

EGG FARMERS OF VICTORIA

The Victorian Egg Marketing Board trading as Egg Farmers of Victoria



11th August, 1983

Mr. K. Fitzgibbon,
Secretary,
Commercial Egg Producers Association
of Victoria,
STRATHFIELDSAYE, Vic. 3551

Dear Mr. Fitzgibbon,

Alan Harrison has asked me to communicate with your organisation on several subjects.

1. Donating Eggs to Schools for Cooking Classes

There are financial limits to how many various causes and organisations we can justify donations of eggs.

I believe that schools are teaching their students the benefits of a balanced nutritional diet, part of which eggs have a significant and important role to play.

Nevertheless, the accent is now on teaching students the value of dietary changes which are necessary to improve the health of the general Australian public.

At a recent nutritional conference in Wodonga I was able to discuss eggs and their role in a school's curriculum with several teachers.

These particular teachers appeared to be favourably disposed to eggs and expressed this to their students as part of an overall approach to home economics.

Depending on sufficient funding being available, I have already advised our Board that I will be putting up a submission to commence a planned approach to school children during the 1984/85 financial year.

I believe that concern was expressed that a teacher had remarked that he or she did not use eggs in cookery classes because eggs were "too dear". If this is the case, I would venture to suggest that it may be the opinion of a small minority of school teachers and donating our product to their cookery classes is unlikely to change this attitude.

As I have already noted, I believe it is far more appropriate to have a proper educational programme entailing eggs, tied in with the needs of modern educators, and we hope to take the first step in this direction in 1984/85.

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2. Country Advertising

Provincial or country advertising is not usually very cost efficient or, in other words, very good value for the dollars expended. By concentrating on the major part of the market, which happens to be in the Melbourne metropolitan area, advertisers are able to get a better sales result from the amount of dollars expended by sheer weight of population grouped in that area.

Provincial or country advertising has been reduced primarily because of the increases in media costs generally. It is a fact that television costs alone have escalated to such a point that our budget has not been able to keep up with cost increases, and therefore we have had to reduce the number of advertisements we put to air in any one year.

Using 1978 as a base, the following increases in percentage occurred for metropolitan television costs:

1979	+ 15.2%
1980	+ 13.6%
1981	+ 21.7%
1982	+ 32.5%
1983	estimated + 2.4%

It can be seen from looking at those figures where the crunch came as in 1983 many advertisers followed our course and, rather than increasing their budgets to meet the spiralling costs of television and most other advertising, reduced their expenditure, and this was the one factor that forced the television stations to put the brakes on their price rises.

I can advise you that we have been negotiating with all country radio networks for a package deal and this will become a reality.

We believe we can justify the level of expenditure we will need to properly support this idea and when we have the full programme arranged the industry will be advised.

3. Eggs on Hotel Menus

I assume from this question that you are referring to counter-lunches as the decision of what is offered on hotel menus such as counter-lunches is usually determined by the type of hotel and its clientele. For instance, a trendy hotel in the Melbourne suburbs of Prahran, St. Kilda or Carlton would be most unlikely to have eggs on the menu in the form of, say, fried eggs. However, eggs are sure to be part of the fare that the customer is offered, and in this case become an ingredient rather than a "star performer" as they are in steak and eggs.

From a nutritional point of view, we can expect to see traditional dishes such as steak and eggs diminish further

as the community becomes more aware of Australians in general having a need to make major alterations to their basic traditional eating habits.

4. Egg Week

Frankly, any "week" is just a form of light relief to consumers and has no lasting beneficial impact and certainly no marketing value.

5. Fixed Retail Prices

Retail price setting or fixing is illegal in Victoria unless there is legislation in place to permit such an action. No such legislation is currently available for egg pricing.

Retailers, because of their fiercely competitive nature, prefer to fight out price in the retail arena. This attitude is of benefit to our industry as we consistently have retailers using eggs as a "loss leader" or pricing them extremely competitively, which, in the long run, makes our product better value to the consumer. There would be no marketing reason to change this situation.

Yours faithfully,
EGG FARMERS OF VICTORIA



SELWYN M. HALL
Deputy General Manager