

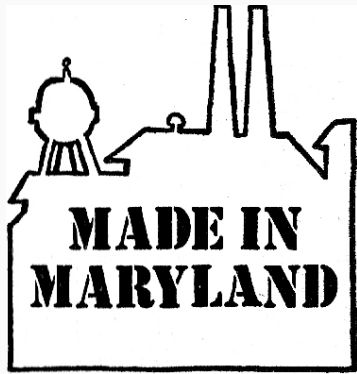
# Christmas Specialty—Tons of Fruit Cake

Many varied and original products originate in Maryland, especially in the Baltimore area. This is another article in a series appearing Mondays in The Evening Sun on companies that make these items.

By Michael K. Hirten

Who ever heard of caroling in April, or reindeer on the roof in July? Does Santa ever come to town in September?

Probably not. These are Christmas pastimes, dusted off once a year in the spirit of good cheer.



And so it is with fruit cakes. "They are as seasonal as Christmas trees, and by January 1 nearly as difficult to sell," says Irvin T. Kunkel, president of the Capitol Cake Company.

Capitol is the largest fruit cake company in the United States. Between Labor Day and Thanksgiving it bakes 5 million pounds of the liquor-flavored, fruit-filled dessert. Its cakes are marketed in variety stores, discount houses and drug stores from Maine to California.

Mr. Kunkel calls Capitol's product a "commercial fruit cake."

"If you look at the better cakes, they sell for \$1.75 or \$2 a pound. Wholesale, ours costs 50 cents a pound."

But don't knock the cheaper model, Mr. Kunkel advises, noting that "there are more Fords on the street than Cadillacs."

The company has found a hungry market for its cakes.

"Most people won't pay for a fruit cake than they will for the bird on the table," Mr. Kunkel, 58, explains. "You give them the best you can give them."

Capitol's fruit cakes are successful because the firm, whose management includes Mr. Kunkel's son Stephen, 24, the firm's sales manager, and Irvin's brother, John, 60, the vice president, have specialized in a single product and automated 90 per cent of the production process.

"Our cake is cheaper than bread only because I can make it so quick," Irvin Kunkel says. Capitol needs only 30 workers to mix, bake and package its daily production of 22,000 cakes.

Most come from the neighborhoods near the Laurens street plant and many have worked for the company for more than a decade.

A 56-foot tunnel oven is the heart of the works. It bakes 1 1/2 pound fruit cakes, 50 a minute. Capitol cakes, which also come in 2, 3 and 4-pound sizes, are mechanically sorted, removed from their pans, wrapped, packed in decorative tins and boxed.

"They've got to go right out or I'd be jammed up," says Mr. Kunkel. His plant is not large so a careful balance between raw materials and finished cakes must be maintained.

The Capitol Cake Company was started by Harry A. Kunkel after World War I.

"He was an old Pennsylvania Dutchman who brought his recipes to Baltimore with him," Mr. Kunkel says of his father. He built the Laurens Street bakery in 1922 and prospered by selling a full line of cakes to corner stores.

But this market didn't last. In the 1950's supermarkets began to dominate the retail food business, and supermarket chains, as Mr. Kunkel points out, have their own bakeries. The death of Harry Kunkel left the family with a bakery, a dwindling market and a big decision.

"Eighteen years ago we chose to make a commercial fruit cake. The first year we baked 250,000. put them under our arm and went out to sell them."



THE KUNKELS—Stephen, John and Irvin. Christmas fruit cakes are a big family business for them.

Says Mr. Kunkel: "We'd get a trial with a major chain for 30 or 40 stores. It was a process of elimination. Each year they'd give us a little more."

While production is generally limited to 90 days, the administrative side of the business operates all year. Orders for next season's cakes begin arriving in January, there are also customers and industrials shows to visit, plus materials to buy.

Mr. Kunkel watches the commodity markets carefully. "There are certain time when there is an advantage to buy," he says. And since Capitol

purchases in million-unit contracts, a 1-cent price move, either up or down, means \$10,000.

"I can sit here and lose or make a lot of money," Mr. Kunkel points out.

Although Mr. Kunkel is satisfied with Capitol's limited production schedule, he is considering adding a pound cake to the line. Of possibly greater potential is expanding the fruit cake market.

His youngest son, John, a graduate student in business administration at Lynchburg College, will leave shortly

for Zurich, Switzerland, for a more academic work. He will take along samples of Capitol fruit cakes and try to determine whether Europe is a potential sales area. The company already sends some of its cakes to the West Coast to ship through the Panama Canal.

A European market would make Capitol's brand name, "Shirley-Jean" (Mr. Kunkel's wife) an international symbol.

"I put her name on the cake," he jokes, "and it made her a celebrity."