr La Nier feels that citrus processors will be moving more into paper/film laminated structures. To this end he is interested in any machine or materials technology and would like to look at any suitable Canadian machinery. We found that current distributors for Canadian machinery in the State consider Sunkist an excellent customer.

## PARAMOUNT CITRUS ASSOCIATION INC.

P.O.Box 712,  
11030 Stranwood Avenue,  
San Fernando, CA 91341  
Joe Martinez

(231)361-1171

Paramount produces citrus concentrates and juice drinks. The company employs 250 people. Mr Martinez advised that Paramount uses F.M.C in line machines including fillers, cartoning machines. The company also uses Pack-master casing machines and Continental closing machines. Paramount are not planning expansion at present. They prefer to buy directly from manufacturers and would be interested in literature on Canadian machines at this stage. The company does its own rotogravure printing on forty-eight ounce cans.

## SUN-MAID GROWERS OF CALIFORNIA

13525 South Bethel Avenue,  
Kingsburg, CA 93631  
Mr Frank Butterworth.

(209)896-8000

Sun Maid produces raisins, raisin paste, raisin juice concentrate, a variety of dried fruits, beverage alcohol, animal feeds, mixtures of dried fruits and nuts, raisin bread, and fresh grape juice concentrate. The company operates three plants in California and currently employs about 700

## SUN-MAID GROWERS OF CALIFORNIA (Continued)

people. Sun Maid packs in polycoated cartons, poly bags and 30lb corrugated cartons using Solbern filling machines, Triangle fillers, machines the company has developed itself and Pheling carton erectors. The company is planning to expand it's packaging activities and is moving into flexible pouch packing using metalized structures. Mr Butterworth has not bought Canadian machines previously but could be interested.

## OSCAR MAYER &amp; CO

3301 East Vernon Avenue,  
Vernon, CA 90058  
Mr Campbell, Machinery Buyer.

(213)587-1181

Oscar Mayer are meat processors producing a wide variety of specialty meat products including weiners and ham. The company makes most of its own packaging machinery and only very occasionally buys outside. The last outside purchase was a Multivac machine imported by Koch from Germany. In an attempt to protect their technology they have formed a joint venture packaging company with Dow Chemicals called Cartridge Packaging Co. Additionally the company extrudes its own film and sheets of rigid plastic. Mr Campbell sees very little potential for Canadian machinery suppliers with his company. He did however recommend the following distributors: Propac in Fullerton California and Meat Packers and Butchers Supply.

## HORMEL GEO. A. &amp; CO INC.

Head Office,  
P.O.Box 800,  
Austin Minnesota, MN 55912  
Rudy Nelson, Packaging Machinery

(507)437-5307

Los Angeles Plant,  
14711 Firestone Blvd.,  
La Mirada, CA 90638

(213)921-7488

Hormel is one of the nation's top fifty food companies and is best known for its ham and bacon products. The company operates production facilities in Stockton and Los Angeles California. He spoke to Rudy Nelson at Hormel's head office who advised that he works closely with a Canadian company called Knud Simonsen Industries located in Rexdale, Ontario (tel 416-675-6166). Simonsens import all machines used by Hormel into Canada and prepare or modify them before installing them for Hormel. Mr Nelson suggests that Canadian manufacturers send him information and contact Simonsens direct. Simonsens are specialists in meat processing and abbatoir equipment. Despite these qualifications Mr Nelson is interested in new Machinery sources.

## BRIDGFORD FOODS CORPORATION

P.O.Box 3773,  
 Anaheim, CA 92803  
 John Thompson, Purchasing.

(714)526-5533

Bridgford produces processed meat products and frozen bakery products. The company operates four plants in California and one plant in New Jersey which handle meat products. The company's frozen bakery products are produced in Texas and Chicago. The company uses Kirwood, Multivac (Koch), Mahaffy & Harder, and Tiromat machines for packaging luncheon meat and hot dogs in it's Los Angeles plant. The Tiromat machines are Canadian and the company is very happy with them. Mr Thompson would not discuss the company's expansion plans and suggested that interested Canadian suppliers should contact the company Chairman Mr H.W. Bridgford personally.

## DEL MONTE CORPORATION

Subsidiary of R.J.Reynolds Inc.,  
 Head Office,  
 P.O.Box 3575  
 San Francisco, CA 94119  
 Wilbur Sprague, Machinery Purchasing.

(415)442-4000

Del Monte is one of the world's leading international food and beverage producers. The company produces canned fruits, vegetables, juices, fruit juice drinks, dried fruits and raisins, canned and frozen sea food, pickles, fresh fruit, frozen and canned prepared foods, and beverages. The company operates ten plants in California and is currently re-structuring and consolidating. A number of plants will be closed during this process. Del Monte employs about 6,400 people. We spoke with a number of executives from the corporation including Mr Ed Belmont who is in charge of packaging development at the corporation's Walnut Creek regional office, tel: (415)933-8000. Mr Belmont is involved in aseptic packaging for beverages; he feels that most major U.S. producers will be operating aseptic lines by the end of this year. It was a Del Monte subsidiary in Europe which helped to pioneer Tetrapack aseptic beverage containers. Since this interview was conducted Ocean Spray has released it's first range of aseptically paper packed juices. Del Monte has recently opened a packaging stress facility at the Walnut Creek office. The center is committed to search for stronger and less expensive packaging; contact with Del Monte through this office may be of interest to Canadian packaging manufacturers. Del Monte also recently introduced a range of Chinese type stir-fry meals packaged in retortable pouches. Canadian companies should contact Mr Sprague at Del Monte Head office with details of their equipment. Del Monte operates a Canadian subsidiary called Canadian Cannery Limited which is located in Hamilton, Ontario, tel: (416)522-2441

## HANSEN'S JUICES INC.

16121 Canary Street,  
La Mirada, CA 90638  
Mr Tim Hansen, President.

(714)994-6100

Hansen's operate two plants in the general area of Los Angeles. One plant concentrates solely on fresh juices which are packaged in plastic bottles with pressure sensitive labels. The other plant produces mainly carbonated fresh fruit drinks which are aimed at the health food market. The second plant uses a variety of glass and can containers. Mr Hansen advised that he considers Zeitz fillers to be the best and that he generally visits the European trade shows in preference to U.S. shows. Generally European packaging machinery manufacturers arrange for him to visit leading plants where he can actually see their equipment in operation. Mr Hansen feels that the Germans and the Swiss are the world leaders in machinery for processing and packaging juices.

Eggs and Egg Packing--

## OLSON'S FARMS

13400 Riverside Drive,  
Sherman Oaks, CA 91413  
Ron Melchert, Plant Manager.

(213)995-1238

Olson's Farms package eggs exclusively. The company owns a subsidiary called Dolco Packaging located in Pico Rivera, California, tel: (213) 685-7970. Dolco produces thermoformed trays for Olsn's own use and also for MacDonalds. The company also produces avocado trays and other special purpose trays. Dolco uses Trontex machines (made in Washington State).

SUNCREST FARMS INC.,  
Division of Cal-Maine.

114 14th Street,  
Ramona, CA 92065  
Bob Riches, Manager.

(714)789-1131.

Suncrest employs 100 people. The company packs eggs exclusively using a Page '70' machine, which also grades the eggs. Suncrest uses premade fiber boxes from Diamond Packaging.

Coffee--

## HILLS BROTHERS COFFEE INC.

2 Harrison Street,  
San Francisco, CA 94105

(415)546-4600

Hills Bros produces ground and instant coffee. Ground coffees are packaged in cans; most of their equipment came from American Can. We talked to the production engineer who seemed unaware of Canadian trends including brick packaging. The company is not planning to expand in the near future but Canadian companies with new machines or systems should contact Mr Paul Miller, the President. The company's instant coffees are packaged in glass jars. Hills Bros employs 400 people.

## MJB CO.

665 3rd Street,  
San Francisco, CA 94107  
Dave Halseth.

(415)421-7311

MJB Co. produces Coffee, tea, rice and metal containers. The metal containers are produced by their subsidiary Westcan. The company employs 742 people and operates three plants in San Francisco and one in Los Angeles. The company previously purchased a Tea Bagger from Delamere and Williams in Canada and could be interested in looking at more Canadian equipment. MJB will be moving more into pouch packing in the future.

Other Foods--

NABISCO INC.  
World Headquarters,  
Hannover, New Jersey  
Mr Harry Peckham (Extn. 2476)

(201)884-0500

California Headquarters,  
P.O.Box 3042, Rincon Annex,  
San Francisco, CA 94119

(415)467-1553

We were advised by the Nabisco plant in Norwalk that we should speak to Mr Harry Peckham at Nabisco Headquarters. Nabisco's main product lines are biscuits and crackers. Nabisco is one of the Nation's top fifty food companies. The company is always in favour of up-grading existing plant to improve efficiency and reduce maintenance down time, clean up etc.; despite this the company is becoming involved in automatic control systems. The company currently uses roll packing for biscuits and crackers, overwraps then loads into cartons. Some products are dump packed into line cartons

## NABISCO (Continued)

and others are packaged on vertical form fill and seal equipment. Nabisco is interested in automatic case loading equipment but have not so far found anything suitable. Nabisco uses Canadian Pyramid machines which they bought after seeing the equipment at Interpack. Mr Peckham reads trade publications and additionally relies on suppliers to let him know what they are producing. Nabisco is very open to Canadian machinery.

LAURA SCUDDER'S SNACKFOODS  
Division of Pet Inc.

1525 North Raymond Street,  
Anaheim, CA 92805  
Steve Kelpern.

(714)772-5151

Laura Scudder produces potato chips, mayonnaise, peanut butter, corn chips, nut meats, and snack items. The company employes 1200 people and operates three plants, two of which are in the Los Angeles area and the third in the San Joaquin Valley. The company uses Woodman machines for flexible form fill and seal applications and Mirropack volume-time machines. Laura Scudder is not planning major expansion at this time but the company is always interested in improving performance and in new technology developments. Scudders are interested in new structures technology for flexible packaging.

## SERVICE FOODS

1048 Burgrove Street,  
Carson, CA 90746  
Mr Harry Garcia.

(213)537-6877

Service Food concentrates primarily on spices and condiments. The company operates Triangle form fill and seal machines and Mercury machines. The company has dealt with one Canadian firm and was disappointed when that company could not live up to its delivery promises. The order was cancelled after six months. Service Foods are always interested in new machines just as they are constantly adding new lines. One basic problem they face is that weighing machines are geared towards standard commodities. Service Foods package a wide variety of non-standard items and most machines must be specifically altered for their requirements. For this reason they are interested in weighing packaging systems.

HUNT-WESSON FOODS INC.  
Subsidiary of Norton Simon Inc.

1645 West Valencia,  
Fullerton, CA 92634  
Bill Mitchell

(714)871-2100

Hunt-Wesson produces tomato products, specialty food products, and processes and cans fruits and vegetables. The company refines and bottles vegetable oils. Hunt-Wesson employs 6000 people and operates three plants in California. The company is planning some expansion at present and has purchased Pheeling machines. Two Pyramid case packers are currently on order and the company is interested in automatic palletizers. Hunt-Wesson have their own research and development division. Mr Mitchell feels that promotional movies are a good way of selling new machines and technology in today's market and he is impressed by the progress that the West Pack show has made recently. Interested companies should contact Mr Mitchell or Mr Frank Luneham at (714)538-0474.

BELL BRAND FOODS INC.  
Division of Sunshine Biscuits Inc.

P.O.Box 2402 Terminal Annex,  
Los Angeles, CA 90051  
8825 South Millergrove Drive,  
Santa Fe Springs, CA 90670  
Mr Bill Bateman

(213)723-5161

Bell Brands produces potato chips, pretzels, pre-process potatoes, cheese puffs, dip mixes, nut meats & canned nut meats. 550 people are employed. The company uses Woodman and Mirrormapack form fill and seal machines. Bell usually purchase their machines outright with a pre-agreed schedule of payments consisting of: a percentage on placing the order, a percentage on receipt and the balance thirty days after delivery. The company has no immediate plans for expansion but is always interested in anything that will increase shelf life and reduce material costs. Bell Brands currently uses Polypropylene, Polyethylene, cellophane and glass materials.

SEE'S CANDY SHOPS INC  
Corporate Offices.

210 El Camino Real,  
South San Francisco, CA 94080  
Jack Sterling, Corporate Purchasing.

(415)761-2490

See's produces candy exclusively, operates two plants, one in Los Angeles and the other in San Francisco and has it's own chain of retail stores. Some candies are shrink wrapped and others are cellophane wrapped. The company is expanding and could be interested in Canadian machinery.

Beverages--

SHASTA BEVERAGES INC.  
Subsidiary of Consolidated Foods Corp.

P.O.Box 4617,  
Hayward, CA 94540.  
26901 Industrial Blvd.,  
Hayward, CA 94545.

(415)783-3200

The company produces carbonated drinks and fruit juice drinks. Shasta is a subsidiary of Consolidated Foods Corp and operates two plants in California. The Southern California plant located at Hawthorne is the larger. The company operates fourteen plants throughout the U.S.; all of these plants operate on the same formula but the larger plants use machinery with greater speed and capacity. We spoke to Mr Bruce Ross at the Southern California plant in Hawthorn (213)944-6481. The company operates two major can filling lines for six or twelve packs, plus cartoning and palletizing. These lines use Meyer equipment which is considered the standard in the industry. Shasta also use a Meyer system for their single line bottle filling plant; their shrink film overwrap system is from Meade. The company has just completed upgrading it's can lines and is preparing to change its bottling line to a high speed system. Shasta sees an industry swing towards two litre bottles.

ALMADEN VINYARDS INC.

P.O.Box 5010,  
San Jose, CA 95150  
Jim Jenson, Engineering.

(408)269-1312

Almaden produces champagne, still wines, brandy, port, vermouth, and sherry. The company is California's third largest wine manufacturer and has a 5.6% share of the U.S. national wine market. The company employs 850 people. Almaden operate five bottling lines: they use the following equipment:- A-B-C uncasers, Pneumatic Scale bottle blowers, Pneumatic Scale and Horix filling machines, Pneumatic Scale and Bertolasa cork and capping machines, Fuji pilfer proof sealing equipment. The company uses the following equipment on it's one soft pack line:- MacDowell case forming equipment, Scholle filling equipment, Marburg heat shrinking equipment, Stackpole Phin labellers (Canadian); other labelling equipment is from Meyer and Kronen, Standard-Knapp casepackers and sealers, Elliott, A-B-C and Dresden sealers, L.T.I hotmelt and Kiwi Coders, Alvey and Currie (California manufacturer) palletizers, and Signode (California manufacturer) strappers. Almedan is planning to update it's present lines to increase capacity and is interested in hearing from Canadian manufacturers. Mr Jenson recommended the following distributors:- F.P Packaging (in San Francisco) and David Evans & Associates (in Los Angeles). Almedan has previously purchased Canadian equipment and experienced maintenance problems because no service personnel were available locally. Almedan feels that the most significant change in wine packaging over the next ten years will be towards bulk packs.

## ALMEDAN (Continued)

Bulk packs will follow the bag-box concept which was originally developed in Australia. A soft plastic container with a spigot and pouring valve are contained in an outer corrugated container. Pack sizes for consumer use are limited to 5½" x 5½" x 9" which is the largest size that a domestic refrigerator can accommodate. Commercial sizes are considerably larger. Almedan currently devotes one of its six packaging lines to bag-box production with most of the input being intended for commercial use. Interested suppliers should contact the Almedan corporate headquarters. Taylor California Cellars, a competitor, are market testing a similar bag-box bulk pack. In Taylor's case an eighteen litre container is being used; the outer container is provided by Owens Illinois, the polyethylene inner bag and valve by Scholle of Illinois.

## GALLO E.J.WINERY

P.O.Box 1130,  
600 Yosemite Blvd.,  
Modesto, CA 95353  
Mr Gordon Young.

(209)521-3111

Gallo is the world's leading winemaker. In 1981 the company produced 128.2 million gallons and took a 23.7% share of the total U.S. market. The company operates three plants in California and employs 3000 people. The company is using mainly Krones machines on its filling lines. According to Mr Young the best way to sell machinery to the company is to make an appointment through him to be introduced to the various line engineers. Gallo owns its own glass making subsidiary called Gallo Glass Co, which is a substantial company in its own right. The company does not see the need to convert to plastics.

Fish Products--

RUPERT CERTAFRESH INC.  
Division of Rupert Certafresh, Seattle.

13055 East Molette Street,  
Santa Fe Springs, CA 90670  
Ben Race.

(213)921-8311

This company was highly recommended by one of the larger California grocery chains. The company produces frozen packaged fish for institutional and retail use. Certafresh uses Kliklok cartoning machines to package its prepared fish portions but constantly experiences problems with carton sealing. Mr Race is interested in information on Canadian machines that could help him with his sealing problems.

VAN CAMP SEA FOOD CO.  
Division of Ralston Purina.

11555 Sorrento Valley Road,  
San Diego, CA 92121. (714)481-4200  
Don Hartman, Ralston Purina head office purchasing (314)982-3818

Van Camp produces canned tuna and canned pet food. The company employs 6000 people. We spoke first with Van Camp in San Diego but were referred to the Ralston Purina head office in St Louis, Missouri, there we spoke with Mr Don Hartman. Van Camp are using standard cans for the bulk of their production but do also use two part (seamless) cans for some sizes in some products. The company has its own can manufacturing division. Van Camp are investigating retortable foil pouches for the future packing of tuna. We suggest any approaches to Van Camp should be made through the Director of Production in San Diego. General attempts to penetrate Ralston Purina should be made through: The Purchasing Director, Ralston Purina, Checkerboard Square, St. Louis, Missouri.

#### LOS ANGELES SMOKING AND CURING COMPANY

778 Kohler Street,  
Los Angeles, CA 90021 (213)622-0724  
Mr Jim Fielding, Plant Manager.

The Los Angeles Smoking and Curing Co. produces smoked, pickled, spiced and salted fish, and caviar. The company employs 165 people. Mr Fielding advised that the company operates three vacuum pouch machines and a Wright filler capper for glass jars. The company has no present plans for expansion. The company both leases and purchases new equipment outright, depending on the initial cost and machine type. Mr Fielding feels that visibly packed vacuum packages are the future trend in the fish industry. Mr Fielding was more interested in Canadian materials than machinery.

#### Non Food Industries--

#### LOS ANGELES TIMES

Times Mirror Square,  
Los Angeles, CA 90053 (213)972-6841  
Mr Jack Murchison.

The Los Angeles Times is owned by the Times Mirror Company. The Times Mirror Company is the State's eighteenth largest company with group sales for 1981 in excess of \$1.87 billion. The company is a diversified media communications company engaged principally in newspaper publishing and related businesses including television and cable stations, artists materials, maps, wood and newsprint, and directory printing. The Times Mirror Co. operates approximately twenty companies outside California, and seven companies inside California. The Los Angeles Times, the company's

## THE LOS ANGELES TIMES(Continued)

flagship daily newspaper attracts the Nation's largest volume of paid advertising. Mr Murchison is currently preparing to purchase new bundling and strapping equipment. He has been looking seriously at Canadian equipment manufactured by a company in Windsor, Ontario. He has a high regard for Canadian workmanship. The Times regards itself as a world leader in newspaper production and is always interested in new technology. Interested companies should contact Mr Murchison. We would suggest an approach to the Times Mirror Co. could prove rewarding in view of the fact that the company controls approximately 12 other newspaper and publishing companies throughout the U.S.

## AMERITONE PAINT CORPORATION

P.O.Box 190,  
Long Beach, CA 90801.  
18414 South Santa Fe Avenue,  
Compton, CA 90221.  
Robert Bennett, V.P.Operations.

(213)636-9343

Ameritone produces paint, enamels and varnishes and employs 150 people. The company packs it's paints to order for various chains of stores in Southern California and uses volumetric fillers and labelling equipment only; orders are then packed into pressure sensitive sealing cartons by hand. This company was interested as were other paint companies we contacted in the possibilities offered by Canadian plastic bail substitutes.

## COLONY PAINTS

A division of the Valspar Corporation.

P.O.Box 2176,  
Los Angeles, CA 90051.  
620 Lamar Street,  
Los Angeles, CA 90031.

(213)222-5111

Colony paints produces paints and varnishes. The company fills all standard sized cans in production using Elgin and Ambrose fillers. The company is a part of a national organization and all machinery information should be sent to Valspar's head office: 1101 3rd Street, Minneapolis, Minnesota, MN 55414.

## KAISER CEMENT CORPORATION

A member of the Kaiser group of Companies.

Head Office,  
300 Lakeside Drive,  
Oakland, CA 94612  
Los Angeles Plant,  
12233 West Olympic Blvd.,  
Los Angeles, CA 90064

(415)271-2000

(714)248-7373

## KAISER CEMENT CORP (Continued)

Kaiser Cement Corporation is a member of the Kaiser Aluminium & Chemical Corporation which is California's twelfth largest corporation. We spoke with Mr Grabiec who advised that all purchasing is organized through the Corporation's main engineering section in San Francisco. The plant uses floor spout fillers supplied by St Regis.

UNITED STATES BORAX AND CHEMICAL CORPORATION  
A division of RioTinto Zinc Corporation.

P.O.Box 75128 Stanford Station,  
Los Angeles, CA 90075.  
3075 Wilshire Blvd.,  
Los Angeles, CA 90010  
Mike Brookman, machinery.

(213)381-5311

The company produces borates, borax and boric acid, weed killing compounds, hand soaps, soap dispensers, and laundry additives. Borax employs 2000 people in California. The company operates a mine at Boron in the San Joaquin Valley where it operates six lines of bag filling equipment; the company's plant in Wilmington, California, handles bag and carton filling and erecting. Sizes at the Wilmington plant range from 14 oz- 1½ lbs. Borax are currently planning to completely modernize their plant and are interested in any equipment which would be compatible with their present machinery. They are also particularly interested in palletizing and de-palletizing equipment. The materials Borax handles are cartons and cases, plastic or burlap bags.

ARMOR ALL PRODUCTS  
Division of Foremost-McKesson

17755 Sky Park East,  
Irvine, CA 92714  
Lloyd Askew, Purchasing Agent.

(714)549-2200

Armor All produces protective coatings for a variety of materials which are marketed at retail under the Armor All brand. Armor All products are generally packaged in plastic bottles with spray dispensers, Mr Askew said that his company's products are all packaged by contract packagers but would not provide any details.

