

P O U L T R Y

PRODUCTION

in North Carolina

Broilers

Turkeys

Eggs



The farm yard in which a few chickens wander where they will, scratching about for whatever meal the yard will provide, is a relic of the agricultural past. As Americans have developed a taste for chicken and turkey, the poultry industry has changed dramatically. It has become an enormous business. Nowhere in the United States is that more true than in North Carolina. Indeed, raising poultry is arguably the single most important agricultural endeavor in which the state's farmers are involved. Poultry is worth more to North Carolina farmers than even that venerable king of North Carolina crops — tobacco.

Since 1970, the production of broilers has almost tripled. North Carolina growers produced 1.1 billion pounds of broilers in 1970; in 1993 the number had risen to 3.1 billion pounds. Turkey production increased seven and a half times, from 176 million pounds in 1970 to 1.37 billion pounds in 1993.

Poultry is the engine that drives much of North Carolina agriculture. The following pages summarize research done in the departments of Agricultural and Resource Economics and Poultry Science at North Carolina State University on the economic impact of the poultry industry on the North Carolina economy. From the graphs, charts and numbers on these pages emerges a picture of one of North Carolina's most important industries.

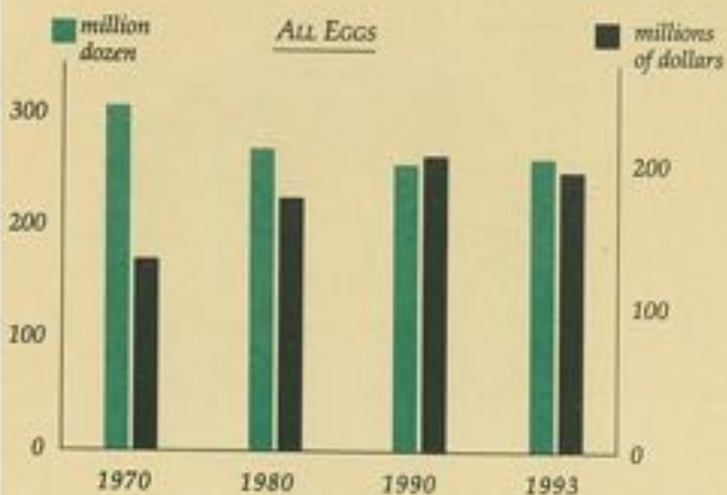
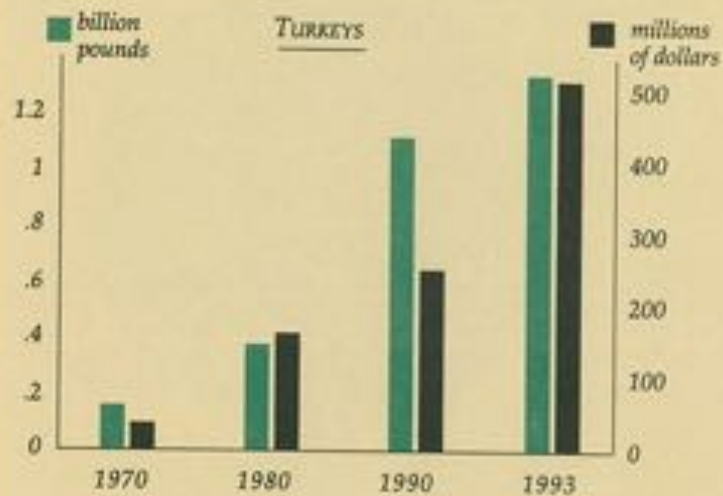
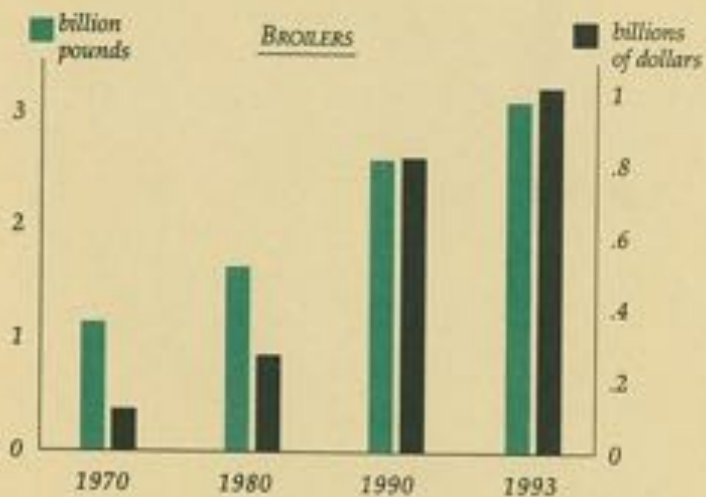
NORTH CAROLINA POULTRY — AN INDUSTRY ASCENDING

