

Food Processing Industry Needs Raw Products

Food processing has a place in the economy of North Carolina, but it is not a "get-rich-quick" scheme that can be built on surpluses from the fresh fruit and vegetable market.

This word of caution comes from Dr. George L. Capel, in charge of extension marketing work at North Carolina State.

"Dr. Capel points out that many groups in North Carolina have been examining the role of processing in the agricultural development of the state. Most of this interest centers around the processing of fruits and vegetables, especially the canning or freezing of vegetables, since North Carolina already has a well developed industry for processing poultry, dairy and livestock products. Capel described the various food processing industries, such as vegetable canning, meat packing and poultry processing, as highly competitive, low margin industries."

Within these industries some firms are doing well, he said. Others are failing.

"New firms must begin with efficient, low-cost operations," he said. "And they must have the financial reserves needed until the products of the firm acceptance in the market."

Capel also discussed raw pro-

ducts for processing industries and pointed out that the fresh market for fruits and vegetables often has wide swings in prices and supplies.

Some people regard these fluctuations as part of the risks that must be taken with the production of specialized crops. Others see the occasional market glut as a real opportunity for processing industry.

Capel stressed, however, that a successful processing plant cannot be built on left-overs from the fresh market. It must get full use of the facilities available, and to do this, it must have a dependable supply of raw products.

"The mere existence of a processing facility does not guarantee farm output," the marketing expert stated. "Numerous examples in North Carolina illustrate this point. Meat packers could use more local hogs. Most vegetable canners need more raw products."

Capel said successful processing industries are found where raw product supplies are guaranteed. In most parts of the United States where food processing has flourished, there exist some definite barriers between processing and fresh markets.

Where such devices are not present, Capel says, the processing market engages in a constant, and unhealthy, struggle with the fresh market for supplies.

The barriers which determine whether farm products will flow into either the fresh or processing market may be either economic or legal.

Economic barriers exist when

the product is isolated by distance or time from the fresh market. Legal barriers exist in a number of ways. One is a marketing agreement which limits supplies going to the fresh market. Another is for the firms to have a legal claim on an adequate share of the raw product to maintain itself on a profitable basis. A contract with a producer would be an example of this type of barrier.

In some cases not even this type of barrier is adequate, however, and many firms must go into farm production to be assured of ample raw products.

In conclusion, Capel believes fits into the agricultural picture in North Carolina to the extent that it can stand independently with its own sources of supply definitely committed to it in sufficient volume to be efficient. It does not fit as a place to dispose of occasional market gluts which threaten fresh market prices.

Smith Is Taking Naval Training

GREAT LAKES, ILL. (FHTNC)—Charles E. Smith, 18, son of Mr. and Mrs. David V. Smith, Jr. of Route 3, Kings Mountain, N. C., has begun basic training at the Naval Training Center, Great Lakes, Ill.

The nine-week training includes naval orientation, history and organization, seamanship, ordnance and gunnery, military drill, first aid and survival.

During the training recruits receive tests and interviews which determine their future assign-

Over 65? Contact Social Security

If you are over 65 and still working, you should consult your nearest social security office.

Have you read or heard the above advice but then failed to follow up on it? If so, this article is for you.

Most people know that in order to collect social security benefits for each month in the year, they must limit their earnings to \$1200 for that year.

What many people do not seem to realize is that even if one is over 65 and still earning more than \$1200 a year, it is possible that some social security benefits can be paid. For each \$2 of earnings over \$1200, only \$1 of a beneficiary's social security payments is withheld. For earnings above \$1700, \$1 in social security benefits is withheld for each \$1 in earnings.

However, regardless of total earnings for a year, the claimant can receive full benefits for any month in which he earned 100 or less, and did not "render substantial services" in self-employment. An application must, of course, be filed before any benefits can

be paid. Therefore, if you are 65 and still working, you should definitely consult your social security district office at 1320 East Franklin Ave., Gastonia, N. C.

ments in the Navy. Upon completing the program they are assigned to service schools for technical training or to ships and stations for on-the-job training in a Navy rating specialty.

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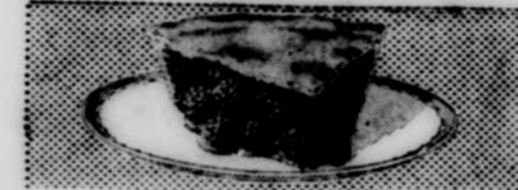
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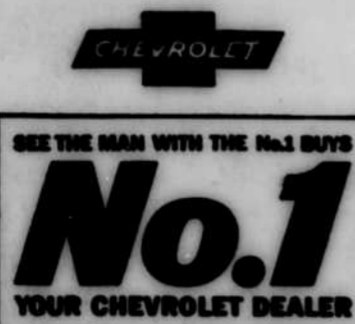
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