## EASTMAN KODAK COMPANY

Head Office,  
Kodak Park Division,  
1669 Lake Avenue,  
Rochester, NY 14650.  
Mr Linwood Drummond, Purchasing Director.

(716)458-1000

## EASTMAN KODAK Continued.

Head Office,  
Kodak Apparatus Division,  
901 Elmgrove Road,  
Rochester, NY 14650  
Mr Charlie Ross, Director of Purchasing.

(716)724-4000

Eastman Kodak operates a number of offices and plants in California. These are basically concerned with distribution of products that are made outside the State. We talked to Eastman Kodak head office in Rochester New York and were advised that the corporation's two main divisions concerned with packaging products are Kodak Park division which produces and packages film and film products and Kodak Apparatus division which produces and packages cameras and other equipment.

Kodak Park: The company packs its film mainly using form fill and seal equipment which it has partially developed itself. Kodak engineers are more concerned with developing suitable film structures for packaging than with equipment but are interested in any technical advances. Canadian manufacturers should write to Mr Drummond who will provide them with full details on the company and who they should talk to.

Kodak Apparatus: Interested suppliers should write to Mr Ross.

Kodak have their own printing plant and set-up box manufacturing facility; in addition they have their own injection moulding facilities. The company has worked with Lawson Flexible Packaging in Toronto, Ontario.

GOLDEN BEAR OIL CO.  
Division of Witco Chemical Corporation.

P.O.Box 60149,  
Los Angeles, CA 90060  
10100 Santa Monica Blvd.,  
Los Angeles, CA 90067

(213)277-4511

Head Office.  
Witco Chemical Corporation,  
520 Madison Avenue,  
New York, NY 10022

(212)605-3800

Jerry Osdawick, Corporate Manager Packaging.

We spoke to Golden Bear in Los Angeles and were advised that the corporation operates two plants in Los Angeles producing oil and oil products and diatomaceous earth. The corporation also operates other plants in California producing: detergents, grease, peroxygen and oil canning. We were advised to speak to Jerry Osdawick at the corporate headquarters of Witco in New York. Mr Osdawick is Corporate Manager in charge of purchasing materials and plant for Witco's 50 plants located in the U.S. The corporation uses the following kinds of equipment: can fillers and case packers, grease cartridge fillers and cappers, drum fillers, bag placers and bag packers, shrink and stretch systems, and a full range of palletizing equipment for cases bags and drums. Mr Osdawick is interested in reviewing Canadian machinery.

## ABBOTT LABORATORIES

820 Mission Street,  
South Pasadens, CA 91030  
Mr Rick Dagampat.

(213)440-0700

Abbott Laboratories are a division of Abbott Laboratories Corporation which is located in Chicago. We spoke to Mr Dagampat who is responsible for purchasing in the Los Angeles division. Abbott are fairly small in Los Angeles and only employ eighty people; the company does however run three lines of Perry equipment for diagnostic reagents in powder form. Mr Dagampat is always interested in new technology for packing pharmaceutical powdered products.

## PARKE-DAVIS

A division of Warner Lambert

Headquarters,  
Warner Lambert/Park-Davis Division  
201 Tabor Road,  
Morris Plains, NJ 07950  
Mr Dave Greenwood, Mr Stewart Bolton (Asst.)

(201)540-2761

Los Angeles Distribution Center,  
5335 East La Palma Avenue,  
Anaheim, CA 92806

(714)779-5170

We were advised by the Los Angeles branch of Parke-Davis we consulted that all plant purchasing decisions are made by the Corporation's head office in New Jersey. We spoke to Stewart Bolton who is the assistant packaging engineer. Mr Bolton advised that the corporation is continually expanding and upgrading it's manufacturing and packaging lines. Sterile and aseptic packaging methods are currently being investigated. The company is particularly interested in systems which can be used with syringes and vials. Parke-Davis generally purchase direct from the manufacturer but they do rely on distributors and sales representatives to keep them aware of current trends. Parke-Davis operates five manufacturing plants in the U.S. and package a wide variety of pharmaceuticals. Mr Bolton listed the company's main packaging machinery types as follows:

Filling machines, Merrill, Stokes, Delamere & Williams and Mateer-Burt;  
Liquid fillers, Pneumatic, Horix, MRM/Elgin, Cozzoli, Fillmatic. Creme fillers, Arenco, Arka. Steriles, Strunck. Filling plugging and capping ampoules, Chase and Logenman.

Capping machines, Resina, Consolidated and Pneumatic.

Sterile Cappers, West Cappers.

Shrink packaging, Packaging Machinery Company.

Blister Packaging, Lakso.

Labelling, NJM, Avery, Pneumatic and B & H.

Mr Bolton is always looking for new machinery. He felt that the Canadian companies he has dealt with were excellent and he looks forward to meeting more Canadian companies: He did not recommend any distributors in the Western U.S. but strongly recommended Supermatic in New Jersey. Supermatic imports Italian machines.

Pharmaceuticals--

## ALLERGAN PHARMACEUTICALS

P.O.Box C. 19534,  
2525 Dupont Drive,  
Irvine, CA 92713  
John White.

(714)752-4500

Allergan produces prescription drugs and pharmaceuticals and is concerned with all phases of packaging including shrink wrapping and cartoning. Allergan uses Cozzoli fillers and Capem capping machines. The company operates six lines. No further plant details were readily available but Mr White is specifically interested in machinery suitable for tablet accumulating. He feels that there is nothing suitable on the market at present. Interested Canadian companies should contact Mr White. Allergan presently employs 1700 people and also runs a medical plastics division in Santa Ana, California.

## ALPHA THERAPUTIC CORPORATION

A subsidiary of the Green Cross Corporation  
of Japan.

5555 Valley Blvd.,  
Los Angeles, CA 90032  
Mr Ev Klotz.

(213)440-0800

The company produces blood plasma and injectables for hospitals. The blood is collected at donor centers. The company uses Cozzoli fillers and West-capper capping machines. Alpha Therapeutic are currently introducing a new packaging line consisting of Perry time-pressure fillers and a Gilway washer, sterilizing tunnel; they are moving towards continuous processing and look to machine manufacturers and distributors to help them with their planning. The company recommended the Tekpac Corp as distributors. Alpha feel that the move towards synthetic blood plasma will create the need for a new packaging system. Most companies in the industry currently package in glass but there will be a move towards plastic in the near future.

## HYLAND THERAPUTIC

4501 Colorado Blvd.,  
Los Angeles, CA 90039  
Bob Klobunde.

(213)507-8303

Hyland produces blood plasma and related products. The company uses Cozzoli fillers, Adtech stoppering machines, Westech capping machines, and Acraply labellers. The company runs two packaging lines. No expansion is planned at present.

WILLIAMETTE INDUSTRIES INC./ PAPER GROUP  
Western Kraft Corrugated Division.

Head Office,  
1300 South West Fifth Avenue,  
Portland, OR 97211  
Mr Ted Kasperek, Machinery & Materials  
Procurement.

(503)227-5581

In Los Angeles,  
Bag & Specialty Products Division,  
6485 Descanso Avenue,  
Buena Park, CA 90620.  
Ron Bushe, Plant Manager

(714)523-3330

Williamette's corporate headquarters is located in Portland, Oregon. We spoke to Mr Ron Bushe, the plant manager of one of the corporation's Los Angeles plants, the Specialty Products Division. Mr Bushe advised that the Corporation operates seven distinct divisions which produce a wide range of packaging materials including: paper and plastic grocery bags, corrugated containers, folding cartons, and craft paper. Williamette operates five plants in California employing about 1400 people. The Buena Park plant produces both paper and plastic grocery bags, and operates four lines of film extruding, bag forming, and heat sealing machines. More lines are to be added in the future. There are eleven lines of paper grocery bag making machines in operation, the corporation is using Podevin bag forming machines. No further expansion is currently planned for the grocery bag section at this time.

Interested Canadian companies should contact Mr Kasperek in Portland.

ST REGIS PAPER CO.  
Bag Packaging Division.

Head Office,  
237 Park Avenue,  
New York, NY 10017.  
Mr Bill Tuttle, Materials & Machinery Purchasing.

(212)808-6000

(914)578-7000

Western Headquarters,  
22914 Atherton Street,  
Hayward, CA 94541.

(415)471-4800

St Regis operates twelve plants in it's Bag Packaging Division, these are located across the U.S. and three of them are in California. St Regis used to own it's own machinery manufacturing division but now buys all new machines for replacement and expansion from Windmoeller & Hoelscher (a German company). Mr Tuttle is however interested in new sources for bag ending machinery.

## MEMOREX CORPORATION

San Tomas at Central Expressway,  
 Santa Clara, CA 95052.  
 Mr J. Rodriguez, Head of Engineering.

(408)987-1000

Memorex is California's thirty eighth largest corporation; producing disc storage, tape drives, communications equipment, disc packs, computer, video and audio tape, and word processing supplies. Memorex operates nine plants all in the vicinity of Santa Clara and employs eleven thousand people. Mr Rodriguez mentioned one of the Corporation's packaging lines only; the line for computer tape reels. The line comprises bagging equipment, casing, carton sealing and labelling. Mr Rodriguez is currently planning a second line which should include automatic carton erecting and casing with top and bottom sealing. Interested Canadian companies should contact Mr Rodriguez.

## TELEDYNE INC.

Head Office,  
 1901 Avenue of the Stars,  
 Los Angeles, CA 90067

(213)277-3311

Teledyne is California's fifteenth largest corporation. The company develops and manufactures industrial, aviation, and electronics, specialty metals and consumer products. The corporation operates twenty-six manufacturing companies each producing a highly specialized product. Most of these companies are of no real interest to Canadian machinery manufacturers but several Teledyne companies do have potential. Those companies are: Teledyne Laars- commercial and domestic water heaters and swimming pool heaters; Teledyne Systems- Micro-electronic devices; Teledyne Kinetics- electro-mechanical devices, wire stripping devices, communicators. We suggest Canadian manufacturers contact the Teledyne head office for details of the various Teledyne companies.

## LITRONIX INC.

A subsidiary of the Siemens Corporation

19000 Homestead Road,  
 Culpertino, CA 95014

(408)257-7910

Litronix manufactures solid state optoelectronic components and employs 1500 people. The components Litronix manufactures are used in L.E.D displays, they are packed in quantities of thirty into plastic tubes called 'rails'. The tubes are then packed into cartons for shipping. Cartons are sometimes filled with a cushioning foam by a 'Flowpack' machine. All of this work is performed manually. The company is not interested in packaging machinery unless it has been specifically developed for their product.

LUDLOW PAPER & PACKAGING  
Division of the Ludlow Corporation.

Head Office,  
145 Rosemary Street,  
Needham Heights, MS 02194  
Mr Bob Pickles, Machinery

(617)444-4900

Los Angeles Distribution Center,  
4903 Everett Avenue,  
Los Angeles, CA 90058

(213)588-9101

Ludlow closed it's bag making facility in Los Angeles two years ago and converted it to a distribution center. The corporation currently operates materials converting plants in six eastern U.S. locations; there are no plants west of Chicago. Ludlow specializes in paper, film and foil conversion and laminating. Mr Pickles will be happy to discuss anything new in machinery for converting or bag making with Canadian manufacturers. The only Canadian equipment previously purchased was a water chiller which proved to be a disaster. Mr Pickles feels that the corporation will not purchase any new plant until the economy improves

MATTEL INC.

5150 Rosecrans Avenue,  
Hawthorne, CA 90250  
Mr White, Production Engineer.

(213)978-5150

Mattel Inc is California's twenty ninth largest corporation. Mattel produces toys, electronic games, model kits and is involved in related leisure activities including home entertainment, circuses, printing etc. Mattel has a Canadian subsidiary, Mattel Canada Inc., located in Toronto, Ontario. Mattel employs a total of 17,500 people and sales were \$915 million during 1981.

We spoke with Mr White (Production Engineer). Mattel packs a significant amount of it's toy production by hand because many toys are just not suitable for machine packaging. Toys that are suitable for machine packing are shrink wrapped, boxed and overwrapped or blister packed. The corporation is planning to expand it's package line facilities; Mr White is specifically looking for a machine that is capable of packaging larger items. Mr White feels that very few manufacturers accommodate larger items. Canadian manufacturers should contact Mr White. Manufacturers should also note that the toy industry is seasonal; for that reason delivery times must be kept down. The corporation recently purchased a vacuum forming machine which was developed specially and delivered within three and a half months. Mattel would need to be assured that adequate service and spares are available for any machine they purchase.

## E.R.SQUIBB &amp; SONS INC.

Head Office,  
P.O.Box 191,  
New Brunswick, NJ 08903

(201)545-1300

Los Angeles Distribution Center,  
14447 Firestone Blvd.,  
La Mirada, CA 90638

(213)628-2235

The Squibb Corporation manufactures injectable diagnostic liquids, radio opaque materials, ointments and creams, and vitamins in tablet and capsule form. The corporation is planning to add new packaging lines in the near future. We were unable to determine which plants this would involve. Canadian companies should send information to Mr Superak.

## LAWRY'S FOODS INC.

570 West Avenue 26,  
Los Angeles, CA 90065  
Paul McDonald, Plant Planning & Purchasing.

(213)225-2491

Lawry's are a major U.S. producer of food seasonings and specialty food products. Lawry's products are not just packaged spices, they are basically designed as cook's aids to simplify seasoning. The company produces two distinct product types which are packaged in bottles and foil structure pouches respectively. The company recently went through an extensive plant re-planning process and added a new packaging line. Despite this Mr McDonald is interested in looking at what is available from Canada. Lawry's employs 750 people in Los Angeles. The company also operates a Canadian subsidiary located at:  
95 Advance Road, Toronto, Ontario. M8Z 2T2, tel: (416)239-4321

#### 4.2 SUMMARY OF MANUFACTURER-END-USER INTERVIEWS

In selecting the manufacturers we interviewed for this study, we were very much aware that our selection could only cover a very small percentage of the 45,000 manufacturers operating in the State. Our choice was based, as previously stated, on the relative importance of each industry group in its contribution to the California manufacturing total. For that reason, we interviewed more food, beverage and pharmaceutical companies than any other group. We readily found that companies in these categories are the principal users for general purpose packaging machinery while other industries, which may be strong in dollar value of shipments in the State, require a far greater percentage of custom or customized machinery. Industries in this category are the aerospace and electronics industries and other related industries.

It became apparent that Canadian manufacturers seeking orders in California will be well advised to concentrate on the traditional markets for packaging machinery, at least in the early stages. However, manufacturers should keep the tremendous growth potential in the high technology industries in mind and should consider the possibility of developing systems and machines specifically for these industries.

A summary of the most important results from the interviews is as follows:

- We expected that the current state of the economy would reduce substantially immediate prospects for machine sales. However, we

found that whilst manufacturers are undoubtedly feeling the effects of the recession 39 percent of the manufacturers we interviewed are planning or are currently involved in plant modernization or expansion. Manufacturers are placing more emphasis on recession oriented packaging, economy of materials, and labour saving equipment.

- As a general rule, the closer the company is to basic materials, the less chance there is that the company will be interested in new plant until the economy improves. Examples are paper converting industries and companies handling building materials.
- We discovered that there is a trend among the larger national food manufacturers to consolidate and modernize at this time. This trend reduces prospects for sales in one respect but opens up prospects for state of the art, high speed, automated and semi-automated machinery. These companies are interested not only in packaging the finished product but also in obtaining equipment for bulk handling and materials transfer.
- Equipment that makes it possible to utilize new materials technology is in demand. A good example is the need for more effective structures which reduce air seepage; this is true of the food industries. There is also a demand for more effective structures in industries that use chemically based products or which pack chemicals; for example, the consumer photographic film industry.
- Canadian manufacturers may find that a significant number of the major food companies are best approached through head offices located elsewhere.

- The machinery market for the pharmaceutical industry should prove rewarding in California. There is a trend amongst the major pharmaceutical, drug, and cosmetics industries to open plants in the State.
- The selection of the right distributor or representative company is essential in obtaining consistent business in California.
- Manufacturer-end-users are aware that they are often far removed from the manufacturing source of their machinery. Some manufacturers have experienced problems with imported equipment, including some Canadian equipment. Most manufacturers need to be assured that adequate service and parts are available and that the representatives or distributors in their area are capable of looking after and servicing the machines they sell. We were cautioned that most manufacturers cannot afford to have machines idle.

In this regard, many manufacturers we interviewed feel that simplicity of operation is important and that clean-up time and change-over time are important factors when considering new purchases. This holds good even for complex machines.

- Some manufacturers stressed gaps in machine technology and these are mentioned in some of the interviews. Enterprising Canadian manufacturers may be able to take advantage of these situations. However, most manufacturers feel that they are on top of current technology.
- The majority of manufacturers consider that they are capable of solving their plant requirements themselves but many admitted that

nothing beats a good salesman who knows the potential of his machines. Manufacturers are very happy to work out their packaging solutions with the co-operation of the machine manufacturer or his technical representative.

- Some manufacturers indicated the major areas where they felt there would be changes in packaging techniques. The most often mentioned areas were: retortable pouch packaging for more fresh food products; an increasing interest in aseptic packaging, especially for beverages and milk products; an increase in the use of flexible packaging across the board; a decided move to plastics in many of the beverage industries; a need for more accurate systems to check the correctness of printed material on finished packages; a major interest in palletizing, de-palletizing and conveying; and, materials handling equipment from most industries.
- Brand name awareness-- Seventeen packaging machinery manufacturers were mentioned more than once by the respondents during the course of our interviews. They were: Mahaffy & Harder--the most widely mentioned name in meat products, Tiromat, Elliott, Kliklok, Ex-Cell-0, Cherry Burrell--the most widely mentioned name in dairy products, Pneumatic Scale, Delamere & Williams, Triangle, American Can, Woodman, Pheeling, Pyramid, Mirrorpack, Stackpole Phin, Meyer, Krones and, Cozolli--the most widely mentioned name in drug and pharmaceutical manufacturing.
- It is significant that several Canadian companies were mentioned more than once by manufacturer-end-users. It was also clear that

most manufacturers were happy with their Canadian equipment and that they are prepared to purchase more equipment from Canadian sources when the need arises. Manufacturers are not worried by the fact that Canadian equipment must be imported since they are used to buying from distant sources in the Eastern U.S. and in Europe.

- Canadian manufacturers will find that competitive pricing is only critical in the case of directly competing machines and particularly those that are manufactured locally in California. (Refer to later section on machine manufacturing in California). Standard machines must often be modified to meet the manufacturer-end-user's specific requirement and this can move a machine into a completely new category where competitive pricing is no longer a major factor in the success of a sale.
- When considering non-standard machines, manufacturer-end-users are far more likely to be influenced by performance, innovation, and reliability, and pricing subsequently becomes less critical.
- Manufacturer-end-users all expect machines to be invoiced to include delivery to their plant (FOB); they are not interested in importing machines themselves. Manufacturers pay for any electrical installation but the supplier is expected to install the actual machine to the point where it is operating smoothly.
- Most manufacturers expect to buy direct from the manufacturer unless the equipment is relatively inexpensive, in which case distributors may be involved. In most cases, heavy-duty and in-line equipment is

sold to the manufacturer-end-user by a factory or other sales representative.

- Our research showed that manufacturer-end-users' preferred payment method varies considerably. Some manufacturers prefer to purchase new equipment outright while others prefer to buy on a lease back arrangement.
- All manufacturers are aware that it is necessary to make a suitable down payment when ordering most machines. The accepted commercial practice appears to be--one-third down, one-third on delivery and the final third when the machine is running satisfactorily, or at some pre-determined time after this, i.e. 30, 60 or 90 days.
- It is important to note that not all manufacturer-end-users were able or prepared to give a full list of the equipment they currently operate.
- Most manufacturers view purchasing new machinery in terms of expansion rather than replacement.
- Decision makers--In most large companies, it is necessary to convince the line engineer or engineers that a particular machine is the correct one for the job. Company engineers can usually be approached via senior purchasing personnel. Some companies employ packaging engineers who specialize in packaging systems, layout etc. Once line personnel and their supervisors are convinced of the need to purchase, the final decision will generally be made by the company's senior operations executive.

## 5.0 DISTRIBUTION CHANNELS AND METHODS

During the course of the study we contacted all distributors, agents, and sales representative companies we could discover located in the market area. Questions of Canadian machinery supply, interest levels in Canadian products, and the distribution methods being used in the market area were discussed. The information obtained is presented in the following sequence.

- A summary of findings resulting from distributor interviews together with recommendations to Canadian machinery manufacturers.
- Selected interviews with distributor organizations designed to provide a wide range of market information. Interviews with distributors located in the Pacific North-West are included.
- Additional data on distributors not presented in this section is contained in the Appendix. Together, the interviews and Appendix data provide a thorough listing of distributors who are operating in the market area.

### 5.1 SUMMARY OF FINDINGS IN DISTRIBUTOR INTERVIEWS

Thirty-one Canadian packaging machinery manufacturers participated in this study. Thirteen of these manufacturers have some form of sales representation in California. Ten of the companies are operating through distributors located in the Los Angeles or the San Francisco marketing areas, whilst two Canadian companies operate through

distributors located in the Eastern United States. One Canadian company operates it's own marketing office in California.

Industry sources we contacted suggest that the terms distributor, sales representative, and agent are generally interchangeable and that most selling organizations in the packaging machinery field are in reality sales representatives. For the purposes of this report, we will use the word "distributor" rather than attempt to define the status of each selling organization.

Our research showed that machinery manufacturers exporting to the West Coast generally work with one or more of the following three types of distributor.

Stocking Distributor--These companies are in the minority in the market area. Usually they are larger companies who distribute a wide range of products. Several of the stocking distributors we interviewed organize their business base around materials and supplies; they have found it convenient to include machines that are readily salable in their catalogues. They are often more interested in low prices, general purpose machines, and related packaging equipment.

Non-Stocking Distributors--This term can be misleading. We found that many companies we contacted call themselves distributors but do not hold stocks of machines. Occasionally, a company will hold inventory of a machine which is readily salable. For example, small general purpose labelling machines. We found that companies in this category usually offer service facilities and sometimes hold spares. The majority

of companies interviewed belong to this category. Fifty-nine percent of all the companies we contacted either offer service or stock some spare parts.

Sales Representatives-- Most sales representative organizations in Southern California consist of one or two full-time operatives only, working on a commission basis. They are generally capable of handling basic installation and sometimes service. They do not generally hold stocks or spare parts.

