



Chairman's message

Planning ahead can improve returns

The recent price increase for large grades and decrease for small grades is not unique.

It has happened regularly at this time in Victoria over the past few years and now that other States have eliminated surplus production, it is also a familiar pattern in the other Australian States as they attempt to match supply to demand.

While the market generally requires the same grade mix throughout the year, the combination of seasonal quota cuts and seasonal effects on production means that the market can have:

- Temporary shortages of larger grades in March, April, May and June; and,
- Temporary shortages of smaller grades in the Spring months.

While these trends continue, producers who plan ahead can maximise their returns by producing larger grades in March, April, May and June.

The quota scheme has now achieved a nil surplus over a two year period and in planning ahead producers can reasonably assume:

- that current levels of Winter and Summer quotas will continue; and,
- that the voluntary Spring cut programme will continue to be available for producers who want to reduce production by more than the required percentage for a shorter period.

Producers who can achieve above average returns for egg production will always be at an advantage and in today's competitive world, it is obviously important to consider any factors which can cut costs or improve returns.

D J Foster

D. J. Foster

Cracka hatched

The Board's new advertising campaign was launched at the Board auditorium on February 28.



Board Chairman, Don Foster, welcomed an audience comprising retailers, producers, advertising agency staff and Board staff.

The campaign features a new character, Cracka, designed to complement presentations by Peter Russell-Clarke.

Advertising agency, DArcy MacManus & Masius, designed the campaign in conjunction with the Board.

It was prepared following extensive market research which identified the need to position eggs in the market around the main meal enhancement theme.

Board Marketing Manager, Geoff Shilton, unveiled a range of point of sale material prepared for the campaign.

The first television commercials featuring Cracka went to air on March 3.

Plans are already underway to analyse the new campaign's impact.

Officially launching the campaign Don Foster said: "Tonight represents both the beginning of a new era in the Board's marketing and the culmination of

a lengthy period of evaluation of the Board's marketing strategies."

"Over the past year the Board has been addressing the problem of marketing eggs in a changing society—a society in which buying habits, lifestyles, cooking habits and cooking equipment have undergone significant changes," he said.

"It is not so very long ago that the egg's place in the ordinary Australian diet was secured as an integral part of a traditional Australian breakfast."

"Eggs also played a major role in biscuit making, cake-making and of course featured in the traditional Australian steak and eggs meal."



"Today eggs are fighting for a market share in a country where more and more women are going out to work."

"Families are looking for quick, convenient meals to fit in with the different lifestyle this change brings."

"The Board realised that to compete in this changing environment it was essential to re-position eggs in the market."

"Instead of seeking to sell eggs in their traditional roles we needed to encourage consumers to see eggs as a convenient, versatile product ideal for main meal enhancement."

"A new slogan, which you have already seen, was devised to meet this need. The slogan—"Crack an Egg Make a Meal."

"However, the Board also realised that the slogan and the campaign around it had to be particularly distinctive to compete in a food products market place marked by intense competition."

"Research revealed that the ideal way to do this was through the creation of a new character."

"The character created was, of course, "Cracka" the chook."

"We're proud of the Cracka concept. We believe it introduces a new era in the marketing of eggs."

"Most importantly we believe it is a development which fits well with the Board's fundamental philosophy of combining the stability of an orderly marketing structure with an aggressive marketing stance."

"In fact, the most significant aspect of this campaign is that it extends and develops the philosophy's practical application," he said.

Fine tuning quotas

Victoria has now successfully eliminated exports using the quota legislation. From now on we should be able to achieve the annual increases in sales required to offset the annual increase in productivity so that from now on issued quota should remain fairly stable.

We can now turn our attention to new major objectives such as:

- Ensuring that price signals to producers and flexible quotas are combined effectively to supply the correct mix of grades for the market; and,
- Ensuring that all local egg products are profitable.

Getting the right grade mix

The elimination of surplus production has highlighted a problem that has been occurring for some time but has been offset to some extent by surplus production.

There is above average demand for large eggs in the Autumn and generally the supply of large eggs has not been meeting this demand.

In the Spring, however, there is often a restricted supply of the smaller grades.

