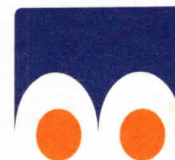


EGG FARMERS OF VICTORIA



The Victorian Egg Marketing Board trading as Egg Farmers of Victoria

ATH/CLJ/JV
Ref:26/267

20th February, 1986

Mr. K. Fitzgibbon,
Secretary,
Commercial Egg Producers Association,
STRATHFIELD SAYE 3551

Dear Mr. Fitzgibbon,

re: New Producer Agents Contracts

Amendments to the Marketing of Primary Products Act to allow the Board to collect marketing and administration costs on the basis of issued hen quota have now been gazetted.

The Board's legal advisors have drafted a new producer agent contract to take advantage of this amendment (a copy of this draft is attached).

It is the Board's intention to discuss this draft with Producer Organizations and producers with a view to implementing the new contract system on Sunday May 4th, 1986.

The key factors of the proposed new contract are:-

1. All current P.A. contracts will be cancelled effective 30th April 1986 and new P.A. contracts will be offered to licensees only.
2. Three types of contract will be offered to licensees and all licensees at the one place must hold the same type of contract.

The contract types are:-

- (i) A general producer agent contract (including the right to sell to specified bannered stores and distributors)
 - (ii) A producer agent contract for consumer sales only.
 - (iii) A contract for producers who wish to pay administration costs on a per quota basis but without the right to sell eggs.
3. Producers who do not wish to enter into a contract with the Board will continue to pay administration and marketing costs on a per dozen basis.
 4. All contracts will include an agreement to pay marketing and administration costs on the basis of current hen quota held by the licensee.

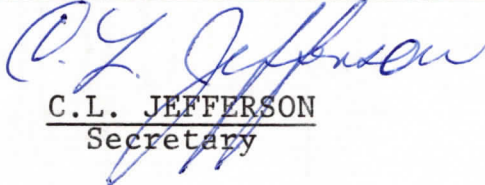
The initial quota levy will be 8¢/quota hen/fortnight. This is equivalent to 11¢/dozen at 90% occupancy and 21 dozen per hen.

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5. For the purpose of calculating the fortnightly quota levy only, licensees may apply to surrender part of their issued quota for a specified period to reduce the levy. This is expected to be a minimum of 15% for at least 4 weeks.
6. Licensees holding a general producer agent contract will be required to -
 - (i) forward a fortnightly sales return showing
 - total sales by grades
 - sales to bannered stores listed in the schedule
 - sales to distributors listed in the schedule
 - sales to consumers.
 - (ii) obtain written authorisation in advance to supply bannered stores or distributors. Other customers will automatically be authorised.
 - (iii) only sell first quality eggs.

The Board would appreciate receiving your organization's written comments on the proposed new contracts by 10th March and invites up to three representatives of your producer organisation to the Board Meeting on the 19th March 1986 at 2.00 p.m. to discuss the matter further.

Yours faithfully,
THE VICTORIAN EGG MARKETING BOARD


C.L. JEFFERSON
Secretary

1 Original and 4 copies
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