

AUSTRALIAN COUNCIL OF EGG PRODUCERS

GENERAL MEETING

Held at L.G.P.A. Office, Sydney,  
On Monday and Tuesday, 17 and 18 October, 1983  
commencing at 9.00 a.m.

M I N U T E S

PRESENT: Queensland - Mrs. N. Jones, Mr. D. Feez  
New South Wales - Messrs. N. Holland, P. Feldmayer  
Victoria - Messrs. P. Carpenter, M. Peacock  
South Australia - Messrs. W. Starick, R. Fennell  
Western Australia - Messrs. C. Connell, R. DaPrato

Executive Officer - Mr. D.L. Dean

Guests - Messrs. R. Fuge, R. Hohl, I. Stewart,  
N. White, R. Hazlett, J. McNamara

APOLOGIES: Apologies were received from Mr. M. McIntosh and  
Mrs. M. Dye.

WELCOME: The President, Mr. W. Starick, extended a warm  
welcome to those present with specific mention to  
Mrs. N. Jones, Mr. M. Peacock and Mr. R. Fennell  
who were attending their initial meeting.

STANDING  
ORDERS: Mrs. Connell moved:

"THAT STANDING ORDERS BE SUSPENDED."

Seconded: Mr. P. Carpenter

CARRIED

POULTRY  
WELFARE:

Public Relations Programme

The President recalled that over the last twelve  
months C.E.M.A.A. had been conducting a public  
relations programme through Professional Public  
Relations in respect to the Animal Welfare issue.

People employed -

Including distribution plus office and quality control = 90  
15 additional staff not included above.

Direct Labour Cost - \$4 per hour plus 35-40% on charges  
Productivity is between 150 - 160 lbs per man hour.  
Including overhead staff this is reduced to 60 - 70 lb per  
head. Labour cost per lb about 9 cents.

Egg Price into store based on an 85% yield is between  
42 and 45 cents per lb.

Buy grade of egg that will give best yield. Don't tie up  
with contracts total requirements. Operate on open  
market for about one third of total requirements. Utilizing  
production from approximately 300 000 layers. Purchase  
eggs on a weight basis with eggs delivered direct to floor.

Market

Control about 35-40% of total US chipped boiled egg market  
and around 25-30% of hard boiled eggs.

Marketing to a population of around 4 million people with  
viable distribution range from this plant.

Florida unit Building space - 20 000 sq.ft. USA cost -  
\$20 per sq. ft.

This is a smaller unit, possibly more applicable to the  
Australian market. Using about one million dozen eggs per  
year (only hard boiled and chipped).

Average production of 94 lb per man hour (for Australia  
could take a figure of 80 lb per man hour).

POULTRY  
WELFARE:  
(Contd.)

- \* There was a need for considerable "lobbying" in Canberra and this could be assisted by video evidence.
- \* The industry should consider two newsletters, one for general distribution and one specifically for producers.
- \* Continuous media training was required for industry spokesmen and this could be co-ordinated by N.F.F.
- \* A long term programme could be the implementation of a "Young McDonald's Farm" to educate the public of modern farm technology.
- \* A public relations programme co-ordinated by the N.F.F. would eliminate current criticisms that the industry was engaging an "outside propaganda" consultancy.
- \* Journalists and politicians were not receiving the material provided by the current programme.
- \* The brief provided to the current consultancy was too narrow and resulted in "scrub fire" tactics.

After answering a number of questions relative to the programme and the Livestock Industries Group, Mr. McNamara departed at 10.42 a.m.

The President expressed the view that Mr. McNamara's address had highlighted the fact that A.C.E.P. would have to assume responsibility of the welfare programme and that it was an area which should not be seen as being funded by the Boards. However, for the sake of continuity there was concern that funding for the current programme was in doubt beyond December 31, 1983.

The President of C.E.M.A.A., Mr. R. Hohl, advised that C.E.M.A.A.'s opinion was that it could no longer continue the programme and there was a need for A.C.E.P. to quickly decide as to whether it would assume responsibility for the programme. As regards funding the current programme, Mr. Hohl advised that \$40,000, of the estimated \$80,000 budget for 1983/84 had been approved and subject to clarification by the New South Wales Egg Corporation and it could only be assumed that funds would be available for the campaign up until the end of December. However the programme and its continuance would be subject to C.E.M.A.A. review at its meeting the following week. Member of the N.S.W. Egg Corporation, Mr. R. Hazlett explained that the issue of continuation of the P.R. programme was confused as there was no minute on the books. However the Corporation considered that

Ideal transport range for products is 700 - 800 miles .  
Have been operating for about 6 years. Started as a  
co-operative group but this ran into trouble and was taken  
over by Clyde and partner.

The potential of the food service industry in Australia  
must be given serious consideration.

Marketing - Direct products

- (1) Chipped peeled hard boiled eggs in a range  
of packs from 5 lbs upwards. Price per lb at  
manufacturing - 90 cents with approximately  
20% margin for distribution - price at salad  
bar - \$1.10 per lb.

The raw product cost is approximately 40 - 44  
cents per lb.

- (2) Peeled boiled egg - this coupled with the chipped  
products represents about 85% of business.
- (3) Pickled boiled eggs - standard pickle and  
beetroot pickle.
- (4) Frozen omelet range

Indirect Products

Arrangement with other groups also marketing the long egg  
plus a wide range of prepared salads. This is essential  
to give volume for distribution.

...../18

POULTRY  
WELFARE:  
(Contd.)

MINUTES  
OF THE  
PREVIOUS  
MEETING:

BUSINESS  
ARISING:

Mr. Carpenter moved:

"THAT A.C.E.P. ACTIVELY PARTICIPATE IN THE  
NATIONAL FARMERS' FEDERATION'S LIVESTOCK  
INDUSTRY GROUP TO PROVIDE FOR AN EFFECTIVE  
EXCHANGE OF INFORMATION AND CO-ORDINATION  
OF INDUSTRY ACTION IN RELATION TO ANIMAL  
WELFARE ISSUES."

Seconded: Mr. Connell

CARRIED

Mr. Peacock then moved:

"THAT STANDING ORDERS BE RESUMED."

Seconded: Mr. Connell

CARRIED

Mr. DaPrato moved:

"THAT THE MINUTES OF THE MEETING HELD  
APRIL 11, 1983 BE ADOPTED AS A TRUE AND  
ACCURATE RECORD OF PROCEEDINGS."

Seconded: Mr. Fennell

CARRIED

\* National Egg Industry Journal

The President advised that the third edition of the  
National journal was due for circulation within the  
next few days. It was advised the previous colour  
format had run into difficulties particularly the  
expense and the publisher had decided to change the  
presentation to a black and white format.

Concern was expressed as to the regularity of the  
journal and its long term future. Other comments  
related to competition from State magazines and the  
possibility of rationalising the situation. It was  
agreed that the President should give further  
consideration to this issue.

Mr. Holland moved:

"THAT A.C.E.P. REITERATE IT'S SUPPORT AND  
ENCOURAGEMENT FOR A NATIONAL EGG INDUSTRY  
JOURNAL."

Seconded: Mr. Carpenter

CARRIED

PRODUCT DEVELOPMENT

Consider this to be a major activity but at moment are not providing research funds because relying on company development of these items of interest including frozen custard pie.

Previous research has shown :

Egg Pizza Case - made with egg white - low calorie - refer to separate report Dr. Baker Cornell University.

Need to promote :

Restaurant use of eggs

Have had good response with many new egg dishes being put into menus. Includes development of specialised egg restaurant shops.

AEB personnel attend food type exhibitions and conventions.

Fast Food chains

MacDonalds are asking for assistance Possibility of co-operation in these promotions. MacDonalds chain in USA uses 1 000 000 dozen eggs per day or 0.5% of national egg production.

Consumer Education

Operate seminar type functions for consumer

Food Service Manual

Development of specialised manual for instructional cooking.

BUSINESS ARISING:  
(Contd.)CORRESPONDENCE:\* Conservation of Genetic Stock

Mr. Fuge advised that a trust had been established to manage the genetic stocks at Parafield Research Station which was also being supported by the stock-feed manufacturers.

In reply to a question, Mr. Hazlett advised that while poultry breeders had no use for the flock at present it was difficult to assess their long term usefulness to the industry.

- . National Farmers' Federation - Public Relations Handbook. Media spokesmen were encouraged to purchase a copy.
- . John Lysaght (Australia) Limited - Coolclad Steel advertisement. Noted.
- . Geoff McLaren - Retirement from Senate. Noted.
- . Hon. J. Kerin, M.P., Minister for Primary Industry - B.A.E. "A Review of Egg Marketing Arrangements in Australia." This matter was discussed later during the meeting.
- . Hon. D.T. McVeigh, M.P., - Establishment of the Liberal-National Parties Committee on Primary Industry. Mr. Feez was requested to make contact with Mr. McVeigh.
- . Australian Wheat Board - Invitation as an Observer to Stockfeed Wheat Consultative Group. [Refer also 5(v)]. This was discussed under matters arising.
- . Department of Agriculture (South Australia) - Animal Welfare. This was discussed later during the meeting.
- . Victorian Farmers and Graziers Association - Appointment of Executive Officer. Noted.
- . Australian Rural Adjustment Unit - National Workshop on Rural Research. [Refer also 5(R)].
- . K.J. Theel - Appointment as Auditor. Noted.

