

# EGG FARMERS OF VICTORIA

The Victorian Egg Marketing Board trading as Egg Farmers of Victoria



TO: ALL PRODUCERS

23rd September, 1987

CIRCULAR NO. 75/87

Re: Permit Hens for Local Egg Products

The permit scheme for export production was introduced in December 1986 and has proven to be very successful because of its flexibility. Producers can decide whether to participate on a fortnightly basis depending on the productivity of each flock under consideration. The Board has decided to recommend a similar scheme for the local egg product market to the Public Bodies Review Committee.

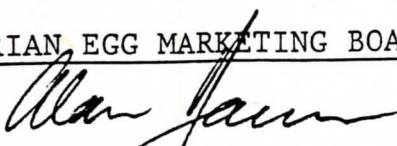
Local egg product sales were the equivalent of 6.58 million dozen in 1986/87. This represents 13.2% of total local sales. Farm pulp contributed the equivalent of 491,000 dozen and second quality eggs used were 1.294 million dozen, leaving a balance of 4.796 million dozen or 10% of first quality eggs produced (excluding export permit).

To provide a clear price signal to producers that the return from egg products is less than the shell egg market and to provide more flexibility with shell egg prices now that local egg products must be profitable, the Board has recommended to the Public Bodies Review Committee that permits be issued for hens to produce eggs for local products.

The scheme would work as follows:-

- (a) 5% of first quality egg production would be removed by a "95% condition of licence" which would restrict all licensees to 95% of their hen quota at any time.
- (b) All licensees will then be offered a permit equivalent to 5% of their hen quota to produce eggs for local products. As for the export permit scheme, the eggs produced could be sold as shell eggs, if necessary, with an equivalent number directed to egg products manufacture. The local products permit levy would be set at 20 cents per hen per fortnight.
- (c) Each producer would be free to make his own decision about participating in the local products permit scheme each year. Permit offered but not taken up would be re-offered to other producers. Producers would be required to commit to local product permit on a twelve month basis.

THE VICTORIAN EGG MARKETING BOARD

  
ALAN HARRISON  
General Manager