

STRATHFIELDSAYE.3551

23rd May, 7

PROGRESS OF EGG PRODUCTIONLICENSING IN VICTORIA

Egg production licensing has now been operating in Victoria for more than two years. Certain clear facts have emerged, and as the future of licensing is now under consideration, we believe you will be interested in this summary of the more significant points:

1. The objective was to reduce uneconomic surplus production and improve producers' returns. In the first two years of operation, licensing has reduced surplus production by 52.7 per cent, and as a result producers' returns have increased by 20.3 per cent. It is therefore clearly achieving its objective.
2. The Victorian Egg Marketing Board has recently removed all producer equalisation pools as a direct result of the great reduction in surplus losses through licensing.
3. Consumers too have benefitted. Because the huge losses of about 50c per dozen on exportable surpluses have been greatly reduced, local price increases have been contained. While in the last two years the official Consumer Price Index has risen 30.5 per cent, the price of eggs in Victoria has risen only 17.9 per cent.
4. The Victorian Egg Marketing Board and the Poultry Farmer Licensing Committee unanimously recommend that the principle of egg production licensing in Victoria be continued.
5. In a poll of commercial egg producers conducted by the Victorian Egg Marketing Board, over 90 per cent favoured continuation of licensing.
6. The Victorian licensing scheme is a vital part of an Australia-wide orderly production programme which is now being successfully implemented in all States. There have been delays because of court actions in N.S.W., but these have been finalised, and quota levels, including a recently announced 12 per cent reduction, will now be fully enforced.
7. Because of the success of licensing, the incentives for producers to trade interstate are being significantly reduced. Already, one of the major interstate operators into Victoria has withdrawn and transferred his supply to his own State.

We believe the above facts show conclusively that licensing of egg production should be continued in Victoria.

Yours sincerely,

K. Fitzgibbon,  
SECRETARY