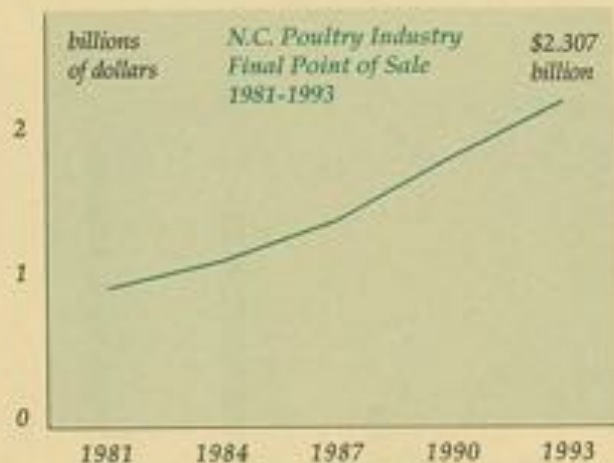
The North Carolina poultry industry has experienced explosive growth over the last two decades.

- Since the mid 1980s, more than 50 percent of all North Carolina agricultural cash receipts have come from livestock sales. Poultry accounts for 57 percent of livestock sales.
- In 1992, the average North Carolina broiler operation produced 236,000 birds annually, up from 78,000 in 1969.
- North Carolina growers produced 586 million broilers, 65 million turkeys and 1.6 billion table eggs in 1993, a survey of the poultry industry found.
- North Carolina is the largest turkey producer in the nation, the fourth largest broiler producer, and eighth largest egg producer.

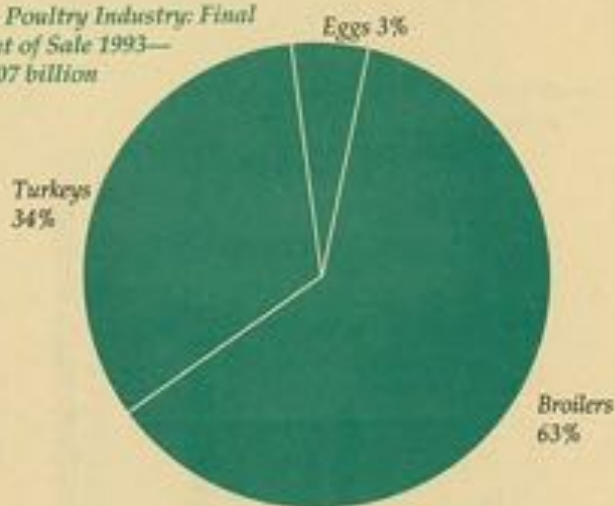
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Production and Value of Broilers, Turkeys, and Eggs in North Carolina

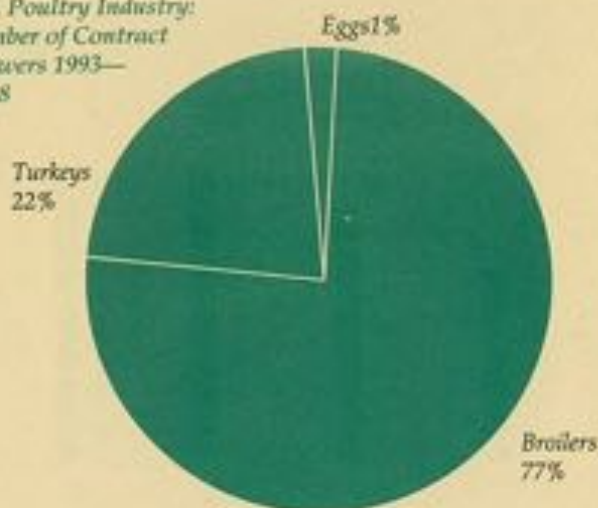




N.C. Poultry Industry: Final Point of Sale 1993—\$2.307 billion



N.C. Poultry Industry: Number of Contract Growers 1993—4,118



North Carolina Poultry Industry Employment

1993

Employed by poultry companies 19,821

Number of contract growers 4,118

Estimated employment by growers 1,330

North Carolina Poultry Industry Earnings

1993

Poultry companies' payroll \$331.9 million

Payments to growers \$214.8 million

Estimated wages of
growers' employees \$16.0 million*Value of North Carolina Poultry Industry
Production 1993**(dollars at final point of sale)*

Broilers \$1.4 billion

Turkeys \$795 million

Table Eggs \$70 million

Source: 1993 North Carolina Poultry Industry Survey

Note

Final point of sale is the market value of poultry products processed in North Carolina plus the market value of poultry that is exported, or leaves the state before being processed.

