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Schoup, Jerry Oral History Interview: Business and Industry in Holland

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Interview with Jerry Shoup

Interviewed by Anna Holt

1999

AH: This is Wednesday, August 25, an interview between Jerry Shoup and Anna Holt. First I'd like to ask you just a little bit of your personal history; when you were born, when you came to Holland, where you went to school.

JS: I was born in Whister (?) Ohio, [date removed], 1946. I went through Whister High School and went on to Bowling Green State University to be in pharmacy. I was there for two years and decided I would rather get into food science. I transferred to Ohio State University in 1966 and I graduated there in '68. Then I got inducted in the Army, spent a year in Vietnam. [I] then came back and went to Ohio State, got my masters and Ph.D. degree in food science. I started working with Heinz in 1974 in Bowling Green, Ohio. I was there for two years. Then I came to Holland, Michigan for two years. Then I was transferred to California with Heinz. I was out there for four years. [I] transferred back to Holland in 1982. So I have been here for the last seventeen years. Prior to 1984 I was always in research and development with Heinz. In '84 I became factory manger here at Holland and I have been factory manager since 1984. That kind of brings you up to date on me.

AH: So that must have been a big change, to go from researching to factory manager. What was that like?

JS: What happened was, when I was at Ohio State I was working on a project which is

brine fermentation research. I actually did my Ph.D. on an alternative to brine fermentation in making pickles, which Heinz became very interested in at that time. I was hired to actually start fermentation projects from a research point of view based upon what I had done in graduate school at Ohio State. I moved around to implement new fermentation procedures that had already been developed. I would be at a facility for a few years, then move to another facility to start implementing the process that time. Then in 1982 when I came back to Holland. All of the areas had been implemented. Then a factory manager position became open and I had worked with so many people in all the areas and decided, "Gee, that is something that I would like to try in my career." The research actually had been completed and rather than going to Pittsburgh and going into a different research process. I didn't want to leave Holland, my family didn't want to leave Holland. This became the appropriate position at that time. That's how I got to be factory manager and I've been factory manager since '84.

AH: You've probably seen a lot of changes in those seventeen years here at the Holland factory.

JS: Oh yes, probably about thirty million dollars worth of changes. [laughter]

AH: That's quite a bit.

JS: It's upgrading machinery and equipment and converting tank yards from wood to fiber glass. Sixty percent of our tank yard here has been converted. At some point in time the rest of it will also. New buildings being built or old buildings being renovated - thirty million dollars probably is the capital spending since I've been here, which is a

significant amount of money.

AH: Can you tell me a little bit about the history of the company?

JS: Yes. H.J. Heinz company started in 1869. Actually the company started initially not as H.J. Heinz, but F. and J. Heinz Company. F. stood for Frank and J. stood for Henry, his middle initial was J., Heinz. His brother Frank, F. and J. Heinz, started the food company in 1869. It only went for about one year before they went bankrupt. Henry J. Heinz, who was the J. in F. and J., bought out his brother and then the company's name changed from F. and J. to H.J. Heinz Company. That was right around 1870, '71. The first product produced was horseradish. Henry J. Heinz started just outside of Pittsburgh, Pennsylvania in his house, in his garage and he made horseradish. He delivered it in wagons with horses. That's how the company started. Actually I have one of the original bottles of horseradish. It's a blue bottle. The label on it is still in great shape and you can read it. It shows the Heinz logo across the top of the label saying, "Heinz Pure" - with a picture of a horse on the label - "Radish."

AH: That's a pretty picture.