1976 - 237  
 1977 - 231  
 1978 - 238  
 1979 - 242  
 1982 - 231

In 1977/78 advertising and promotional activities were at their highest level.

Executive and members of AEB recognise the need to expand advertising and promotional activities back to the 77/78 levels.

A referendum was held last year on increasing levy rate from 5 cents to 7½ cents but not successful.

1984 programme will not use TV but will use intensive radio using Rich Little doing voice impersonation of stars through an egg.

Theme will be - Break out an egg.  
 Will use housewife magazines as well.

In addition to levy raised by AEB individual States also take a levy to fund promotion. This promotional activity usually involves conduct of workshops, school education programmes.

Some of these State levies are mandatory; others voluntary. Producers see more benefit from their local State based promotions.

Staff of AEB - 23

The AEB is made up of 36 members. 18 of these are full Board members and 18 are deputy members.

...../14

CORRESPONDENCE:  
 (Contd.)

Mr. Connell moved:

"THAT THE CORRESPONDENCE AS PRESENTED BE RECEIVED."

Seconded: Mr. Feez

CARRIED

PRESIDENT'S  
REPORT:

(Copy of report attached to official minutes).

The President presented a report, highlighting the following activities since the last meeting:-

- . Discussions with politicians.
- . Poultry Welfare.
- . B.A.E. Report.
- . Stockfeed Wheat Consultative Committee.
- . A.C.E.P. Goals.

Mr. Connell moved:

"THAT THE PRESIDENT'S REPORT BE RECEIVED."

Seconded: Mr. Peacock

CARRIED

C.E.M.A.A.  
REPORT:

The President of C.E.M.A.A., Mr. R.R. Hohl, presented a verbal report on recent activities undertaken by his Council.

B.A.E. Report

Both the President and Executive Officer had visited the Minister for Primary Industry and the B.A.E. to discuss the Report "A Review of Egg Marketing Arrangements in Australia." C.E.M.A.A. had now adopted as policy the aim of reducing the national surplus down to 3%.

Egg Exchange

An egg exchange had been established under the auspices of the Australian Egg Board, whereby each Friday State Boards telexed surplus figures by grades to allow any State in a shortage situation to take up the quantity so desired. Further refinements to the operation were expected.

C.E.M.A.A. Office

CEMAA would be moving to new premises at 20 Bridge Street Sydney, (telephone 27 8758) on October 31, 1983. It was also intended to change the name to the Australian Egg Marketing Council.

Discussions with American Egg Board (AEB) ExecutivesLou RaffelThursday 14 September 1983

In general discussions at the AEB it was apparent that the process of raising funds for the operation of the AEB were deteriorating.

Funds are raised by a mandatory levy placed on all eggs sold but the legislation covering this provides for a return of levies by a producer should they request it. Any returns are required to be kept strictly confidential. Because of the depressed economic state of the industry actual requests for levy returns is running at 40%.

This fund situation has resulted in a virtual closing off of most research activities and the direction of the majority of funds towards advertising and promotion.

Expenditure on advertising	-	\$3 500 000.
Research Expenditure	-	\$100 000.

To bring the level of advertising activity back to the 1977/78 period when they achieved substantial lifts in sales the expenditure for 1983/84 should be in excess of \$7 500 000.

The 1983/84 advertising programme will be based almost entirely on radio and newspaper-magazines.

The cost of TV has become prohibitive particularly in view of reducing funds.

Studies have shown positive and high awareness to the Incredible Edible Egg slogan and logo.

Computer studies of sales and related issues have shown a return of \$2.14 for every \$1 spent on advertising.

BUREAU OF  
AGRICULTURAL  
ECONOMICS -"A REVIEW OF  
EGG MARKETING  
ARRANGEMENTS  
IN AUSTRALIA"

(Contd.)

Mr. Hohl expressed the personal view that there was little value in arguing against the B.A.E.'s economic assessment of the industry. Rather he felt the industry should take notice of the report and try to eliminate some of the criticisms contained within it.

In response, the President reiterated that as the Minister has specifically requested a response from the industry, it was necessary to submit our viewpoint. However as A.C.E.P. was a producer organisation it would address its response to those broad areas affecting producers, e.g. production costs and would steer clear of the marketing aspects.

During ensuing discussion it was suggested and agreed that a small sub-committee comprising the President and Executive Officer of each organisation should meet to consider a uniform approach. However this would not preclude each organisation making separate submissions. It was further agreed that C.E.M.A.A. would give further consideration to the matter before convening such a meeting and that the draft response be left on the table. The President advised that Council would give further consideration of its response later during the meeting.

Finally Mr. Hohl suggested that the industry would have to give consideration to responding to the adverse publicity being received suggesting consumers have been paying too much for eggs.

ANIMAL  
WELFARE:. Codes of Practice

The President advised that a "Code of Practice for the Welfare of the Domestic Fowl" as endorsed by A.C.E.P. was recently issued by the Bureau of Animal Health. Feed back received indicated that by taking the initiative and publishing the Code, some of the pressure on the industry by Government had been alleviated. A further result of the Code's publication was that it had stifled attempts to amend some of the clauses.

One means of ensuring the Code maintained its current thrust would be to publicly insist on producer compliance with the Code. This would positively illustrate that the Council and the Egg Industry was acting responsibly and not treating the Code lightly. It was suggested that a level of compliance be reached in say twelve months. The proposal was similar to that adopted by the Queensland organisation.

ENT (BOARD)

se about \$600 000 for egg promotion.  
icipation and now looking for  
ce everyone pay. Rate aimed  
> (raise \$1 000 000) 14% of total  
breakers.

allow good TV saturation.  
mercials at a cost of \$25 000

n radio because far too many radio

ffecting consumption of eggs.

producers has reduced from 1600  
If keeps going the way it is  
down to 6 producers. At moment

of layer feed \$1.38.  
st \$7.50 plus delivery cost.  
ys

isconcept used.

CONSTITUTION:  
(Contd.)

THE MEMBERSHIP OF THE COUNCIL SHALL COMPRISE  
THOSE ORGANISATIONS ADMITTED TO MEMBERSHIP  
BY A TWO-THIRDS MAJORITY VOTE AT A GENERAL  
MEETING OF THE COUNCIL AND THAT A CURRENT  
LIST OF MEMBERSHIP BE ATTACHED AS SCHEDULE 1  
TO THE CONSTITUTION.

(2) THAT CLAUSE 8 (a) BE REPLACED BY A CLAUSE  
WHICH READS :-

THERE SHALL BE TWO VOTES ALLOCATED TO EACH  
STATE. IN THE CASE WHERE THERE IS MORE THAN  
ONE ORGANISATION FROM A STATE AS MEMBERS OF  
THE COUNCIL THE VOTING ENTITLEMENT OF THE  
STATE SHALL BE DISTRIBUTED BETWEEN THE STATE  
MEMBER ORGANISATIONS OF THAT STATE BY MUTUAL  
AGREEMENT. IF STATE MEMBER ORGANISATIONS  
CANNOT REACH AGREEMENT, THE VOTING ENTITLEMENT  
SHALL BE RESOLVED BY A METHOD OF ARBITRATION  
ACCEPTABLE TO THE ORGANISATIONS, OR IF  
NECESSARY, THE APPROPRIATE PROCEDURE UNDER  
STATE LAW.

(3) THAT AN ADDITIONAL CLAUSE TO BE KNOWN AS  
9 (e) BE ADDED WHICH READS :-

THE COUNCIL SHALL CONDUCT A POOL FOR TRAVEL  
COSTS FOR VOTING DELEGATES FOR EACH GENERAL  
MEETING AND THE METHOD FOR DOING THIS SHALL  
BE THAT TOTAL COST OF TRAVELLING TO THE  
MEETING SHALL BE DIVIDED EQUALLY AMONGST EACH  
VOTING DELEGATE.

Seconded: Mr. Carpenter

CARRIED

The Executive Officer was requested to calculate a  
pool cost based on A.C.E.P. meeting in Sydney and  
that further consideration be given to associate  
membership for smaller egg producer groups.

ANAHL:

Mr. Connell moved:

"THAT A LETTER BE FORWARDED TO THE MINISTER  
FOR SCIENCE AND TECHNOLOGY RE-AFFIRMING THE  
EGG INDUSTRY'S OPPOSITION TO THE IMPORTATION OF  
ALL EXOTIC POULTRY DISEASES."