Other major points uncovered during the interviews are as follows:

- There are very few distributors with sales over \$5 million dollars. The average company makes annual sales of \$1 to \$2 million.
- We identified fifty distributors operating in California. Thirty of these are located in the Los Angeles marketing area and twenty in the San Francisco marketing area. Several companies operate northern and southern branches. Some companies have branches in the San Joaquin marketing area. Our research showed that the majority of the Los Angeles distributors concentrate exclusively on sales in Southern California. Distributors in Northern California and the Pacific North-West often sell widely outside their immediate locations because their home markets are small. The number of salesmen employed can vary widely from company to company; they usually work on a straight commission basis. One or two distributors pay their salesmen advances to cover out of pocket expenses.
- Most distributors agree that the food and pharmaceutical industries

represent the best potential for future expansion in packaging machinery sales. Some distributors mentioned general manufacturing, electronics, and the toy industry as good potential customers.

Distributors in Northern California stressed the importance of the California wine industry and claimed that there are six major wine producers who are responsible for more than eighty percent of the State's wine output. All of these companies are involved in high speed bottling systems. Distributors confirmed that substantial amounts of high speed machinery are being brought in to California from Italy and Germany, (Italy is the current leader in packaging machinery exports to the U.S.).

Distributors notice a general trend towards larger or consolidated companies, particularly in the food industries. This trend is accentuating the move to high speed labour saving machinery and there are shortages in the supply of this type of equipment from U.S. sources.

- Distributors pointed out that despite the demand for sophisticated, high speed equipment, there are many small companies operating in California. These companies cannot always afford the capital outlay involved in purchasing sophisticated systems. Consequently there is a healthy and continuing demand for less expensive but reasonably sophisticated machines.
- Eighty-seven percent of the distributors we contacted are interested in learning more about Canadian packaging machinery. Forty-eight percent of the distributors we contacted were aware of certain Canadian manufacturers and forty-three percent have contacted a Canadian company at one time or another.

- Distributors are generally interested in seeing the full range of machinery that is available from Canada. Some machines that were mentioned frequently were: capping and lidding machines; vacuum forming machines for flexible packaging; labelling machines; carton erecting machines; devices to improve marking and coding; and strapping, wrapping and other palletizing equipment.
- Many distributors feel that Canada with its smaller domestic market is inclined to produce general purpose machinery with slower speeds.
- Distributors and manufacturer end-users both expressed a great deal of interest in materials handling equipment. U.S Federal legislation is making it necessary for more manufacturers to invest in pallet wrapping equipment. One interesting example of the increased use of stretch film in palletizing is the case of an Arizona ice maker who has expanded his market from Phoenix to Los Angeles by wrapping his block ice in stretch film.
- California distributors consider that Canadian manufacturers should be prepared to provide them with margins which range from a low ten percent to a high thirty percent. The average sales margin suggested was eighteen percent. One distributor advised that his Italian principal advanced a substantial retainer over a twelve month period, plus advertising, whilst he was initially promoting a new type of machine.
- Our research showed that Canadian packaging machinery manufacturers are highly regarded by distributors. Most distributors considered

Canadian companies to be thoroughly professional and their attitude to after sales service to be excellent. Several distributors count Canadian companies among their best prospects for sales business. Only one or two distributors complained that they have experienced problems although several mentioned that Canadian companies do not always follow through with initial contacts. Distributors who have been involved with Canadian machinery spoke highly of Canadian quality and technology levels. Price does not appear to be a major problem.

- One common problem experienced by distributors who do business with Canada is the length of time that paperwork can take to reach California from Canada. One Canadian company has made it a rule to mail important correspondence over the border in the U.S. Canadians would be well advised to investigate express delivery or a courier service as a means of expediting documents.
- Orders and deliveries may be irregular. For this reason distributors suggest that regular trucking services offer the best means of bringing machines to California. One or two distributors utilize consolidating or other specialist freighting services. We were advised that freight costs are not considered a serious problem for specialized machines but may affect low priced general purpose machines.
- Distributors have traditionally expected machines to be invoiced to their clients or themselves F.O.B., the suppliers' plant. Most distributors arrange for machines to be invoiced direct to the purchaser. There could be good reason to consider changing this policy. The matter is discussed in a later section.

Ninety-eight percent of all distributors interviewed read Good Packaging and Package Engineering. Most exhibit or participate in the West-Pack and Pack-Expo shows, either taking their own spaces or working with their suppliers. Most distributors belong to the Western Packaging Association and feel that it keeps them in touch with industry events and their competition. Very few distributors mentioned any other associations except the American Management Association (AMA) or the Society of Packaginig and Handling Engineers (SPHE)

- Results from interviews with distributors in the Pacific North-West clearly demonstrate that there is also a worthwhile market to be pursued in those areas. Combining the North-West with California could make the West Coast a doubly attractive marketing proposition for Canadian manufacturers.

## 5.2 INTERVIEWS WITH DISTRIBUTORS AND SELLING ORGANISATIONS

Distributors were questioned in order to obtain information on the following points: which industry groups are their main customers; their most popular selling machines; the extent of their sales territory and the number of salesmen they employ; the volume of their business; are installation, service, and spare parts handled; what freight methods are preferred for nationally and internationally imported machines; what trends are important in the future; are customers responding to new technology and automation; interest in selling Canadian products; knowledge of Canadian companies and Canadian business attitudes; attitudes to trade shows, publications and associations; and do they publish a catalogue.

Distributors - Los Angeles Marketing Area:

## ALL-PACK CO

1053 East Edna Place,  
Covina, CA 91724  
Ed. Kissel, President.

(213)966-3526

All-Pack has a selling staff of five. The company handles Errich baggers and sealers, Tiematic twist tying machines, Besealer "L" sealers and shrink tunnels, Bunn strappers, and Saxmayer tying machines. The company's sales are in the vicinity of \$2 million per annum. All-Pack handles customer installation, provides customer service and handles spare parts. Mr Kissel does not know any Canadian manufacturers. He is interested in automated and semi-automated equipment that would compliment his existing line. All-Pack exhibits at West-Pack and Pack-Expo. He is interested in reviewing Canadian products.

## AUTOMATIC MODULAR PACKAGING SYSTEMS INC.

8350 Monroe Avenue,  
Stanton, CA 90680  
Gordon Bush, Vice President.

(714)527-8220

Automatic sells conveyors, accumulators, rotary labellers, fillers, cappers, and auto-screw machines. The company was formed in 1981. One salesman is employed. Automatic's sales territory is Southern California. Mr Bush does not know any Canadian companies but would be interested in reviewing products. He is interested in finding new suppliers. Specifically interested in cappers in the \$20-\$30,000 price range. Automatic specializes in the cosmetics industry and is primarily interested in equipment capable of handling inflammable liquids.

BLAKE MOFFITT & TOWNE  
A Division of Saxon Industries.

2600 Commerce Way,  
Los Angeles, CA 90040  
Mr Hewitt, Sales Manager

(213)723-5481

Blake Moffitt & Towne are one of the largest distributors on the West Coast. The company operates seventeen branches in California, Alaska, Washington and Oregon. The company is basically a paper and materials distributor but also handles machinery, concentrating on lower priced,

## BLAKE MOFFITT &amp; TOWNE (Continued)

readily salable equipment. The company distributes Canadian Infra Pak stretch wrapper ( their most popular machine is an Infra Pak machine which sells for \$10,000 and takes sixty percent of their machinery business). In addition the company distributes Weldotron shrink wrapping machinery, box taping equipment from 3M, and Wellock equipment. The Weldotron is their second most popular machine; it accounts for about thirty percent of their business and sells for around \$6,000.

Blake Moffitt & Towne's main customers are food and drug manufacturers and the agricultural industry. The company has fourteen salesmen who specialize just in machinery. The company is a distributor in the true sense, buys the machines it sells outright, handles customer installation, service and spares. Most machines are road freighted by common carrier (the Infra Pak machines from Dallas, Texas).

Mr Hewitt expressed interest in several Canadian manufacturers and was suprised they are not already represented here. He would like to know more about a number of companies and is interested in the possibility of representing more manufacturers provided the products are compatible with the company's present line.

Canadians should speak to Mr Ron Boreman, Manager of Packaging Systems Division in San Francisco (415-330-1000). We consider this company a good prospect. No turnover figures were offered.

## CAL STATE DISTRIBUTORS INC.

2620 Malt Avenue,  
Los Angeles, CA 90040  
Charles Keith, President.

(213)724-5520

Cal State distribute Loveshaw tape sealing machines, Weber marking equipment, International stapling systems, Avistrap plastic strapping systems. The company turnover is in the vicinity of \$4 million. Cal State employs 14 salesmen. The most popular machines they sell are carton closers and labellers, priced from \$200-\$10,000. The company sells primarily in Southern California. Customer installation and service are handled "in house". Cal State import some machines from Asia; these are purchased FOB foreign port.

Mr Keith is interested in looking at new strapping products. He had heard of Caristrap, but has not so far dealt with Canada. Cal State produces a small catalogue and exhibits at the West-Pack show.

## COM-PACK INTERNATIONAL INC

11615 Cardinal Circuit,  
Garden Grove, CA 92643  
Mr Fielder, President.

(714)537-5772

This company handles both new and used machinery. Current lines they sell are Resina Cappers (\$32,000), Biner Ellison fillers (\$18,000), Kronas labellers (\$2,500). The company concentrates mainly on bottling equipment, selling to pharmaceutical, cosmetics, chemical and some soft drink manufacturers. Com-Pack sells all over the U.S and

COM-PACK Continued

internationally. The company's sales volume is \$½ million. Mr Fielder is interested in looking at Canadian products.

## T.S.CHRISTENSEN ASSOCIATES

P.O.Box 8601,  
La Crescenta, CA 91214  
Mr Tom Christensen, President.

(213)957-0747

Mr Christensen sells code dating, hot stamp printing, labelling, and twist tying equipment. He also handles tying supplies. The company employs one salesman and operates in California, Arizona, and Nevada. Christensen's most popular selling machine is a code dater which sells at between \$2,000 and \$5,000 depending on the options purchased. The company sells approximately twenty of these machines each year. Christensens do not handle installation, service or hold spare parts. Christensen's main market is the pharmaceutical industry, specifically disposable products. The pharmaceutical industry uses more sophisticated equipment and it is expanding on the West Coast. Mr Christensen feels Canadian companies should allow a fifteen percent margin for distributors operating in California; he is interested in reviewing Canadian products and has so far not dealt with Canada.

## COMPLETE PACKAGING SYSTEMS

1918 Central Avenue (South),  
El Monte, CA 91733  
Steve Madis, President.

(213)579-4670

The company are sales representatives for the Canadian company Visual Thermoforming and also sell other carton forming equipment. In addition to machinery the company handles PVC, paper, and Surlin materials. The company's most popular machine is a blister sealer which sells for around \$5,000. Complete Packaging sells to a wide range of manufacturers and distributors over eleven western states. The company employs one full time salesman but has other commission representatives. Sales volume is between \$500,000 and \$1,000,000. Mr Madis advised that the company handles customer installation, services machines and holds stocks of spare parts. Mr Madis' experiences with Visual Theroforming have given him a great deal of respect for Canadian companies' professionalism and business attitudes. Consequently he is interested in working with other Canadian companies and would like to review the product groups covered by this study. He feels that manufacturers should allow twenty to twenty-five percent margins for California distributors.

## C.P.S.PLASTICS &amp; PACKAGING INC.

13811 Bentley Place,  
Cerritos, CA 90701

(213)404-3511

This company is primarily a distributor for shrink equipment. They sell Weldotron machines. Their most popular selling machine is a standard "L" sealer which sells for around \$8,000. C.P.S. sells to pharmaceutical, cosmetics, toy manufacturers, and also printers. The company's key accounts are Mattel and Whammo, both toy manufacturers and Max Factor. They operate primarily in Southern California. They handle customer installation and service but not spares.

## DELMAR PACKAGING SALES INC.

P.O.Box 791,  
Del Mar, CA 92014  
John Pfleiger, Packaging Consultant.

(714)755-5200

This company is involved in both materials and machinery. The two sides of their business support each other. The company represents Gilbraithe International (printing machinery for film- seven colour), and Lomar Packaging (synthetic cork for bottlers). The main area of application for the company's materials and machines is the wine, pharmaceuticals, and cosmetics industry. No sales volume was available but Mr Pfleiger estimates his company handles eight percent of available business throughout the Western States. The company employs two salesmen. Mr Pfleiger has not been greatly affected by the current recession; his customers have responded strongly to equipment that offers economy. Has not so far dealt with any Canadian companies but has supplied machines to Canada. Interested in learning more about Canadian shrink enclosures and extruded flexible materials. Would like to review the companies participating in the study. Del Mar is associated with King Packaging.

## ENGINEERED PACKAGING SYSTEMS

815 South Central Avenue,  
Glendale, CA 91204  
Oliver Ho, President.

(213)245-1201

Engineered Packaging Systems are California representatives for Cozolli, Miller Hydro, and Parsons. The company handles a wide range of machinery primarily aimed at the food, cosmetics and pharmaceutical industries. Mr Ho did not quote a "best selling" machine. Sales range from \$1,000 to \$250,000. The company's annual sales are in the vicinity of \$1.5 million. Mr Ho feels that the market for disposable medical devices offers his best prospects for future growth. Mr Ho knew of the Canadian Stackpole company but he has not so far dealt with

## ENGINEERED PACKAGING SYSTEMS (Continued)

Canadians. He would be interested in learning more about Canadian machines. He believes that Canadians should allow fifteen to twenty percent margins for distributors. Engineered Packaging Systems belong to the Western Packaging Association; Mr Ho is an association officer. The company exhibits at West-Pack, Pack-Expo, and visits Inter-Pack. Mr Ho feels future trends will include soft plastic bottles, aseptic packaging and lazer technology.

## DALE FUKAMAKI &amp; ASSOCIATES

3860 Crenshaw Blvd.,  
Los Angeles, CA 90008  
Dale Fukamaki, President.

(213)299-5006

Fukamaki & Associates sell a wide range of machinery including: Elliott case sealers, Bivans cartoners, Hytrol conveyors, Liquipak fillers, Kussel can stackers, Hannan skin packaging and forming equipment, Mase plastic and metal tube fillers. The company sales volume is \$2 million and seven salesmen are employed. Fukamaki covers Southern California and Arizona. The company handles installation in those instances when it is not arranged by the supplying factory. The company does not carry stocks of spares or perform regular service. Mr Fukamaki considers that the food industry in California offers the best growth potential for his company over the next decade. The company has not dealt with any Canadian manufacturers yet but has been talking to Bonar. Mr Fukamaki is interested in reviewing the products in this study. The company does not advertise but does produce a catalogue.

## GOLBIN EQUIPMENT CO

3321 Ocean Park Blvd.,  
Santa Monica, CA 90405  
Norman Golbin, President.

(213)450-4777

Golbin Equipment handles a wide range of machinery including: Labelette labellers (they are the largest regional distributors), Filamatic fillers, Prosser-East cleaners, Brogli & Co heat exchangers and homogenizers, Caramatic closing machines, Wrap-ade packaging machines, and Kiwi coders. In addition the company handles equipment for shrink film, blister packing, pallet wrapping. Golbin handles some materials, generally for the machines the company sells. The company's sales territory is Southern California; there are four salesmen. Golbin Equipment has been a representative for Langen and knows the Kalish Company. Mr Golbin is extremely interested in the possibility of working with other Canadian companies. He is a past president of the Western Packaging Association. The company's turnover is in excess of \$1 million.

## H.S. AND ASSOCIATES

11933 Vose Street,  
North Hollywood, CA 91605

(213)764-1543

H.S. and Associates sell equipment for shrink and blister wrapping. Equipment sold: Weldotron and Allied shrink wrapping machines, Multi-Vac and Ampak skin machines. The company sells approximately two Allied shrink wrap machines at an average selling price of \$3,600 each, and one Ampak stretch film machine per month. H.S. employ six salesmen; their sales territory is California. The company handles customer installation and service and stocks of spares. Sales volume is in the vicinity of \$1.3 million. Mr Crasner of H.S. feels that shrink film equipment and materials offers him the best scope for expansion. Use of shrink film is growing faster than blister packaging in California. Generally California is three to six years behind the East Coast in packaging technology; this provides an interesting market because there are many smaller businesses which are eager to catch up. Shrink film is rapidly replacing the poly bag and stretch bundling. Mr Crasner is interested in Canadian equipment for skin, blister and stretch wrapping. He is also interested in locating supply sources for film which can compete with DuPont and Cryovac. He was approached by one Canadian company at the Pack-Expo but there was no follow up. He shows jointly at West-Pack and Pack-Expo with Allied and also sometimes shows at material handling expos. H.S. produces a catalogue.

## KENT H. LANDSBERG

1640 South Greenwood Avenue,  
Montebello, CA 90640  
Bob Walker, Salesman.

(213)726-7776

Kent Landsberg is primarily a materials distributor specializing in paper and flexible film materials. The company also handles some equipment and operates a subsidiary company called Western Flexible Packaging. Landsberg have five salesmen on their machinery side. The company's operations are divided between three branches in California, Los Angeles, San Francisco, and San Diego. Among Landsbergs top customers are Hughes and Mattel. The company could be interested in looking at new equipment for stretch film particularly if it is automated or computerized. Mr Walker knew of the Canadian company Visual Thermoforming. He felt that Canadian companies should contact Landsberg with their products.

## KING SALES AND ENGINEERING CO.

Los Angeles Office,  
815 South Cardiff,  
Anaheim, CA 92806  
Ed Cavanaugh.

(714)630-4671

San Francisco, Main Office,  
4949 East 12th Street,  
Oakland , CA 94601  
Tom Hill, President.

(415)533-8350

King sales are manufacturers representatives. The machinery they sell is broken down into the following categories; case sealing, coding, packing, unloading, unscrambling, capping, loading, bottle labelling, unscrambling, weighing, metal detecting, and bag filling and sealing. The company's most popular machine is a Gottscho coder. The company represents Amscomatic, Gottscho, Rexham Machinery, N.C.Ray Engineering, and Wright Machinery. The company's sales territory is California, Arizona and Nevada. Two salesmen are employed in each of the northern and southern offices. No sales volume available for the northern office, but the southern office turns over approx \$800,000 PA.

The company occasionally handles initial installation but generally leaves it to it's principals. They do not carry out customer service or hold stocks but do monitor machine problems for their customers and principals. King's most popular machine is a Gottscho coder. Mr Hill advised that he sells to a wide range of industrial groups. The company occasionally imports Kronas machines from Germany. The company finds the market is stable and that there is quite an amount of movement in the wine industry. Mr Hill is not interested in new products at this stage although Mr Cavanaugh in the Southern office would like to review new Canadian products being offered. Mr Hill knew of Muller, Kalish and Western Packaging Systems.

#### NEVCO LIMITED

2211 East Winston Rd., Unit E,  
Anaheim, CA 92806  
Jim Neville, Bill Zeeman.

(714)535-0334

The company represents Ballmark coders, Ampak, Nordson Adhesive Systems, and Dobby hot melt systems. They sell Dobby's flexible packaging machinery and Nordson's applicator systems. The company employs five salespeople and two servicemen. Sales territory is Southern California, Arizona, and Nevada. Main customers are food processors, pharmaceuticals, and cosmetic companies. Mr Neville had contacted the Canadian Government before; he is interested in new Canadian sources. He is particularly interested in equipment for health foods, coding and marking. He would be interested in selling a machine that could compete with Gottscho. Feels that his customers are responding to smaller machines selling for less than 10,000.

## PACKAGING DYNAMICS

3855 Katella,  
Los Alamitos, CA 90720  
Mr George Emett.

(213)596-1688

This company also has an office in Walnut Creek (Northern California). The company represents a number of PMMI members:- Leigh machines, Omega Design Corp, Hemco, Prodo-Pak, and M.R.Logan. They also handle all filling machines for the Dennison Manufacturing Company. Other companies represented are Bosch and Elgin fillers. The company's sales territory is the seven Western States and the company has an annual turnover of approximately \$6 million. Packaging Dynamics handles installation, spares and basic service but not serious repair work. They import some machines themselves. Mr Emett knew of the Canadian company Stackpole. He is not interested in expanding his product lines at this stage since he would have to drop an existing line to maintain the level of service he offers. The company is the largest exhibitor at West-Pack and has also exhibited at Inter-Pack. Mr Emett feels that aseptic packaging is the method of the future for the food industry.

## TEKPAC CORPORATION

12631 East Imperial Highway,  
Santa Fe Springs, CA 90670

(213)863-4942

Tekpack's main office is located in LaFayette, California. Canadian manufacturers should speak to Herman Masser. We spoke with Mr R Bostwick in the Southern California office. Tekpack represent the following companies: Simplex (fillers), Kaps-All (capping equipment). Tekpack are mainly involved in liquid and powder filling. Their main customers are Pharmaceutical and drug companies but they do some work in the food industry. The company's best selling machine is a Simplex filler at around \$15,000. The capsule cappers they sell range from \$16-\$20,000 (they sell around \$200,000 worth of cappers p.a.). The company also imports some machines direct from Germany. Mr Bostwick advised that the machines they sell are generally quoted FOB point of shipment. He felt that the potential sales for used equipment are expanding. He had heard of Langen, Kalish, Newmapack, and Western. He likes Canadian attitudes and would be interested in the possibility of selling Canadian form, fill and seal equipment. He feels that computers and microprocessors adapted to in line packaging machinery will be important in the future. The company's sales volume is around \$1½ million.

## TAVENER &amp; BROWNE

1481 East 4th Street,  
Los Angeles, CA 90802

(213)264-3580

This company has a sales volume of around \$5 million. Machinery handled is from: Oliver Machinery, Shanklin, Latter & Chase. Weldotron machines

## TAVENER &amp; BROWNE(Continued)

are their best selling line. Tavener & Browne's best customers are record manufacturers, toy manufacturers, printers and the food industry. The company sells materials as well as machines; their main materials are Reynolds PVC and Cryovac polyolefin. Tavener & Browne concentrate mainly on Southern California; they employ four salesmen. The company handles customer installation and service as well as holding stocks of some spares. Canadian companies who are interested in Tavener & Browne should contact Bill Tavener, the President.

