

EGG INDUSTRY HAS SOMETHING TO CROW ABOUT

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Mr Hudson said for every \$1 the public pays for eggs more than 70c goes to the producer.

"In industries where they have unrestricted production the farmers often finish up with as little as 25 per cent of what the public pays.

From the consumers' point of view, production and marketing controls in the egg industry had resulted in egg prices increasing at a much lesser

rate than the price of other foods, Mr Hudson said.

He pointed out that the food group of the Consumer Price Index had increased by 36 per cent in the past four years but egg prices had risen only 27 per cent.

"Expressing it another way we can say that the average consumer in Victoria at the moment has

to work only 11 minutes to earn gross wages sufficient to buy a dozen eggs. "In 1974 he had to work for 17 minutes."

Mr Hudson said of the 18 countries for which similar statistics were available only three, Canada, Denmark and the United States had cheaper eggs on this basis than Victoria.

However, Government subsidies were involved in those countries, whereas in Australia there were no such subsidies.

"This clearly indicates that our eggs are around thecheapest in the world

while producers are enjoying consistently satisfactory returns."

Mr Hudson said to appreciate what had been achieved it was necessary to be aware of the situation when demand/supply management was introduced in 1974.

At that time the industry was in disarray, with up to 30,000 tonnes of surplus pulp in store in Australia.

"It was costing us millions of dollars just to store it a year — with no suitable market and we were threatening to dump this product anywhere

simply to get rid of it.

"Producers were going broke because they felt they had to produce more to overcome their losses, and this simply compounded the problem.

"We were getting an increasing number of eggs with nowhere to sell them and the high storage costs were swallowing up the return to the producer from domestic sales.

"The dramatic transformation of our industry in a period of less than five years clearly demonstrates that demand/supply management does work."

Mr Hudson said the main reason for the turnaround in the egg industry under the quota system was it had forced both the production and marketing arms of the industry to become more efficient.

"Our experience shows it is a fallacy to claim that controls breed inefficiency.

"It's not so long ago that the producer was getting something like 180 eggs from each bird. Now we're budgeting for a figure of 200-220 eggs a bird and the conversion ratios of feed to eggs is improving.

"The producer is ensuring he is getting the maximum out of his quota and the quota is breeding efficiency," he said.

Mr Hudson said this was putting more eggs on to the market but the board had also become more efficient.

"We have very much updated our distribution system and now get the eggs quickly from the farm into the store using a system of trolleys which have cut down our costs and improved the quality and appearance of the eggs in the retail outlet.

"We have also taken a more aggressive approach in advertising and promotion so at a time when most other food stuffs, basic food stuffs, are going down in sales, our sales are increasing."

He said these results effectively answered those people who criticised the role of statutory marketing authorities.

"We support free enterprise and indeed involve private operators wherever possible," he said.

"We have free enterprise grading agents, we have free enterprise distributors and of course we have virtually all free enterprise retailers. So it's not a mad bureaucracy where only the board is involved."

The chairman claimed this flexible approach produced better results than a totally free enterprise operation.

"In America they have a totally free enterprise operation with no form of control.

"It is pure free enterprise marketing and the producers are getting something around 60 per cent of the consumer dollar against the 70 per cent they are receiving in Australia."

Another factor often overlooked by critics of demand/supply management was that although the system of necessity was being used now to restrict production it was just as well geared to expand production.

"If we received large economic overseas orders we could gear up to meet them within six months without any disruption to the domestic market or any other complication," he said.

"Because our industry works on a six-month cycle we have an advantage in this regard but it is my contention that the principles are exactly the same for all other primary industries.

"You have to keep fine tuning the program but we are doing that and getting better at it all the time.

"Demand / Supply management really works. We know because we have proved it," he said.

EGG INDUSTRY HAS SOMETHING TO CROW ABOUT

After nearly five years of demand/supply management the egg industry in Australia is the most stable of all significant primary industries, chairman of The Victorian Egg Marketing Board, Mr Alan Hudson, said yesterday.

Mr Hudson, who is also president of the Council of Egg Marketing Authorities of Australia was enlarging on comments he made at the announcement of results of the Victorian Agriculture Department's Standard Laying Tests.

At that meeting he said he told several hundred egg producers he was completely at a loss to understand why leading agricultural economists and others maintained that demand/supply management would not work in primary industries.

"The simple fact is it does work because we have done it in Victoria and elsewhere and it has brought tremendous benefits to the producer and consumer alike.

"Since 1973/74 producers have enjoyed not only a steady increase in the

price they receive for their product but also a consistently high proportion of what the consumer pays for the product."

Mr Hudson said for every \$1 the public pays for eggs more than 70c goes to the producer.

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rate than the price of other foods, Mr Hudson said.

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