Seconded: Mr. Feldmayer

CARRIED

Using Page - Diamond machine. Blend eggs onto grader by flocks to maximise capacity of grading machine by using all packing heads. This is important when using this type of machine.

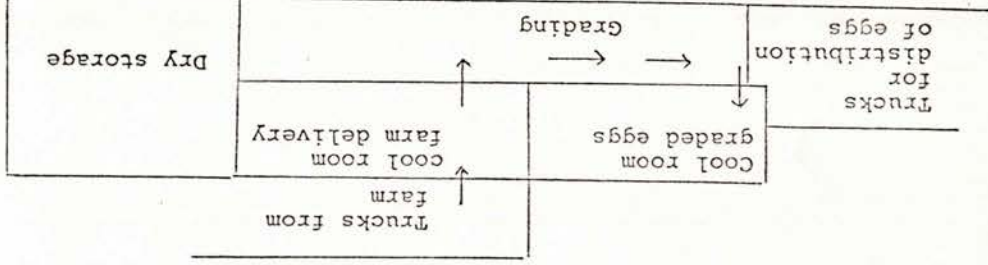
Operating 3 page 150's. Are using Diamond 18 egg pack but having trouble closing this carton.

The 18 egg foam carton with shrink wrap is giving trouble with egg damage of eggs at exposed ends.

Shrink wrap unit is in-line with grader.

Operating 2 shifts per day with 3 machines.

Layout of floor :



Each shift requires

- 1 floor supervisor
- 2 leading men
- 18 people for machines
- 3 quality control girls
- 4 girls floating.

Have a total of 72-73 staff and handling 25-30 000 x 30 dozen cases per week. Does not include office staff.

EGG PRICES: (Contd.)

Lease back scheme which was effectively a 30 quota reduction at its peak.

RESEARCH:

A discussion paper on poultry research prepared by the Executive Office was circulated to delegates at the next meeting. It was suggested that consideration of the paper be deferred until the next meeting.

State reports were received from:

- Queensland (Copy attached)
- New South Wales
- Victoria
- South Australia
- Western Australia - verbal report

The Executive Officer was requested to read current information sheet with the following comments:

- Wheat prices at A.W.B. F.O.R.
- Mixed feed prices based on high, medium and low energy levels (16% protein)
- Return to be submitted to the Executive Officer of A.C.B.P. every six months and prior to the meeting.

Mr. Feldmayer moved:

"THAT A.C.B.P. REQUEST C.E.M.A.A. TO ESTABLISH A UNIFORM SYSTEM OF BOARD CHARGE STRUCTURE TO ENABLE GREATER COMPARATIVE ANALYSIS OF PERFORMANCE."

Seconded: Mr. Fennell

Distribution	-	1.5 cents
To warehouse	-	3 - 4 cents
Store door	-	2 cents
Administration	-	(covers credit cost)

Price to retail outlet 17 cents using 2 FMC that are old and need replacing. Level of broken eggs around machine very high. Wash all eggs. Using shrink wrap for 20 egg filler flat.

Brown eggs have 10 cents margin over white eggs but only limited demand. Eggs inspected by USDA about 4 days out of 5. Often made a requirement by supermarkets.

Use a sample check system (for details refer to NORCO visit). Cost of USDA service is \$19 per hour commencing from when leaves office plus mileage.

Had shop on premises (refer to photos). Selling pickled eggs. Brown egg sales represent about 2% of market.

Retail Price

From \$1.05 - \$1.15 large and extra large. In most supermarkets price mark up from 40-60% and these cover at least 60% of total egg sales.

Retail Price Breakdown

Jumbo	-	\$1.30
Extra Large	-	\$1.20
Large	-	\$1.05 - \$1.12
Standard	-	\$0.89 - \$0.93
Small	-	\$0.79 - \$0.83

.... /4

FUNDING:  
(Contd.)

- "THAT A.C.E.P. REQUESTS ITS STATE MEMBER BODIES TO DISCUSS THE PRINCIPLES OF :
- (1) LEVY FUNDING LEGISLATED AT A NATIONAL LEVEL AND DISTRIBUTED IN THE STATE IN WHICH IT HAS BEEN COLLECTED FOR THE PURPOSES OF FUNDING BOTH STATE ORGANISATIONS AND A.C.E.P.;
  - (2) A MAJOR INCREASE IN THE RESOURCES DEVOTED TO FEDERAL COUNCIL."

The president expressed the viewpoint that such a proposal was possible in the long term such a proposal was possible in the long term Council needed to consider its immediate requirements and assess how each State could raise appropriate funds. It was suggested that for the purpose of discussion a likely budget of \$160,000 was raised. This would enable satisfactory funding of a relations programme, full membership of N.F. appropriate administration and secretariats. Such a budget could be funded on the basis of 1.5¢ - 2.0¢ per hen. The amount each State required to raise was -

Queensland	\$26,250
New South Wales	\$63,000
Victoria	\$42,000
Tasmania	\$ 2,700
South Australia	\$13,500
Western Australia	\$12,000

Delegates were then requested to discuss the whereby such funds could be collected.

Western Australia

A compulsory levy, established by the State in existence from which the industry funded the State producer organisation and A.C.E.P. would be no problem in raising the amount re

Victoria

Producer agreement to obtain a levy through producer organisation would be most difficult there were three organisations. The proposal the Board deducting a levy on a voluntary basis one option and it was likely Board support scheme would be forthcoming. The problem of sent on A.C.E.P. could also create problems trade-off may have to be negotiated.

South Australia

The raising of the amount required presented problems.

Monday 12 September 1983 to Friday 26 September 1983

(A series of photos have been taken to illustrate many of the facilities etc. discussed in this report)

1. Inspection of egg handling facilities and egg marketing  
Los Angeles City in the Ontario Area.

Contact - Jim Selzner (Phone 714/946-4112)

Jim is General Manager of a Co-operative group of egg marketers under the umbrella of United Egg Producers. The group have control of 16-18 million layers.

Prices are established on market situation but producers have very little influence on consumer price.

The area is in a surplus production with a 12% level of surplus to the shell market (referred to as primary Market). Eggs which are surplus to the shell market are sold at lower prices either in other states, as export shell or to egg processors.

The producers are now discussing the introduction of marketing orders to limit production.

Breakdown of price structure (US Currency)

Large Grade	Wholesale price	-	79 cents/dozen
	Farm gate price	-	62 cents/dozen
	Average farm gate price over all grades	-	57 cents/dozen

...../2

B.A.E. -

"A REVIEW

OF EGG

MARKETING

ARRANGEMENTS

IN AUSTRALIA"

(Contd.)

- The Australian industry was being successfully operated in relation to other countries.
- A report compiled by Mr. Fuge could be incorporated in our argument. (Copy attached).
- The social costs of an unregulated system could be greater to consumers.
- The A.C.T. with no Board, had the high priced eggs in Australia.

OTHER MATTERS:

NEXT MEETING:

It was AGREED:

"THAT THE NEXT MEETING OF COUNCIL BE HELD IN PERTH ON APRIL 2 AND APRIL 3, 1984, AT THE PRIMARY INDUSTRY ASSOCIATION OF W.A."

CLOSURE:  
There being no further business the Preside delegates for their contributions and decla meeting closed at 4.00 p.m.

COST OF PRODUCTION:

: \$ 11.34 (per dozen exc. C.E.M.A.A.)

. To C.E.M.A.A. 7.5 cents/bird/fortnight.

GENERAL COMMENTS: (On issues which may affect the industry e.g. Government enquiries, animal welfare etc.)

P.S. P.C.H. (L.A.) HAVE ADDED A POLICY THAT IS  
ANTI BATTERY CHGES 4 P.P.C. (THEIR CIRCLES  
INCLUDES BATTERY SYSTEM 4 GET AWAY CHGES)

NOTES ON COMPLETING THIS FORM

To be completed at the end of each month and forwarded to the Executive Officer, A.C.E.P., to reach him by no later than the 10th of the next month. (The consolidated return will be sent back to each State by the 20th of that same month).

Except where questions specifically request answers on each return or where comments are invited, you need not complete each column. In other words only indicate changes which have occurred since your last return. (Obviously in the case of the first return all questions must be answered).

The consultancy is aware that "Animal Liberation" reviewed its advertising for "Boycott Battery Egg Week" after legal advice. In eastern states - in particular - "Animal Liberation" has dramatically reduced its public activities against the egg industry.

It would be wrong for the consultancy to take full credit for this apparent downturn, however it suggests that PPR's presence has acted as a partial deterrent.

Having made these general remarks; what specific communication tools have been devised by the consultancy on C.E.M.A.A.'s behalf?

Two media training workshops have been undertaken. The first was in Hobart in April. A more recent workshop for spokespersons was held in Sydney. With the exception of Tasmania, all states now have two spokespersons if the need for media comment arises. Two audio-visual/cassette slide presentations have been developed by the consultancy. The one devised for producers has been screened to egg farmers around Australia. Another production which shows the modern cage layer system is being shown to schools and community groups. PPR consultants have addressed C.W.A.A., Rotary and Apex clubs and shown the presentation. The President and C.E.M.A.A. spokespersons have also utilised the production.