JS: Henry Heinz was really well known for his marketing ability. Designing labels like that with a picture of a horse on it, really is kind of unique. He started trends like that in labeling food products and so on. Every food product he had had "pure" on it. He was a strong believer in pure, unadulterated foods. As a matter of fact, back then, at that time, food processing - you didn't have refrigeration like you do today. People would preserve foods with preservatives, formaldehyde and other things which are

highly toxic. He was an advocate of pure foods, foods without formaldehyde and toxic preservatives. He would preserve foods with vinegar. Vinegar is a natural food, it's been around millenniums. One of the next foods that Heinz started to develop was vinegar, bottled vinegar from horseradish. That occurred right in the mid-1880's. His next products were then pickles and vinegar. Then it went on to many other varieties, ketchup and baked beans and so on. He started in Pennsylvania, near Pittsburgh. Then he started a plant in Muskegon (?) Iowa. Then in Holland, Michigan, about the third plant that he started. The way it happened in Holland, Michigan, the history of that which Randy Vanderwater, a historian here in Holland, did the research on how Heinz started here in Holland. Actually, it started in 1897, but prior to that what happened was that some people from Pittsburgh, company employees that worked for Mr. Heinz, were really looking for a mid-western plant that had excellent shipping facilities to Chicago. Chicago was a key transportation point for Heinz. Knowing that they're getting into the cucumber business, Michigan is today the number one cucumber state in the U.S. because the growing conditions are really right for cucumbers here. He started to come to Michigan to look for a place to start a plant. He was talking to city officials in Grand Rapids and also city officials in Holland to see which area would be the most favorable. So, what happened was he met with the Mayor here, Mayor Dekima (?) at that time, and with the rest of the city council here and said, "OK, if you can provide land to start a factory and if local growers and farmers in this area would pledge to grow three hundred acres of cucumbers for Heinz, Heinz would build a plant in

Holland and start a factory." So, the city council got local farmers together and they had town meetings and they signed up for anywhere from half an acre up to as many as ten acres. Five hundred farmers pledged, they made that commitment. The city had to come up with land. Actually, of the twenty-nine acres that are here in Heinz in Holland today, it originally started with two acres right in the middle of the twenty-nine today, right on Lake Macatawa, that was the transportation facilities. They needed transportation facilities to Chicago. Land was donated to Heinz, two acres, with a boat dock right on Lake Macatawa and another prerequisite that Heinz gave to Holland was, the land that was given had to have the water and rail facilities. That's how this two acres was picked because there was a rail cutting here and a boat dock for shipping to Chicago. That's the way the original products were shipped, by rail and by boat to Chicago. So Heinz committed to starting the facility here and on June 1, 1897 the building was commissioned. It was a sixteen thousand square foot building, which was built for eighteen hundred dollars. Again, the eighteen hundred dollars was actually funded by the growers who committed the cucumbers to Heinz of giving some amount of money from their first harvest and so on. It's a very interesting story of how it started.

AH: So that's over a hundred years at the same site then. That's pretty incredible.

JS: Yes, that's right. As a matter of fact, Heinz in Holland is the oldest facility in Holland, business and company, still doing business under its same name and same product line. Yes, there are a few other companies that are older, but their names have changed or their products have changed. Heinz is the oldest under the same

name and same product.

AH: Is this the largest pickle factory too?

JS: Yes. We claim that this is the largest pickle factory in the world and no one has ever disputed that claim, no other company. It's true, we're not the biggest market share in pickles, that's Vlasic. As far as national brands, we're number three. As far as size of facility and capacity, yes, we are. All pickles for Heinz North America are made here in Holland, Michigan. It first started making pickles here and then we started making vinegar a year later, in 1898. Right along about the same time we made baked beans here. Heinz beans are a big product, more so now in Europe than here in the U.S., but it used to be a very big item here in the U.S. Baked bean were made here in Holland, so was ketchup. Ketchup was made here and specialty items, onions and things like that were made here.

AH: Which products are made here now?

JS: Pickles, vinegar, fruit juices for Heinz baby food line - apple juice and apple cherry and apple banana and various types of blends of fruit juices for babies - peppers, mustard, relishes. Recently Heinz had a new project called Project Excel, which is a global worldwide project. Holland will benefit from that because we will start making additional products here in Holland, worcestershire sauce, which is almost a million cases of product sold by Heinz. Where we made mustard in plastic packages, we will now make the full line of mustards for Heinz in glass packages. Plus we're going to start making horseradish sauce next year, which is the first product that Mr. Heinz ever made. Also we'll be making tartar sauce. So those are new products that are

coming next year.

