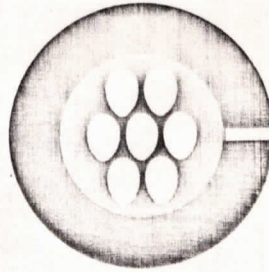


CRYSTAL EGG COMPANY

Authorised Agent
Victorian Egg
Marketing Board



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

8th July, 1983.

Mr. A. T. Harrison,
Egg Farmers Of Victoria,
P.O. Box 141,
NOBLE PARK, 3174.

RE: Dockage Review

Dear Sir,

We have been asked to make comment on the proposed review into dockage or cartage subsidies paid by the Board in its equalisation of payments to Producers. The other area is the cost of supplying retail eggs to areas not supplied by Producers.

Naturally, as the Agent in Bendigo, we feel most strongly about anything that could affect the viability of Producers in the Bendigo franchise zone. Clearly the removal of cartage subsidies would place some more distant smaller producers in jeopardy if they were forced to pay the extra cartage costs associated with country production.

A few years ago, the Board agreed to the closing of some country grading floors, at Charlton, Castlemaine and so on. As part compensation for the inconvenience to producers in closing these small uneconomic antiquated floors, the Board agreed to pay part of the transport costs associated with getting the eggs to the larger floor - in this case, Sympag. I am sure you recall all this, but I felt the historical reason for these subsidies ought to be repeated.

We support the retention of small subsidy to their cartage.

CARTAGE TO MELBOURNE

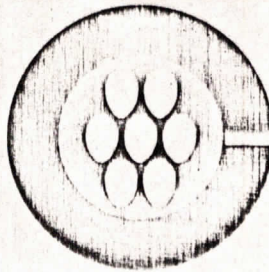
The cost of getting packing material to Bendigo and over eighty percent of our total eggs to Melbourne is just over five cents per dozen. To impose this on local producers would be catastrophic, we suggest, and quite contrary to "the need to maintain an effective equalisation price structure".

TRADITIONAL FARMS

There are very few new farms in the Bendigo franchise zone, and most have been located here from times before the Board was started back in the thirties. These traditional farms should not suffer because some farmer wants to relocate at Geelong, where there is no longer a grading floor to service it.

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However, the new policy of announcing NO cartage subsidy for eggs from new farms in an area that is in surplus (eg Bendigo), is the greatest disincentive to decentralisation we have ever seen. Suggestion (d) on page 4 of your letter, if introduced in its fullest sense, would lead to an industry that was just self sufficient everywhere, and completely centralised. Most people in Victoria live in and near Melbourne, and this section is suggesting that all eggs ought to be produced in and near Melbourne.

DECENTRALISING EGG FARMS

The Board, in recent years, has often told me of farms that might relocate to Bendigo, to assist us in our endeavours to lift our receivals back to the optimum size of seven million dozen eggs per year. I fail to see the consistency of this suggestion and the introduction of a policy that severely penalises any such move. We only hope that the new Board sees the secondary efforts of such a policy, and rejects it totally.

QUALITY RETENTION

In section (c), page 3, it is stated that the Board considers there is a need to encourage egg production, close to the market (eg Melbourne) for maximum quality retention. The inherent corollary to this is that eggs produced away from Melbourne, are not fresh. I reject this totally, as the quality aspects of the industry have been lifted enormously by the Board in recent years by refrigeration, regular transport, and more severe specifications for A quality eggs. It is quite wrong to suggest that one needs to produce eggs close to the market to maximise quality retention.

OVERALL SUMMARY

The total annual dockage cost of \$500,000 represents only half a percentage point of value of the eggs produced in Victoria. We believe it is currently operated efficiently and equitably, and its retention is vital to the effective equalisation within the total industry