

Duplin Times

PROGRESS SENTINEL

VOL. XXXVII NO. 4 USPS 162-860 KENANSVILLE, NC 28349 JANUARY 26, 1984 16 PAGES THIS WEEK 10 CENTS PLUS TAX

Farmers Stay Ahead Of The Herd

Eastern North Carolina farmers are increasingly at home on the range, with poultry and livestock production making a growing contribution to farm income.

Chickens, turkey, pigs and cattle are enjoying a boom in the state, partly because the processing plants that convert livestock to ready-to-cook meat are locating here in great numbers.

N.C. Agricultural Commissioner Jim Graham observed: "The real plus for the eastern part of the state is the increase in processing facilities."

New or expanded poultry and pork plants in eastern North Carolina are gradually shifting the center of the meat-packing industry away from outmoded packing houses in the Midwest.

"I'm optimistic about livestock development," Graham said. "There's going to be some bad times, but overall I see increasing production with the increase in processing facilities in the area. I think you'll begin to see more feeder and stocker calves in the state. The immediate future depends somewhat on the next corn crop and it looks like farmers are going to plant wall to wall. That will mean lower feed costs next year for livestock people."

"I believe we will see a big expansion in both hog and poultry production" in eastern North Carolina, said William Prestage of Clinton, owner of Prestage Farms. That enterprise is increasing turkey production and going into hog production this year.

"We're in the right place in the United States at the right time," he added. "We have water, climate, and land in southeastern North Carolina for livestock," said Wendell Murphy of Rose Hill, vice president and manager of Murphy Farms, a large market hog producer. Murphy Farms is increasing its hog production and now markets about 300,000 hogs a year.

High labor costs per pound of meat processed in the traditional meat-packing centers have contributed to decentralization of the industry. The old meat capitals include Waterloo, Cedar Rapids, Sioux City and Dubuque, Iowa; Omaha, Neb.; Minneapolis and St. Paul, Minn.; and Kansas City, Mo.

About three-eighths of the nation's population lives within an overnight haul by refrigerated truck from North Carolina processors, Graham has pointed out.

With the outlook for tobacco clouded, eastern North Carolina farmers have shown increased interest in livestock and poultry production in recent years. Farmers have been encouraged to seek alternatives to tobacco for several years, but marketing of alternatives presents problems that remain mostly unsolved.

The increase in area packers' capacity means greater market potential for area producers.

Swift & Co. plans to expand its Wallace turkey processing plant's capacity by about 30 percent starting this year. Manager Dave Bray said he expects the plant to process about 5.5 million turkeys this year. A \$3.7 million freezer storage plant opened adjacent to the Swift plant late last year. The freezer can store between 12 million and 17 million pounds of meat or produce.

The freezer plant also offers the potential of expanded export markets for local meat, by refrigerated containers through the Wilmington port.

Lundy, the largest meat packer in North Carolina and one of the largest pork packers in the U.S., is doubling its Clinton plant's capacity in a multimillion-dollar construction program.

Lundy's goal is the ability to process up to 3 million hogs a year.

Carrolls Foods of Warsaw plans to expand both turkey and hog production. It now grows out 5.5 million turkeys and 180,000 market hogs. It plans to double the hog output, largely on the basis of the increased packing plant facilities in the region.

Prestage plans to grow out about 2 million turkeys this year and 3 million by 1986. He is planning to develop a 7,000-show commercial swine herd during a four or five year period. He is investing about \$14 million "in the future of our area livestock industry."

Several large Delaware and Maryland poultry companies own broiler and turkey breeding flocks that are maintained by contract farmers in the region.

Carlisle Associates maintains a market egg packaging plant in Burgaw.

Competition in the poultry industry has been intense, however, and business failures have occurred. The Watson Seafood & Poultry Co. of Rose Hill went down early last year, largely under pressure of sagging prices and high feed costs. It filed for protection under Chapter 13 of the federal bankruptcy code and later went out of business when it was unable to establish a payment program satisfactory to court and creditors.