AH: Are you going to have to expand this facility more to fit all that?

JS: Well, we'll be renovating certain areas that are not used to make production facilities for those areas. So no, we won't be building new buildings. We have plenty of capacity and space, it's just again, spending more capital money to make modifications internally in existing buildings to produce the additional products. There's a real history concerning the Heinz company. There are several history books that have been written about Mr. Heinz and how he started the company, but one of the unique things that he did was as an advocate of pure foods. He went to Washington DC in 1906 to see Theodore Roosevelt, who was the President at that time, to appeal to him concerning - "Hey, you need to pass laws to make food pure." People were getting sick because of the foods that they were eating. Mr. Heinz efforts, plus other efforts that were made from other people, really resulted in the Pure Food and Drug Act of 1906, which was the first food and drug law passed, which led to the modern day FDA, Food and Drug Administration today. That law passed and it was then illegal to use toxic substances to preserve food and laws were passed concerning labels on food products. They can't be misleading, in other words adulteration of foods was made illegal. You couldn't put white vinegar into a bottle and claim it was cider vinegar which a coloring added to it, that's adulteration of foods. Mr. Heinz was instrumental in doing that. We can be thankful that Heinz started the current food laws today. The other thing that Mr. Heinz did, he was a very employee-sensitive type of person. Actually some of the first health care that

was ever offered came from Heinz. He hired doctors and dentists to actually come on site to his facilities and be there so if any of his employees or their families were sick, they could go see the doctor on site and get treatment, same with dentistry. He was one of the first companies to offer life insurance to employees. That occurred right around World War I. What happened was a lot of American males were being drafted into the military to go fight in the war and there's a good chance that they could not come back. So he started for his employees a life insurance policy so that there would be money there if something happened. He was very much that way as far as looking out for the needs of his employees. I think that's very interesting.

AH: That is very interesting. Can you describe a little bit about the relationship between management and employees today?

JS: It's very much the same way, especially here in Holland. Other factories have varying degrees of management/employee types of relationships and processes. Here we have gain sharing processes, which the employees share in the gains. When we're more productive here employees share in that through pay-outs to supplement their current income. We have union management teams that design the gain sharing goals, so it's employees here as well as management that set the targets for what those pay-outs will be and what they parameters are for pay-outs. We have many get-togethers and picnics and Quality Champion awards. There is a very close relationship with the employees here. My door is always open to any employee regardless of position, they can come see me at any time. It's always advised to talk to your supervisor first, but my door is always open. Again, obviously many of the programs that were

started by Mr. Heinz as far as employee benefits are very common today, certainly available to all Heinz employees. Our relationship is very much like it was when he was alive and the leader of operations.

AH: So the head of the company is still in Pittsburgh?

JS: Yes. It's interesting because the history of Heinz up until the early 90's there was always a Heinz family person who was there to be in charge of the company or closely involved with the running of the company. Obviously the company now is a ten billion dollar sales company worldwide so there's a Heinz USA, there's Starkist which is owned by Heinz, Ore-Ida which is owned by Heinz, Weight Watchers which is owned by Heinz. Then Heinz UK, Italy, Germany, Japan. It's obviously a public corporation now rather than a privately owned company as it was originally.

Throughout the years there was always a Heinz person there to be on the board of directors or Chairman of the Board up until John Heinz, who most people would know as Senator Heinz. He was the first Heinz person to decide that he did not want to run the family company. John Heinz wanted to go into politics, so he became a Senator from Pennsylvania. He was a very famous Senator, very people oriented type of person. Actually, [he] was one of the most wealthy Senators in the Senate at that time, if not the most wealthy. Obviously all of his family fortune was put in a blind trust when he went into politics. Unfortunately Mr. Heinz was killed in a airplane accident, I think that was in the early 90's. At that point he had two sons and they have, as their father did, decided not to go into the company. I can't remember what both of them have done but they're not associated with the food company. Currently

today there is not a Heinz family member on the board of directors or running the company. It's still the Heinz company but there's not a Heinz at the helm so to speak. It's interesting Teresa Heinz, who was the wife of John Heinz, the Senator that was killed, became one of the largest stockholders for the company and obviously she was married to John Heinz, a Republican. When John Heinz was killed, she not too long ago married Senator John Carrey (?) from Massachusetts, a Democrat. How that ever happened I'll never know! She was married to John Heinz a Republican Senator and then when he died married John Carrey a Democratic Senator. That's the way it is today.

