

Duplin Times

PROGRESS SENTINEL

VOL. XXXVII NO. 26

USPS 162-860

KENANSVILLE, N.C. 28349

JUNE 30, 1983

20 PAGES THIS WEEK

10 CENTS PLUS TAX

Millions A Year Lost To Duplin From Shutdown

Shutdown of the bankrupt Watson Seafood and Poultry Co. this past week means an estimated \$4.3 million a year direct loss to the Duplin County economy through lost wages and payments to contract broiler chicken growers. While Ebern Watson Jr., company president, expects to begin selling off the firm's brooder chickens, its former contract farmers are making last ditch efforts to avoid loss of their broiler supplier. The bankrupt company sold its last batch of broilers last week, thus ending its broiler producing operations. Its contract chicken growers met Monday and Thursday in the Chinquapin I school to see if they could come up with any way of obtaining financial backing to revive the company, it over or otherwise maintaining their broiler programs.

Watson said he sees no hope of obtaining needed financing, which he estimated would amount to at least \$2 million.

The company filed for protection under Chapter 11 of the federal bankruptcy laws April 11. It owed about \$4.4 million at that time to Coastal Production Credit Association of Kenansville (PCA), Cape Fear Feed Products Co. of Greensboro and the J.C. Howard Feed Co. of Kinston.

Under court direction, all chickens hatched after April 21 have been grown out, but no hatching eggs have been set since that date. Money from sale of the chickens sent into a special account from which the PCA, principal creditor, released money for production costs of the broilers.

The shutdown means a director economic loss to this

area of about \$4.3 million per year at current wage and broiler price levels. It means loss of jobs by 126 Watson employees in Rose Hill and about 150 employees of Rose Hill Poultry Co., which processed Watson's birds, and loss of income to 106 farmers from growing chickens out.

Watson estimated the company had a weekly payroll of \$25,000. It was paying farmers about \$30,000 a week for growing its broilers. Another \$25,000 in weekly pay will be lost by the unemployed processing plant workers.

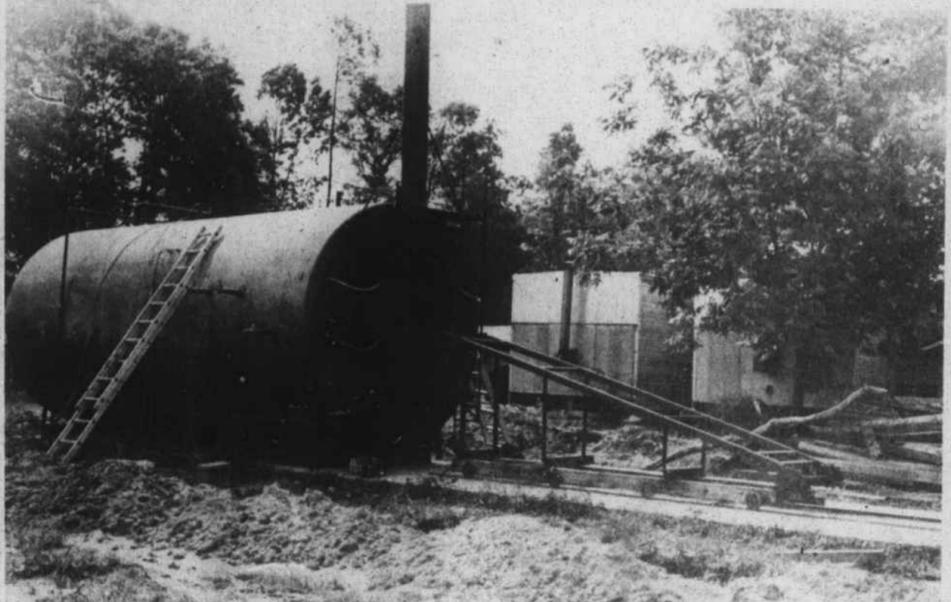
He said the company had total sales of \$16 million to \$18 million a year at current broiler price levels. "We needed 47 cents a pound at the New York price to break even," he said, "and the highest price has been in years was 46 cents. The price has been 45 cents a pound

the last two weeks."