## DEMAND-SUPPLY-MANAGEMENT PROGRESS REPORT.

Situation unclear as we have not been advised whether the reduction on 1/11/83, will be temporary or permanent.

QUOTA (i) Amount of permanent cut-back during current financial year Nil

(ii) Amount of seasonal cut-back 10%

Date from 1/11/83 Date to 1/5/84

(iii) Any quota increase No

(iv) Current Quota Price \$16.00 per bird

STATE D.S.M. PROBLEMS ESTIMATED POSITION 1983/84 - MILLION DOZENS.

EST. PROD. 83 Million Dozen

CEMA - Amount paid per bird per fortnight 7½¢

STATE COST OF PRODUCTION 107 cents

STATE BOARD'S NETT RETURN TO PRODUCER as at 10/9/83 91.84¢ (CEMA) 10cents

TOTAL BOARD CHARGES FOR GRADING/MARKETING/ 13.5 cents handling, selling, Marketing

ADMINISTRATION 5.5 cents Industry Admin. 10.0 cents Pool

STATE BOARD SALES up 0.5% down - %

STATE BOARD'S GRADE SUPPLY SITUATION & SURPLUS -

Surplus in each Grade. 30% Current Surplus 15% Annual Surplus

219.25 Tamworth

FEED PRICE - 16% ration 238.00 Syd. on farm, 18% ration on farm.

GRAIN PRICES p/tonne (\$): - Wheat 175.60¢, Barley 157.00¢, G.GOOD

Sorghum 155.00¢, Oats 122.00¢, Maize 173.00¢, S. Scarce

MEATMEAL PRICE p/tonne - 50% 362.50 45% 342.00

PULLETT PRICE - 18 week old bird ~~83.00/4.00~~

We are aware that two letters of criticism have also

been sent. However, in view of the distribution of

the publications, these minor criticisms are far

outweighed by favourable comments.

As of the first of July, the consultancy embarked on

a new programme at a markedly reduced retainer from

the previous six months. As the consultancy advised

when it commenced working for C.E.M.A.A., its

involvement would be most intense during the first

six months.

We now have an established media procedure -

spokespersons contact us if they need information or

to advise the consultancy of relevant issues in their

state.

PPR is continuing to monitor the media, it remains in

contact with politicians and is continuing to up-date,

revise and reprint publications.

Interestingly enough, in addition to the consultancy's

ongoing welfare projects, advice on media coverage

concerning the marketing of eggs has been an important

issue over the past two months.

The B.A.E. report has prompted several criticisms from

consumer groups. It is PPR's view that its brief be

expanded to permit more time to be spent on marketing

allegations.

PRODUCERS' ORGANISATION.

STATE: QUEENSLAND

1. FEED PRICES (\$ per tonne on farm):

Mixed 16% P	228.46
Mixed 18% P	235.00
Wheat	195.00
Barley	-
Oats	-
Maize	220.00
Triticale	-
Sorghum	160.00
Soya Bean	350.00
Sunflower	235.00
Neatmeal	340.00
Bran	-
Poland	-

2. BIRD PRICES:

Starling pullets (18 weeks)	\$ 2.00/4.00
Day old chicks	\$ 1.00/1.10

3. D.S.M. PROGRESS REPORT:

Quotas

Any Permanent cutback/ ~~increase~~ since last report? Possibly

If yes, how much? 10

Any Seasonal cutback/ ~~increase~~ since last report? Increased from

If yes, how much? 20% to 26%

Current quota price per bird \$ 3.00

Any comments Seasonal reduction in South Queensland increased to

26%. Indications that it may not be fully restored in 1984.

Additional 7,500 reduction (4.75%) in Central Queensland for three

months.. 7,000 (2.90%) permanently removed from North Queensland.

4. STATE BOARD INFORMATION

Net return to producers \$108.33/doz. Charges for grading 3.70 cents

Sales up - % down 1% Charges for Marketing 4.50 cent

Charges for Admin. 4.40cents

Expected surplus/deficit 3.33 m/doz.

Loss on Sur. Prod. Charge 4.00cents

S.O.C.E.P.O. Levy 0.24

Working A/C Reserve 1.00

(Revolving) Fund 17.84

The actions of New South Wales in reducing prices has resulted in some

lowering of prices in Queensland. The new requirements for grading have

not yet been matched by Queensland. The net result in Queensland has been

lower returns to growers, lower sales and higher receipts by the board with a consequent increase in the surplus.

CORPORATION LEVY ON QUOTA HEN

The Corporation will introduce a new 'Levy on Quota Hen' scheme to commence on Monday 7th November, 1983.

The levy on quota hen scheme will apply to all Producer Agents and Producers and Consignors may join on a voluntary basis. The levy will be collected on each dozen:

Industry Administration  
Promotion and Marketing  
Pool Fund

The scheme as noted above will commence on Monday 7th November, 1983, a be based on a fortnightly levy rate per quota hen as shown in your licence check of our records for this purpose will therefore take place on Friday 18th November, 1983. All quota hens listed in your licence on that date disclosed by our computer records, will attract the levy if you are in the total less 10% as will be the case with the number of hens you may from 1st November, under the new condition of licence. The levy rate will vary in the same manner as the charge per dozen out the year. It will vary in the same manner as the charge per dozen have varied throughout past years. However, as an example, it based on charges per dozen rates that were applicable on 2nd September, 1983, [pr 16 cents per fortnight. On a per dozen basis, this would equal approxi 20.8 cents dozen compared with 23.14 cents dozen that was being charged time.

The first levy rate per quota hen will be announced by the Corporation 11th November, 1983. The important point to note here, however, is that this levy scheme producers will pay at least 2 cents dozen less in Corp charges than they would have under the old system. Doubtless there will some producers who have been underpaying charges in the past [due to an statement of dozens sold on returns] who will now find themselves paying rightful contributions towards the cost of the orderly marketing system of course is only fair to all producers.

The scheme will operate in the manner detailed below for each type of P

[a] PRODUCER AGENTS

A Producer Agent Authority will only be issued to those produce agree to pay the charges enumerated above based on a Levy per q each fortnight. New P.A. application forms for current Produce stipulating this condition are attached with this paper. Immed the Corporation receives back these signed application forms, n P.A. authorities will be issued. The Corporation will as soon scheme commences, issue to each Agent a Levy notification each detailing the number of quota hens according to our records, le and Levy owing. The Agent should pay such Levy amounts when no unless the Agent has authorised the Corporation to deduct the a his account sales. Any Levy outstanding more than 28 days after date of notification will attract interest at the rate of 20% p

The monthly P.A. return will shortly after the scheme commences, become a statistical return only. It will show total monthly sales by each grade and will only give a breakdown of individual customer sales by groupings, e.g., Chains, etc. The Corporation will advise precise details of sales data required prior to the introduction of the scheme. The overall aim is to reduce the amount of detail required, not to increase it.

#### PRODUCER PACKERS

A Producer Pack Authority will only be issued to a Packer who agrees to pay all Corporation charges [as advised above] based on a levy rate per quota hen each fortnight. New Producer Pack application forms for current Producer Packers, stipulating this condition are attached with this paper. When the Corporation receives back the signed application forms new Producer Pack Authorities will be issued. Immediately the scheme commences, the Corporation will issue against each Packer a levy debit each fortnight detailing the number of quota hens, levy rate and levy owing. This debit will be deducted from the Packers' fortnightly account sales. IMPORTANT NOTE: If you also hold a Producer Agent's Authority you will receive only the levy notification [see [a] above]. One only levy debit will be issued per quota holder.

Another important change for Producer Packers is that from the 7th November, 1983, the Corporation will pay for all eggs received on the basis of the WHOLESALE DELIVERED PRICE per grade. This change is being implemented for simplicity purposes in working with the new Corporation levy. This means that you will automatically receive payment for one dozen cartons and 15 dozen outers that are currently credited separately on your account sales. However, as the Wholesale Delivered price includes a cartage allowance [which you did not expend] this cartage factor will be debited to your account sales.

#### CONSIGNORS

Any consignor can join the levy on quota hen scheme if he wishes. Levy debits will be issued as described under [b] above. Joining the scheme is voluntary. It does however, pay to join as the Corporation will find it necessary to increase its per dozen charge rates to those producers not in the scheme, e.g., the Industry Administration and Pool Fund charges will increase, not only because the total quota on which to collect these charges will be less, but, in addition, by at least 2 cents per dozen due to the increased cost of collecting charges from those not in the levy scheme.

Enclosed with this paper is an application form requesting the Corporation to admit consignors into the scheme and to deduct Corporation charges as set out earlier from the account sales. If you wish to join please sign the document and return it to us immediately, using the reply paid envelope enclosed.