AH: Can you tell me a little bit about the international growth?

JS: I can remember when I first started with Heinz twenty-six years ago, Heinz sales were not too much over a billion. Today they're about ten billion. There's been considerable growth overseas. A lot of it is buying up existing companies and a few cases building new plants. I know Heinz has built a baby food plant in China. That was six, seven years ago. It's been mainly through acquisition of existing companies. I can remember when Heinz bought Weight Watchers, Ore-Ida, Starkist...

AH: Those are pretty big companies.

JS: Oh yes. They are large companies. Most people don't realize. When they think Heinz they think ketchup or pickles. In reality it's tuna fish - Starkist, potatoes - Ore-Ida. There are many other companies that Heinz owns too, some small and some very large. It's a very diverse company and it's in the top four or five companies in the world. Kraft would be the largest...then General Foods might be up there. I

would say Heinz is probably the fourth or fifth biggest food corporation in the world today.

AH: Those others would be listed as your biggest competitors then?

JS: Well, Kraft competes in certain product lines. Heinz is in many different products and it competes with Kraft in some of them, but Kraft also makes other products that Heinz doesn't compete in. The biggest competitors for Heinz would be Campbells, because Campbell's soup is obviously the biggest brand name soup. Heinz is very large in the soup business in private labels. Many times if you go into a grocery store and find a private label, a Meijer brand soup or D&W, chances are that could be made by Heinz. Gerber is a big competitor of Heinz in baby food. They're about 69% of market share and Heinz and Beechnut are about 15-20% to make up the total market. Gerber is a big competitor of Heinz. Even though the larger companies, General Mills and so on, which is large in making coffee and things that Heinz does not compete in that business at all.

AH: Is Vlasic one of your biggest pickle competitors?

JS: Yes, Vlasic is one of the biggest, but also Dean Foods. Dean Foods makes more pickles than Vlasic does, but Dean Foods owns a lot of smaller companies like Heinz owns Ore-Ida and Heinz owns Sunkist. Dean Foods owns a lot of smaller regional pickle companies. They've acquired them over the years but they're not under the Dean label. While they may pack more total cases, still Vlasic's the number one national brand, number one market share under one label although they don't make as many cases in total as Dean Foods does with all of its smaller companies.

AH: Can you describe to me the time of the largest growth here at the Holland factory?

JS: The time?

AH: Was there any new product that just...

JS: ...Well, the largest expansion here in Holland was in 1952. I have pictures of that. Basically what happened back then was that fresh pack pickles became very popular. They were actually developed then. By fresh pack pickles I mean taking a fresh cucumber from the field and putting it into a bottle, adding flavors, vinegar, spices, sugar, flavoring a fresh cucumber directly in the jar, heat pasteurizing it to prevent spoilage. That's a fresh pack pickle. All the pickles made before that were what was called processed or fermented. A fresh cucumber would be put into a fermentation tank where a bacterial fermentation would convert the sugars to lactic acid which preserves pickles. That's the pickling process. Then those pickles would be packed from fermented cucumbers. That's the fermented or processed pickles, typically what you would see as a sweet pickle or hamburger dill slice like you would get at McDonald's. Those are fermented pickles as opposed to fresh pack pickles which would be like spear or so on. They're whiter in color, look more like a natural cucumber than a fermented dark green pickle. The fresh pack process started in the early 50's. Heinz actually built the building we're in now in 1952 and added pasteurizing equipment to be able to pasteurize fresh pack pickles. All that occurred in 1952. The building you are in today, the largest building here now, was started in 1952. That would be the biggest expansion.