A group of independent producers organized a corporation last year to establish a swine marketing center near Chadburn in Columbus County. The market is expected to open next month.

The idea, said James Norris, county livestock extension agent, is to provide a center for small independent producers to bring their hogs. By combining their numbers, he said, they can take advantage of truck-lot volume to ask for and get top market prices. Packers frequently pay bonuses for volume and quality known in advance and delivered when needed.

Meanwhile, North Carolina has become a national and world leader in overall poultry production, with much of it centered in Duplin and Sampson counties.

Poultry and poultry products brought the state's producers \$829 million in 1982, according to the N.C. Department of Agriculture. Hogs brought farmers nearly \$400 million that year. North Carolina farmers marketed 27 million turkeys last year more than in any other state. They marketed 3.8 million hogs in 1980, a lot of bacon but well short of national leadership. Iowa farmers marketed 23.4 million hogs that year.

Livestock and livestock products brought North Carolina's farmers an estimated \$1.6 billion in 1982, according to the state and federal crop and livestock reporting services. Iowa led the nation with livestock and poultry income of \$6 billion.

Decentralization of the packing industry and greatly increased capacity of eastern meat processing plants support the optimism of producers and officials in North Carolina, Virginia and Georgia about the future of the poultry and livestock industries of the region.

The trend is away from the northern pork and beef packing centers. Firms such as Lundy Packing Co. of Clinton, Dinner Bell of Wilson, Gwaltney and Smithfield of Smithfield, Va., and Iowa Beef Packers, which has plants scattered across half the country, have become industry leaders. Swift & Co. has developed a major turkey processing plant near Wallace. Nash Johnson & Sons' Farms of Rose Hill has developed another major turkey processing plant at

Raeford. Holly Farms of Wilkesboro and Perdue of Delaware, which also produces chickens in North Carolina, are among the largest broiler producers in the country.

Livestock producers recognize bad years frequently occur. Late last year and at the present producers face relatively static prices for their livestock. At the same time, feed costs are exceptionally high.

Prestage said the people who do the best job survive the bad times and make money in the good times.

Iowa farmers, who lead the world in pork production, call hogs the "mortgage lifters." The days of a few chickens scratching about the farmyard and a family of pigs in a wallow behind the barn have almost vanished.

Modern pork and poultry production is a highly integrated business. Companies called program operators own feed mills to grind and mix feed. The companies also own and operate hatcheries and swine nurseries to produce broiler chicks, turkey poult and baby pigs.

The contract with farmers to grow these birds and animals to market size.

Virtually all poultry is produced in such operations.

Some companies involved in poultry production own processing plants and work out their own marketing programs. Swift & Co. with its Butterball turkeys, Nash Johnson's House of Raeford and Holly Farms are among the industry's leaders in total

integration, which extends to advertising and marketing.

Others, such as Carrolls Foods, contract with packers to buy their birds.

Swine program operators generally contract with packers to buy their market hogs.

Hundreds of independent farmers as well as several large program operators produce swine in this area.

Norris believes the independent producer should and will remain the mainstay of the hog business. Prestage believes many independent hog producers will prosper 20 years from now. Some of the independent farmers are among the most efficient producers, he added.

Murphy believes many farmers find it advantageous to avail the risk of direct marketing and accept a contracted price per animal or pound of production from a program operator, such as Murphy farms, instead. The program operators who own hogs, turkeys or chickens take the risks and the profits.

Norris said the coastal plain's climate permits construction of livestock housing at much lower cost than in the traditional midwestern livestock producing centers.

He also said the state's farmers could increase corn and soybean yields by paying more attention to the crops and thus increase livestock feed production. He said that if farmers put just some of the tender loving care into these crops they apply to tobacco they could increase profits in normal production years.

Duplin General Hospital Sues Auditor

Duplin General Hospital Inc. has filed a suit against one of its former auditing firms in Duplin County Superior Court in Kenansville charging the firm with failure to properly record hospital assets.