## WESTERN PACKAGING SYSTEMS

13929 East Struikman Road,  
Cerritos, CA 90701

(213)404-2688

This company's head office is located in Portland, Oregon. Other branches are maintained in Seattle, Salt Lake City, and Hayward, California. The company is primarily a film distributor handling Reynolds and Du Pont shrink film and Mobil stretch film. The company also sells Lantech and Shanklin wrapping machinery. The selling price averages around \$10,000. Main customer groups are food manufacturers, pharmaceuticals, cosmetics and printers. The company covers the West Coast from it's network of offices. No information was provided on sales volume or the number of salesmen employed. The company installs, services machines and holds stocks of spare parts. Most of the machines they sell are shipped FOB suppliers plant. They do not use freight consolidation. The company represents the Canadian manufacturer Longford, selling a range of high speed feeders.

## WEST COAST PLASTICS EQUIPMENT

6122 Washington Blvd.,  
Culver City, CA 90745  
Charles Zimmerman, President.

(213)830-7480

The company distributes film converting, injection molding, and solid foam cutting machinery for the packaging industry. Mr Zimmerman keeps up with the latest advances in machinery in his field and is in regular contact with European and British manufacturers. West Coast handles the following range of equipment: Audion, Newbury, Micromolder, Rosade/Rocheleau, Bry-Air, Mokon, Schreiber, Marley, Belco, and Vertrod. Most of the names mentioned above are components manufacturers for injection molding. Audion and Vertrod his two main lines of heat sealers are complimentary. Audion (a Dutch company) produces mainly economy model heat sealers whilst Vertrod can produce a twenty nine foot heat sealing bar if required. The company provides representation in seven Western States with a staff of two salesmen and three servicemen and several distributors. West Coast offers their customers a twenty four hour service on parts. The company publishes it's own newsletter regularly.

## WEST COAST PLASTICS (Continued)

West Coast sells approximately \$2½ in packaging machinery and \$3¼ in injection molding equipment per annum. Mr Zimmerman noted that the prices of lower end European machines have risen substantially over the last few years. His Audion machines were originally fifty-five percent of the cost of comparable U.S. machines; they are now up to ninety-five percent. Mr Zimmerman feels there is room for good quality low to mid priced machines. He would like to review the products in the study provided those products are related to his field.

## TECHNOPAK

1128 East Valencia Drive,  
Fullerton, CA 92633  
Leonard Growning, Saleman.

(714)738-0173

Technopak represents Autolade and Labelaire labelling machines. In addition, the company manufactures re-winders and slitters. The company's main customer groups are food and pharmaceuticals. Technopak's sales territory is Southern California; they operate four salesmen. The company installs and services machines and stocks of spares are held. This company is interested in looking at anything new in the labelling or imprinting field. Technopak exhibit at both West-Pack and Pack-Expo.

## LOONAM &amp; ASSOCIATES

1432 East Chapman Avenue,  
Orange, CA 92666  
Mr Loonam, President.

(714)538-0410

Loonam and Associates are representatives for Horix (fillers and cappers), Columbia (palletizers and drum palletizers), Weymuller (fillers for liquor and carbonated drinks), Unipak (bottle rinsers and can palletizers), B & W Electronics (inspectors and counters), Hamrack (case packers), and P.I. Backman & Co (labellers). Mr Loonam advised that his best selling machine is a Columbia palletizer; he sells six to eight of these a year at between \$90,000 to \$150,000. Mr Loonam was originally with the Geo Meyer Company and basically tries to sell the same sort of line. His main industry group customers are food and soft drinks. He also sells to the wine industry, his sales territory is Southern California, Arizona, and Nevada. The company handles the installation of smaller machines but does not service installed machines or hold spares. Mr Loonam, like all distributors interviewed so far, brings machines to the market by truck. His customers mainly buy FOB point of shipment. He has dealt with one Canadian company called Unitrack (bucket elevators), but did not sell any machines, he felt that import duty overpriced the machines. He feels that Canadians should allow a twenty percent commission on sales of less than \$20,000 and ten percent for sales above that figure.

LOONAM AND ASSOCIATES (Continued.)

Whilst Mr. Loonam is not actively looking for new products at present, he is interested. He was in Canada two years ago, at the Canadian Government's request, looking for new products. Mr. Loonam belongs to the Western Packaging Association and the Bottlers & Brewers Association.

PACKAGING DEVICES

6269 Callicte Avenue,  
Woodland Hills, CA 91367  
Vinnie Sethi, Partner.

(213)340-7866

Packaging Devices also have a branch in San Francisco which is operated by Mr Sethi's partner. The company represents Kalish (the Canadian company- bottle fillers, auto pumps, cappers and sealers), Sterns (metal detectors), Centropak (pressure sensitive labellers), Pack Rapid (pouch makers), Industrial Marking (equipment for printing cartons and labels), Compacor (case sealers and erectors), the Woodman Company (vertical form fill and sealers), Noack (German blister machines), TopVac ( Swiss vacu-formed pouches for the food industry), Theale & Co. ( horizontal cartoning machines), Meyer (bucket elevators), and Jetstream (air film conveying). The company's most popular selling machines are a Kalix tube filling machine and a Kalish bottle filler for tablets. No quantities or sales volume were available. Pointed out that Los Angeles is an important center for vitamins etc because of the large health food following here. Main customer groups are Pharmaceuticals and the food industry. The company utilizes four salesmen. Mr Sethi's customers prefer to buy their machines FOB their own plants. He feels that customers should not be bothered with customs duty and excess paperwork, that it should be done by the manufacturer and his representative. Mr Sethi sees an expanding market in Southern California for dried fruits and dates caused by Iran's inability to ship to the U.S.. He finds that his customers are eager to purchase advanced technology and that they are very open minded about imported machinery. He feels that high speed blister packaging machinery especially for tablets will be a coming market. He has not dealt with any Canadian companies apart from Kalish, but visits Canadian shows and finds Canadian sales and service attitudes are excellent. He is interested in new high technology products and is interested in reviewing the products in the study. He feels Canadians manufacturers should concentrate on developing high speed technically advanced equipment.

DAVID EVANS & ASSOCIATES

345 West Foothill Blvd.,  
Glendora, CA 91740  
David Evans, President.

(213)963-6501

## DAVID EVANS &amp; ASSOCIATES(Continued)

Evans and Associates represent the following machinery manufacturers: Stackpole Phin (Canadian manufacturer-labelling equipment), Delkor Industries ( carton closing, tray and case forming and feeding), Climax Products (case loaders and unloaders and conveyors), Able ( conveyor systems), Aktron ( materials handling and palletizing equipment), the Miridian Corporation, and Packaging Systems Corporation.

Evans & Associates sell primarily to the food and dairy industries.

Mr Evans was sales director for the Avery Corporation's machinery division before starting his own company. Evans and Associates primary marketing territory is California but the company has sold equipment throughout the Western U.S. and in the Pacific Basin. Evans & Associates recently sold and installed a line to the Suntory company in Japan.

Mr Evans has been impressed by the quality of Canadian machinery, he counts Stackpole among his best prospects for new business; he is extremely interested in the possibility of putting a complete line of Canadian machinery together. He feels that Canadian manufacturers would benefit from the concentrated sales exposure that this type of marketing solution offers. He is prepared to expand his business to establish extensive representation and would be prepared to discuss his concept with manufacturers in Canada at any time.

Mr Evans currently operates three salesmen and is affiliated with a packaging materials distribution company. He advised that manufacturers wishing to verify his credentials should contact Stackpole.

We were very impressed by Evans & Associates and consider that the company could do an excellent marketing job on other Canadian machinery.

Distributors- San Francisco Marketing Area:

## J.T.HASKELL AND SONS

Box 4206,  
San Rafael, CA 94903  
Mr Haskell, President.

(415)479-5533

J.T.Haskell acts as representative for Horix and Columbia. The company's most popular Horix machine is a liquid filler for the wine and liquor industries. The Horix machine comes in four sizes, starting price is \$40,000, Haskells sell two to three of these machines a year. The company mainly sells palletizers from Columbia.

Haskells do not carry spares or perform repairs; customers buy their machines FOB point of origin and the machines are trucked here. Mr Haskell's sales territory is Northern California, he works with two salesmen. Mr Haskell sees his most serious competition in German and Italian high speed machines. Most of the major wine producers are already involved in high speed machinery; Mr Haskell is interested in finding

### J.T.HASKELL (Continued)

new suppliers who can give him a competitive edge particularly in bottle and can handling systems of all kinds. He does not feel that freight will be a major problem for Canadian suppliers. Mr Haskell has dealt with the Stackpole company and has developed a healthy respect for Canadian machinery. He would very much like to review the products in this study.

Haskells belong to the Western Packaging Association and exhibit at the West-Pack and the Pack-Expo shows with their supplier principals. The company publishes a catalogue.

### ENGINEERED PACKAGING SYSTEMS

116 Westfield Circuit,  
Danville, CA 94526  
George Rowe, Owner.

(415)873-5333

Engineered Packaging act as representatives for about ten manufacturers. Their main lines are from Parsons ( scales and auto-baggers), Klyborn ( vertical cartoners for dry products), Cozolli filling and closing equipment for bottles. Engineered's most popular selling machines are from Parsons. Parsons dry packaging equipment sells from \$12,000 to \$100,000; the company generally sells two mid-priced machines per month. Engineered's main customer groups are food manufacturers, Mr Rowe specializes in rice and pastas, also food chemicals like MSG, and some detergents. The company's sales territory is Northern California, Washington, and Oregon. Mr Rowe employs two salesmen, his turnover is around \$1 million. Mr Rowe looks to the food industry for increased machine sales in the future; he feels that manufacturers are becoming more interested in producing complete systems rather than individual machines and that Canadians should attempt to present complete line systems in the California market wherever possible. Mr Rowe feels that Canadians should offer distributors fifteen percent for sales under twenty thousand dollars and ten percent for sales over forty thousand. He is only interested in new products if they dovetail in with his existing line of machinery but is always interested in meeting new suppliers. He has not had any dealings with Canadian manufacturers so far.

### LARRABEE & ASSOCIATES

1136 Saranap Avenue,  
Walnut Creek, CA 94595  
Robert Larrabee, President.

(415)932-4434

Larrabee & Associates are representatives for Biner Ellison (liquid filling, labelling, and bottle cleaning); Pearson ( carton erecting, partition inserting, and case loading); Weymuller (bottle cleaning and high speed filling). They also represent Niagara, who produce a solution

## LARRABEE &amp; ASSOCIATES (Continued).

for removing bottle labels. The company's most popular selling machines are from Pearson and Biner Ellison; their main customer groups are the soft drink, brewery, and wine industries. Larrabee's sales territory is Northern California and Nevada. The company has one salesman and a sales volume of around \$500,000.

Larrabee does not handle initial installation, regular service or hold stocks of spares. The company's customers buy FOB point of shipment, Larrabee does not handle any invoicing. Mr Larrabee felt that the largest trend amongst his customers in the future will be a move to plastic containers. The company represents a Canadian manufacturer called Unitrack (manufacturers of a plastic bucket elevator system) but has not so far had much success with the line. He is not really interested in finding new product lines at present but would like to review the products for this study.

## PIERCE PACKAGING EQUIPMENT INC.

217 South Claremont Street,  
San Mateo, CA 94401  
Mr Pierce, Owner.

(415)342-8691

Pierce Packaging handles both materials and equipment. On the materials side they represent W.R.Grace (shrink film and materials). Machinery companies represented are: Weldotron (shrink systems and skin packaging systems), Packrite (sealers), and several others. Pierce's main customer groups are food manufacturers, hospitals, and the electronics industry. Mr Pierce rated electronics as his best potential source of growth. The company has four salesmen and covers Northern California, and Northern Nevada. Pierce's sales are around \$1 million; the company installs and repairs customers machines but does not carry stocks of spare parts. Most of Pierce's customers purchase their machines FOB the suppliers plant, Pierce was not aware of possibilities offered by consolidation. Mr Pierce had dealt briefly with one Canadian company (name not supplied), he bought a shrink system from them but found the machine was very similar to machines that were currently available in California, for that reason he did not proceed further. He is interested in new sources for competitive, innovative shrink wrapping equipment and would like to review the Canadian products in the study.

## AUTOMATION SYSTEMS

P.O.Box 5457,  
Walnut Creek, CA 94596  
Cliff Leader, President.

(415)937-2844

Automation Systems are manufacturers representatives. Most of the machines the company handles are imported. Mr Leader considers his principals are top of the line companies. Automation Systems represents the following

## AUTOMATION SYSTEMS (Continued)

companies: Arenco (Sweden-tube filling), Rovima (Germany-form fill and seal machines), Farmova (Italy-filling, plugging, capping for liquids). The company specializes in sophisticated filling equipment. Mr Leader is the only salesman and he covers ten western states. The equipment he sells ranges in price from \$50,000 to \$400,000, he generally sells ten to twelve completely installed systems a year. Mr Leader is a trained engineer and assists his customers with systems design; he also does some consulting work. Mr Leader does not install, repair or hold stocks of parts for machines, his principals take care of those aspects. Most customers have bought FOB suppliers plant in the past but this is now changing and his customers prefer to pay for the cost of the machine delivered to their own plant. One major reason being that it simplifies the question of ownership in cases where damage occurs during transit resulting in insurance claims.

Mr Leader's main customer groups are cosmetics and pharmaceuticals. Two of his main clients are Revlon and Neutragena. He is currently working hard at expanding into chemicals which he sees as a growth market in the West. Mr Leader feels that American manufacturers are just not producing state of the art equipment at present. They are not prepared to invest in research and development because the tax climate is not sympathetic. He has not dealt directly with any Canadian companies but did know of Kalish. He would be very interested in the possibility of working with a number of Canadian manufacturers to help them establish their products in the Western U.S. He pointed out that Canadian companies wishing to establish themselves here should be prepared to budget seriously for initial promotional work. One of his principals spent over \$1,000 per month plus advertising for a period of nine months before the first machine was sold.

Mr Leader sees a definite market for a mid-priced and innovative tube filler, which could be sold at around \$20,000. He pointed out that standard priced manual fillers sell for \$6,000 and that there is nothing between the manual machine and full-sized automatic and semi-automatic equipment selling from \$35,000 to \$50,000. Mr Leader feels Canadian manufacturers would do substantial business in California provided their marketing is handled correctly. He would be very interested in reviewing the products for the study. Mr Leader was highly recommended by several industry sources.

## WEST LINK CORPORATION

3788 Fabian Way,  
Palo Alto, CA 94303  
Brian Sears.

(415)494-7505

West Link are both distributors and sales representatives. The company acts as a distributor for Tonko (conveyor systems) and Magnason (peeling machines for vegetables etc). West Link acts as representative for the following companies; Aseco (a California manufacturer), Icore (a California manufacturer- auto checkers, metal detectors, and colour sorters), U.S. Bottlers (bottle washing, conveying, and filling), and Fill-Tech (metal detection).

## WEST LINK CORPORATION (Continued)

The corporation's main customer groups are in the food industry. Mr Sears identified thirteen different segments that the Corporation services. He advised that West Link's sales territory includes California, Hawaii, Arizona, and some parts of Mexico. The Corporation employs four salesmen, and has a turnover of approximately \$4½ million. West Link handles installation and customer service as well as holding stocks of spares. Mr Sears feels that the company will continue to expand its activities in the food industries which offer a very stable business platform.

The Corporation had dealt with two Canadian companies; they were Edson and Pyramid. They do not sell Canadian products at present (Pyramid opened their own office in Modesto, California). Mr Sears said he had enjoyed working with Canadians and found them very professional and their products were good. He feels that Canadians should allow fifteen percent commission for sales in California. West Link would be interested in representing more Canadian companies, the sort of products they are currently looking for include inspection and control devices, metal detectors and colour sorters. Mr Sears knows the Canadian packaging industry fairly well and visits Canadian packaging shows, he feels that there is an excellent potential market for Canadian packaging equipment in the Western U.S. He feels that Canadians need to be innovative in order to secure a major market share.

## ZELLERBACH PAPER CO.

245 South Spruce Street,  
San Francisco, CA 94118

(415)589-5577

Mr P. Dunkell, Head of Machinery Operations.

Zellerbach is a member of the Crown Zellerbach group of companies. The company is mainly a paper and packaging materials manufacturer and distributor but does operate an equipment division which specializes in equipment for strapping and taping, and shrink wrapping. Companies represented are: Weldotron (Shrink wrappers), Lantech (Stretch equipment), Interlake (Steel strapping), 3M & other tape manufacturers (Tape dispensers).

Mr Dunkell advised that the company's largest customer groups are food manufacturers (24%), chemical manufacturers (16%). The company's sales territory covers seven Western States. Zellerbach handles customer installation, machine repairs and holds stocks of spare parts. The company is interested in finding new supplier sources and products specifically conveyors and materials handling equipment. Zellerbach exhibits at both the West-Pack and PMMI shows. Interested Canadian suppliers should contact Mr Dunkell.

## PNEUMATIC PACKAGING EQUIPMENT

Division of Pneumatic Scale Corporation

1499 Bayshore Highway,  
Burlingame, CA 94010  
Bud Foster, Western Regional Sales Manager.

(415)697-6583

### PNEUMATIC PACKAGING EQUIPMENT (Continued)

Pneumatic Packaging is the West Coast marketing and distribution branch of Pneumatic Scale Corporation, the major US packaging machinery manufacturer. Mr Foster claimed that his company works closely with the Canadian manufacturer Delamere & Williams who produce twenty to thirty percent of their machinery. Pneumatic also distribute machinery for other manufacturers (they used to be the Rovima distributors), they have wide ranging contacts in Japan, France, Sweden, and Germany. The company sells two basic types of line, a "Wet" line which covers everything for plastic or glass filling, labelling, capping etc for liquids; and a "Dry" line basically for pouch, bag and box filling. The company's main customer groups are the wine, distillery, sugar, dried fruit, and chemical industries. The company's customers include Colgate and Lever Bros. The company's sales territory is the West Coast, no sales details were available, two salesmen are employed. Knowing Delamere and Williams Mr Foster finds Canadian attitudes and service are very professional. He feels that there are probably a number of significant openings for Canadian companies to supply individual machines or segments for line systems to their company but that all negotiations would be conducted through the corporation's head office located in Quincy, Massachusetts tel: (617)328-6100. The person to talk to is Bob Coughlin who is head of sales.

### KHAMIS ENGINEERING EQUIPMENT

P.O.Box 42,  
Danville, CA 94526  
Mr Khamis.

(415)937-2844

Khamis is basically a packaging machinery consultant. He was highly recommended by several industry sources. He specializes in the food industries. He was not willing to provide much detail but could be of interest to Canadian companies. He would like to review the products in the study.

### CAL-WEST PACKAGING ASSOCIATES

3401 Investment Blvd.,  
Hayward, CA 94545

(415)786-3630

Cal-West are manufacturers representatives. They represent High Speed Checkweigher Co Inc, Redington Inc. ( Carton roll wrappers and strip packaging systems), J.R.Knowlback (filling and unscrambling equipment for plastic bottles), and Dalemark (code dating equipment). Dalemark is the only company Cal West do not have exclusive California distribution for.

The company's most popular selling machines are from High Speed Checkweigher, their machines range in price from \$6,000 to \$20,000. The

## CAL-WEST PACKAGING ASSOCIATES (Continued)

company sells to most industrial groups but tends to concentrate on food, drug, chemicals and fertilizer manufacturers. Cal-West's sales territory consists of California, Arizona, and Nevada. The company feels that micro-processors represent an interesting trend for the future; they are interested in finding and working with new suppliers. They had heard of Langen and Hudson (Markham, Ontario), but have had no long term dealings with any Canadian companies. They are interested in finding new sources and suppliers, at present they are specifically interested in labelling and capping machinery. Cal-West exhibits at West-Pack but not the PMMI and belongs to the Western Packaging Association.

## INTERNATIONAL SUPPLY COMPANY

229 Harrison Street,  
Oakland, CA 94607  
Mike Falleria, Owner.

(415)832-0434

International Supply concentrates on smaller sized machines. The company concentrates on vacuum packers, band sealers, conveyors and materials handling equipment. The most popular selling machine is a band sealer which sells at between \$4,500 and \$7,000 mainly to the electronics industry. International sell about twenty-eight of these machines a year. The company's main customer for vacuum packaging equipment is the fishing industry, their main machine is for packing fish portions onto foam trays. International imports much of it's machinery from Japan. No brand names were mentioned. International sells all over the U.S. and employs six salesmen. The company's main customers are small entrepreneurs in the food industry. Mr Falleria is interested in finding new suppliers, he is specifically interested in locating a portable, reasonably heavy duty pallet wrapper at around \$10,000, he says there is nothing of this sort available from American manufacturers.

## JAY VEE EQUIPMENT COMPANY INC.

1155 Triton Drive,  
Foster City, CA 94404  
Jim Fisher, Partner.

(415)574-7484

This company specializes in selling packaging equipment to supermarkets. Their most popular machine is a size A12 Weldom shrink wrapper. This machine sells for around \$20,000, the company sells approximately fifty a year. The company's other popular machine is the Hollomatic hamburger pattie maker. No details of sales volume were available, the company's sales territory is Northern California. Jay Vee uses four salesmen. The company installs and services the machines it sells; stocks of spares are also kept.

## VEE JAY EQUIPMENT COMPANY INC. (Continued)

Mr Fisher has not yet dealt with any Canadian companies but he is interested in finding new supplier sources. His main interest is in meat related packaging machines. He is also interested in anything that may be related to food packaging at the wholesale or retail level. Mr Fisher attends the PMMI show in Chicago, the West-Pack show and California Grocers and Meat Packaging Shows.

## TIMPAC INC.

273 East Harris Avenue,  
South San Francisco, CA 94105  
Mr Chekhov.

(415)871-5890

This company represents four product lines centered around the Bunn package tying system and including Kirk-Rudi (computer labelling), Stromberg (time clocks), and Kronus (computer systems). The company covers the North Western States plus Alaska and Hawaii, with four salesmen and a turnover of around \$2½ million.

Mr Chekhov finds current market conditions are excellent. Almost every type of business in his area is a target for one of his machines. He supplies all machines FOB the customer's plant, handles installation, repairs and stocks spares. Mr Chekhov is looking for moderately priced innovative machinery, specifically strapping and labelling machinery. He is currently buying a strapping company; he would be very interested in meeting Canadian companies with new products.