On a State basis, we need to find the combination of hen quota adjustments and flock management which increases the production of larger eggs in the Autumn and smaller grades in the Spring.

Profitable Local Egg Products

With the phasing out of the Commonwealth hen levy over the next three years, all local egg products will have to pay their own way. This means that:

First, the Board will not be able to pay high prices for eggs going into products.

The price of any grades produced surplus to local shell market needs will be substantially reduced while that surplus continues.

In other words, if larger grades are in temporary surplus, the price of smaller grades will be moved up and the price of the larger grades moved down so that all grades are close together in price while this situation continues.

If the smaller grades are in surplus (as they are at present) there will be a substantial margin between the larger grades and the 50's and 45's.

Currently, the margin between the grades is—

	(cents/doz.)
65-60	7
60-55	7
55-50	17
50-45	12

At the present time, Queensland and New South Wales are looking at a different range of weight grades and if these moves are successful, a change in grade classifications is a further alternative available to Victoria to assist in matching production to market grade requirements. Second in the longer term, it may be possible to issue quota for the specific purpose of producing eggs for the local egg product market.

At present prices, the factory could afford to pay around \$1.30/Kg. (around 80 cents/doz.) for these eggs which would not need to be graded for weight.

Alan Harrison

Truck panels

Some industry transport vehicles have still to be fitted with Cracka truck panels and slogans.

Any Producer Agents or distributors with delivery vehicles not yet fitted with

Cracka decals or sign-writing material should contact Geoff Shilton or Gordon Hudson at the Board's Keysborough headquarters (ph. 798 7077).

A suitable date for the fitting out of vehicles will be arranged. Decaling will be carried out at one location in Melbourne, one in Geelong and one in Bendigo.



Product manager appointed

The Board has appointed Gaye Walker as Product Manager, Egg Farmers of Victoria.

Her duties are to work closely with the research and development

be both competitive and viable.

Major priority for Gaye Walker in the immediate future is the hard boiled egg range of products.

The approach—to define problem areas, canvass possible solutions ranging from the elimination of a product to the finding of new markets.

Another priority is in the new products field. This involves identifying possible target markets and recommending the most viable form for particular



departments to find viable egg products.

The aim—to take products from the research stage, through to market launches, and then through an on-going monitoring phase.

The primary marketing objective for the Product Manager is to achieve profitability for egg products. With the end of the hen levy it is no longer possible to subsidise egg products which must now

products directed to those markets.

A key task for the Product Manager is co-ordination of activity in the product field—drawing up schedules of activity; co-ordinating the work of various departments to match production capacity with sales effort, and ensuring that communication is linked to the marketing objective.

The Product Manager's work

involves analysis of market and field research and research about consumer and food service customers preferences and needs.

Gaye Walker first joined the Board in 1978 as a mail girl. She left in 1983 to travel overseas returning to work at Bowater Scott in the consumer products market research area.

She has completed an Associate Diploma Marketing Course at Chisholm Institute of Technology and re-joined Egg Farmers of Victoria in February, 1985.

Illegal pulp

Some producers have recently been detected in breaches of the law relating to illegal pulp.

It is illegal under the Marketing of Primary Products Act to "manufacture, sell or deliver" any liquid or frozen egg pulp.

Proceedings by summons will be brought against those recently found to be contravening the Act.

Producers found to be in breach of the Act are also warned that where they have a Producer Agent contract, they run the risk of having the contract cancelled as well as facing a court appearance.

A permit is available for the on-farm conversion of cracked, soft shell and leaking eggs which cannot be transported to the Board for manufacture.

This permit system is designed to enable producers to convert these eggs into pulp and to sell it to the Board for processing by the Board.

Currently the Board pays \$1.40 per kilo for pulp produced under permit.

Any producer wishing to obtain more information on the system is asked to contact Rob Keedle at the Board.

Review Day

Producers are reminded that the Egg Industry Review Day will be held on May 1.

The Minister for Primary Industry, Mr. John Kerin, will open the Fifth Australian Egg Industry Review Day, being held at the Southern Cross Hotel, Melbourne, on Wednesday, May 1.