The suit asks for punitive and actual damages, each in excess of \$10,000, from A.M. Pullen Co., a Greensboro certified public accounting firm, which served as the hospital's auditing firm from the early 1960s to October 31, 1980. The suit charges that the accountants failed to include the value of the \$2.1 million Lee Brown addition, which was opened in April 1971, in its list of hospital assets. The suit claims the hospital assets should have totaled \$2.5 million instead

of the \$450,000 listed in 1971 and that the assets in following years should also have been higher.

Hospital Administrator Richard Harrell said last Wednesday that hospital officials had been advised not to comment on the case while it is in litigation. Harrell claimed discrepancies in hospital assets listed in its books were discovered in a review of assets last February.

Following this discovery, he said, an amended cost report was sent to the Medicaid-Medicare system to recoup unpaid depreciation for the 1979-82 years. The hospital recently received a \$120,000 payment from the federal programs for the amended costs.

A New Look Is Coming To Your Newspaper

Weekly readers of the Duplin Times/Duplin Today/Pink Hill Review may perceive quite a bit of difference in their newspaper next week.

Your newspaper will have a new look for the new year, designed to make reading a little easier and the paper look a lot better.

It will take us some time to iron all of the wrinkles out,

but we hope you will find it much easier to locate your favorite features and the new column widths should be easier to read. In most cases, photos will be larger.

It may take some getting used to, but we think you will like our new format. We hope so because it's taken a lot of effort on the part of the entire staff.

See format on Page 3.



EAGLE SCOUTS HONORED - The Duplin County Board of Commissioners recognized five young men who have been awarded the honor of Eagle Scout. Pictured above, left to right, chairman of the Duplin Commissioners Alan Nethercutt presents certificates of recognition to Eagle Scouts David G. Williamson and Austin Steve Carter on January 16 during the regular meeting of the Board of

Commissioners. Recognized, but not present to accept the awards, were Timothy H. Lloyd, the son of William Lloyd of Bowdens, Kahn Fountain, the son of Ben Fountain of rural Beulaville, and Steven Williamson, brother of David G. Williamson, and sons of Judge Steve Williamson of Kenansville. Austin Steve Carter is the son of Austin Carter of Faison.

Goshen Directors Respond To Audit

Actions to comply with the federal audit recommendations at Goshen Medical Center made by its funding agency, U.S. Public Health Services, were announced Jan. 13 by the Goshen Board of Directors.

The audit and review conducted in 1983 resulted in the withdrawal of U.S. Public Health Services funding for the 1984 fiscal year at Goshen Medical Center pending the response by the Center's Board of Directors. Grant funds were extended through February to allow the directors time to decide if Goshen would continue as a federally funded health clinic or operate as a private facility.

The medical center board moved to continue operations as a federally funded facility at a January 18 meeting of the directors. The unanimous decision followed when data indicated the level of health care would drop at Goshen

Medical Center with the withdrawal of federal funds from the Rural Health Initiative program.

Responding to the audit and review, the Goshen Medical Center issued a written statement to Public Health Services. In response to the \$19,773 suit brought by the Department of Labor, a tentative agreement to compensate employee overtime claims has been reached.

The Board complied with the recommendation to delete the personnel policy prohibiting Medical Center employees from engaging in public or private conversations concerning clinic operations under threat of dismissal.

The Board submitted documentation of the 19 days of compensatory time claimed by Goshen Medical Center Administrator Jane Silver. Auditors reported no documentation for the overtime claimed by Silver and recom-

mended the administrator expect no compensatory time due to the nature and salary of the position. Medical center directors requested written guidelines for granting compensatory time.

The Board maintained that Silver was justified in receiving a \$400 bonus in 1983 after having no bonus for 1982. Auditors had recommended Silver repay the \$400 after receiving a four percent bonus while other medical center employees were awarded only two percent.