He said the depressed poultry price outlook and increasing feed costs because of increasing grain prices contributed to the difficulty of raising "outside" money to keep the company afloat. The same situation also contributed to the refusal of creditors to release funds from sale of chickens for continued operations of the company.

Unless the firm can raise enough capital to satisfy security requirements of its major creditors, it has six months, under an order of the bankruptcy court to arrange for sale of physical assets. After that time the court would permit the creditors to foreclose and sell the assets.

Value of the major asset, the feed mill, is disputed. The PCA estimated the value at \$625,000. The court set the value at least \$1 million.



Leaf Farmer Takes Advantage Of Wood

With plenty of wood growing all over the place, why buy expensive fuels to cure tobacco?

Bo Herring, who farms in the Carlton's Crossroads area near Warsaw, believes he has answered that question by burning from kerosene and LP gas to wood.

He plans to fuel his tobacco curing process with wood, as well as using home-grown fuel to heat his home and water for home use.

Herring and his sons grow 32 acres of tobacco.

Engineers at N.C. State University have studied wood-fueled heating systems for tobacco curing since the

price of petroleum products began soaring in the early 1970s.

Herring studies some of these plans. He decided he had some ideas for improvements on the college plans and went ahead with some of his own ideas as he built the system.

The system consists of a 14,000-gallon boiler made of steel, a firebox, numerous pipes and flues, heat transfer equipment and fans. When completed, the boiler and the network of hot water pipes will be heavily coated with insulating material. It will be a closed circulating system.

"It took three days of

pumping from my well to fill the tank," Herring said.

Burning wood in the firebox heats water that flows into flues from the tank. The hot water flows into the heat transfer radiators in the tobacco barns or in the house.

In the four tobacco barns, fans will circulate the hot air. Thermostats will control the amount of heat delivered.

Herring plans to build a conveyor to carry large logs into the firebox. He believes he will only need to stoke the firebox once a day during the tobacco curing season. During the summer he will get a free lift from the sun,

which will warm water in the tank to possibly 100 degrees.

Herring believes the system will pay for its \$16,000 cost in two years through savings in fuel oil and gas.

For this season, Herring plans to retain the conventional oil and gas heating systems in his curing barns as an insurance measure against trouble with the new system.

After his tobacco season he expects his own woods to provide sufficient fuel for the heating system. Getting off to a late start this year, however, has forced him to buy wood from loggers at about \$35 a cord.



Group Offers Aid To Bankrupt Firm

Broiler growers must raise a minimum of \$900,000 if they want to revive the bankrupt Watson Seafood & Poultry Co. of Rose Hill, Roy Houston, president of Coastal Production Credit Association of Kenansville, said Friday.

A group of former Watson contract broiler growers wants to salvage the company's operation so the growers can continue producing broilers.

The farmers offered to grow broilers without pay for a year or more if that would enable the company to reopen. The offer was made during a meeting of farmers and officials of the PCA in Kenansville Friday.

If each of the 106 former contract growers grew three flocks of broilers without pay, the value of that contribution would be about \$900,000, according to I.B. Sholar of Route 2, Wallace, a former Watson contract grower.

Houston said the offer "has possibilities."

To have a chance of winning the approval of the federal bankruptcy court under which the company has been operating since mid-April, Houston emphasized, the grower group must work up a 12-month financial plan showing how the company might operate without going further into debt.

A minimum of \$1.6 million will be needed to restart the company's broiler program, Richard Burrows, PCA attorney,

said. Ebern Watson, company president, earlier this past week estimated that \$2 million would be needed to restart operations.

If growers raised \$900,000, Houston said, about \$700,000 in special accounts set up by the court might be released to make up the remainder of the \$1.6 million.