AH: What do you think the biggest triumphs Heinz in Holland has experienced since

you've been here?

JS: I would say two things. One is introducing the process of nitrogen purging. It was the first project that I worked on when I started with Heinz. What happens when cucumbers are put into a tank and fermented is the microorganisms that do the fermentation, that convert sugars to lactic acid, that chemical process, that conversion that occurs there gives off carbon dioxide gas as an end-product. In converting sugar to lactic acid you give off CO_2 gas. CO_2 gas is soluble, it dissolves in liquid. Everybody knows that because anytime you buy a carbonated beverage, whether it's a can of soda or it's champagne, it's carbonated, that gives the spark to the flavor there. If you would take a bottle of champagne or a bottle of soda and shake it vigorously what will happen is gas will bubble out. That's carbon dioxide gas coming out a solution to an actual gas bubble fizzing out of the liquid. The same thing happens in a fermentation tank. That CO_2 gas initially dissolves in the solution and that solution then enters through the skin of the cucumber and goes inside the pickle by a process of diffusion through the skin. What happens in fermentation, as the acid is produced the ph goes down. CO_2 solubility in a liquid is a function of the ph level. The lower the ph, the more the acid, the lower the solubility. What happened is initially, when the ph is around 5.8, close to neutral, the fermentation starts, the gas is produced, it dissolves into the liquid, the liquid diffuses into the cucumber and is there inside in a dissolved liquid state. Then the ph goes down as more acid is produced. The solubility changes and it comes out into a bubble form inside the cucumber. It's just like blowing up a balloon. The inside of the cucumber would become hollow because

of the gas pockets that are developing in there, which is a total loss. As you can imagine, if you would have a cucumber that's totally hollow on the inside and you try to cross cut it like for hamburger slices, like you would find on a McDonald's hamburger, you'd only see skin. There'd be a big hole in the center of it. That's unacceptable. That was a major problem. How do you solve that problem? Well, nitrogen purging came along. It's a process, which was developed really at...well, there were two universities that were working on that process at the same time. This was when I first started with Heinz because I was in graduate school. There was a lot of research going on at this time. North Carolina University in Raleigh and Michigan State University in East Lansing and I was at Ohio State University. The purging process means during the fermentation process you purge the liquid with nitrogen, or purge it with air because air is 72% nitrogen. Nitrogen is totally insoluble in liquid, unlike carbon dioxide which is highly soluble in liquid. If you bubble nitrogen, or bubble air which is 70% nitrogen through that fermenting medium there it's just like you would take a bottle of champagne, pop the cork on it, shake it vigorously - you can force the CO² out of a solution just by shaking it. The same thing is happening here. By bubbling a non-soluble gas that stays in bubble form through the whole solution in the tank as it's fermenting is just like shaking a bottle of champagne. You take the CO² right out and discharge it in the atmosphere and never allow the concentration to build up to a point where it can diffuse inside the cucumber and blow it out. That was a revolutionary process. Probably the biggest event in the history of pickles was the development of the nitrogen purging process. When I first started

with Heinz, I can remember reading a letter that came from the factory manager here at Holland, a guy by the name of Ed Skeurbeck (?). I was actually at Bowling Green at the time, before I came to Holland. That letter said that currently we are considering going out of the McDonald's business. McDonald's was our biggest customer at that time. The main reason for that is he would run an eight hour shift here and only be able to produce sixty cases of product that could be sold, that met the defect standards without holes -sixty cases, when the normal shift should produce over a thousand at that time. So, he was paying all the labor and everything to produce only sixty cases and losing so much money that his recommendation is we just get out of the business because we're losing our shirt. That's to give you an idea how bad it was. It was like that for every company. So, if nitrogen purging would not have been developed I doubt that the pickle business would have survived as a business because there's no way that you can meet the customers requirements. There was such a growth in fast food restaurants and such a demand for hamburger slices. Had that process never been developed you wouldn't have pickles on hamburgers today. [laughter]

AH: I wouldn't be happy about that.