## TEKPAC CORPORATION (Continued from Los Angeles section)

We later spoke to Mr Masser in the company's main office at LaFayette, California; tel (415)283-8700. Mr Masser mentioned that he represented two Canadian companies Ideal and Western Packaging Systems. Mr Masser advised that he imports the machines he sells directly himself and is then able to supply them to his customers FOB his store. He mentioned that he has experienced problems with paperwork sent by post from Canada. He also said that more Canadian companies should visit the Chicago and West Coast packaging shows. Mr Masser is interested in meeting other Canadian suppliers.

## LOCKWOOD SALES CORPORATION

1485 Bayshore Blvd.,  
San Francisco, CA 94124  
Mr Gunkell.

(415)468-0838

This company also has a branch in Los Angeles. The company represents six major packaging machinery manufacturers including Interlake, Ideal

## LOCKWOOD SALES CORPORATION (Continued)

(the Canadian company- cartoners, carton closing ), New Jersey Machines (NJM- labelling, filling, capping, and imprinting equipment), Acme (carton staplers and stitching machines). The company's main customer groups are manufacturers of all kinds, office supply houses and stationery stores. The company does not employ any salesmen and operates out of an office covering California and much of the U.S. No details of sales volume were available , the company generally invoices deliveries to it's customers FOB it's own store. Mr Gunkell is interested in finding new sources, specifically portable strapping and carton closing equipment.

## AUTOMATION SALES COMPANY

3425 Golden State Blvd.,  
P.O.Box 1682,  
Fresno, CA 93725  
Mr Marvin Riding, Owner.

(209)268-8397

Mr Riding was highly recommended as a potential distributor by various industry sources. We did not interview him but understand that he is West Coast distributor for Standard packaging machinery and also for the Canadian company Langen. He may also represent other companies. We did speak briefly with Mr Riding who is very interested in reviewing the products in this study and might be interested in taking on new lines.

Distributors-Pacific Northwest

We interviewed a sampling of twelve distributors in the Pacific Northwest region and found them all interesting prospects for Canadian manufacturers. In the interests of brevity we restricted the number of interviews presented here to three. The addresses of the remaining distributors are given in the Appendix.

## HOOD MACHINERY INC.

515 East 39th Street,  
Vancouver, Washington 98663

(206)699-4505

## HOOD MACHINERY (Continued)

Mr Hood is an ex Sales Manager of Columbia Machinery. His company is a manufacturers representative for about twelve machinery manufacturers including the following companies: Uniwrap (stretch machines), Garvey (conveyors), Columbia (palletizers, bag handling machines, conveyors), Ray Packaging (fillers and piston fillers), American Precision (labellers), Kalish, Langen and Edson, the Canadian companies.

Hood Machinery's most popular selling range is Columbia, the company sells approximately \$1 million of Columbia products per year. The individual most popular machine is the Columbia palletizer which sells from \$75,000 to \$130,000. The company's main customer groups are paper and tissue manufacturers ( buying palletizers, conveyors, and shrink case forming machines), food processors, canners, chemical and pharmaceutical manufacturers. The company's sales volume is in the vicinity of \$2 million. Three salesmen are employed, the sales territory is the Northwestern U.S.

Hood Machinery imports Canadian machines direct for their customers. Mr Hood expects his Canadian supplier to handle all export details and documentation for transshipment of machines to his store. He is then able to incorporate his freight costs and supply his customer with a delivered price. He finds this method the most satisfactory means of dealing with imported products.

Mr Hood is interested in finding new Canadian sources having developed a healthy respect for Canadian know-how and business methods. He is primarily interested in generalized packaging machinery and in materials handling equipment.

## JAMES LEVITT COMPANY

P.O.Box 379,  
Mercer Island, WA 98040  
David Ferris, President.

(206)236-0904

The company acts as sales representatives for a number of manufacturers including, Standard Knapp (case sealing and labelling), Anderson Bros (shrink wrap and sleeve wrapping equipment), Doboy (wrapping, bag closing, labelling, coding, conveying), Allworth (heat sealers and labellers), U.S. Bottlers (capping systems), R.E.Jones (cartoning equipment), All-Fill Inc. (filling equipment-auger driven). The company's most popular selling lines are case-packers and sealers. Main customer groups are canneries and the food industry generally, wineries and the chemicals industries. The company's sales territory is Washington, Oregon, Idaho, Montana, British Columbia, Alaska, and Hawaii. Three salespeople are employed. Leavitts do not install, handle spares or carry out repairs. The company does not currently represent any Canadian manufacturers but is always interested in finding new sources.

**BROWN PACKAGING MACHINERY CO.**

12889 North East 15th Street,  
Seattle, WA 98125

(206)454-7424

This company distributes three product lines. Their main supplier is L.T.I. (hot glueing system); they sell approximately one hundred installations a year. The supply price is between \$2,500 and \$8,000. The company's main customer groups are the food and beverage manufacturers, and their sales territory is the Northwestern U.S. and Northwestern Canada.

The company knew of Pyramid and Western Packaging; they are interested in finding new suppliers specifically of case sealing equipment. Brown Packaging shows in the Plywood Show and in the Northwestern Canner's Show.

## 6.0 CALIFORNIA PACKAGING MACHINERY MANUFACTURERS

Irving Axelrod, the Industrial Economist concerned with packaging machinery at the U.S. Industrial Outlook, stated that California is the national leader in machinery production, including packaging machinery, as mentioned in section 2.1.

Our research shows there are a minimum of one hundred and seventy manufacturers operating in California, listed under SIC's 3551 and 3569. Thirty-seven of these manufacturers are clearly active packaging machinery manufacturers; 45 percent of these are members of the Packaging Machinery Institute. PMMI members are generally regarded as industry leaders in the packaging field. We discovered that the remaining 55 percent are companies of a variety of sizes, including some that are nationally recognized, but not members of the PMMI. We believe that there are a considerable number of companies in addition to the thirty-seven we discovered who are involved in producing packaging equipment in one form or another.

It is apparent that the number of employees involved in a manufacturing operation is not always a reliable gauge of a packaging manufacturer's size or potential sales volume. We discovered companies with less than ten employees producing in excess of \$5 million whilst companies with many more employees can often produce substantially less.

### Machinery Produced in California:

A wide range of packaging machinery is manufactured in California including

specialized equipment for custom installation and small general purpose machines. Our assessment is that the bulk of machinery produced in the State is aimed at the food and pharmaceutical industries. This is certainly the case with PMMI members who tend to produce the more sophisticated equipment, whilst many of the smaller non-member companies concentrate on smaller pieces of equipment intended for general use in shrink wrapping, blister packaging, and case erecting. Most California companies offer custom-making or adapting.

Most distributors indicated that sales are more readily achievable when competing machines are not manufactured locally. This does not appear always to be the case; we discovered several manufacturers who export the largest portion of their production either nationally or internationally. At the same time, machines that perform similar functions are frequently imported to this market.

#### Possibilities for Canadian Manufacturers:

We found that most manufacturers in California are interested in learning more about machines and systems produced in Canada. A number of manufacturers could be interested in selling other manufacturers' products provided the other products offer possibilities of expanding their own systems. In addition, there are opportunities for supplying manufacturers with components which they normally buy from outside sources. Examples are motors, gear systems, bearings, electrical components, and castings. The listing of California packaging manufacturers identified during the study is given in the Appendix.

## 7.0 DEGREE OF MARKET PENETRATION BY CANADIAN MANUFACTURERS

### U.S. Market:

Shipments of imported packaging machinery into the United States in 1981 totalled approximately \$198 million, representing a 9.3 percent increase over the previous year. The largest supplier was Italy which accounted for 29.7 percent of imports. West Germany followed closely and accounted for 29.1 percent of the total. Canada was the third largest supplier of packaging machinery to the U.S., but enjoyed only a 9 percent share of the market. Switzerland provided 8.9 percent of the total and was followed by the United Kingdom (6.7%) and the Netherlands (2.1%).

Canada's 9 percent share of the market in 1981 totalled \$17.8 million which was an increase over the previous year's total of approximately \$16.7 million. Table 7.0 shows Canada's position as an exporter under the various U.S. customs classifications making up total U.S. packaging machinery imports in 1981. As can be seen from the table, Canada exported nominal shipments of machinery under most classifications and was the leading exporter of can sealing machines to the U.S. The main import classification for packaging machinery covers wrapping and packaging machines and parts. 1981 world imports to the U.S. under this category alone increased by 27 percent over the previous year. However, although Canada maintained fourth position in this major category, her shipments to the U.S. were down by a substantial 24 percent. Over the same period West German exports under the same category dropped marginally by less

TABLE 7.0

CANADA'S POSITION AS AN EXPORTER OF PACKAGING MACHINERY TO  
THE UNITED STATES IN 1981 (000'S DOLLARS)

Classification	Country	No. of Units	Value of Exports to U.S.	Total Exports to U.S.	% of Exports
Machines for wrapping candy	Nethlds.	6	442.7	1,568.9	28.2%
	Switzld.	11	264.2		16.8%
	Italy	6	223.8		14.3%
	Japan	11	195.7		12.5%
	U.K.	15	173.7		11.1%
Machines for packaging and wrapping tobacco and combined candy cut and wrap mach.	Italy	19	4,249.3	9,591.3	44.3%
	W.Germany	45	3,319.0		34.6%
	U.K.	10	657.8		6.8%
	Canada	22	224.8		2.4%
	Switzld.	8	218.6		2.3%
Parts of candy and tobacco wrapping mach.	Italy	-	2,173.4	4,770.3	45.6%
	U.K.	-	783.8		16.4%
	W.Germany	-	710.3		14.9%
	Nethlds.	-	436.1		9.2%
	Switzld.	-	229.1		4.8%
Can sealing machines and parts thereof	Canada	-	424.6	1,642.4	2.6%
	Spain	-	371.2		2.3%
	Japan	-	261.7		1.6%
	Belguim	-	219.2		1.3%
	Nethlds.	-	139.3		.8%
Wrapping and packaging machines and parts	Italy	-	41,858.9	127,086.2	32.9%
	W.Germany	-	34,298.1		27.0%
	Switzld.	-	15,344.1		12.1%
	Canada	-	9,443.7		7.4%
	Japan	-	8,175.3		6.4%
	U.K.	-	7,386.7		5.8%
	Nethlds.	-	2,181.7		1.7%
	France	-	1,262.0		1.0%
	Austria	-	829.0		.7%
Machines for cleaning, filling, etc. containers and parts	W.Germany	-	19,182.9	53,551.0	35.8%
	Italy	-	10,259.6		19.1%
	Canada	-	7,751.6		14.5%
	Japan	-	4,414.6		8.2%
	U.K.	-	4,209.4		7.9%
	France	-	1,630.1		3.0%
	Switzld.	-	1,626.4		3.0%

Source: U.S. Bureau of the Census, Department of Commerce (Imports to the U.S. for 1981). Figures based on customs value.

than 1 percent while Italy increased her exports by 76 percent; Switzerland's exports increased by 39 percent, the United Kingdom's exports increased by 45 percent, and Japan increased her exports to the U.S. in this category by 46 percent. It would seem that Canada's loss was the gain of her competitors and that the reduction in Canada's exports in this major category may not have been entirely due to worsening economic conditions but rather to increased sales activity on the part of her competitors.

#### California Market:

There are no official figures available for packaging machinery imports into California. We have previously estimated that there is a market for imported machinery in California worth approximately \$50 million. A total of thirty-two Canadian manufacturers responded to the study; fourteen of these companies appear to have sold products in California during 1981 but only five companies reported sales, which totalled approximately \$1 million. Based on Canada's total share of the U.S. market for imported packaging machinery, Canada should be selling a minimum of \$5 million per annum in California. Allowing conservatively for sales made by respondents who did not supply totals, it appears that Canada could currently be selling approximately \$2 million packaging machinery in California.

During the course of this study, we interviewed sixty manufacturing companies. The interviews were designed to cover a cross-section of California's industrial requirements in packaging. Approximately 16

percent of the companies we contacted mentioned that they currently use Canadian machinery or that they have Canadian equipment on order. Most companies who have purchased Canadian machinery are happy with it's performance. As we have seen in an earlier section, most companies interviewed are quite receptive to Canadian machinery. It is apparent, therefore, that Canadian companies could increase their sales in California.

We interviewed most machinery distributors and manufacturers' representatives currently operating in the market areas and included a sampling of the Pacific Northwest. Forty-eight percent of the distributors we interviewed were aware of Canadian packaging machinery; most distributors knew one or two Canadian companies by name, and forty-three percent of these distributors have either worked with, attempted to work with, or are working with Canadian manufacturers. We feel there is clear evidence that Canadian manufacturers can sell more machine types on the West Coast than they currently sell, provided they are prepared to increase the level of their marketing efforts. Most distributors who have worked with Canadian companies have developed a high degree of respect and confidence for Canadian companies and their products generally.

## 8.0 PRICING PRODUCTS FOR CALIFORNIA AND THE WEST COAST

During the course of the study we discussed pricing with a wide variety of potential customers, distributors, and other industry sources. During these discussions we were assessing the need for competitiveness and the best methods of pricing machinery for the market. The salient facts which emerged were:-

- Wherever possible, packaging machinery should be quoted at an all inclusive price. Pricing should include: all brokers' costs, customs duty, and any other contributory costs, wherever possible. Agents', distributors' or sales representatives' commission should be included.
- Prices should be quoted in U.S. dollars as a matter of standard practice.
- Time spent on investigating freight costs will be time well spent and will show the customer that the Canadian manufacturer is making a serious committment to the new market.
- A large percentage of the packaging machinery market involves custom-making or adapting standard machines. It may sometimes be difficult to assess freight costs and duty until a machine is completed and ready for shipment. In these cases, we advise Canadian manufacturers to provide a freight estimate and to arrange for freight to be invoiced separately to the purchaser. In our opinion, manufacturers, their agents or distributors are well advised, in these cases, to handle freight costs themselves. As explained

earlier, the question of ownership in transit is simplified and a possible friction point is removed between supplier and customer.

- Manufacturers will find the section on freight and the data in the Appendix useful as a general guide to minimize freight costing.
- Manufacturers should be prepared to include a 20 to 25 percent margin for distributors, possibly more in the early stages.
- Small standard machines are generally paid for in full on submission of the manufacturer's invoice. Manufacturers will find that payments for large, higher-priced machines are spread over a period of time. A typical payment arrangement consists of a 30 percent deposit with the placement of an order, 30 percent payment on receipt of the equipment, and the balance is usually paid between thirty and ninety days after delivery.
- Discussions with industry indicated that competitiveness in pricing is mainly a key issue where small standardized machines are concerned, but that it is not usually a major factor for the more expensive, heavy duty line packaging machinery which is produced by most of the Canadian manufacturers who responded to this study.

## 9.0 PROMOTIONAL METHODS

The two main avenues to product promotion used by the packaging machinery manufacturing industry in the U.S. are trade shows and magazine advertising. Most manufacturers, distributors, and other selling organizations belong to one or more trade associations and sometimes, a professional technical association as well.

During the study, we discussed the relative merits of the various promotional avenues that are open to Canadian machinery manufacturers with selling organizations, trade show organizers, trade publications, and other industry sources.

### 9.1 TRADE SHOWS

Most manufacturing industries in the U.S. hold a trade show which is specifically designed to act as a selling forum for that particular industry. The packaging machinery industry is no exception. There are two major trade events specifically designed for packagers; both shows feature machinery and materials.

#### Pack Expo (The International Packaging Week, Chicago):

Pack Expo is organized by the Packaging Machinery Manufacturers Institute. The show is recognized as a leading international meeting for the packaging industry and is held in Chicago's McCormick Place every second year during even numbered years. The show is generally held in late October or early November. This year's show will take place from November 15-19th.

Pack Expo is organized on a broad base and is designed to show the widest possible range of materials, machinery, systems, and services.

The show organizers predict that there will be six hundred exhibitors showing more than three thousand five hundred machines at this year's show and that attendance will increase by ten percent over the 1980 show. Organizers claim that attendance is virtually compulsory for key production personnel from a wide range of U.S. manufacturing industries. We were interested to note that only an estimated four percent of the attendees in 1980 were from the Western U.S., whilst eighty-five percent came from the Eastern U.S., and eleven percent of the attendees were international visitors. These attendance figures contrast strongly with the figures from the West Pack Show which is held in Anaheim, California. Our interviews with California distributors showed that most attend Pack Expo regularly and made it clear that the exposition is a must for Canadian companies who are planning to sell to the entire U.S. market. However, exhibitors may not get a great deal of exposure to California based manufacturers.

Pack Expo is open to all manufacturers on a first-come basis and bookings are usually heavy. Fifteen Canadian companies exhibited at Pack Expo in 1980; they were not all respondents to this study. Full address details for the show management together with comparative figures for Pack Expo and West Pack are given in the Appendix.

Western Packaging Exposition 1983 (West Pack Show, Anaheim, California):

The West Pack Show is sponsored by the Western Packaging Association. Details

of show management are given in the Appendix. West Pack is held bi-annually during odd numbered years. The "odd year" concept was adopted to minimize competition with the PMMI show in Chicago. Like the Chicago show, West Pack is a broad base show which features machinery as well as materials and services. We discussed the show with manufacturers and sales organizations we contacted during the study and were told that West Pack is highly regarded on the West Coast, and enjoying a growing national and international reputation. The show, which is held at Anaheim, California, is a focal point for buyers in the entire Pacific Basin who wish to become familiar with North American Technology. West Pack is already attracting a growing number of international visitors. Despite the fact that West Pack only occupies a third of the space of Pack Expo, it attracted half the total number of attendees at the 1981 show. Thirty-three percent of West Pack's attendance was drawn from the West Coast, while a surprising sixty-seven percent came from the Eastern U.S. Clearly, Canadian manufacturers should seriously consider this show if they intend to market in the Western U.S. Three Canadian companies exhibited at the last West Pack in 1981.

#### Additional Shows:

There are a number of other shows which are held regularly in the U.S. and which feature packaging for specific industries. These include the National Plastics Exhibition, the Cosmo Expo (cosmetics), and the Food and Dairy Expo. In fact, most industries in the U.S. regularly hold meetings and trade shows. Consequently, a Canadian manufacturer who

wishes to pursue a specific industry with his products can readily locate an appropriate trade gathering for promotional purposes.

## 9.2 TRADE PUBLICATIONS

The packaging industry is inundated with a wide variety of general and specialist publications. The C.H. Kline "Guide to the Packaging Industry" lists thirty U.S. publications and twenty-six foreign publications together with twenty directories which provide information on various aspects of the industry. In addition, the industry publishes a large number of purely technical publications of all kinds. We provide, in the Appendix, an abbreviated list of publications which we feel are most appropriate to the subject of the study. However, during the course of the study, the following publications were mentioned most frequently by the companies we interviewed.

### Good Packaging Magazine:

Good Packaging is published in California and is the West Coast's own trade magazine for packagers. Mr. Kenneth O. Deane, the advertising director, knows the West Coast packaging scene intimately and is interested in helping Canadian manufacturers. Mr. Deane sees a substantial market for Canadian machinery in California provided distribution is handled properly. Good Packaging is prepared to assist manufacturers with editorial. Distributors handling Canadian machinery in the State regularly advertise in the magazine, which is published monthly. Good Packaging is a general news magazine and also regularly reports new technical advances.

### Packaging Digest:

Packaging Digest is published monthly in Chicago and is distributed free to qualified industry personnel. The magazine staff stressed that Packaging Digest is primarily concerned with reporting new packaging technology and is not a news magazine. Packaging Digest is widely read by the packaging community and was mentioned by all distributors we contacted in California. The magazine does feature new products in its editorial. A number of Canadian companies advertise regularly in the publication.

### Package Engineering:

Package Engineering is published monthly and is available on subscription. The magazine publishes a "Buyers Guide" in October and an annual encyclopedia in March. The encyclopedia is a standard reference work on packaging techniques and machinery, and is updated every year. Package Engineering now incorporates Modern Packaging Magazine.

### C.H. Kline Guide to the Packaging Industry:

The Kline Guide is published every four years; it provides an excellent economic background to the packaging industry but does not contain much information on machinery. Manufacturers will find the "Guide" indispensable as a reference of leading material producers and converters in the U.S. Additionally, Kline is very knowledgeable on U.S. and foreign associations, institutes, and publications.

### 9.3 TRADE ASSOCIATIONS

Most distributors we contacted feel that it is necessary to belong to at least one trade association and possibly a professional technical association as well. They expressed the view that membership in a trade association, with its regular meetings, keeps them in touch with the industry and up to date with current trends. Trade associations can be useful in providing lobbying support for political action. Membership of a professional technical association, on the other hand, is not as useful in a tangible way but the professionalism that membership implies can be a useful aid in making sales and as a measure of professional standing and recognition in the industry. The associations which were most often discussed during the study are mentioned briefly below; details of others are given in the Appendix.

#### The Western Packaging Association:

The Western Packaging Association is the leading packaging trade association operating in the Western U.S. The Association is still expanding its membership and recently added a new chapter for Washington State, in Seattle. Most California machinery manufacturers and other distributors are represented on the Association, which is open to Canadians. The Western Packaging Association is the sponsoring body for the West Pack Show. The Association is extremely active in promoting packaging educational programmes and has been instrumental in the establishment of two packaging faculties at leading California State universities. We recommend Canadian packaging machinery manufacturers should join the Association.

The Packaging Machinery Manufacturers Institute:

The Institute is the leading packaging machinery manufacturers association in the U.S. There are currently one hundred and seventy-eight members in the Institute. The PMMI's members are generally regarded as the U.S. industry's leaders, although there are a number of substantial manufacturers who do not belong to the Institute. PMMI membership is not open to Canadian manufacturers unless they apply through an American subsidiary. The PMMI is a voluntary, non-profit organization which aims to solve industry problems and improve communication. The Institute is one of the five sponsors of the Chicago PMMI show and publishes a comprehensive annual membership directory.

The Packaging Institute, U.S.A.

The Institute is the leading technical group in the packaging industry and is primarily concerned with the industry's technical and economic problems. The Institute has a membership of about four hundred and fifty companies and two thousand five hundred professional individuals. Mrs. Boyle, the Executive Director, advised that the Institute operates through seventeen local chapters with two on the West Coast, one of which is in Los Angeles. The Packaging Institute is not associated with the Western Packaging Association although the two bodies do co-operate over the West Pack Show. Membership in the Institute is open to all qualifying professional personnel.