In a broiler production program, farmers contract to grow chickens owned by the supplier of program operator in their chicken houses. The growers supply labor and utilities. The supplier provides feed, medication and some other services. The farmers are paid a specified amount per bird, usually with some bonuses added for efficiency. The supplier loads out the matured birds and sells or processes them.

The farmers' offer came out of a grower meeting at Chinquapin. Sholar said he believed 90 percent of the 106 former Watson contract growers would agree to it.

"It would mean we'd be working for a year for nothing in hopes things would look up at the end," he said.

The last of the Watson company's broiler flocks sold last week.

The PCA is the principal creditor of the Watson firm. One June 2 the company owed the PCA \$3,609,251. Other secured creditors are Cape Fear Feed Products Co. of Greensboro and J.C. Howard Grain Co. The company owes creditors about \$5 million.

Houston said the grower group would have to find a way of obtaining much more than the \$900,000 "up front" money to provide operating capital. The exact amount would be determined by the group in development of its plan.

A memorandum filed by federal bankruptcy Judge A. Thomas Small June 16 said the company had lost about \$5 million in the last four years.

Schools Want More

The Duplin County Board of Education will ask the county commissioners to restore \$96,000 of the \$431,189 it slashed from the school system's requested 1983-84 budget.

The request had been placed on the county commissioners' July 5 agenda. The school board prepared its request in a special meeting in Kenansville last

week. It requested \$2,321,775 in county funds. The county commissioners approved \$1,890,586, the same amount as last year, for the school system. The additional request will help pay for 2½ assistant school principal positions, eight aides and provide an extra \$33,000 for utilities and \$14,000 for fuel.

Rose Hill Victim Said Strangled

An autopsy report last week indicated the death of Lillian Miller Groves of Route 1, Rose Hill, was due to strangulation, Rose Hill Police Chief Bobby Maready said.

The report also indicated she had been beaten. Maready said. He reported that she was

found dead at her home about 5 p.m. last week on Monday by neighbors who had become concerned about her after they didn't see her during the weekend, the officer said.

The death occurred during the weekend, according to the autopsy report, Maready said.



MURAL OF AN OUTDOOR DRAMA - Mark Patrus, commercial art instructor with James Sprunt Technical College in Kenansville, is pictured above with a mural painted for the outdoor drama, THE LIBERTY CART. The Kenansville-based outdoor drama depicts more than 200 years of history about the development of Duplin County and eastern North Carolina through Colonial times and the

Civil War. The mural was placed on exhibition in the Legislative Building in Raleigh last week where Representative Wendell Murphy and Senator Harold Hardison were among the first visitors. The mural will be on display with exhibits representing other North Carolina outdoor drama.

Local Artist Hands Liberty Cart Mural

A mural depicting 200 years of history from scenes of the outdoor drama in Kenansville, THE LIBERTY CART, has been painted by Mark Patrus, commercial art instructor at James Sprunt Technical College. The mural is on display at the Legislative Building in Raleigh.

The mural was hung June 21. THE LIBERTY CART mural will be one of several displays featuring eastern North Carolina outdoor dramas. Patrus will be acknowledged for his past assistance with the production and present work as THE LIBERTY CART resident artist in the 1983 LIBERTY CART souvenir program. His work will be featured on the 1983 season brochures, posters and souvenir programs as well as the posters for the second annual production of GODSPELL at the Kenansville Memorial Amphitheatre in Kenansville.

"The mural was designed to highlight the important aspects of the 200 years of history THE LIBERTY CART covers," Patrus said. "And, a scene has been added to depict the celebration of outdoor pageantry." The full-color mural is 75"x47" painted with acrylic oils. Life during the Revolutionary and Civil Wars, along with everyday events, are worked into the mural.

"The idea behind the mural moves in a sweeping motion," Patrus said.

"Strong images of a Revolutionary and a Civil War soldier are depicted in the midst of the motion of a battlefield. And, the sweeping view continues to include everyday people and events from the past as portrayed through THE LIBERTY CART."

Patrus pointed out he characters and events which make up the mural are direct references from history and slides from scenes of the production.