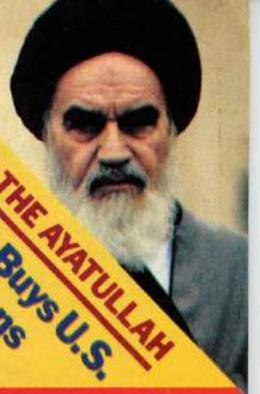


JULY 25, 1983

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TIME

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TRAVEL



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Cabarga

Buying in Bulk

Back to the cracker barrel

Plain generic packaging started sweeping through U.S. food chains five years ago. The result was lower prices for many standard items, ranging from bathroom tissue to light bulbs. Now some supermarkets are going generics one better: no packaging at all. They are offering foodstuffs in bulk; buyers pour from vats or scoop out from bins the amounts they want.

At supermarkets in the Midwest and Southern California, as many as 250 items can be bought in bulk, including flour, sugar, mixes for cakes and breads, pie fillings, dried beans, rice, pasta and spices. Containers for the products are very different from the cracker barrels that were found in general stores at the turn of the century. Many of the new ones have sanitized liners and clear plastic tops.

Products bought from the supermarket bins are much cheaper. Bulk buttermilk pancake mix in some stores costs 47¢ per lb., vs. 89¢ for national brand-name packages; and spaghetti is 47¢, vs. 73¢. The biggest savings are in spices. Oregano that costs 65¢ per oz. when packaged, or \$1.79 for a small container, is only 35¢ per oz. when bought in bulk.

Loblaws, a Canadian supermarket chain, apparently first came up with the idea and introduced modern bulk buying last August. Safeway, based in Oakland, Calif., then picked up the barrels and brought them to Los Angeles in February. By the end of this year, some 60 of 180 Safeway stores in Southern California will offer foods in bulk. Ralphs, a Los Angeles food retailer, sells 150 items in ten stores. Pick-n-Pay, a division of First National Supermarkets, headquartered near Cleveland, began last December with one store that sold bulk products. Now there are 19. Says First National Spokesman Terry Kushner: "Everyone is price-conscious. It's an extraordinary way to save money." ■



Bins at a Safeway store in Los Angeles

"An extraordinary way to save money."



Inside Real Ale: President Badgerow, right, ponders a chess move while Porter laps up a beer

Small Is Tasty

Microbreweries make a splash

"I just crank up the stereo, stoke up the boiler and brew some ale."

That may seem like an unusual business credo, but it has apparently worked for Ted Badgerow, 32, the president and co-founder of Real Ale, a tiny brewery that opened last September near Ann Arbor, Mich. He plans to produce about 600 bbl. this year. Badgerow, a former cook, is one of a growing number of proprietors of so-called microbreweries, which specialize in richer and more flavorful suds than the typical American beer. Such breweries have been winning intense local followings wherever they appear. "The micros are a response to the demand for more elegant beer that sprang up in the 1970s," says Lowell Edmunds, a Boston College classics professor and student of the beer market.

The number of beer makers has shrunk from some 1,500 before the beginning of Prohibition in 1920 to only 42 today, including the microbrewers. Just six breweries now have 90% of the beer market. But while Anheuser-Busch (1982 sales: \$4.6 billion) turned out 59 million bbl. in 1982, none of the nine micros produces as much as 10,000 bbl. a year.

Many of the microbreweries are outgrowths of home brewing and retain their amateur trappings. Real Ale produces its ale, porter and stout in a used 30-gal. soup kettle on the second floor of a former stove factory. The premises are shared by five workers and a seven-month-old, beer-guzzling Airedale named Porter. Thousand Oaks Brewing (1982 sales: \$23,460) operates from the basement of the Berkeley, Calif., home of Charles and Diana Rixford. In Boulder, Colo., David Hummer, a University of Colorado astro-

geophysicist, co-founded Boulder Brewing (1982 sales: \$96,000) with two partners in what used to be the goat house of a farm.

The beverages that the micros produce are more akin to imported German or English brews than to Budweiser, Miller or other light, pale lager beers. The alcoholic content can range as high as 7%, compared with less than 5% for most major domestic brands. "Our beer is richer, heavier, hoppier," says William Newman, 36, the founder of Wm. S. Newman Brewing (1982 sales: \$103,000) in Albany. "There's simply a market out there for more distinctive beer." Some beer drinkers agree. Says Terry Czech, a roofer who lives in Schenectady, N.Y.: "I've gone several miles for a glass of Newman's."

The appeal of the beers, however, is diminished a bit by the price. The little brewers use expensive ingredients and lack the volume to achieve efficient operations. Boulder Brewing beer sells for about \$5 a six-pack, for example, compared with about \$3 for a premium domestic brand like Michelob. Despite such prices, the micros have had to struggle to break even in the face of heavy start-up costs. It can take an estimated \$350,000 to open a microbrewery. "We're finally holding our head above water," says Newman, a former high school teacher and newspaper reporter who began making beer in 1981.

The toll among microbrewers has been high. Four went out of business in the past 18 months. Nevertheless, some eight new microbreweries are scheduled to start operating this year and next. Among them will be Mendocino Brewing, which is to open next month in the town of Hopland (pop. 817), in the heart of the California wine country. The firm will also have a beer garden and restaurant. A brewery next to a winery is the California version of the butcher living next to the baker. ■

ANDREW SACKS