JS: Yes. So, that was the biggest item. The other was machine harvest. What happened there was all pickles, we're talking now thirty-five years ago, the mid to early '60's, the only way a cucumber was harvested was hand-picked. That means migrant labor, working in fields to hand-pick cucumbers off the vine. That's the only way they could be harvested. Around the mid-60's, and Heinz was the pioneer company in

this, developed the machine harvest process, worked with companies to develop machines that would go out into a field, pick up a cucumber vine... The way cucumbers grow is on a vine. There will be cucumbers coming off of the vine and this machine, with a series of pinch rollers will go down and pick up the plant, cut the plant off at its root level underground, pick the plant up into the machine, run through a series of rollers that would pinch the individual cucumbers off the vine as its pulling the leafy part of the vine through that machine. That was called machine harvesting. That revolutionized the pickle business. It lowered the cost of cucumbers. Today probably 70% of cucumbers that are harvested today are by machine. You ask the question, why do you still have migrant labor? The reason for that is the machine is great for certain sizes of cucumbers. You need almost a one inch in diameter to really be able to have the rollers to be able to pinch off of the stem from the vine. Very popular pickle items are sweet pickles, midget gherkins, which are pickles that are small. You can't harvest that size off the vine with the machine. You still need at least 30% of cucumbers harvested by hand, where a person actually snaps off a small pickle from the stem. The only way to do that is by hand. That's why we still need hand labor today. What's happening is, obviously are labor shortages. There are less and less migrant

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JS: Most migrant labor families are Americans. What I mean by that is, non-farm labor type of people, like migrant labor. Over the years, less and less non-migrant labor

were available to pick cucumbers or harvest any agricultural products. As the U.S. became much more technical and the economy grew like it did manual type of labor is becoming very scarce. That's the same with migrant labor today. The laws concerning immigration, reducing the number of legal aliens that can be allowed to come into the country, the laws have tightened up. Less immigration is being allowed. Today that's one of the biggest problems that Heinz and any other pickle company faces, is the reduced amount of migrant labor and less small cucumbers that can be harvested. So much so that now what is happening is we are importing small cucumbers from India, Sri Lanka, Mexico, Venezuela and many other countries right now. Importing because they can't be grown here. They can't be grown here because the labor is not available to harvest those cucumbers.

AH: Would you list that as one of the biggest challenges you have experienced?

JS: I would say one of the biggest challenges would be to supply small cucumbers to meet what our requirements are and what we are going to do in the future obviously because it is getting worse every year. Laws are changing too as far as what farmers have to supply for migrant workers and to prevent underage children from getting into a field and doing work. There are child labor laws today that are very difficult because what happens is, if you're a migrant family the mother, the father and many of the children in the family contribute to the family income. That means everybody goes out and works in the fields. Well, there are laws against that. If you are under age fourteen, you cannot work in the field. That's the case in Michigan. I think in Ohio it's twelve. Obviously, migrant families, their culture is such that the family

works together as a unit. You don't go into the field as a mother and father and leave your children somewhere by themselves. They're in the field with you mainly so you can watch them. If they're old enough they can help supplement the family income. That's a real problem. The Heinz Foundation, this last year an eighty thousand dollar grant was given to Fremont, Ohio area, which is the main migrant labor area for Heinz for small hand-picked cucumbers, to develop educational centers, daycare facilities and to employ teachers there. That can be a daycare center for young migrant labor children and someone can watch them as well as an educational process for them. It's really interesting, there was an article in the paper from the Heinz Foundation Grant of eight thousand dollars to buy small computers to put into a daycare center so that migrant labor children can learn how to use a computer. It was really something. In the article one of the small migrant labor children, nine or ten years old, they interviewed him as far as his first experience with a computer. He really thought that was fantastic. I think there is going to be more and more challenges to help migrant labor families. I think that's really the right thing to do. It's good that Heinz did that. I would think eventually though, that will prolong the ability to harvest small cucumbers for awhile, to be able to provide facilities for parents to have for their children so that they'll continue to work in fields, but I think that what is going to happen in the future - the whole world in becoming more technical and there's going to be more and more jobs created around the world that people aren't going to pick cucumbers for an income in the future. I think migrant labor or handpicking of cucumbers or handpicking of blueberries or apples or all of