As from the commencement of the scheme [7th November, 1983] the Corporation will pay for all eggs consigned at the WHOLESALE DELIVERED PRICE per grade. This is necessary for simplicity in working with the scheme. However, as the wholesale delivered prices include factors for cartage and packaging material that the consignor did not expend, then it will be necessary to debit the account sales with these cost factors for those in the scheme.

#### CONSIGNORS [continued]

For those consignors not joining the scheme we will also pay for all grades received at the wholesale delivered prices and make appropriate debit adjustments for cartage, packaging and promotion factors. All of the normal charges of the Corporation however, will be on a per dozen basis but at rates at least 2 cents above quota adjusted charges as explained earlier in this paper.

Handling and Selling charges will continue to be levied on a per dozen basis whether or not you join the scheme, as such charges are not included in the levy on quota hen rate. IMPORTANT NOTE: If a consignor is also a Producer Agent or Packer only one levy debit will be issued.

#### [d] S U M M A R Y

The Corporation 'Levy on Quota Hen' scheme is being introduced for the benefit of all producers. If you are a Producer Agent or Packer you must join the scheme and whilst it is voluntary for consignors, all are urged to join the scheme immediately. Why? Because it is in your best financial interest to do so.

If you desire any additional information or help, one of our Inspectors can call on you to offer personal assistance.

Please contact the Chief Inspector, Mr. R. Ashby, or telephone 649--0122 Extension 240 to arrange a visit if required.

The Corporation would appreciate your assistance in this matter and requests that application forms are returned as soon as possible.

Thank you for your co-operation.

\*\*\*\*

September 26, 1983

In conclusion, at the present time, it can be stated that the welfare issue, as far as the egg industry is concerned, has declined in intensity. However, this is only a temporary state.

With continued pressure on the egg industry by consumer organisations, and the occasional allegation by radical animal welfare groups, Professional Public Relations restates its initial comments that the egg industry per se, needs an overall, positive communication campaign which would consider animal welfare, pricing, marketing, alleged protectionism and community health.

5. COST OF PRODUCTION:

- \$ 114.27 (per dozen exc. C.E.M.A.A.)
- To C.E.M.A.A. 7.5 cents/bird/fortnight.

6. GENERAL COMMENTS: (On issues which may affect the industry e.g. Government enquiries, animal welfare etc.)

The actions of the New South Wales Egg Corporation have resulted in lower returns and lower quotas for growers. As a result there is much agitation in the industry. Some of which is outside our organisation with a group of 'deprived' growers making representations direct to the Minister. The uncertainty of the present situation causes great concern.

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NOTES ON COMPLETING THIS FORM

- To be completed at the end of each month and forwarded to the Executive Officer, A.C.E.P., to reach him by no later than the 10th of the next month. (The consolidated return will be sent back to each State by the 20th of that same month).
- Except where questions specifically request answers on each return or where comments are invited, you need not complete each column. In other words only indicate changes which have occurred since your last return. (Obviously in the case of the first return all questions must be answered).

STATE: VICTORIA

To date, the consultancy has produced several different publications aimed at various target audiences.

EGGbrief

Directed at producers has been printed. Two editions have been published. A third has been written and will be distributed shortly.

SPEAKERS' NOTES

Key industry figures and spokespersons have received these Speakers' Notes, drafted by the consultancy, with a set of up-dates, "The Most Asked Questions" and colour slides have also been dispatched.

"WELFARE AND THE INCREDIBLE EGG"

Written for community groups, has been distributed directly to these groups, schools and the media.

"EGG INDUSTRY FACTS"

This new booklet, aimed at politicians and the media has been drafted and dispatched.

Both "Egg Industry Facts" and "Welfare and the Incredible Egg" have generated feedback from politicians and the media. The Executive Officer is holding several letters of support from Politicians and public servants.

1. FEED PRICES (\$ per tonne on farm):

. Mixed 16% P	<u>\$240</u>	. Sorghum	_____
. Mixed 18% P	_____	. Soya Bean	_____
. Wheat	<u>\$170</u>	. Sunflower	_____
. Barley	<u>\$155 HARD TO GET</u>	. Meatmeal	<u>350</u>
. Oats	<u>\$125</u>	. Bran	<u>?</u>
. Maize	<u>?</u>	. Pollard	<u>?</u>
. Triticale	<u>\$160</u>		_____

2. BIRD PRICES:

. Starled Pullets (18 weeks)	\$ <u>4.15</u>
. Day old chicks	\$ <u>1.05</u>

3. D.S.M. PROGRESS REPORT:. Quotas

- . Any Permanent cutback/increase since last report? YES

If yes, how much? SEE BELOW

- . Any Seasonal cutback/increase since last report? "

If yes, how much? "

- . Current quota price per bird \$ 12-14

- . Any comments RE QUOTA CUTS: MARCH 81 STATE QUOTA = 3 15 MILLION  
AUG 82 19% CUT; MARCH 83 10% RESTORATION AUG. 83  
15% CUT NOV 83 3% CUT, APRIL MARCH 84 17% RESTORATION

4. STATE BOARD INFORMATION

. Net return to producers \$ <u>1.21</u> /doz.	. Charges for Grading <u>8.5</u> cents
. Sales up <u>—</u> % down <u>—</u> %	. Charges for Marketing <u>10</u> cents
. Estimated Production <u>50</u> m/doz.	. Charges for Admin. <u>11</u> cents
. Expected Surplus/deficit <u>.4</u> m/doz.	. Total <u>29.5</u> cents
. Any comments <u>BOARD IS AIMING FOR NIL SURPLUS</u>	

SHELL SALES ARE SLIGHTLY DOWN BUT PRODUCT

STATE OF : SOUTH AUSTRALIAREPORT FOR MEETING OF : ACEP 17-18 October 1983DEMAND/SUPPLY MANAGEMENT PROGRESS REPORT :

Methods being used appear to be working

- QUOTA: (i) Amount of permanent cut-back during current financial year None as from \_\_\_\_\_
- (ii) Amount of seasonal cut-back Date from Short Term Lease Date to \_\_\_\_\_
- (iii) 250 000 27% of flock Any quota increase NIL
- (iv) Current Quota Price \$15 per bird

STATE DSM PROBLEMS Estimated position 1982/83EST. PRODUCTION 14 551 000 dozCEMAA - Amount paid per bird per fortnight 7.5STATE COST OF PRODUCTION 116¢STATE BOARD'S NET RETURN TO PRODUCERS 110¢ per annumTOTAL BOARD CHARGES FOR GRADING/MARKETING/ADMINISTRATION 10¢ aveEQUALISATION 12¢ aveSTATE BOARD SALES up 1.5 % down \_\_\_\_\_ % Present same as 82 for year August 1.8% up on '82STATE BOARD'S GRADE SUPPLY SITUATION & SURPLUSFEED PRICE - 16% ration 250 on farm, 18% ration 272 on farmGRAIN PRICES/TONNE (\$) - Wheat 182 Barley 160 Sorghum \_\_\_\_\_  
/ Oats 130-140 Maize \_\_\_\_\_MEATMEAL PRICE/tonne - 50% 370 45% 345PULLET PRICE - 18 week old bird \$3.95ANIMAL LIBERATION REPORT : \_\_\_\_\_

Quiet at the moment!

CONSULTANCY REPORT - CAMPAIGN PROGRESS - C.E.M.A.A. - 19.10.83.

Professional Public Relations Pty Ltd has been advising the Council of Egg Marketing Authorities of Australia for almost one year.

During that time the consultancy has been involved in several projects aimed at counteracting the misinformation spread by "radical" animal welfare groups. It has also advised the President and the Executive Officer on a number of associated topics such as the Balderstone Report and more recently the Bureau of Agricultural Economics' study into the industry.

The consultancy's brief has generally been confined to welfare issues and PPR consultants have a good understanding of what problems are posed by radical animal welfare groups both within Australia and overseas.

Research into the subject and monitoring the activities of groups such as "Animal Liberation" and reporting back to C.E.M.A.A. have taken up a good deal of the consultancy's time. The President and the Executive Officer are fully aware of the consultancy's work in this area. It can be stated however, that groups such as "Animal Liberation" now seem a great deal more reluctant to criticise the egg industry's welfare practices. They are aware that the industry is using the services of a communication consultancy.

Indeed they have made public mention of the fact, quoted from our print material and even encouraged a question in Federal Parliament.

Queensland

Currently producers were being deducted .24¢ per dozen to fund the State organisation which could be increased to fund A.C.E.P. The Board is used as the collection agency.

New South Wales

Mr. Holland suggested a voluntary levy with deductions from producers' cheques was a viable proposal if it could be 'sold' to producers. Preferably control of the funds should lie with the L.G.P.A. with the Egg Corporation acting as the collection agency.