Speakers include Dr. Roslyn Alfin-Slater, a leading nutritionist from the United States, and Mr. I. Stewart, Executive Officer of the Australian Egg Marketing Council.

Fees for the conference have been kept at the 1983 level of \$65, which covers both conference sessions, official reception and dinner.

Further information and official registration brochures can be obtained by writing to:

Australian Egg Marketing Council,
P.O. Box 43, Lidcombe, NSW 2141

Victorian Egg Production and Disposals

35 Weeks Ended 2/3/85

	000 Dozen		%
	1984/85 Actual	1983/84	
Production			
Ungraded Receivals at Grading Floors	12,695	12,509	+ 1.5
Pack-to-Order Receivals at Grading Floors	7,689	8,134	- 5.5
Packed directly by Producer Agents	11,917	12,436	- 4.2
Total Recorded Production	32,301	33,079	- 2.4
Sales			
Sales to Distributors—Grading Floors	3,450	3,366	+ 2.5
—Producer Agents	5,479	5,039	+ 8.7
Sales to Retailers—Distributors	8,929	8,405	+ 6.2
—Grading Floors	12,993	12,817	+ 1.4
—Producer Agents	6,607	7,671	- 13.9
Total Sales In Shell	28,529	28,893	- 1.2
Local Products Sales (equivalent dozens)	4,142	3,770	+ 9.9
Total Sales including Products	32,671	32,663	0.0
Net Variation from Local Requirements	31	441	- 93.0

(including farm pulp and interstate purchases and sales but excluding useless).

Flock Analysis Report

Period 15

Count Date 17/1/85

Number of Hens	Number of Producers	Total Hens	% of Total
21-40	29	994	.06
41-75	42	2,447	.12
76-250	70	9,916	.45
251-500	36	13,418	.61
501-1000	35	25,839	1.17
1001-2000	37	52,902	2.40
2001-5000	59	186,783	8.47
5001-10000	71	522,227	23.69
10001-20000	39	558,587	25.34
over 20,000	21	831,374	37.69
Total	439	2,204,487	100.0

Victorian Egg Marketing Board schedule of Returns due

Commonwealth Hen Levy

Producer Agents

Period Number	Count Date	Last Day for payment	Period Number	2 Weeks Ended	Last Day for payment
19	14.03.85	28.03.85	19	17.03.85	28.03.85
20	28.03.85	11.04.85	20	31.03.85	11.04.85
21	11.04.85	25.04.85	21	14.04.85	25.04.85
22	25.04.85	09.05.85	22	28.04.85	09.05.85
23	09.05.85	23.05.85	23	12.05.85	23.05.85
24	23.05.85	06.06.85	24	26.05.85	06.06.85

Poultry feed protein tests

The Egg Products Laboratory determines protein levels in poultry feeds as an independent service to producers.

The service, as described in earlier publications, offers a prompt, confidential analysis report on samples submitted.

While wheat and prepared meals can be analysed, individual feed ingredients such as meat meal, barley, lucerne and so on can also be tested.

The Kjeldahl technique, considered to be a very accurate test for nitrogen in the form of protein is used.

A testing fee of \$20 per sample is charged and the Laboratory can provide results within 48 hours of receiving samples.

Producers wishing to use the service should contact Mr. Glenn Abbott, Technical Manager, or Mrs. Susan Bearzot, Laboratory Manageress at Egg Farmers of Victoria.

Producing clean eggs

Top American breeders recommend that eggs for hatching should never be cleaned, sanded or washed.

According to an article by Dr Gary Warfield, in the November 1984 issue of "Poultry Digest," if the egg is dirty and sanding or washing is required, then the egg is not suitable for hatching.

Dry cleaning and washing damages the protective cuticle covering the egg shell and leads to further contamination and egg quality deterioration.

Oiling after washing goes some way to repairing the damage—but the oiled egg is not as good as a naturally clean egg.

If this is the case with eggs for hatching, Dr Warfield's advice also has implications for the production of first quality eggs for sale.

Naturally clean represents the best quality—the quality we should be aiming to provide for our customers.

Alan Harrison