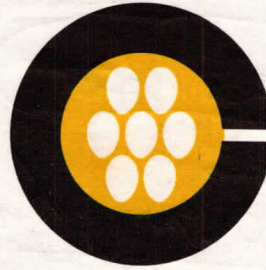


CRYSTAL EGG COMPANY

Authorised Agent
Victorian Egg
Marketing Board



Garsed Street Bendigo
Victoria 3550
Post Office Box 4
Phone (054) 431911

30th June, 1983.

Dear Producers,

For the last twelve months we have had extensive discussions with the executive members of the Commercial Egg Producers Association, and other producers, concerning grading charges. As the last increase was back in November 1981, the discussions largely dwelt on the timing of an increase, and of course the size of any increase, and any measures that could be taken to increase productivity and thereby reduce the size of the increase.

The purchase and installation of a Staalkat E C 120 grading machine has certainly enabled us to do three things. We have a machine that has a capacity that matches the volume available for grading. We have a greater flexibility in packing, needed as we enter a phase of continuously changing packaging material. And we have a greater productivity.

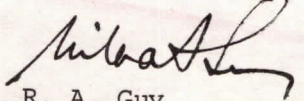
Our falling intake has been our greatest worry, as the volume of eggs available for grading has decreased from over eight million dozen per annum in 1981 to five and a half million dozen per annum this year. This has had an adverse effect on our overhead costs per dozen. Keeping in mind the effects of the drought on producer feed prices, we have endeavoured to minimise the amount of any increase, and we have delayed its introduction a second six months.

We believe also that the time has come when our grading changes need to better reflect the cost of grading. There are no doubts that the costs per dozen of grading and packing is greater for smaller consignments than for large ones. Hence, after consultations with your senior producers, we shall be introducing a sliding scale remuneration increase commencing July 11th 1982.

Our service fee will be altered as follows:

<u>CONSIGNMENT SIZE DOZEN</u>	<u>NEW SERVICE FEE PER DOZEN</u>
1440 + Over	0.7
1080 - 1439 ^{1/2}	0.8
720 ^{1/2} - 1079 ^{1/2}	0.9
540 ^{1/2} - 719 ^{1/2}	1.0
360 ^{1/2} - 540	1.1
120 ^{1/2} - 360	1.3
0 - 120	1.7

Yours faithfully


R. A. Guy,
Managing Director.