the industries that depend upon migrant labor probably at some point in time there won't be any migrant labor. I honestly believe that. That means that there won't be anymore migrant labor in the U.S., but what will happen is that these products will be imported from other countries that aren't as advanced and there's still plenty of labor available to harvest products like that. I think those are the challenges for the future.

AH: What's your opinion of the business climate in Holland?

JS: I think it's phenomenal really. As a matter of fact, the growth is such that I think that's the biggest challenge for Holland, for the city and for the state. Because of the low unemployment and the growth rate in Holland, and other areas of west Michigan too, to provide technically trained employees to work in the industries in Holland. Just to give you to an example, the expansion that I mentioned to you about the new products that are coming here to Heinz in Holland will require us to hire forty people. Right now I wouldn't know where we would find forty people who have the skills to do the jobs that we need, machine operators, forklift operators, quality personnel. There just aren't people to hire in Holland. Yet we have these products coming here so that's another challenge for us. How are we going to be able to meet our commitment to Heinz to be able to produce these products when we have to hire forty more people with unemployment virtually nonexistent? What we have done is we have worked with the state of Michigan, the Michigan Economic Development Corporation. Obviously Michigan as a state wants all business to expand, it improves the economy of the state. We have a joint venture here to work together to recruit people to fill the jobs here in Holland. The state gives financial grants to train people

so hopefully that will help us in our recruiting efforts here.

AH: Much is said about the work ethic in Holland, do you think that's had a lot to do with the success of Heinz in Holland?

JS: Oh yes, for sure. Being in the pickle business and being here for almost a hundred and three years, and by virtue of the fact that Heinz is the oldest company in Holland doing business under its original name and original product line means that there were many years of real hardship that the company had to go through over the years. It survived and it survived because of the people that work here. It's a tough business, but it's the kind of business where everybody has to work together and be very understanding because things change so much. The weather changes and that affects what is coming in today. The whole world is turned upside down as to what you planned to do versus what you're doing. You have to be extremely flexible. The only way to be extremely flexible is to work closely together. Otherwise it's very frustrating.

AH: What are you expecting for the future?

JS: The new products that I mentioned and hopefully some other new products too that I think may come to Holland. I think the future is to expand and broaden the product lines that remain here at Heinz in Holland, to become more than a pickle, vinegar and juice factory, to become a sauce factory too - worcestershire sauce, horseradish sauce, tarter sauce. The corporation under its new CEO Bill Johnson has said that Heinz will be a company *only* in the food business. We're not going to buy furniture companies or drug companies or any other company. We're only going to be in the

food business. Those six key businesses are ketchup and condiments - condiments include pickles, tarter sauce, enhances a meal, enhances products - infant feeding, seafood products, potato products, frozen foods, and soups. Ketchup and condiments is where we are - pickles, vinegar all of these are condiments to be added to enhance the taste of foods. I think the future of Holland is expanding the number of condiments that are made here, which is the direction we are heading in right now. It's good because what it does, when you're vesting for the future, what you do is broaden your portfolio and make it more diverse so that if any individual business goes down you've got a broad, diversified portfolio there that others can pick up. I think that's good. The other thing that does is, these products are year-round products, rather than being highly seasonal like pickles. Cucumbers come in in a three month period and you've got to pack the whole pack from that three month period. You're very heavily skewed towards a three month period of production and not so much in the off-season. With these products we should become more de-seasonalized, meaning you're running the same amount of production in November as you did in July. That's good too because you don't have to hire as many people in season. Those people are becoming more scarce and unavailable to hire. It's good to be able to diversify.

AH: OK, that's all I have. Thank you very much.

