

VICTORIAN  
EGG  
MARKETING  
BOARD

OFFICE  
OF THE  
CHAIRMAN

DJF/JV  
Ref: 25/667

9th July, 1985

Mr. K. Fitz-Gibbon,  
Secretary,  
Commercial Egg Producers Association,  
STRATHFIELDSAYE

Dear Mr. Fitz-Gibbon,

Thank you for your letter dated 26th June.

The following comments are made in answer to the points raised in your letter.

1. Bendigo Board Meeting

- (a) As Chairman of the Board, I am disappointed that your Association did not think that the quarantine of farms in your area was sufficient reason to postpone the meeting. Subsequent events have proved the Board's decision was responsible and correct under the circumstances.
- (b) As you will be now aware, the Board proposes to meet in Bendigo on August 21st; the July meeting had already been organized with Mr. Tom Austin, MLA, our invited guest.

2. The Board's Five Year Plan

- (i) The levy proposal, based on the quota hen, will be optional. Producers will have the right to continue to pay a per dozen charge. However, it will be slightly higher because it involves extra costs. The Board is committed to reducing administration charges.
- (ii) To continue the egg levy charge would be to condone evasion. The Board is committed to a fair and honest system. The levy on the quota hen is now in operation in New South Wales and Queensland and has the support of producers generally, particularly country producers in New South Wales.
- (iii) The Board does not intend to issue extra quota for products. The proposal is to reduce current quotas by approximately 10% and re-issue to those producers who

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want their 10% back to produce eggs for products at a lower price. Producers who do not want to participate in production of eggs for products, need not apply for quota.

Currently, producers are paying more in hen levy on all birds on their farm than they would contribute if they chose to produce 10% of their total production for egg products at a lower price.

Egg product production must continue for two reasons:-

- (a) that these eggs represent a buffer in adverse situations for the shell egg market,
  - (b) if the egg products were taken off the market in Victoria, other States would take over the egg product market using their surplus eggs.
- (iv) The Board believes the recommended margins could be too high in this area and that controlled competition in the box sales area could increase egg sales. The Board controls the trolley rounds to supermarkets and will not allow any in-roads into this area because the margins are already minimal.
- (v) The Board has indicated that it will keep under review the option of developing house brands and farm brands. Your Association's views will be taken into account during any review on this matter.
- (vi) The extra grades you refer to are already in the system and have been for a number of years.

In the Five Year Plan, Section (A) (e) 'Marketing' refers to a new pack for 70 gram eggs which are at present marketed in between two key fillers and shrink wrapped.

The Board must, as a statutory marketing authority, respond to consumer needs and free range eggs fall into this category.

- (vii) The points system is only used for grading faults and does not help improve the overall quality of eggs. We need to encourage the breeders and the feed industry to do more to lift the quality of eggs. The Board will not be burdening producers with any impossible standards - already 80% of the farms would qualify for the haugh unit standards.

The Board looks forward to discussing the Five Year Plan with producers at Bendigo on August 21st.

Yours faithfully,  
THE VICTORIAN EGG MARKETING BOARD

*D.J. Foster*  
D.J. FOSTER  
Chairman