Top North Carolina Poultry-Producing Counties

— Broilers



Broilers — millions of birds

Wilkes	84.5
Moore	63.7
Union	62.4
Chatham	54.1
Randolph	46.6

Top North Carolina Poultry-Producing Counties

— Turkeys

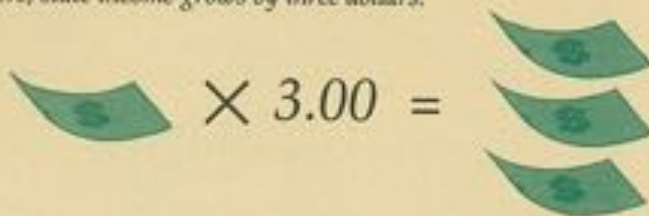


Turkeys — millions of birds

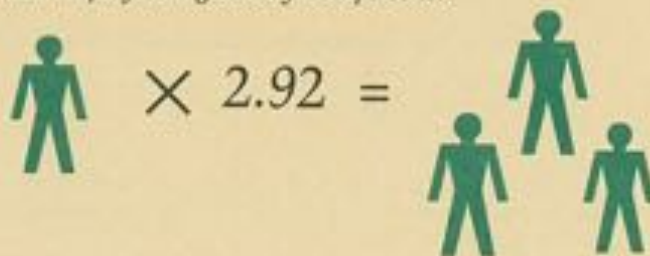
Duplin	12.5
Sampson	11.7
Union	10.4
Wayne	6.2
Lenoir	3.5

Multipliers for income and employment in North Carolina

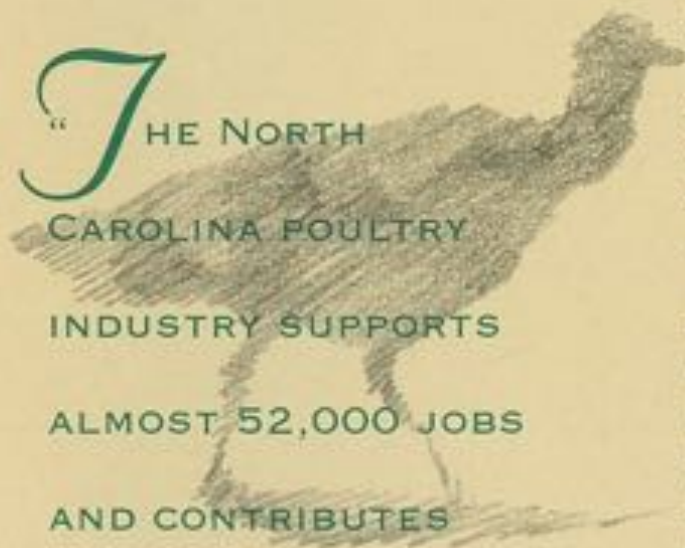
INCOME: For every dollar of income earned by poultry processors, state income grows by three dollars.



EMPLOYMENT: For every person employed in poultry processing, state employment grows by 2.92 persons.



"THE NORTH
 CAROLINA POULTRY
 INDUSTRY SUPPORTS
 ALMOST 52,000 JOBS
 AND CONTRIBUTES
 ALMOST \$1.6 BILLION
 TO THE STATE'S INCOME."



THE MULTIPLIER EFFECT

Most North Carolina poultry is produced under contract. Poultry companies contract with growers. The company typically provides birds, feed, veterinary services and technical expertise. Growers provide the housing, labor and utilities necessary to raise the birds.

In 1993, the poultry industry employed 25,269 North Carolinians, according to a research study done at North Carolina State University. Researchers found that poultry companies paid \$331 million in wages to their employees and another \$215 million to contract growers.

Those are impressive numbers, but they don't tell the whole story. Any economic activity has a ripple effect, like a stone thrown into a pool of water. A poultry company, for example, must purchase feed for the birds its contract growers raise. This means business for feed mills, which, in turn, must buy raw ingredients, such as corn and soybeans, in order to produce feed.

Economists call this ripple effect a multiplier. Multipliers are a convenient way to summarize the economic impact of an industry on the entire economy.

The income multiplier for poultry processing, for example, is 3.00, which means that for every dollar earned by poultry processing firms, three dollars are generated across the state's economy. Similarly, the poultry industry employment multiplier is 2.92, meaning that for every employee hired by a poultry processing facility, employment across the state increases by 2.92.

When economists use multipliers to get to the bottom line, they estimate that the North Carolina poultry industry supports almost 52,000 jobs and contributes almost \$1.6 billion to the state's income.

The long, low houses in which chickens and turkeys are raised can be found on farms across North Carolina. The activity that takes place in these houses has become one of the most important segments of the state's economy, providing thousands of North Carolinians with jobs and paychecks.

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