Details of several other leading magazines are given in the Appendix.

#### 9.4 SEMINARS AND OTHER PROMOTIONAL METHODS

Canadian manufacturers will find that there are opportunities for them to participate or hold seminars on new or improved techniques. Most trade associations and professional bodies are concerned with keeping their members in touch with current trends and techniques, and encourage open discussions with guest speakers at their routine functions. Canadian manufacturers will find the Western Packaging Association ready to assist with any worthwhile programme they may consider.

Promotional films are readily accepted as an excellent sales tool. Canadian manufacturers should consider the possibility of demonstrating their machines by this means. The Western Packaging Association is currently producing a promotional film for its members. The proceeds are being used to further the Association's educational programme. Members were asked to make a donation in return for a limited amount of screen time.

#### 9.5 MANUFACTURERS' LITERATURE

We cannot over emphasize the importance of good quality, descriptive manufacturers' literature, which is periodically updated for accuracy and distributed widely in the market on a regular basis. During the course of the study, we examined considerable amounts of literature from both Canadian and U.S. manufacturers. The Canadian literature is generally of excellent quality. We were interested to note that one Canadian manufacturer produced his literature in Spanish, as well as English and French; a good move for the Southwestern U.S.

## Export Procedures & Shipping

### 10.0 DOCUMENTATION AND GENERAL EXPORT INFORMATION

Canadian exporters require market access information which falls into two basic categories: customs and non-customs. Customs information covers subjects such as documentation, tariff classification rates, and valuation for duty. Non-customs information relates to other U.S. laws which affect imports and are concerned with such things as consumer product safety, environmental protection, and so on. Information on both these questions may be obtained from the U.S. Tariff Affairs Division of the Office of Trade Relations with Western Hemisphere Countries, Department of External Affairs, in Ottawa. (Phone number (613)996-5471). The same information is also obtainable from U.S. customs brokers or U.S. Customs. However, we recommend that Canadian manufacturers who are intending to export should discuss these questions with the Office of Trade Relations first. Specialists from the Office will obtain binding classification rulings from U.S. customs officials in Washington D.C. or New York, N.Y. These binding rulings establish the firm duty rate for pricing purposes to interior parts of the U.S.

#### Tariff Classification (Rate):

All packaging machinery entering the U.S. is subject to U.S. Customs Regulations. The rates of duty applicable to various types of packaging machinery and systems are varied. Tariff treatments applicable to merchandise imported into the U.S. are outlined in the Tariff Schedules of the United States (TSUS). The TSUS includes descriptions of commodities accompanied by their respective rates of duty. Copies of the

relevant pages from the current (1982) TSUS, as they apply to the machinery covered in this study, are shown in the Appendix.

Generally packaging machinery is classified under U.S. tariff items Nos. 662.10, 662.15, 662.18, and 66.20. Appended 1982 duty rates for these tariff items are 4.4%, 6.4%, 1.4%, and 4.8% respectively. Readers should note that machine and system components often attract a different tariff classification than a single complete machine. This is particularly the case where a machine (system) consists of a number of separate parts which do not share a common base. For example, lifting, handling, loading or unloading equipment, or conveyor portions of a machine (system) are covered by tariff item No. 664.10, which has a duty rate of 3.9%.

#### Valuation for Duty:

The base of valuation for duty is normally the transaction price between the Canadian seller and the U.S. purchaser. However, in some cases where the companies transacting business are related, the value for duty purposes may be different than the actual transaction price. In addition, components of U.S. origin incorporated into Canadian machines may be deducted sometimes from the value for duty under U.S. tariff item No. 807.00

#### Invoicing for U.S. Customs:

U.S. Customs does not require a special form of customs invoice. However, there are information requirements that must be completed

on commercial invoices. Exporters should check with U.S. Customs or a U.S. Customs broker to ensure that these requirements are fulfilled.

Marking of Country of Origin:

Unless specifically exempt from marking, every imported article must be legibly and conspicuously marked with the English name of the article's country of origin. The object of this requirement is to indicate to the ultimate purchaser where the article was manufactured.

Canada Customs Entry Form B-13:

All commercial export shipments to the United States must be accompanied by a Canada Customs Entry Form B-13. This form is essential for Canadian manufacturers since it identifies the goods that have been exported and if necessary allows them to be returned to Canada, (in the case of machinery, should repairs or alterations be necessary) without duty payments.

The Customs Broker:

Arrangements must be made to clear each shipment through U.S. Customs at a customs port of entry. Shipments may be cleared at the border or bonded on to an interior port in the U.S. for later clearance. Each shipment must be cleared by a licensed customs broker. It is important that the Canadian exporter instructs his transportation

company to surrender accompanying documents for customs clearance to a specific broker. This can be done either at the border entry port or at an interior port. If it is not done, the carrier is free to choose his own broker, which can present problems. In our opinion, it is desirable to clear all shipments as close to the border as possible. This will ensure that the shipment is released rapidly under the "immediate delivery system" which is primarily used at land border crossings to avoid unnecessary delays in delivery. The system also enables the exporter to exercise maximum control over the merchandise.

Canadian exporters should choose their customs broker with care. A close relationship with the right brokerage house is the best way to ensure smooth, speedy clearance and subsequent delivery. We advise exporters to discuss their programme with several brokers and compare the advantages offered before selecting. Brokers' costs can vary considerably depending on the relationship Canadian manufacturers establish with the brokers they choose. We believe that road shipments from Canada are best cleared by brokers operating at the border; as a general rule brokers who staff offices at all major Canada/USA land borders strive to maintain close ties with their Canadian clients. If landed prices have been quoted and transactions are to be profitable, it is essential that the question of brokerage fees, tariff classification, and delivery instructions have been settled in advance wherever possible. A typical broker's price list for customs transactions is shown in the Appendix.

## 11.0 TRANSPORT AND SHIPPING TO THE MARKET

Packaging machinery distributors, manufacturers, and manufacturer end-users interviewed during the study discussed transport of machinery to the California market and how they dealt with, or were involved with, transporting equipment from interstate and abroad. The general opinion from all sources is that although there are problems to overcome, the cost of transporting machinery from Canada, or from any other source, is not a serious impediment to business. California distributors and manufacturer end-users are usually familiar with import procedures. Long distance freight charges, particularly in the packaging machinery industry, are accepted as a necessary fact.

California distributors are divided in their methods of handling shipping arrangements. Sometimes, distributors handle the entire transaction, including freight; this seems to be the case with smaller machines. Freight costs for medium to large size machines are often covered by the manufacturer of the machine and invoiced directly to the purchasing company. One distributor commented that there is a definite trend now to supply the customer with a delivered price, including duty, freight, broker's fees, and other incidental handling charges.

### 11.1 FREIGHT METHODS

The following methods are available for Canadian manufacturers. Selection of the method to be used will depend on the supplier and his customers' specific delivery requirements

Common Carriers--California distributors and manufacturer end-users generally use common carrier when importing machinery from the East unless the machine is sufficiently large and specialized to warrant it's own truck or the services of a heavy haulage specialist. Common carriers' rates are between \$20.00 and \$22.00 per 100lb. weight from Eastern Canada to a midwestern U.S. transshipment point, such as Chicago, and around \$20.00 per 100lb. weight from the transshipment point to the West Coast. The quoted prices are for crated machinery. Common carriers' rates can reduce when goods are classified to fit preferential freight tariff classifications. Examples of rates from common carriers are:-

- A 3,000lb. machine being transported from Montreal via New York and Detroit to Los Angeles would cost \$1,574.60 (\$52.48 per 100lb. weight).
- The same machine being transported from Toronto via Detroit to Los Angeles would cost \$1,209.00 (\$40.30 per 100lb. weight)
- A 30,000lb. (minimum weight) machine or combination of machines being transported from Montreal via New York and Detroit to Los Angeles would cost \$4,694.40 (\$15.64 per 100lb. weight).
- The same combination from Toronto via Detroit to Los Angeles would cost \$4,209.00 (\$14.03 per 100lb. weight).

Independent Truckers--Back-hauling by an independent trucker from Detroit to Los Angeles costs around \$2,400.00 for a truck and trailer load. There

is no specific price consideration for weight provided the weight is kept within statutory limitations. This method can represent a considerable saving over common carriers' rates. Back-hauling may not always be a reliable method since trucks may not be available when required. It is possible to arrange for back-hauling by independent truckers from most major Eastern Canadian cities but since regular scheduled freight services are not available, it is necessary to check with independent truckers or their brokers in each case.

Heavy Haulage Specialists--There are a number of heavy haulage specialists operating in the U.S. and Canada who are able to save substantial amounts on freight costs, provided their minimum weight requirements can be met. For example, Canadian Machinery Movers are heavy haulage specialists who are capable of handling the most difficult loads. Savings by using heavy haulage specialists can be as high as 60 percent over common carriers' rates.

Freight Consolidators--Very few of the distributors we talked to use freight consolidators. We mentioned the Los Angeles Machinery Distributors Association (LAMD), a freight consolidating association, to several California distributors and they were very interested in the concept. The LAMD is a non-profit making organization established to reduce freight costs on all types of machines.

LAMD estimates it saves it's members 25 percent to 30 percent on regular freight costs. The association ships to San Francisco and San Diego as

well as Los Angeles and can arrange collection of machinery from all Canadian industrial centers. LAMD quoted \$874.20 (\$29.00 per 100lb. weight) to ship a crated machine weighing 3,000lbs. from Toronto to Los Angeles, on a door-to-door basis. Membership is open to Canadian machinery manufacturers. Details of the association together with information on the other recommended freight methods are given in the Appendix.

## Conclusions

## 12.0 MARKET STRATEGIES

This study has demonstrated that there are a number of worthwhile markets for packaging machine manufacturers in California. It would be simplistic to suggest that there is one easy solution to the question of successful marketing in California. At the same time, any good marketing strategy must have ample capacity built in for improvisation as changing market conditions and field market work dictate. With these thoughts in mind, we have provided two basic marketing strategies designed for the range of packaging machinery equipment and systems contained in the brief for this study.

Distributors in all parts of the market area have expressed interest in most products which are included in this study. Canadian manufacturers need to identify exactly where their machines fit into the California market. The most straight-forward marketing approach which will allow Canadian manufacturers to approach the California market at a low cost outlay contains the following elements:-

- Manufacturers should mail literature to distributors who have expressed interest. We have provided a list of distributors' preferences; this list will be given to the Department of External Affairs for distribution to manufacturers. Follow-up discussion should clarify the interest level.
- Canadian companies may also be interested in contacting manufacturer-end-users who have expressed interest. The names of companies and contacts can be obtained from section 4.0.

- Manufacturers should visit the market area and spent time with a short list of potential distributors before making a selection. It is necessary to realize that a considerable amount of selling time can be wasted if the wrong selection is made.
- We recommend selecting a distributor who handles a manageable range of other products. In the case of packaging machinery, an adequate technical background will be essential for distributors or representatives.
- Most distributors or representatives have been established for some time and will readily give manufacturers an idea of their preferred methods of doing business. Canadian manufacturers should be prepared to be flexible, particularly in the early stages.
- Canadian manufacturers should budget realistically for the cost of establishing and supporting their marketing operation in California. Budgets should contain funds for regular marketing, service, and technical trips to the area, designed to support distributors. The cost of providing regular communication and for stocking certain spares and parts should also be considered.
- An excellent way of securing distributors' or representatives' fullest attention is to offer pre-sales incentives in the form of limited funds for promotional activities.
- Canadian manufacturers should also be prepared to take space in the West Pack Show in co-operation with their distributors.

- Manufacturers should be prepared to handle the question of freight in a variety of ways although, in our opinion, it is always better to quote fully delivered prices.
- Freight costs can be minimized provided some effort is put into investigation.

It is our opinion that a market strategy of this kind, if followed carefully, will result in sales. The level of sales will of course be determined by the marketing effort provided by the distributor or selling organization in the market area. After talking to a considerable number of selling organizations, we are convinced that there are more effective marketing alternatives available, if consistent sales are to be achieved.

#### Canadian Representation in the Marketplace:

Considering the relatively low volume of business claimed by the majority of California distributors, the most viable concept could be for Canadian manufacturers to consider, either individually or collectively, establishing a suitable marketing office in the market area. Such an office could perform the function of regional distributor. The office could also act as technical advisor and operating link between the plant in Canada and the market in California. Where individual action is not practical, it may be feasible for four or five companies, whose products are complimentary, to form a consortium to market their products jointly. We feel this method

may provide better results than a single company acting individually is able to achieve.

It is our opinion and the opinion of many industry sources we consulted that a California based marketing organization will more readily be able to perform the task of selecting the appropriate distributor for individual machines or ranges of machinery. The fact that there is such an arrangement will provide distributors with suitable reassurance of the manufacturer's backing and increase potential sales substantially. Far more sales could be made over any given period. Some of the advantages of operating a marketing office are:

- It is possible to monitor the activities of distributors or other selling organizations effectively and to call on them regularly. Regularly scheduled marketing visits will assist distributors in their selling activities. Technical assistance can be close to hand when they require it.
- It is possible for the Canadian company to replace ineffective distributors quickly and minimize sales loss. At the same time, it will be possible to foresee the need to increase the number of distributors in some instances.
- Customers will respond to the Canadian presence in the market; increased sales will result from the knowledge that the parent company is taking the market seriously. A marketing office can also simplify the question of stocking spares and service.

- Opening a marketing office in the sales territory may be the first step towards a fully integrated company-operated selling programme. Canadian manufacturers will have the option of deciding this at a later date in the light of the full market knowledge they will then possess.
- Considering the size and importance of the West Coast market, we advise Canadian companies to restrict their marketing efforts to selected areas in the U.S.

### 13.0 SUMMARY

We have determined that California is a leading national machinery producer in the United States and is particularly strong in the production of food processing machinery, general industrial machinery, and packaging machinery. Many of California's leading packaging machinery manufacturers are nationally and internationally export oriented. It is not unusual for a manufacturer to export up to seventy percent of his annual production.

We estimate that the California market for imported packaging machinery is in the vicinity of \$50 million a year. Most major U.S. manufacturers, several Canadian manufacturers, and a large number of international manufacturers are competing for orders in the State, with varying degrees of success.

Although Canada enjoys a nine percent share of the total U.S. import market for packaging machinery, Canada's shipments to California appear to be substantially less than her U.S. average. There are several reasons for this. Canadian packaging machinery production is located in the East, closer to Eastern U.S. markets than the West Coast market. In the last two years, European manufacturers, particularly the Italians and Germans have increased their U.S. and California market shares significantly. Distributors cited hard-hitting, well planned marketing programmes and the availability of sophisticated high speed machines as the reason for their success. This demand will continue to grow. At the same time, distributors pointed out that there is room in the market

for medium priced innovative machinery suitable for smaller and medium sized manufacturing industries in the State. There is a trend among the more technically minded distributors to offer complete packaging-line systems. Distributors who do not have access to a total system often sub-contract missing equipment to other manufacturers.

Research showed that most U.S. packaging machinery manufacturers, including those who manufacture in California, use outside distribution channels to sell their products. The term "distributor" is widely used in California; however, most selling organizations calling themselves distributors are usually sales representatives or agents. Canadian manufacturers will find that Californian distributors are interested in learning more about Canadian products, which generally have an excellent reputation in the marketplace. Distributor interviews included in this report will prove useful in assisting Canadian manufacturers to assess distributors' attitudes and the range of products they sell. Although distributors primarily expressed interest in machinery which related specifically to their existing product ranges, there was sufficient interest expressed to indicate that most machine types included in this study have selling potential in the State's machinery market.

The main prospects for Canadian machinery sales are initially concentrated in California's large and diversified food manufacturing industry. Distributors and other industry sources state that the wine industry and certain segments of the agricultural industry will be major growth areas for the next decade. California's food industries spent \$614.7 million

on new plant and equipment in 1978, which is the latest fully recorded year. The pharmaceutical, drug, cosmetic, and chemical related industries also offer excellent prospects. Aerospace and electronics could prove worthwhile customers for packaging machinery manufacturers who are prepared to spend time and effort in research and development for these industries' specific requirements.

Sixty percent of all California's manufacturing is produced in Southern California and centered on or around Los Angeles. Manufacturers who find it necessary to restrict their initial marketing in the State should concentrate their efforts in the Los Angeles area. Ideally, manufacturers should work with distributors located in both Los Angeles and San Francisco; each of these two markets has it's own distinct character and potential.

During the course of the study, we contacted a wide variety of manufacturers who are potential Canadian customers. Most of these manufacturers have an open mind on imported machinery. Their main concern is that deliveries and service should be adequate and that spare parts should be readily available.

Research indicated that costs added by freight and duty will not seriously affect the selling chances of most Canadian packaging machinery covered by this study. The need to be extremely price competitive is an important factor for small, standard machines, but is not as critical in cases where machinery is custom-adapted to suit customers' individual requirements. Distributors indicated that innovation and cost efficiencies are usually more important than price in the case of larger machines.

## 14.0 CONCLUSIONS

The State of California and the West Coast region offer Canadian packaging machinery manufacturers excellent marketing prospects. Opportunities exist for Canadian sales in each of the three categories outlined at the beginning of this report. The categories are:- sales of individual machines, sales of packaging systems, and sales opportunities for machine parts and technology.

Despite the effects of the current recession in the U.S., California manufacturers are continuing to purchase new or replacement packaging equipment. Both distributors and economists predict that the market for packaging equipment will continue to grow in most manufacturing sectors.

Market areas and manufacturer-end-user industries are clearly defined in the report. Manufacturers are aware of the need to remain competitive and cost efficient when planning plant expansion; both small and large manufacturers are constantly evaluating machinery and systems. Many larger manufacturers respond to companies who can offer technical assistance with complete line-systems, whilst smaller manufacturers are often influenced by selling organizations specializing in individual machines. Fast, dependable service is essential.

In order to maximize sales potential, Canadian manufacturers need to identify the most effective distributors for their particular type of machinery. Most distributors expressed interest in Canadian products and several could be interested in working with groups of manufacturers

to create complimentary systems. Once distributors have been appointed, Canadian manufacturers should be prepared to apply considerable effort in developing an effective selling relationship. In view of the complexity of the California market and the large number of distributors operating in the area, Canadian companies may find that their best course of action is to work with distributors through their own "on the spot" marketing. Canadian manufacturers wishing to sell components or technology will need to look outside the usual distribution channels for representation.

Computerized control and automation systems, lazer technology, castings, and electrical systems all have potential. Opportunities exist for packaging machinery that can effectively cut production costs. Form-fill-and-seal equipment, case handling and sealing equipment, and materials handling equipment appear to offer excellent prospects.

Canadians should be aware of their need to be competitive in technology and to maintain a high level of research and development to enable them to produce new and innovative machines. A lack of research and effective marketing will inevitably result in a loss of Canada's market share to other international suppliers on the U.S. market. It is apparent that the level of competition will continue to increase in the packaging machinery market.

In order to capitalize on the serious interest level that this study has created, Canadian manufacturers should seriously consider developing effective marketing strategies for the machinery market in California.

# Appendices

## APPENDIX "A"

### LIST OF CANADIAN MANUFACTURERS AND MACHINE TYPES IN STUDY

Abal Mfg.	Carton erectors, sealers, specialized carton handling systems, stock and custom made; automatic and semi-automatic.
Apec (Associated Packaging)	Contour roll feed labeller.
Arpeco	Auto & semi-auto slitters & re-winders, label printing equipment, bar code verifiers, high speed label inspectors.
Adhesive Application Systems	Adhesive application equipment for case and carton sealing. Guns, regulators, filters, and drum pumps.
Bonar Packaging	Thing Bagger, net weighing systems, extruded film & film technology, multi-wall bags, polypropylene shipping containers, roto-molded containers.
Caristrap	General purpose & specialist strapping machinery, auto and semi-auto. Fully integrated strapping system.
Dapak (Star Machines)	Filling & measuring machines for liquids & powders, advanced conveyor systems.
Emplex	Sealing systems for film or coated paper bags. Header making machine, continuous heat sealers.
Convay Systems	Case washing machinery, ultrasonic & turbo-spray cleaning machines for re-usable containers.
Fopac	Case packers and tray unloaders. Custom built machinery for beverage, tobacco, and pharmaceutical industries.

APPENDIX "A"

Haessler-DeWay	Auto & manual carton unloaders, custom built machines for problem areas.
Hauser	Auger fillers, pneumatic piston fillers, volumetric fillers for liquids, creams, and dry goods.
Ideal	Auto & manual sleeve wrappers, air flow shrink tunnels, newspaper wrappers, carton formers, tray formers, hosiery wrappers, & impulse sealers.
H.G.Kalish	Bottle fillers auto & semi-auto. Capsule & tablet handling machinery & inspection conveyors. Complete tablet packaging lines, turbo homogenizers.
Kramer & Grebe ( Tiromat)	Vacuum packaging machinery for the food industries. Blister packaging equipment, special gas flushing system for positive evacuation & increased shelf life of red meats.
Langen	Cartoners, high speed rotary placers, bottle packers. All equipment modular for expansion & automation.
Charles Lapierre	Liquid & piston fillers, pressure sensitive labellers, bottom labellers, newspaper labellers.
Lumonics/Lasermark	Laser marking & coding systems, code & lot marking for manufactured goods, food & beverages. Equipment capable of marking 800 units per minute.
Converttech	Rotary embossers, mini-coater, web compensators, tension controls for film & foil converting-including pressure sensitive materials. All equipment is modular.
Halton	Pallet stretch wrapping and materials handling equipment.

APPENDIX "A"

Longford	High speed portable feeders for printing industries, counters & batchers, Film efficient wrapping machines. All machines designed for multi-shift operation.
Montreal Milling Cutter	Lining & wadding machines, rotary indexers, cap & closer feeders, high speed feeders & sorters.
Muller	Pallet stretch wrapping machines for all configurations & materials including netting. Carpet wrapping machines.
Newmapak	Air cleaners, water rinsers, in-line gravity filling machines for the wine industry.
Pamco	Bagger tiers, weight baggers, auto & semi-auto.
Polmax	Can manufacturing equipment, tube winders & sealers. Stock or custom, manual or auto.
Pyramid	Wrap-around case packers, single & double tray packers, multi-tier casers, elevators, mechanical lane dividers, tight packing systems.
Sealcraft	Auto & manual label dispensers for office & factory use.
Scribgrafic	High quality rotary letterpresses with UV curing capacity. Machines originally designed for label makers but can be used extensively in the packaging industry.
Stackpole/Phin	Label applicator systems for regular & irregular applications, wrap-around labellers for a wide variety of industries, top-clipping machines.
Visualpak	Thermoforming, vacuum forming & blister forming machines. Roll die presses, molds, dies & jigs.