Repayment of \$1,596 of a \$20,000 contract for consulting fees by Medical Support Group, Inc., has been requested in compliance with the federal audit requests. The awarding of the contract to Medical Support Group, Inc. was termed a conflict of interest and filed to meet federal regulations for competitive bidding. Alan Silver, consultant with Medical Support Group, Inc., is the husband of Goshen Adminis-

trator Jane Silver. Payment has been received from Goshen to the U.S. Treasury for \$3,688 in interest generated by medical center bank accounts containing federal grant monies.

Cash payments to doctors for Individual Retirement Accounts are not considered in computing fringe benefits for all employees contrary to the audit report. Documentation was included in the reply by the Goshen Board. Cash payments to doctors for IRAs will continue but the amount will become part of the contractual salary as recommended by the audit and review.

The Board also approved recommendations for all employees at Goshen Medical Center to submit time sheets. The Board will also consider the future purchase of a time clock. A written travel policy will be implemented along with an accounting procedures manual for Goshen Medical Center.

Duplin Wants Grant To Buy Garbage Site

Duplin County officials want to use a federal revenue sharing grant to take advantage of a land sale and assure the county of a place to dump its garbage.

The county Board of Commissioners last week took a 60-day option on a 133-acre site across the road from the present county landfill for future garbage disposal. If the state approves the site for landfill operations, the county will pay the owner, John Bachelor, \$1,000 an acre for a total of \$133,000 for the land.

At the current rate of use, the board expects the present landfill to be filled in nine years. The proposed additional acreage is being put up for sale and the location beside the present landfill prompted the board's action at this time.

County Manager Ralph Cottle reported receipt of \$201,570 in revenue sharing funds Jan. 9. He said a similar amount can be expected in early April. The

board voted to hold a hearing on amending the revenue sharing budget at 9:15 a.m. Feb. 6 during the board's regular meeting in the courthouse in Kenansville.

Under the revenue sharing budget, the board would use:

- \$80,000 to replace the Duplin General Hospital roof.

- \$30,000 to repair a roof at James Sprunt Technical College at Kenansville.

- \$72,000 for a garbage truck to replace an aging vehicle that has cost the county \$22,000 in repairs in the past two years.

- In other action the board: • Approved the request of Frank Moore, tax supervisor, for \$20,000 to hire five people part-time to type the tax revaluation information into the county computer. He estimated the work would require 26 weeks. The workers will be paid \$3.90 per hour.

- By a split vote, approved a request for \$2,000 from Merle Creech, director of the county arts council.

She said \$874 will be used for in-school projects, \$600 for a facilities study and \$526 for community projects.

Voting against the appropriation were Commissioners D.J. Fussell of Rose Hill and Allen Nethercutt of the Beulaville area. Voting for it were Commissioners W.J. Costin of Warsaw, Dovey Penny of Wallace and Calvin Coolidge Turner of the Albemson area.

Bids for reroofing the South Wing building at the hospital site were rejected as too high. The board estimated the low bid of \$79,390 from Curtis Construction Co. of Kinston was too high.

It voted to readvertise for bids and include reroofing the Herring Building at James Sprunt Technical College in the project.

Cottle was told to see if the county's insurance policy will pay the \$3,961.76 billed the county by the state for damage to a bridge that occurred when a county truck struck the bridge while

avoiding another vehicle. • Joe Costin, Health Department director, and Harry Carlton of Wallace, chairman of the Board of Health, asked the commissioners to bring nurses in the department up to the state's pay level. The nurses are four pay grades under the state level due to a two-year county wage freeze and an increase in pay of state nurses.

The county's nurses now average 23.8 percent less in salary than the state level for their respective grades, the health officials said. The commissioners decided to delay action until they see a study of county employee grades and salaries.

Decided to advertise for an industrial development director to succeed John Gurganus, who resigned to take another position.

The salary will range from \$22,633 to \$29,953 per year, depending on the background of the successful applicant. Gurganus received \$23,979 per year.