It was AGREED that:

*"A.C.E.P. INFORM C.E.M.A.A. OF THE MEANS BY WHICH EACH STATE WILL ENDEAVOUR TO RAISE SUFFICIENT FUNDS TO ADEQUATELY FINANCE THE OPERATIONS OF A.C.E.P. AND THE ANIMAL WELFARE PROGRAMME AND THAT IT BE REQUESTED THAT STATE EGG BOARDS PROVIDE SUPPORT IN THESE ENDEAVOURS TO ACHIEVE FUNDING ARRANGEMENTS COMMENCING 1ST JULY, 1984."*

The President advised that both he and the Executive Officer were prepared to assist in any way to achieve funding arrangements and that background information could be provided by the Executive. Approaches would also be made to Tasmania seeking their agreement to the proposal.

Finally it was suggested that the motion from Western Australia be tabled.

AGREED

Discussions on this subject resumed on the afternoon of Tuesday. During the course of deliberations the following comments were made -

- The cost of production referred to in the report was not a firm basis.
- The price of quotas is \$30.00 in W.A. while in Queensland it is fixed at \$3.00 each, however, this variation does not appear in the price of eggs.
- The number of quotas being traded was minimal.
- There was a need for practical solutions rather than economic theory.

Cost of production quoted at 53 cents/dozen

Feed costs - 34 - 35 cents/dozen

Other costs - 19 cents/dozen

Packaging costs - 10.75 cents to point of distribution made up of :

Grading and packing	-	5.5 cents
Carton cost	-	5.0 cents
Wire basket	-	0.25 cents
		<hr/>
		10.75 cents
Warehouse drop cost	-	1.25 cents
Store door drop	-	2.5 cents

Started pullet cost - \$2.65 at 20 weeks of age, Day old 44 cents each and cull hen sells at about 9 cents per lb.

Based on this information bird depreciation in USA is estimated at 12 cents per dozen compared to 18 cents/dozen for Australia.

Range of producer price for eggs based on grades is wide from 64 cents/dozen extra large to 32 cents/dozen for smalls.

Feed consumption rate 23 lb per 100 birds/day.

SUNSHINE FOOD - WILLARD MAUST

Fully integrated from Day Old chicken to market place. Mixes own feed, grows own pullet replacement stock. His assessment of costs of getting egg to market.

Grading and handling	-	6.0 cents
Packaging	-	5.0 cents

W  
3  
ENTS  
ALIA"

\* ACCOUNTS FOR PAYMENT

Accounts for payment (copy attached to minutes) and totalling \$1,787.46 for the period 7th April to 14th October, 1983, were presented.

Mr. Peacock moved:

"THAT SUBJECT TO CLARIFICATION OF PAYMENT TO U.F. & S. FOR AIR FARES ACCOUNT W.J. STARICK (CHEQUE 534251 FOR \$330.00), ACCOUNTS FOR PAYMENT AS PRESENTED BE APPROVED."

Seconded: Mr. Feldmayer

CARRIED

Comment was made at the substantial cost of room hire when meeting in conjunction with the Review Day. It was agreed that Mr. Connell approach the Primary Industry Association of W.A. seeking a suitable venue to hold Council's meeting in Perth.

\* STATEMENT OF RECEIPTS AND PAYMENTS

A statement of receipts and payments for the period 1st July, 1982 to 30th June, 1983 was presented (copy attached to the minutes).

Mr. Carpenter moved:

"THAT SUBJECT TO INCLUSION OF PROVISION OF \$4,000 OUTSTANDING PAYMENT TO U.F. & S. OF S.A. FOR SECRETARIAL SERVICES AND AUDIT CONFIRMATION, THE STATEMENT BE ACCEPTED."

Seconded: Mr. DaPrato

CARRIED

\* REVISED BUDGET ESTIMATES 1983/84

A revised budget estimate for the financial year 1983/84 was presented for information (copy attached).

The President referred delegates to a letter dated 7th October, 1983 (copy attached to the minutes) from the President of the Poultry Farmers' Association of W.A. (Inc.) which had submitted the following motion in respect to the funding of A.C.E.P. -

Hoping to raise a promotion based levy of one cent/dozen on retail sales collected by dealer and not from egg production.

Labour cost for egg packers - \$4.50/hour plus overhead cost of 30-40%.

Discussed method of reducing hen numbers. In the USA hen numbers down 12% but production is only down 2%.

42% of total flocks are force moulted. If achieve new 1 cent levy for promotion will raise \$150 000 per week.

Southern California have 42 producers representing 80% of total hen numbers.

Production from these - 240 000 x 30 dozen cases per week.

250 producers represent other 20% of production.

In North California have 30 producers representing 80% of hen numbers.

Southern California group get together each Wednesday to discuss market situation. All members compete in the market place and these meetings make them face the market place with a more balanced outlook.

MCANALLY ENTERPRISES - Roger Deffener

This company has been operating for about 23 years and would measure up as one of the most efficient operations in the State. Operate a fully refrigerated system with eggs going into refrigerated units on collection with refrigerated transport. Full truck load - 50 racks or 750 x 30 dozen case equivalent. All eggs washed and oiled prior to grading. Some oiling on farm.

STOCKFEED WHEAT  
CONSULTATIVE GROUP:

The President referred delegates to a letter (copy attached to minutes) dated 10th October, 1983, from the General Manager of the Australian Wheat Board advising that his Board had approved Mr. Starick's nomination as the egg industry representative to the Stockfeed Wheat Consultative Group. The cost of attending meetings of the Group would be borne by the Wheat Board.

The President also alerted delegates to the possible dangers of producers getting together to obtain quantity discounts for wheat purchases.

COST OF  
PRODUCTION:

The President advised that South Australia had recently completed a Cost of Production exercise but due to a few problems was not yet available for publication.

Mr. Carpenter reported that the Victorian Minister of Agriculture had introduced new Egg Industry Legislation which would incorporate cost of production together with a price fixing mechanism.

Mr. Feez advised a re-survey of Cost of Production in Queensland was expected to be completed by early 1986.

In New South Wales, representatives from the Department of Agriculture, the Egg Corporation and the producers had met to consider establishing a cost of production survey, however, approval for the formula was rejected by the Department. At this stage the only cost of production survey was being conducted by the L.G.P.A.

It was agreed that States closely liaise on the formula used in determining costs of production.

EGG PRICES:

Mr. R. Hazlett, member of the New South Wales Egg Corporation, provided general background information on the decision by the Corporation to decrease the wholesale price of eggs in July and the introduction of a 10% cut in "condition of licence" scheduled for 1st November, 1983. It was the Corporation's intention to drastically reduce the surplus production and would consider a number of means to achieve this. The Corporation was also considering charging producers on a per quota hen basis, rather than the current system of charging on a per dozen egg basis. (Copy of proposal attached).

Mr. Fuge advised that South Australia was budgetting for a 4% surplus based on no increase in sales. In reply to a question concerning "pool costs" in South Australia, Mr. Fuge replied that there appeared some misconception as to what the pool cost incorporated in S.A. He advised that 14¢ was the cost of the

Cost of 18 egg shrink wrap pack  
cost of one dozen pack - 5 cen

SUPERMARKET INSPECTION

Pickled eggs \$2.79 (retail) for

Jumbo egg	-
Large egg	-
Medium	-
Small	-
Brown egg large	-

Safeway -

Egg Handling and packaging -

Buy eggs from producers and grade  
shops. Require oiling of egg  
dirt loose and makes eggs easy to

Oil again after washing. Car  
with producers at 2 weeks notice

Price paid to producer based on  
market place. Claims Safe  
in the world.

Processing about 13 000 x 30 do  
10 years ago this was supplied 1

Today 6 producers supply this s.

Hens involved is approximately  
size range from 3400 cases to 1

STATEMENT OF PRINCIPLE AND OBJECTIVES:

It was further agreed that this policy be included in the Statement of Objectives.

NATIONAL FARMERS' FEDERATION:

The President presented a brief verbal report on activities undertaken by N.F.F. since the last meeting. These included Australian Shippers Council, taxation, machinery, fuel, pre and post budget submissions. The next meeting of N.F.F. was scheduled for November 15 and 16, and the President undertook to circulate a report thereafter.

The President also referred delegates to a letter received under correspondence and referring to membership of N.F.F. House. The President suggested that although A.C.E.P. was experiencing funding problems, nevertheless, some effort should be made to join.

Mr. Connell moved:

*"THAT THE AUSTRALIAN COUNCIL OF EGG PRODUCERS SEEK MEMBERSHIP OF N.F.F. HOUSE LIMITED AT A COST OF \$100 ENTRANCE FEE AND ANNUAL SUBSCRIPTION OF \$50."*

Seconded: Mr. Carpenter

CARRIED

It was further agreed that the application should explain A.C.E.P.'s current and future funding plans.

CONSTITUTION:

Delegates' attention was drawn to a letter dated 7th October, 1983, from the Poultry Farmers' Association of W.A. (Inc.) enclosing notice of motion relating to amendments to the constitution (copy attached to the minutes).