APPENDIX "A"Western Packaging  
SystemsCase sealers & erectors, special fast change  
features & ability to handle warped board.

Zeph Technologies

Timing screws, cams, stock, custom &amp; replacement.

APPENDIX "B" (Following page)PORTION OF STATISTICAL TABLES  
FOR CALIFORNIA INDUSTRY

TABLE 2.2(1)  
PACKING AND PACKAGING MACHINERY FOR FOOD AND NON FOOD PRODUCTS  
CONTAINED IN SIC NOS. 35514 AND 35691: 1977

SIC	Product	Quantity	Value (\$ millions)
35514 15)	Cartoning machinery	514	40.0
35691 01)	" "	1,750	-
35514 22)	Thermoforming machines		
35691 03)	" "		
35514 26)	Bag opening, filling, and closing		
35691 04)	machines	2,005	68.1
35514 28)	Forming-filling-sealing machinery		
35691 05)	" " "	943	100.0
35514 31)	Wrapping, banding, bundling, and		
35691 06)	fastening machines (including shrink wrappers & shrink tunnels)	14,964	130.3
35514 41)	Vacum and gas packaging machinery		
35691 07)	" " "		
35514 51)	Filling machinery including		
35691 08)	filling machinery which also cap, seal, lid, or close	1,328	78.6
35514 63)	Labelling & code making machinery		
35691 09)	" " "	813	63.7
35514 71)	Case forming, opening, loading,		
35691 11)	unloading, and sealing machinery	3,049	46.7
35514 81)	Capping, sealing, lidding		
35691 15)	machinery including can sealing machinery	299	19.0
35514 89)	Other, including beverage bottling		
35691 18)	carbonators and combinations of machinery classified in more than one of the above	-	222.0
35514 91)	Parts for bottling, packing, and		
	packaging machinery	-	101.5
35514 00)	Packing, packaging and bottling		
35691 00)	machinery for industrial food products, n.s.k.	-	61.6
Total.....			931.5

Source: Bureau of the Census, Census of Manufactures 1977

TABLE 3.5(1)

CALIFORNIA'S LEADING FARM PRODUCTS: NATIONAL RANKING, VALUE & EXPORTS 1980

Farm Product	Gross Cash Receipts (\$ millions)	% of State Total	National Ranking	State's % share of U.S. Production	% of Production exported internationally
Milk & Cream.....	1,771.3	12.8	2	10.7	n/a
Cattle & Calves.....	1,438.6	10.4	7	4.6	n/a
Cotton.....	1,389.3	10.0	2	n/a	79.0
Grapes.....	1,215.5	8.8	1	91.6	18.1
Hay.....	723.3	5.2	3	5.9	n/a
Nursery Products.....	498.0	3.6	1	18.7	n/a
Almonds.....	473.3	3.4	1	95.0	60.0
Rice.....	423.6	3.1	2	24.3	79.0
Flowers & Foliage....	398.9	2.9	1	22.5	n/a
Lettuce.....	382.5	2.8	1	74.4	5.1
Eggs.....	370.1	2.7	1	12.6	n/a
Wheat.....	357.9	2.6	12	3.6	78.0
Tomatoes (processing)	326.9	2.4	1	89.2	10.9
Chickens.....	229.1	1.7	8	4.7	6.9
Oranges.....	224.5	1.6	2	18.9	25.8
Strawberries.....	201.2	1.5	1	75.3	6.9
Sugar Beets.....	182.9	1.3	1	24.8	n/a
Turkeys.....	178.7	1.3	2	13.7	n/a
Peaches.....	176.4	1.3	1	66.4	9.6
Walnuts.....	168.3	1.2	1	95.0	30.8
Total: Top 20 Commodities.....	11,131.1	80.6	-	-	-
State Total.....	13,700.0	100.0	-	-	-

Source: California Agricultural Directory 1982-3, California Service Agency. Security Pacific Bank.

APPENDIX "C"PACKAGING MACHINERY DISTRIBUTORS NOT INCLUDED IN  
THE INTERVIEW SECTION:Los Angeles & San Diego

## J.W.LESSER CO.

4408 West Jefferson Blvd.,  
Los Angeles, CA 90016  
J.W.Lesser, President.

(213)731-4173

## DOUG MORRIS CO.

818 East Broadway,  
San Gabriel, CA 9177

(213)285-9941

## BERK PACKAGING

P.O.Box 2697,  
Newport Beach, CA 92663

(714)644-5183

## VISUALPAK BY CONTAINERCRAFT

8321 De Celis Place,  
Sepulveda, CA 91343

(213)875-0851

## INTERNATIONAL PAPER CO.

6150 Sheila,  
Los Angeles, CA 90040

(213)549-5525

## ROBERT MAYSE CO.

620 West Victoria,  
Montebello, CA 90640

(213)722-4834

APPENDIX "C"

## MODERN PACKAGING MACHINERY CO.

13926 Saticoy,  
Van Nuys, CA 91402

(213)782-8280

## NEWAY PACKAGING CORPORATION,

15000 South Avalon Blvd.,  
Gardena, CA 90248

(213)515-2232

## HUNTER EQUIPMENT CO.

1234 South La Brea Avenue,  
Los Angeles, CA 90019

(213)936-7291

## W.G.DURANT CORPORATION

466 Industrial Way,  
Placentia, CA 92670

(714)996-1172

## COATES WARNER CORPORATION.

15130 Ventura Blvd,  
Shreman Oaks, CA 91403

(213)783-6612

## AUTOMATIC PACKAGING MACHINERY CO.

851 East Walnut,  
Carson, CA 90746

(213)538-5076

## C.W.C, PACKAGING.

3151 Arlotte Avenue,  
Long Beach, CA 90808

(213)430-4977

San Francisco, San Jose, Santa Clara, and Oakland

## BERIC PACKAGING

2450 New Jersey Avenue,  
San Jose, CA 95124

(408)371-5173

APPENDIX "C"

## CARPENTER OFFUTT PAPER INC.

333 Oyster Point Blvd.,  
South San Francisco, CA 94080

(415)761-6000

## RALPH CHAFFEE CO.

1443 North Carolan Avenue,  
Burlingame, CA 94010

(415)347-1468

## COAST WIRE CO.

61 Bluxome Street,  
San Francisco, CA 94107

(415)986-1294

## PACKAGING AIDS CORPORATION.

469 Bryant Avenue,  
San Francisco, CA 94107

(415)362-9202

## TRIANGLE PACKAGING MACHINERY CO.

202 Calcita Drive,  
Santa Cruz, CA 95060

(408)426-5161

## V &amp; R ASSOCIATES

347 Seneca Avenue,  
San Francisco, CA 94112

(415)831-5550

## DON WILLIAMS EQUIPMENT CO.

620 Taylor Way,  
Bellmont, CA 94002

(415)591-0553

## NORDSON CORPORATION.

14764 Wicks Blvd.,  
San Leandro, CA 94577

(415)357-5863

APPENDIX "C"

## PACKAGING ASSOCIATES

33 Juniper Way,  
P.O.Box 12,  
Moraga, CA 94556

(415)932-6662

## STAR PACKAGING MACHINES

445 Pinewood Drive,  
San Rafael, CA 94903

(415)495-9111

## ROB STACK CO.

1025 98th Avenue,  
Oakland, CA 94603

(415)635-7702

## OTTEMAN'S PACKAGING DISTRIBUTORS

2402 North Walnut Road,  
Turlock, CA 95380

(209)668-1028

Portland & Seattle

## WESTERN FOOD EQUIPMENT CO.

1924 North East 181st Avenue,  
Portland, OR 97230

(503)666-4577

## FLEETLINE INC.

5015 South East Haigh,  
Portland, OR 97402

(503)777-1203

## L.F.R.KNUDSON CO.

8206 South 192nd,  
Kent, OR 97033

(206)251-1800

APPENDIX "C"

## MARKET SUPPLY CO INC.

600 South East Stark,  
Portland, OR 97214

(503)233-5191

MOUNTAIN PACIFIC MACHINERY  
Division of J.A.Kearns Co.

7100 South West Hampton, Suite 132,  
Portland, OR 97223

(503)639-7635

## C.K.MURPHY CO.

1260 Woodrow North East,  
Salem, OR 97303

(503)581-5425

## NORTHWEST PACKAGING

8425 South West Homewood Street,  
Portland, OR 97225

(503)292-4176

## PETER'S PACKAGING MACHINES INC.

17445 South West 63rd Avenue,  
Portland, OR 97219

(503)636-0646

## BIRKENWALD INC.

6000 6th Avenue South,  
Seattle, WA 98134

(206)763-1200

## DUNCAN EQUIPMENT CO.

506 Broadway,  
Seattle, WA 98122

(206)322-3838

## WESTERN FOOD EQUIPMENT

3918 148th North East,  
Seattle, WA 98155

(206)885-3073

APPENDIX "C"

FORMOST PACKAGING MACHINES INC.

19211 144th Avenue North East,  
Seattle, WA 98125

(206)483-9090

Note: One or two major machinery manufacturers are included in this list generally because they distribute other manufacturer's products in addition to their own. As previously discussed many major manufacturers maintain branch offices either in the marketing area or on the West Coast.

APPENDIX "D"CALIFORNIA PACKAGING MACHINERY MANUFACTURERS:Accuseal Corporation,

4876 Santa Monica Blvd.,  
San Diego, CA 92107  
C.Fidmar, President.

(714)222-5353

Small company employing ten people, producing: Heat sealers, impulse sealers, bag loaders, shrink tunnels for plastic film.

Belco Engineering Inc.,

370 South Fair Oaks Avenue,  
Pasadena, CA 91105  
Paul E. Biber, President.

(213)681-1833

Belco employs twenty one people. The company produces: heat sealing equipment, blister and shrink equipment, and conveyor systems.

Aseeco Corporation.

8875 West Olympic Blvd.,  
Beverly Hills, CA 90211.  
Gordon Hyatt, Sales Manager.

(213)652-5760

Aseeco is a member of PMMI and a substantial company employing forty-five people. The company produces vibratory conveyor type distribution systems and operates all over the world. H.G.Kalish are their Canadian representatives. Mr Hyatt would be interested in reviewing Canadian products.

Avery Label

An Avery International Company.

777 East Foothill Blvd.,  
Azusa, CA 91702  
Chuck Prophet.

(213)969-3311

Avery operates a major plant at Azusa producing self adhesive labels, automatic labelling machines and label imprinters. Avery is a California based corporation employing around seven thousand people.

APPENDIX "D"B. & H. Manufacturing Company

3461 Roeding Road,  
Ceres, CA 95307  
Calvin E. Bright, President.

(209)537-5785

B.&H. produces food packaging machinery, rotary labelling machinery, can handling equipment, and wine packaging machinery. The company employs sixty people, is a member of PMMI and is represented in Canada by Tekpak Automated Systems in Toronto.

Biner Ellison Manufacturing Company

1101 North Main Street,  
Los Angeles, CA 90012  
E.S.Hunt, General Manager.

(213)225-8162

Biner Ellison is a member of the PMMI. The company produces machinery for aerosol filling, bottling, canning, capping, conveying, corking, cup filling, viscous and semi viscous liquid filling, labelling, and unscrambling. The company employs thirty five people; it's Canadian distributors are Nova Packaging Machinery in Montreal. Mr Hunt would be interested in looking at Canadian products. Biner Ellison do distribute Resina equipment (Brooklyn, New York) because they are tied up with that company.

Andrews Packaging Machinery Co.

346 C East Carson Street,  
Carson, CA 90745  
Mr Andrews.

(213)830-7480

Andrews Packaging produce net-weighing machines and overwrappers. The company's best selling line is a \$7000 net-weigher ( sales are 30-35 units per annum). Andrews sells all over the U.S. and has two salesmen. Mr Andrews is definitely interested in meeting Canadian manufacturers who require representation on the West Coast. He is primarily interested in strapping, labelling, and overwrapping equipment. The company exhibits at both West-Pack and the PMMI Show.

Decco Tiltbelt.

Division of Pennwalt Corp.

1713 South California Avenue,  
Monrovia, CA 91016  
Don Titus, Sales Manager.

(213)358-1838

Company produces machinery for fruit and vegetable handling and packing including waxing; is not a member of the PMMI. Might be interested in looking at Canadian equipment if it has a bearing on fruit and vegetables.

APPENDIX "D"Elliott Manufacturing Co. Inc.,

2664 South Cherry Avenue,  
Fresno, CA 93772  
Carroll E. Cole, President.

(209)233-6235

Elliott produces predominantly case handling equipment including: case erectors, and glueing equipment; fresh and dried fruit packaging machinery, pasteurizers and coolers, and some custom machinery. The company belongs to the PMMI, employs eighty people and is represented in Canada by the Package Machinery Company of Canada Ltd. in Brampton, Ontario.

Chase Industries

222 North Lagune Avenue,  
Wilmington, CA 90744  
Arthur Brazlow, President

(213)775-1037

Mr Brazlow's company produces custom "L" sealers and shrink tunnels. Chase ships product mainly to northern California but also to Mexico and occasionally to Canada. The company's products are either sold direct or through Zellerbach or Blake Moffit and Towne. Mr Brazlow is interested in information on high quality small gear motors and conveyor bearings of all qualities. He is also interested in transformers. Much of the electrical equipment he buys is French.

S.V.Dice Designers

19211 San Jose Avenue,  
City of Industry, CA 91744

(213)964-0289

Dice Designers specialise in producing custom made automatic and semi-automatic case packers, case erectors, and case sealers. The company has worked with the Edson company and A.B.C. Packaging. Mr Virgil Dice would be interested in finding a Canadian representative but feels that selling in Canada could prove difficult.

Fairchild's Inc.

7314 Laurel Canyon Blvd.,  
North Hollywood, CA 91605  
Arthur Bailey, Vice President, Manufacturing.

(213)982-5300

Fairchild's specialize in producing packaging machinery for pharmaceuticals cosmetics, and foods particularly: accumulating, bottle cleaning, capping, and counting devices. Mr Bailey advised that the company sells the bulk of it's machines out of state and that 60%-70% of production is sold in New York.

APPENDIX "D"Spray & Flow Dynamics,

Division of Parway Manufacturing Co.

2400 Pacific West Coast Highway,  
Newport Beach, CA 92663  
Dick Naess, Executive Vice President.

(714)645-3670

FlowDynamics produces container indexing and conveying systems. The company employs twenty five people.

Franklin Electric

6677 East 26th Street,  
Los Angeles, CA 90040  
Thomas P. Christino, Marketing Manager.

(213)722-7787

Regional Sales Office for Franklin Electric, no manufacturing at this location. Franklin Electric's main manufacturing facility is located in Levittown, Pennsylvania.

Hayssen Manufacturing Company

520 South El Camino Real,  
San Mateo, CA 94402

(415)342-1454

Regional sales office, no manufacturing at this location.

Icore Division,

Accurex Corporation.

485 Clyde Avenue,  
Mountain View, CA 94042  
Robert Bellas, Director of Marketing.

(415)964-3200

Icore produces checkweighers, weight classifiers, weight control systems, channelizers, metal detectors, label inspectors, fill height detectors, and thickness monitoring and control systems. The company is a member of the PMMI and employs two hundred and fifty people. Icore's Canadian representatives are Packaging Equipment Svc. in Don Mills, Ontario.

Jetstream Systems Company

3486 Investment Blvd.,  
Hayward, CA 94540  
Duane J. Henne, Manager Packaging Equipment.

(415)785-9360

Jetstream produces air film conveying systems, is a member of the PMMI and employs fifty people. Jetstream's Canadian representatives are Major Packaging Machinery Ltd. Scarborough, Ontario.

APPENDIX "D"Label-Aire Inc.

3801 Artesia Blvd.,  
Fullerton, CA 92633  
Richard W. Riley, President

(714)994-5400

Label-Aire produces label-applicating, code verification, label counting, and re-winding equipment. The company is a member of the PMMI and employs forty five people. Label-Aire's Canadian representatives are NEECO in Burlington, Ontario.

M. Latter Manufacturing & Sales

3208 West Jefferson Blvd.,  
Los Angeles, CA 90018

(213)737-0440

Latter produces "L" sealers, Magnetic locks, Bar sealers, heat guns, and handles film supplies for shrink packaging.

Laub Engineering Corporation

622 South Palm Avenue,  
Alhambra, CA 91803  
Herman Laub, President.

(213)283-5617

Laub produces liquid fillers for chemicals and food, Can leak detectors, cappers and cap tighteners. The company employs twelve people.

Moen Industries,

12333 East Los Nietos Road,  
Santa Fe Springs, CA 90670  
Leonard E. Moen, President.

(213)945-3831

Moen manufacturers adhesive systems, case formers, and case sealers. The company is a member of the PMMI and employs forty five people. Moen does not have a Canadian representative.

Pak-Master Manufacturing Co.,  
Division of Paxall Inc.

31800 Hayman Street,  
Hayward, CA 94544  
Ernie Kelley, Sales & Marketing Manager.

(415)489-3900

Pak-Master produces wrap-around case and tray packers and flexographic printers. Mr Kelley is interested in looking at prospects from Canada; specifically machines which would logically sell with their own systems. The company is representing a palletizing equipment manufacturer from the eastern U.S. Pakmaster are members of the PMMI, the company's Canadian representatives are Chisholm Machinery Sales in

APPENDIX "D"

Pak-Master Continued.

Niagara, Canada

Parsons Packaging Systems

1331 Eighth Street,  
Berkley, CA 94710

(415)524-3463

John M. Johnston, Director of Marketing.

Parsons produces automatic weighing and unit packaging systems, fillers for dry goods, bag weighers, can fillers, conveying and case forming systems. The company is a member of the PMMI and employs one hundred people.

SWF Machinery Inc.,

A division of South West Forest Industries.

1324 Academy Avenue,  
Sanger, CA 93657

(209)875-2545

Brent L. Parker, Director of Sales.

SWF produces carton forming and set up equipment primarily for corrugated board, tray closing and forming equipment, and adhesive systems. The company is a member of the PMMI and employs one hundred people. SWF handles it's international sales directly from it's home office.

Simplex Filler Co

3450 Arden Road,  
Hayward, CA 94545

(415)785-8010

George D. Lydixsen, President,

Simplex produces piston and pressure fillers, canning and bottling equipment, air cleaners, accumulators, and un-scramblers. The company employs twenty six people and is a member of the PMMI. Simplex's Canadian representatives are Chisholm Machinery Sales Ltd., Niagara Falls, Canada.

Signode Corporation

1 Leslie Drive,  
Pittsburgh, CA 94565

(415)439-1005

F.J.Pumilia, Sales Manager.

The Signode corporation primarily produces nailing and strapping supplies but also produces strapping equipment.(steel strapping).

APPENDIX "D"Universal Machinery Corporation

8955 Fullbright Avenue,  
Chatsworth, CA 91311  
Steven Joice, Sales Manager.

(213)341-4105

Universal produces mainly machinery for converting flexible film. Machines manufactured include, automatic stackers, slit sealers, square-bottom bag makers, film re-processing equipment, web handling equipment, and custom built packaging machinery. Mr Joice is interested in reviewing compatible Canadian products. The company could be interested in some aspects of distribution.

Quality Vacuum Forming Machine Co.

12319 Telegraph Road,  
Santa Fe Springs, CA 90670  
Frank Hughes, President.

(213)944-0148

Quality vacuum forming manufactures skin packaging machines, blister sealers, shrinkwrap machines, thermoforming, and die cutters. Seventeen people are employed.

VanSco Products

2652 Lashbrooke Avenue,  
South El Monte, CA 91733  
Peter D. Van Loben Sels, President.

(213)448-7611

VanSco produces cold adhesive systems for corrugated case sealing, Hand held and automatic carton sealers, and palletizing equipment.

Hannan Products Corporation

220 North Smith Avenue,  
Corona, CA 91720  
H.H. Jenkins, President

(714)735-1587

Hannan Products manufacture skin packaging, vacuum forming, die cutting, and blister sealing equipment and supplies. The company employs thirty five people.

Olinger Co

111 East 16th Street,  
Costa Mesa, CA 92627  
Mr Olinger, President.

(714)631-1484

Olinger manufactures case unloaders, conveying systems, time testing equipment, and accumulating equipment. The company are California representatives for Crandall filling machines.

APPENDIX "D"New American Technology Inc.

115 North Market Place,  
Escondido, CA 92025

(714)743-0134

New American produces heat sealing equipment. The company is represented by Dale Fukamaki & Associates.

Dole James Corporation

1400 Industrial Way,  
Redwood City, CA 94064.  
H. Watters, General Manager.

(415)364-7440

Dole Produces aseptic canning systems and other no-packaging products. The company employs thirty five people.

Cherry Burrell,  
Division of Paxall Inc.

1161 Chess Drive, Suite B,  
Foster City, CA 94404  
M.R.Henew, Sales.

(415)574-2156

Cherry Burrell produces packaging and processing equipment mainly for the dairy industry. The company employs twenty people.

Currie Machinery Co.

1150 Washington Avenue,  
Santa Clara, CA 95050  
D.W.Currie, President.

(408)243-0402

Currie produces confectionery machinery, automatic canning equipment, and stackers and palletizers. The company is not a member of the PMMI and employs seventy five people.

C.M.Carpenter & Co Inc.,

543 South Raymond,  
Pasadena, CA 91105

(213)796-0155

The Carpenter Company manufactures it's own product but also acts as sales representative for a number of other companies. Carpenters produce a low priced hand-held stretch wrapper for palletizing. Mr Carpenter sells forty to fifty of these devices per year; He felt that his closest competitor is a Canadian company called Intrapack. Carpenters sell mainly to chemical companies and use two salesmen. Mr Carpenter knew of several Canadian packaging machinery manufacturers; he is

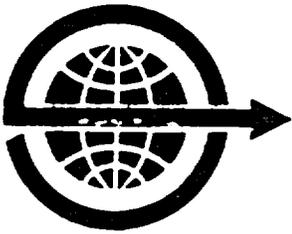
APPENDIX "D"

C.M.Carpenter Co. Continued

extremely interested in finding new lines to represent in the Western States. His main areas of interest are stretch wrapping equipment, form fill & seal equipment, and case packaging equipment. Carpenters show regularly at the West-Pack Show.

