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28th December, 1987.

Mr. Evan Walker,  
Minister for Agriculture and Rural Affairs,  
P.O. Box 500,  
EAST MELBOURNE. 3002

Dear Mr. Walker,

Re The Public Bodies Review Committee report into the  
Victorian Egg Marketing Board.

The Commercial Egg Producers Association are disappointed with the overall thrust of the Public Bodies Review Committee Report.

After 2 years research we expected a more constructive report. It was disappointing to see in the report, that of the 40 resolutions that were "put" they were all resolved on party lines. While some of the recommendations are good, we have listed the ones that could seriously affect the future of Victorian and Australian egg producers.

Regarding the Poultry Farmer Licensing Committee.  
'That hen quota be phased out in 7 years with the approval of The Australian Agricultural Council.'

Our Association has always supported the Hen Quota System. Because eggs have a short shelf life it is important that supply does not exceed demand by more than 2 or 3%.

The only satisfactory way to control supply is The Poultry Farmer Licensing Committee. Without hen quotas we would

return to the boom and bust situation of the early 1970's, when we had thousands of tons of egg pulp in cold storage which was costing more to store than the pulp was worth.

Consider producers with 500 hens or less be exempt from Egg Board Control and Levies.

We believe that farms of this size would not be profitable and would be a cost to the industry as a whole, with constant hen counts that are necessary. Also farms of this size because they are not registered are not contributing to industry research.

In our area we can't know of anyone who wants to run a farm of this size. Having to buy feed in small quantities would be too expensive. We recommend that the 20 hens limit that exists at the present time should continue. The lifting of the 40,000 hen quota limit and the abolition of the quota tender pool could cause more demand for quota and prices could rise to an embarrassing level.

Recommendations for the Victorian Egg Marketing Board Objectives.

1(A) 'To provide for orderly marketing in the Victorian egg industry.'

1(D) 'To develop such internal management structures and procedures as will enable the Board to perform its functions and exercise its powers effectively and efficiently.'

Our Association is in favour of these objectives, but are totally opposed to No.3 where the Committee recommends 'that the ownership of eggs should cease to be vested in the Victorian Egg Marketing Board.' This would leave the Board powerless within the industry and contradicts objective No.1.

We would see producers competing with each other and trying to negotiate a price with supermarkets, with the result of lower prices to producers and higher prices to consumers as happened in New Zealand and England where their egg industry has been deregulated.

6. Pricing.

'It must be an offence to buy or sell eggs at a price below the minimum fixed price for each grade.'

This would be hard to police. We must remember that eggs are perishables and fall into a different category to the like of Wheat and Wool.

Membership of Victorian Egg Marketing Board.

'The Committee recommends that membership of the Victorian Egg Marketing Board be increased to seven by the addition of a representative of employees in the egg industry.'

It must be remembered that the sole purpose of the Egg Board is to sell eggs and products. We already have three members on the Board for their sales expertise. If an employee of the Board fell into this bracket, the Minister could appoint him, (a note of warning, this person could have more power than the General Manager). Before the McArthur Report we only had five board members. We don't believe that more members mean better decisions.

The Commercial Egg Producers Association would like the present regulations to remain, blended with the best of The Public Bodies Review Committee recommendations to give producers a secure industry and the confidence to re-invest in the industry.

The alternative to our present system is like the Broiler industry, chicken hatcheries and feed mills, they are all monopolies. Even at this late stage it may be possible to do something for the next generation.

We will be requesting a deputation with you at a later date, hopefully before any major changes are implemented.

Yours sincerely,

K. Fitzgibbon,  
SECRETARY.