In discussion it was suggested that alternative 2 to Clause 9 (e) may limit the flexibility of the Council to meet in a State when it was opportune to do so. After due consideration Mr. Connell moved:

*"THAT THIS COUNCIL BE GIVEN NOTICE THAT AT THE ANNUAL GENERAL MEETING OF THE AUSTRALIAN COUNCIL OF EGG PRODUCERS TO BE HELD IN PERTH APRIL 1984, THE POULTRY FARMERS' ASSOCIATION OF WESTERN AUSTRALIA WILL MOVE THE FOLLOWING AMENDMENTS TO THE CONSTITUTION OF A.C.E.P.:-*

(1) THAT CLAUSE 6 BE REPLACED BY A CLAUSE WHICH READS :-

Tuesday 13 September 1983

GENERAL DISCUSSIONS

Level of cracks in shops per 100 eggs - 2.5 eggs  
Oiling of eggs is a major factor in quality maintenance  
Restaurant and institutional trade take up to 20% of market.

Introducing centrifuge type machine to allow baker make fresh liquid pulp as required.

<u>Stater Supermarket</u>	-	Extra Large	-	\$1.13
				\$1.18
		Large	-	\$1.02
				\$1.18
		18 pack	-	\$1.58
		Medium egg	-	\$0.94

<u>Vons Supermarket</u>	-	Brown egg large	-	\$1.37
		Large (White)	-	\$1.25
		Large	-	\$1.17
		Large	-	\$1.15
		18 egg Extra Large	-	\$1.87

Egg Baskets

Used extensively in retail outlets. Average 11 basket - 5 years.

Require 4 baskets to have 1 in shop.

Baskets hold 15 dozen.

Refrigerated display unit holding 16 baskets costs

WELFARE:  
(Contd.)

Mr. Feez moved:

"THAT THE AUSTRALIAN COUNCIL OF EGG PRODUCERS GIVES NOTICE TO ALL EGG PRODUCERS THAT ANY PRODUCER WHO HAS NOT REACHED A LEVEL OF COMPLIANCE WITH THE CODE OF PRACTICE FOR THE WELFARE OF THE DOMESTIC FOWL BY 31 DECEMBER, 1984, SHALL NOT BE AFFORDED ANY ASSISTANCE BY THIS COUNCIL AND ITS AFFILIATES IN RESPECT TO PROCEEDINGS, LEGAL OR OTHERWISE, AGAINST THAT PRODUCER."

Seconded: Mr. Connell

CARRIED

It was further suggested that A.C.E.P. seek the assistance of Professional Public Relations in achieving publicity for the policy.

Public Relations Programme

At 10.15 a.m. Tuesday, October 18, the meeting was addressed by Messrs. Peter Lazar and Peter Ireland, Professional Public Relations, who provided background information to the P.R. programme and current activities.

Included in the address was mention of the following issues:-

- . Background to the Consultancy Appointment
- . The Programme Strategy
- . The Current Position
- . The Future

(A more comprehensive report as submitted to the C.E.M.A.A. Welfare Committee on October 20 is attached to the minutes).

During discussions the view was expressed that as the welfare issue was quiet at present, P.P.R. could more efficiently utilise its resources and funds by turning its attention to the more broader issues confronting the industry. As an example it was pointed out that the B.A.E. Report could receive increased publicity in late January/early February when the National Agricultural Outlook Conference and Australian Agricultural Council were being convened.

While agreeing with the sentiments expressed, Mr. Lazar advised that due to the brief received from C.E.M.A.A. P.P.R. was unable to fully engage in activities other than animal welfare.

USDA inspection standards (see photos)

Allow maximum of 5% cracks over lot average with 1 in any one sample of 100 eggs of 10%.

<u>Lot size</u>	<u>Sample size</u>
2 cases - 10 cases	2 cases
15 - 100 cases	5 cases
201 - 300 cases	11 cases
401 - 500 cases	14 cases

For each additional 50 cases or fraction thereof of 750 cases take one additional case for sample. Eggs also inspected by County inspectors and in some situations could be inspected up to 5 times.

County inspectors have right to enter floor if eggs are to be sold in their County.

General Discussion - Steve Illy

Supermarkets are taking major share of profit from Egg Price drops not handed onto consumers. Margin to retailer up to 45 cents per dozen. The egg industry situation is critical and the future is poor.

<u>Hawaiian egg prices</u>	<u>Local produced</u>	<u>\$1.98/d</u>
	<u>From Mainland USA</u>	<u>\$1.</u>

C.E.M.A.A.  
REPORT:  
(Contd.)

Packaging

A meeting was scheduled for Monday next to reconsider the concept of marketing only three basic grades. The new diamond carton was due in March 1984.

Welfare Workshop

It had been decided not to conduct a Welfare Workshop in Perth, 1984.

Role of C.E.M.A.A.

A Corporate Plan was currently under preparation.

Rationalisation of Organisations

A discussion paper had been prepared by C.E.M.A.A., regarding a revised national organisation incorporating A.C.E.P. (Copy attached to the official minutes).

The President thanked Mr. Hohl for the information provided.

The President reported that at a meeting with the Minister for Primary Industry held September 7, 1983, it was advised that the Working Party considering the B.A.E. Report would continue and organisations should respond through their State delegate to the Working Party. Notwithstanding the Minister had requested A.C.E.P. to submit its response to him for consideration. Subsequently a draft assessment was prepared with the assistance of David Michael from the N.F.F. The response as such had a number of faults but was being presented to this meeting purely as a discussion paper.

Mr. Hohl suggested that the industry would need to have a combined response. Both he and the Executive Officer of C.E.M.A.A., Mr. I. Stewart, had had considerable discussions with the B.A.E. It was his opinion that the industry had six months to rationalise the industry. If this was not forthcoming, deregulation was the likely result.

Commenting on the draft response, Mr. Stewart expressed the view that, while he had had insufficient time to fully appraise it, it was not specific enough in tackling the issues raised by the B.A.E. While acknowledging that it was difficult to obtain hard factual evidence to counter the B.A.E.'s assertions nevertheless positive information was required.

Structure of American Egg Board

Formed in 1976 it replaced a national Egg and Poul Association.

Up until 1973 both eggs and poultry meat operated as a single association. These two groups separated a voluntary contribution was made to continue the function for the Egg Industry.

Funds raised was about \$300 000. In 1976 laws were established to provide for a mandatory levy on egg Money was collected from the egg dealer or egg handler who took money out of producers cheque.

In 1977 the first full year of operation the budget \$3 500 000.

The prime audience target of all AEB promotional advertising is females, age group 18 - 49.

Present number of egg producers with over 3 000 laying hens now 4 000 whereas in 1977 there were 10 000.

1984 projected budget is \$5 000 000 with \$3 000 000 spent on advertising.

Hugh Johnson

The American Farm Bureau is handling the animal health and animal welfare issues. Covers 3 000 000 agricultural base family units operating across total range of production.

Specific groups act independently of the AEB in self promotion. eg. Brown Egg Group promoting group was based on a voluntary funding concept. Claim that USD consumption of shell egg has been declining since

BUREAU OF  
AGRICULTURAL  
ECONOMICS -  
"A REVIEW OF  
EGG MARKETING  
ARRANGEMENTS  
IN AUSTRALIA"

CORRESPONDENCE:

- . C.E.M.A.A. - Public Relations Programme 1983/84 [Refer also 5(M)]. Discussed elsewhere in the minutes.
- . Egg Producers' Association of Victoria Limited - Possible affiliation. Noted.
- . C.E.M.A.A. - Public Relations Programme on Welfare. [Refer also 5(K)(U)]. Discussed elsewhere.
- . C.E.M.A.A. - Review Day Perth - April 1984. [Refer also 5(T)]. Discussed elsewhere.
- . Minister for Primary Industry - Information on A.C.E.P. Noted.
- . National Farmers' Federation - ANAHL Consultative Committee meeting. Noted.
- . C.E.M.A.A. - Welfare Workshop. Noted.
- . Australian Rural Adjustment Unit - Workshop on Rural [Refer also 5(i)]. Mr. Hohl advised that he had attended the meeting. One interesting aspect had been a move to establish a body to oversee all primary research. This had not been supported. Mr. Hohl advised that he would circulate copies of papers presented, to A.C.E.P.
- . South Queensland Commercial Egg Producers Organisation - Appointment of Acting Secretary. Noted.
- . C.E.M.A.A. - Review Day Perth. [Refer also 5(n)]. Discussed elsewhere.
- . National Farmers' Federation - Animal Welfare. [Refer also 5(m)(k)]. Refer discussions on Animal Welfare Public Relations Programme.
- . Australian Wheat Board - Stockfeed Wheat Consultative Group. [Refer also 5(f)]. Previously discussed.
- . National Farmers' Federation - Membership of N.F.F. House Limited. This matter was deferred for consideration later on during the meeting.

They try to get all 36 each meeting. All expense paid by AEB. Each member is appointed by the Secretary of Agriculture from 6 regions of the USA. A list of names is forwarded for appointment.