APPENDIX "E" ( on following page).

CUSTOMS BROKERS AND SERVICES QUOTATION



## C. J. TOWER & SONS CUSTOMHOUSE BROKERS

Please reply to File No R&E-Louch & Associates  
May 27, 1982

### Customs Agents For...

C P Rail  
Canadian National Railways  
Chesapeake & Ohio Railway Co.  
Grand Trunk Western Railroad Co.  
Consolidated Rail Corp.  
Toronto, Hamilton & Buffalo Ry. Co.  
Canada Coach Lines Ltd.  
Gray Coach Lines Ltd.  
Greyhound Lines Inc.  
American Airlines Inc.  
Eastern Air Lines Inc.  
U S Air, Inc.  
United Air Lines, Inc.  
Can. Freightways Eastern Ltd.  
Constable Transport Ltd.  
Direct Winters Transport Ltd.  
Dominion - Cons. Truck Lines Ltd.  
Doral Transport Co.  
Fruitbelt Trucking Inc.  
Husband Transport Limited  
Inter-City Truck Lines Ltd.  
Kingsway Transports Ltd.  
Marslin Transport Ltd.  
McKinlay Transport Ltd.  
Motorways (Ontario) Ltd.  
No. American Van Lines Can. Ltd.  
Overland Western Limited  
Quinn Truck Lines Ltd.  
Smith Transport Ltd  
Red Star Express Lines of Ont. Ltd.  
Zavit Bros. Ltd.

Serving Imports/Exports at  
Michigan and Niagara Frontiers...  
Air, Bus, Express, Rail, Ship, Truck  
FMC No. 738

### Offices to Serve You At...

Buffalo International Airport  
Buffalo, N.Y.

International Bridge  
Black Rock, N.Y.

Peace Bridge  
Buffalo, N.Y.

Lewiston-Queenston Bridge  
Lewiston, N.Y.

Rainbow Bridge  
Niagara Falls, N.Y.

Whirlpool Rapids Bridge  
Suspension Bridge, N.Y.

Ambassador Bridge  
Detroit, Mich.

City National Bank Building  
Detroit, Mich.

Detroit & Windsor Tunnel  
Detroit, Mich.

Blue Water Bridge  
Port Huron, Mich.

Mr. Peter Louch  
Louch & Associates  
1954 Parnell Avenue  
Los Angeles, CA 90025

Dear Mr. Louch:

We are writing in reference to our recent telephone conversation regarding your request that we provide you with a schedule of our brokerage charges. We are pleased to provide you with this information.

### General Merchandise

Value of Goods		
\$ 00.00 - 250.00		\$11.00
250.01 and over		14.00

Dutiable Merchandise Surcharge	\$ 1.50	for each \$100.00 or fraction of duty applicable.
--------------------------------	---------	---------------------------------------------------

<u>C.I.F. - F.O.B. Statistical Data</u>	\$ 1.25	per tariff classification valued over \$250.00.
-----------------------------------------	---------	-------------------------------------------------

### Bond Charge

A Customs bond is required prior to release of merchandise.

Immediate Delivery And Consumption Entry	\$ 1.25	per \$1000.00 or fraction of (duty paid) value, minimum \$7.50.
------------------------------------------	---------	-----------------------------------------------------------------

These fees are based on the assumption that all documents, etc., are furnished and only the normal detail in handling is involved. When special handling or other brokerage services are needed, appropriate charges are made.

You will note that our fees are tailored to the value of the goods allowing low valued shipments to be handled at reduced charges.



**C.J. TOWER & SONS**  
Louch & Associates

May 27, 1982

To insure that your shipments receive proper handling, please arrange to have the documents accompanying them marked with the notation:

"FOR CUSTOMS CLEARANCE BY C. J. TOWER & SONS,"

and an additional notation on the invoices:

"Duty, if any, and all charges are to be billed to (whomever is to be billed)."

We have office locations at Buffalo and Niagara Falls, New York, as well as Detroit and Port Huron, Michigan, open and operating 24 hours a day, 365 days a year, whenever Customs services are available. Enclosed is a brochure to provide you with additional information about us.

We trust that we have provided you with the information that you were seeking, and should you have any questions whatsoever, please do not hesitate to contact us.

Yours truly,

C. J. TOWER & SONS

*ERNEST M LEO*

Ernest M. Leo

EML:ks  
Att.

APPENDIX "E"CUSTOMS BROKERS:(Interviewed by Louch & Associates)

Norman G. Jensen Inc.

P.O.Box 1450,  
Blaine, WA 98230  
Peter L. Young

(206)332-8671

C.J.Tower & Son

128 Dearborn Street,  
Buffalo, NY 14207  
Ernest M. Leo

(716)874-1300

John V. Carr & Sons Inc.

P.O.Box 479(A),  
Detroit, MI 48232  
Mr Hazel

(313)965-1540

Castelazo & Associates

5420 West 104th Street,  
Los Angeles, CA 90045

(213)776-7880

APPENDIX "F"TARIFF SCHEDULES OF THE UNITED STATES, ANNOTATED (1982)

The following tariff pages relate to the products in this study.

SCHEDULE 6. - METALS AND METAL PRODUCTS  
Part 4. - Machinery and Mechanical Equipment

6 - 4 - A

661.92 - 662.20

C S P	Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Centrifuges; filtering and purifying machinery and apparatus (other than filter funnels, milk strainers, and similar articles), for liquids or gases; all the foregoing and parts thereof (con.):				
A	661.92	00	Other: Cast-iron (except malleable cast-iron) parts, not alloyed and not advanced beyond cleaning, and machined only for the removal of fins, gates, sprues, and risers or to permit location in finishing machinery.....	Lb.....	0.9% ad val.	Free	10% ad val.
	661.93	00	If Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6).....	Lb.....	Free		
A	661.95	00	Other.....	X.....	4.9% ad val.	3.9% ad val.	35% ad val.
	661.96	00	If Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6).....	X.....	Free		
	661.97	00	Filtering and purifying machinery and apparatus, if certified for use in civil aircraft (see headnote 3, part 6C, schedule 6).....	X.....	Free		35% ad val.
A	662.10		Machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing, capsuling, or labelling bottles, cans, boxes, bags, or other containers; other packing or wrapping machinery; machinery for aerating beverages; dish washing machines; all the foregoing and parts thereof: Machines for packaging pipe tobacco; machines for wrapping candy; machines for wrapping cigarette packages; and combination candy cutting and wrapping machines; all the foregoing and parts thereof.....		4.4% ad val.	3.4% ad val.	35% ad val.
		20	Machines for wrapping candy.....	No.			
		40	Other machines.....	No.			
		60	Parts of the foregoing.....	X			
A	662.15	00	Can-sealing machines, and parts thereof.....	X.....	6.4% ad val.	4.5% ad val.	30% ad val.
A	662.18	00	Other: Cast-iron (except malleable cast-iron) parts, not alloyed and not advanced beyond cleaning, and machined only for the removal of fins, gates, sprues, and risers, or to permit location in finishing machinery.....	X.....	1.4% ad val.	1.3% ad val.	10% ad val.
A	662.20		Other.....		4.8% ad val.	3.6% ad val.	35% ad val.
		25	Wrapping and packaging machines, and parts.....	X			
		65	Other.....	X			

Note: For explanation of the symbol "A" or "A\*" in the column entitled "CSP", see general headnote 3(c).

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1982)

SCHEDULE 6. - METALS AND METAL PRODUCTS  
Part 4. - Machinery and Mechanical Equipment

G S P	Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Weighing machinery and scales (except balances of a sensitivity of 5 centigrams or better provided for in part 2D of schedule 7), including weight-operated counting and checking machines, and parts thereof; weighing machine weights not provided for in part 2D of schedule 7:				
	662.25	00	Weighing machinery for use in the manufacture of sugar.....	X.....	Free		Free
A	662.26		Fully automatic weighing machinery requiring no manual operations for weight determinations, and accurate to 1/20 of 1 percent or better of the maximum weighing capacity, on weight tests within the weighing range of the scale.....		4.5% ad val.	3.7% ad val.	35% ad val.
		10	Digital (electronic) weighing machinery.....	X			
		20	Other weighing machinery.....	X			
A	662.30		Other.....		7.7% ad val.	5.5% ad val.	45% ad val.
		10	Digital (electronic) weighing machinery.....	X			
		20	Other weighing machinery.....	X			
		30	Parts.....	X			
			Mechanical appliances, whether or not hand operated, for projecting, dispersing, or spraying liquids or powders; fire extinguishers, whether or not charged; spray guns and similar appliances; steam- or sand-blasting machines and similar jet projecting machines; all the foregoing (except automatic vending machines) and parts thereof:				
A*	662.35	00	Simple piston pump sprays, powder bellows, all the foregoing and parts thereof.....	X.....	8.1% ad val.	5.7% ad val.	45% ad val.
	662.36	00	If Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6).....	X.....	Free		
	662.40	00	Sand-blasting machines, and parts thereof.....	X.....	Free		Free
	662.45	00	Sprayers (except sprayers, self-contained, having a capacity not over 5 gallons) suitable for agricultural or horticultural use.....	X.....	Free		Free
A	662.50	00	Other.....	X.....	4.5% ad val.	3.7% ad val.	35% ad val.
	662.51	00	If Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6).....	X.....	Free		
	662.52	00	Fire extinguishers, if certified for use in civil aircraft (see headnote 3, part 6C, schedule 6).....	X.....	Free		35% ad val.

Note: For explanation of the symbol "A" or "A\*" in the column entitled "CSP", see general headnote 3(c).

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1982)

Page 548

SCHEDULE 6. - METALS AND METAL PRODUCTS  
Part 4. - Machinery and Mechanical Equipment

6 - 4 - B  
664.06 - 664.10

C S P	Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			<p>Subpart B. - Elevators, Winches, Cranes, and Related Machinery; Earth-Moving and Mining Machinery</p> <p><u>Subpart B headnote:</u></p> <p>1. This subpart does not cover --                      (i) cranes or other machines mounted on vehicles, on vessels or other floating structures, or on other transport equipment (see part 6 of this schedule); or                      (ii) agricultural implements (see subpart C of this part).</p> <hr/> <p>Mechanical shovels, coal-cutters, excavators, scrapers, bulldozers, and other excavating, levelling, boring, and extracting machinery, all the foregoing, whether stationary or mobile, for earth, minerals, or ores; pile drivers; snow plows, not self-propelled; all the foregoing and parts thereof:</p>				
A	664.06	00	Peat excavators.....	No.....	3.1% ad val.	Free	35% ad val.
A	664.07		Backhoes, shovels, clamshells, draglines, and wheel-type front-end loaders.....	.....	3.9% ad val.	2% ad val.	35% ad val.
		10	Backhoes, shovels, clamshells and draglines...	No.			
		20	Wheel-type front-end loaders.....	No.			
A	664.08		Other.....	.....	4.1% ad val.	2.5% ad val.	35% ad val.
		10	Drilling or boring machines.....	No.			
		20	Tracklaying-type front-end loaders.....	No.			
		30	Other machines.....	No.			
		40	Parts (including parts for articles provided for in items 664.06 and 664.07).....	X			
A	664.10		Elevators, hoists, winches, cranes, jacks, pulley tackle, belt conveyors, and other lifting, handling, loading, or unloading machinery, and conveyors, all the foregoing and parts thereof not provided for in item 664.06, 664.07, or 664.08.....	.....	3.9% ad val.	2% ad val.	35% ad val.
		05	Industrial robots.....	No.			
			Other:				
		15	Elevators, including freight, and moving stairways.....	No.			
			Conveyors:				
		25	Belt.....	No.			
		31	Other.....	No.			
		44	Hoists.....	No.			
		55	Overhead traveling cranes.....	No.			
			Jacks:				
		56	Hydraulic.....	No.			
		57	Other.....	No.			
		59	Winches.....	No.			
		60	Other, except parts.....	No.			

Note: For explanation of the symbol "A" or "A" in the column entitled "CSP", see general headnote 3(c).

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1982)

SCHEDULE 6. - METALS AND METAL PRODUCTS  
Part 4. - Machinery and Mechanical Equipment

C S P	Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
A	664.10 (con-)		Elevators, hoists, winches, cranes, jacks, pulley tackle, belt conveyors, and other lifting, handling, loading, or unloading machinery, and conveyors, all the foregoing and parts thereof not provided for in items 664.06, 664.07, or 664.08 (con-): Parts of the foregoing:				
		73	Parts of elevators and moving stairways.....	X			
		76	Parts of conveyors.....	X			
		79	Parts of hoists and overhead traveling cranes.....	X			
		81	Other.....	X			
	664.11	00	If Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6).....	X.....	Free		
	664.12	00	Elevators, hoists, winches, cranes, jacks, pulley tackle, belt conveyors, and other lifting, handling, loading, or unloading machinery, and conveyors; all the foregoing, if certified for use in civil aircraft (see headnote 3, part 6C, schedule 6).....	X.....	Free		35% ad val.
<p>Subpart C. - Agricultural and Horticultural Machinery; Machinery for Preparing Food and Drink</p> <p>Subpart C headnote:</p> <p>1. The provisions of item 666.00 for "agricultural and horticultural implements not specially provided for" do not apply to any of the articles provided for in schedule 6, part 2, part 3 (subparts A through F, inclusive), part 5 (except item 688.45), or part 6, or to any of the articles specially provided for elsewhere in the tariff schedules, but interchangeable agricultural and horticultural implements are classifiable in item 666.00 even if mounted at the time of importation on a tractor provided for in part 6B of this schedule.</p>							
<p>Note: For explanation of the symbol "A" or "A*" in the column entitled "CSP", see general headnote 3(c).</p>							

APPENDIX "G"TRANSPORT COMPANIES

## LOS ANGELES MACHINERY DISTRIBUTORS ASSOCIATION

4430 Sheila Street,  
Los Angeles, CA 90023  
Steve Cashdollar.

(213)265-3900

Initial membership in LAMDA costs \$100.00. Annual renewal is \$25.00. Members must establish an insurance bond for \$50,000.00 which remains in force during the period of membership. The bond is usually arranged through a regular insurance broker and costs about \$50.00 per annum. The Association will provide sample quotes for prospective Canadian members.

## CANADIAN MACHINERY MOVERS

2425 Central Avenue,  
Windsor, Ontario NW8 4J4.  
Mike Dewar, Jim Parker.

(519)948-5211

Company can move machines of any size. Last year a 70,000 lb machine was moved from Seattle to Northern British Columbia. Machinery is generally moved on flat top trucks under tarpaulins.

## TRI-STATE MOTOR TRANSIT

P.O.Box 113,  
Joplin, Missouri MO 64801

(417)624-3131

## C.H. FREIGHTWAYS

7746 East Rosecrans Avenue,  
Paramount, CA 90723

(213)636-0555  
1(800)442-4940

## INTERNATIONAL TRUCK &amp; TRANSFER

623 East Artesia Blvd.,  
Carson, CA 90746

(213)770-1487

APPENDIX "G"

## AMSTAR TRANSPORT

8 Cedar Street,  
 Thornhill, Ontario L3T RV9  
 .....Toronto/LA/SFO

(416)224-1174

Company is an independent trucking service using covered trucks.  
 Rates are only economical if a full load is anticipated.

## ATLAS VAN LINES

520 Hill Street,  
 Windsor, Ontario N9C 3C4  
 .....Toronto/LA/SFO

(313)963-5445

## TIME D.C.

4500 East Bandini Blvd.,  
 Los Angeles, CA 90040  
 .....Toronto & Vancouver/LA/SFO

(213)268-8211

## DELTA VAN LINES

Terminal Annex,  
 P.O.Box 54548,  
 Los Angeles, CA 90054  
 .....Vancouver/LA

(213)726-3601

## TRANSCON FREIGHT LINES

9750 South Norwalk Avenue,  
 Santa Fe, CA 90670  
 ( Common Carrier)

(213)685-9070

## CLARKE TRANSPORT (CANADA) INC.

P.O.Box 4760,  
 Vancouver, British Columbia V6B 4A4  
 ( Truck broking company specializing in  
 freight consolidation between Eastern &  
 Western Canada).

(604)669-4646

APPENDIX "G"

## M. &amp; M. TRUCK BROKERS INC.

1377 Richelieu Blvd.,  
Otterburn Park,  
Province Quebec J3G 456  
( Broker)

(514)467-9726

## TRANSPORT BROKERS INC.

919 McGarry Avenue,  
Los Angeles, CA 90021

(213)627-1041

INFORMATION ON TRUCKING LINES & SERVICES

companies wishing to obtain the widest range of information on van lines and route networks should subscribe to: "The Motor Freight Directory". This book is published annually by G.R. Leonard & Co. Inc., 1072 North Allen Avenue, Pasadena, California CA 91104. tel: (213)681-1590. The annual subscription cost for this publication is \$35.00. This source is possibly the best in the U.S. and covers Canada also.

APPENDIX "H"Trade Shows:

WEST-PACK SHOW '83 (Anaheim Convention Center Sept. 20-22, 1983)

Management,  
Clapp & Poliak Inc.,  
245 Park Avenue,  
New York, NY 10167  
Peter Nathan.

Call toll free (800)223-1956

PACK EXPO 1982 (McCormick Place, Chicago, Nov. 15-19, 1982)

Management,  
Packaging Machinery Manufacturers Institute,  
2000 K Street NW,  
Washington, DC 20006

(202)331-8181

NPE '85 (The Plastics Show, McCormick Place, Chicago, during June )

Sponsored by,  
The Society of the Plastics Industry Inc.,  
.355 Lexington Avenue,  
New York, NY 10017

(212)573-9400

The Plastics Show is considered the leading show in the plastics industry. Materials, machinery and techniques are all featured. The show generally attracts around 600 exhibitors and 50,000 visitors.

Comparison of Attendance: Pack-Expo and West-Pack

Show/Sponsoring Organization	Venue	Year Month	Total Sq. Footage	Length of Show	Open to Canadians/Rentals	Data on last Show			Origins Visitors		
						Exhibitors			Attendees		
						Total	Canadian	Attendees	East	West	Other
<u>Pack-Expo.</u> PMMI, AMA, Packaging Institute, USA, others	Chicago McCormick Place	Even Oct. 15-19	425 thou.	5 days	Yes \$5.0 Sq.ft.	540	15	31,878	85%	4%	11%
<u>West-Pack.</u> Western Packaging Association	Anaheim Convention Center	Odd October	137 thou.	3 days \$6.0 Sq.ft.	Yes	389	3	15,500	33%	67%	n/a

APPENDIX "H"Publications:

## GOOD PACKAGING MAGAZINE

13515 East Julian Street,  
San Jose, CA 95116  
Kenneth O. Deane, Advertising Director

(408)286-1661

## PACKAGING DIGEST

410 North Michigan Avenue,  
Chicago, ILL 60611  
Jim Kreuger, Technical Editor.

(312)222-2000

## PACKAGE ENGINEERING

5 South Wabash Avenue,  
Chicago, ILL 60603  
R. Bruce Holmgren, Editor.

(312)372-6880

Package Engineering now incorporates Modern Packaging. The magazine publishes it's Buyers Guide in October and the Packaging Encyclopedia in March.

## PAPER FILM &amp; FOIL CONVERTER

Maclean-Hunter Publishing Corp.,  
300 West Adams Street,  
Chicago, ILL 60606  
Peter Rigney, Editor.

(312)726-2802

## FOOD &amp; DRUG PACKAGING

747 Third Avenue,  
New York, NY 10017

(212)838-7778

## PACKAGE PRINTING

North American Publishing Co.,  
401 North Broad Street,  
Philadelphia, PA 19108

(215)574-9600

APPENDIX "H"

## MODERN MATERIALS HANDLING

Cahners Publishing Co.,  
221 Columbus Avenue,  
Boston, MA 02116

(617)536-7780

Directories:

## PMMI PACKAGING MACHINERY DIRECTORY

Packaging Machinery Manufacturers Institute,  
2000 K Street,  
Washington, DC 20006  
Claude S. Breeden Jr, Executive Director.

(202)331-8181

## KLINE GUIDE TO THE PACKAGING INDUSTRY

Charles H. Kline Co. Inc.,  
330 Passaic Avenue,  
Fairfield, NJ 07006  
Marian Deitsch, Editor.

(201)227-6262

Available from the publisher at approximately \$90.0 per copy. The directory contains excellent listings for associations and publications, together with a great deal of valuable data on the economics of the packaging industry.

Associations & Institutes:

## THE PACKAGING INSTITUTE, U.S.A.

342 Madison Avenue,  
New York, NY 10017  
Paul B. Reuman, Executive Director.

(212)687-8874

## THE PACKAGING MACHINERY MANUFACTURERS INSTITUTE

2000 K Street,  
Washington, DC 20006  
Claude S. Breeden Jr, Executive Director

(202)331-8181

APPENDIX "H"

## WESTERN PACKAGING ASSOCIATION

1315 East Julian Street,  
San Jose, CA 95116

(408)286-1661

Membership open to Canadians, cost approximately \$75.00 P.A.

## SOCIETY OF PACKAGING AND HANDLING ENGINEERS

410 North Michigan Avenue,  
Chicago, ILL 60611  
Frank S. Fitzgerald, Executive Director.

(312)321-1662

A number of California distributors we interviewed belonged to this society.

Information on Manufacturing in California:

## CALIFORNIA MANUFACTURERS REGISTER 1982

California Manufacturers Association,  
Published by and obtainable from:  
Times Mirror Press,  
1115 South Boyle Avenue,  
Los Angeles, CA 90023-2197

(213)265-6767

Information on California manufacturers is presented alphabetically, geographically, and by SIC. The Register costs approximately \$100.0 per copy.

Trade Shows: (Errata)

## MATERIALS HANDLING SHOW '84 (Anaheim Convention Center July-Aug. 1984)

Management,  
Byron Perkins & Associates  
1201 West Huntington Drive, #104,  
Arcadia, CA 91006  
Byron Perkins

(213)795-9561

APPENDIX "H"

The Materials Handling Show is held every even year at the Anaheim Convention Center. The show is generally staged during the summer. We visited the 1982 show which had a total attendance of 9,385 over it's three day period. Exhibitors were almost exclusively materials handling companies. Rental costs are around \$860 for a 10' x 12' space. The show has been in operation since 1956

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Canada 

(aussi édité en français)