

David Kennedy M.L.A.,
Bendigo West.

I Craigie Street,
Harcourt. 3453.

23rd March, 1987.

Dear Sir,

Following the March monthly meeting of The Commercial Egg Producers Association, I have been instructed to contact your office regarding problems concerning egg producers in our area and Victoria.

We are concerned about the Prices Commissioner, (Pro Fels) report into egg prices last year.

While in theory, Pro Fels report may appear correct, in practice it has serious consequences for egg farmers with less than 20,000 hens.

Pro Fels idea of an efficient egg producer is anyone who has a 20,000 bird controlled environment farm and he has based his figures on a model farm of this size.

As the life of most farms is half spent, he has allowed $\frac{1}{2}$ value of farm and a real interest rate of 6.3%. This is far from reality. Labour to run and manage 20,000 laying hens is 1 full-time labourer and a $\frac{1}{3}$ part-time manager.

Production figures were taken from the Random Sample Test.

As not all fertile eggs are collected at random from nests at the hatchery, this makes it a selective test and these hens produce better than hens available to producers.

One of the criteria for Pro Fels to set prices in Victoria was the price of eggs in N.S.W., which last year was affected by rebel farmers and overproduction.

The Fels report recommended a 12c a dozen drop immediately and a further 8c drop in 12 months.

The Victorian Egg Board dropped our eggs by 12c last year, but since then, eggs in N.S.W. have risen to a point where large eggs are dearer than ours.

Our concern is the extra 8c a dozen drop, this would be far below the cost of production.

The Commercial Egg Producers Association is not against a cost of production of eggs in Victoria, but figures must be accurate and include all costs such as :- Value of farm and Plant, depreciation, market rates of interest, feed costs, accurate labour costs, cost of replacement pullets, repairs etc.

We don't believe the price of eggs in N.S.W., or the price of hen quota, has any relevance to the cost of production in Victoria.

...2/...

2. Another problem for country egg producers is the Egg Board's decision to Gazette Keysborough Floor as the only designated egg floor for all Victoria.

As Keysborough Floor is far from central, we believe Tom Neylon's floor at Thomastown and The Crystal Egg Co. floor should be designated. We are concerned for the future of the Bendigo Trading Floor.

I have enclosed a copy of a newspaper cutting regarding the closing of the Euroa grading floor and their depot this year. We feel sure that unless some positive action is taken this will also happen in Bendigo.

3. Regarding appointments to the Egg Board.

As there has been no new appointments for 3 years, all positions expire in June this year. We think this could be an opportunity to have a country producer to represent us on the Egg Board.

Our Association would appreciate any help you could give us with all 3 items as they affect the long term future of the egg industry in this area.

Yours faithfully,



Ron Robins.

President of The Commercial Egg Producers Assoc. of Vic.

Phone :- (054) 742-371.