The Board is divided into 4 committees :

1. Advertising and promotions
2. Producer Relations
3. Executive Committee
4. Consumer Education.

Membership appointment to each of the Committees is effected by the Executive Committee.

In-Store promotion activity

The installation of promotional materials into each costs about \$30 per store.

Have approximately 28 000 stores involved in programme. AEB uses a private company to instal promotional materials. Visited a Jewel Supermarket. Photos show display egg merchandising area.

Egg prices/dozen Large (White) 87 cents  
 Large (Brown) 95 cents; Extra large (White) 95 cents  
 Jumbo \$1.19

Extension Home Economists are employed by USDA and the AEB provide this group with extensive literature to assist in getting message across. Examples of literature were provided and are available. Particular reference to paper on human health and eggs.

BUSINESS  
ARISING:  
(Contd.)

\* I.A.C. Report on Wheat Industry

The President advised that in respect to the three proposals made by A.C.E.P. to the I.A.C. Inquiry the following had resulted:

1. A.C.E.P. was now a full member of the Stockfeed Wheat Consultative Group.
2. It was highly probable that stockfeed wheat breeds would be introduced.
3. The Australian Wheat Board was now considering more efficient grower to buyer wheat transactions.

\* Australian Egg Board Review

The Chairman of the Australian Egg Board, Mr. R. Fuge reported that in line with reduced export availability and a subsequent review of the role and function of the Australian Egg Board, staffing had been reduced to three and the office had been relocated to the New South Wales Egg Corporation premises.

The role of the Board was under continual assessment and it was possible that in the long term, its function could be amalgamated so as to establish one national body.

\* Torrens Island Quarantine Station

Mr. Fennell provided a verbal report on recent developments concerning the quarantine station suggesting that in some sectors, the viability of the station was being questioned and that similar to ANAHL it could become another "white elephant". Mention was also made of recent controversy concerning a number of pig producers from Victoria and Tasmania who gained access to the station and were able to enter sections of the station unsupervised.

Delegates considered that A.C.E.P. should continue its opposition to Torrens Island as a quarantine station. Accordingly, Mr. DaPrato moved:

*"THAT A.C.E.P. RE-AFFIRM ITS OPPOSITION TO TORRENS ISLAND AS A SUITABLE QUARANTINE STATION AND THAT APPROACHES BE MADE TO RELEVANT MINISTERS CONVEYING A.C.E.P. POLICY AND SEEKING A REVERSAL OF THE GOVERNMENT'S DECISION TO PROCEED WITH ITS ESTABLISHMENT."*

Seconded: Mr. Holland

CARRIED

In general there seems to be increased interest in eggs for breakfasts by Take-away food trade.

25% of all eggs produced in the USA go into the food service area. AEB budget to support this is \$200 million and half of this is spent on advertising.

3. Visit Clyde Springer - Country Queen Eggs - Grand Rapids

Friday 16 September 1983

Specialising in production of a range of cooked and uncooked egg products for the food service industry. Not operating in consumer sales area. Using 150 000 dozen eggs per week. Eggs supplied on contracted type production relationships ie. producer owns birds and buys feed.

It is essential to identify each producer's eggs in the manufacturing process. Most popular product is fresh hard boiled peeled, chipped egg.

Market products throughout USA and have one other plant in Florida and a major interest in a unit in Canada.

Peeled hard boiled egg is shipped in preserving fluid has shelf life of 6 weeks but prefer egg to be used in 4 weeks.

Also manufacturing range of frozen omelets and now experimenting with a steam cooked omelet.

Also marketing pickled hard boiled eggs in two solutions conventional and beetroot coloured pickling solution.

POULTRY  
WELFARE:  
(Contd.)

A.C.E.P. should accept responsibility for the programme and would consider an interim dollar for dollar grant to enable the producer organisation to take over the programme.

Mr. Hohl suggested the whole issue of A.C.E.P. accepting responsibility for the programme revolved around the ability of A.C.E.P. to raise sufficient funding. It being acknowledged that funding may be forthcoming from Queensland, South Australia and Western Australia, the question remained as to the chances of the other States to agree to a levy funding proposal. Mr. Hohl also indicated that if positive steps were undertaken by A.C.E.P. then C.E.M.A.A. may reconsider funding the current programme until June 1984.

Mr. Hazlett reiterated that funds would not be forthcoming until A.C.E.P. made positive steps to obtain sufficient funding. The welfare issue was no longer the major priority in New South Wales, as the Corporation was now more concerned with maintaining current industry regulations and resolving the surplus situation.

Mr. Starick suggested that delegates should give preliminary consideration to the means by which they could raise sufficient funding. One option available was levy funding through the existing Hen Levy but it was considered that this could not be achieved in the short term. The second option was individual State approaches to the issue. The South Australian producers could request the Minister for Agriculture to approve funding through collection of a levy by the Board. In Western Australia, a State Poultry Fund was already in existence and this could be used to collect funds. Queensland could extend the current arrangements whereby the Board collects a levy to support the State producer organisation. Victoria was a problem as three producer organisations were involved and in New South Wales the political climate was uncertain. In view of the problems that could be associated in collecting a levy in New South Wales and Victoria, it was suggested that a voluntary levy could be the most appropriate approach in which case A.C.E.P. would need to 'sell' the concept to producers. Both States' delegates agreed that such an approach was possible, but that the issue should be further discussed later during the meeting.

As regards the establishment of the Livestock Industries Group by N.F.F. and the subsequent submission presented by Mr. McNamara:

These include -

- (1) Long egg
- (2) Scotch egg
- (3) Potato salads
- (4) Coleslaw
- (5) Bean Salads
- (6) Onion salads
- (7) Peppers, celery, lettuce
- (8) Egg salads.

and now working on a frozen devilled egg for food industry.

General Comments

Would be prepared to consider a project in Austral involving the expertise of his company.

At present working on a new long life temperate st product for the food service industry.

The egg peeling machine being used handles 4500 do eggs per hour. Machine is claimed to be their o development. Operating procedure seemed labour intensive with apparently substantial checking and removal of shell parts along the processing line a peeling. Proportion of damaged eggs seemed high this was no major concern because of the volume re for chipping. They hold very little stock on turning over their entire inventory each 30 days.

For a unit to operate as a commercially viable ent it is essential that a wide range of associated pr such as salads etc. are included for distribution.

Claimed unit could be successful in a market area o 4 million people working through an existing distr system.

POULTRY  
WELFARE:  
(Contd.)

The programme had attracted political and consumer criticisms lately with claims being made that consumers were paying for an "anti free range" campaign. Funding for the programme was now at risk and it had been accepted that A.C.E.P. was the more appropriate body to assume responsibility for the programme. At the same time discussions had been held with the Pig Industry to assess the viability of a co-ordinated public relations approach.

Emanating from those discussions an approach was made to the Director of Public Relations, National Farmers' Federation, Mr. J. McNamara, to assist in a co-ordinating role for all livestock industries. Accordingly Mr. McNamara had submitted a P.R. programme for the Egg Industry which was distributed to delegates, albeit somewhat belatedly.

The President then called upon Mr. McNamara to speak to his submission.

Mr. McNamara provided brief background to discussions between N.F.F. and A.C.E.P. and the decision by N.F.F. to establish a Livestock Industries Group to act as a co-ordinating body in devising a national approach to animal welfare. He stressed that the Group would purely co-ordinate and would not be determining policy for the individual commodities. He also mentioned that the Group could assist in presenting co-ordinated evidence to the imminent Senate inquiry into animal welfare and would provide an ideal forum for an exchange of information. In developing this concept and at the request of A.C.E.P. he had drafted a specific programme for consideration by the Egg Industry.

During the course of presentation of Mr. McNamara's submission the following comments, inter alia, were made.

- \* Basically the programme takes the approach of "issues management."
- \* It was based on long term effectiveness.
- \* There was a need to conduct extensive opinion research before any programme is commenced.
- \* The programme placed greater emphasis at Federal Government level as a number of Federal Politicians were unaware of the real facts of the Egg Industry.
- \* A number of publications undertaken by the current programme had been directed to the wrong target publics and contained information which should be the subject of a separate publication.

Freezing

Using liquid CO<sup>2</sup> but now experimenting with liquid nitrogen.

Establishment costs

Unit to handle 1 000 000 dozen per year.      Minimum  
space 12 000 sq.ft.

Freezer space -	1300 sq.ft
Cooler space -	1700 sq.ft
Processing -	1800 sq.ft
Cooking -	600 sq.ft

Dry storage and warehousing takes up remainder of s

Equipment cost excluding boiler but including freez  
chopper, peeler, \$150 - \$200 000.

Bagged scrambled egg

Obtain best results using a 1 500 psi homogeniser.

R.B. FUGE

CHAIRMAN, AUSTRALIAN EGG BOARD

SEPTEMBER 1983