



Chairman's Message

Another report into the egg industry has arrived on my desk, this time the Report of the Standing Committee on Agriculture Working Party on Egg Marketing arrangement.

The Australians' Egg Industry averages at least one report a year. Of late, we have had a South Australian Report in 1986; Public Bodies Review committee Report in Victoria 1987, the above report in 1988, the Prices Commissioner Report in Victoria 1986 and 1987 and probably a N.S.W. report late in 1988 or early 1989 still to come.

Perhaps the industry should tally up the total consumer dollars used to produce these reports and offset the employment created by these enquiries.

Marketing Boards and the Industry in general have a responsibility to consider the suggestions put forward in these reports and implement them where possible and when beneficial to all concerned.

The Working Party's report has taken a refreshing stance of putting forward options with both advantages and disadvantages discussed.

Hopefully the report will be discussed at the next Australian Egg Marketing Council meeting in October.

The Working Party recommended: "that their report be referred to individual

States and Territories for consideration and action in consultation with their egg industries". The committees' recommendation was endorsed by Australian Agricultural Council. In their summary the committee stated: "the Working Party notes the issue of retail concentration and retail margins. It is possible that freeing up egg marketing would lead to greater retail marketing power and higher margins, although the evidence is not clear. In the worst case, the higher retail margins could negate the consumer benefit from freeing up egg marketing".

The competitiveness of retailing is an issue of general concern not restricted to eggs. Further research and policy development on this issue would be valuable.

Section (4) of the summary states: "The Working Party believes that there are significant and growing threats to the stability of the system. A number of threats were examined in detail.

- "economic and political pressures to reduce protection because of Australia's balance of payments problem, multilateral trade negotiations on GATT, and Closer Economic Relations with New Zealand;
- legal uncertainties, reinforced by recent High Court decisions, about equalisation levies and the use of re-grading requirements for interstate

eggs;

- increasing concentration in the egg industry;
- increasing concentration in retailing;
- the prospect of destabilising policy changes in some states;
- withdrawal of the Commonwealth for collecting equalisation levies;
- the ACT/NSW marketing situation;
- continuing high equalisation charges and surplus production in some states;
- the persistent problem with illegal producers in N.S.W.;
- price differences between States, which appear large compared with transport costs."

Both the Victorian Board and Australian Egg Marketing Committee should address these issues in their next five year plan.

The Working Party recommended policy is "To improve the stability and efficiency of the system in order to gain time for adjustment, and to put in place policies which will reduce the adjustment costs in the event of uncontrolled change".

This is a refreshing attitude to change following the "broad brush" deregulation report of Public Bodies Review Committee.
Don Foster

New Trolley Shelf Talkers

The Retail trolley system accounts for over 80% of egg sales through Supermarkets. The quickest way to get a message across to the Consumer is to put the message in front of their eyes. a trolley "Shelf Talker" does just that.

The Board's marketing staff have devised some new shelf talkers to promote big eggs and whole meal eggs. All packing stations and PA's packing retail trolleys will be required to use the promotional material.

The talkers read:

"Bigger Eggs—Smaller Prices" and "Mrs. McKeckie's Whole Meal Eggs"

The "Bigger Eggs" talker is designed to promote the use of the Big Eggs now in surplus and the Whole Meal talker is designed to continue the interest being shown in the market place for the Brown Egg Promotion.

Free Range Production

More Free Range Producers Needed

Present weekly sales of free range eggs is around 13,000 dozen but demand still exceeds supply and we are still rationing free range eggs to stores.

The Board is anxious to increase the number of participating farms.

Any producer who has acreage available should consider joining the free range scheme and take advantage of the premium being offered—currently 30¢ per dozen.

The Board's Field Services Manager, Ivan McKinney, will be happy to provide further information to anyone considering becoming an approved free range producer.

Egg Farmers Are "Showing Our Best"

It's Royal Melbourne Show time. The Show gives Egg Farmers an excellent chance to talk individually to thousands of people in a short time.

The theme for the 1988 Show is "Australia—Showing our Best". and that's exactly what we are doing.

We are showing our Best Quality Eggs. These are the winners of the Egg Quality Competition. Congratulations to Mr. & Mrs. Sioziopoulos from The Basin, and the other winners. The quality egg display is complemented by Board staff demonstrating the quality tests of candling and breakout. This provides us the opportunity to discuss egg quality with consumers and dispel many myths about eggs—for example that blood spots are developing chickens.

We are also showing our Best Decorated Eggs. The display includes some of the beautiful eggs from our own collection, as well as the fantastic eggs from the winners of the Primary School competition. This area is kept very busy by the interest shown in our Egg Decorating Workshops. Our staff are being run off their feet and are out of breath blowing eggs and then turning them into a delight-



ful tree ornament.

"Cracka" is the focus of our stage presentations between 11.00a.m. and 4.00p.m. He continues to delight children and their parents who always enjoy his antics with Issy Dye.

A big thank you must go to all the people involved in preparing for the Show and conducting the various activities each day. They will be the one's wearing the stickers—"I survived the Show".

Corinne Petterson

New Appointment To The Board

The Minister for Agriculture and Rural Affairs Mr. Evan Walker has appointed Dr. David McKinna to the Board to fill the vacancy created by the retirement of Mr. Jerome Neugent-Smith whose term had expired. The appointment was effective from the first of July.

Producers will remember Dr. McKinna working as a Marketer with the Board when he returned from overseas after obtaining his Ph.D in Business Marketing from Cornell University U.S.A. Dr. McKinna subsequently left the Board's employment to commence his own Marketing Consultancy business now known as David McKinna Pty. Ltd. This Firm acts as a Consultancy specialising in: Marketing strategy, including development implementation and monitoring. This work covers the full spectrum of marketing strategy including:

- Strategy development for new and existing products.
- New product development and evaluation.

- Advertising strategy development and monitoring.
- Trouble shooting and strategic solutions for existing products and organisations.
- Project management, critical path analysis and budgeting.
- Distribution strategies.
- Benchmark and monitoring performance studies of campaigns, strategies, new product launches, etc.
- Marketing performance, audits and assessments.
- Analysis of syndicated usage, purchasing and warehouse withdrawal data.
- Marketing feasibility studies.
- Market development strategies.
- Sales promotion and incentive strategies.
- Corporate identity and communication strategies.

- Evaluation of packaging options and new packaging technology.

Dr. David McKinna holds a Diploma of Agriculture from Dookie college, first class Honours Degree in Economics and a Master of Economics from Monash University and a Ph.D in Business Marketing from Cornell University (U.S.A.).

Apart from his academic training, he is widely experienced in a range of industries in both the Government and the private sector.

His career path has spanned from its starting point as an Agricultural Scientist with the Department of Agriculture, and after gaining his Economic degrees, as a Marketing/Economic Specialist and Ministerial Advisor to the Minister of Agriculture, through to managerial positions in the private sector.

Dr. McKinna brings a wide breadth of experience and academic skills to the Board position.

Problem In Japan

The following notes are extracts from an article in World Poultry. It is interesting in explaining the problems of Japanese producers and our problems in exporting to them. It also indicates that our production control system does work in total communities best interests even in spite of economic theory.

CRISIS has hit the egg sector in Japan this summer, with prices falling to ruinous levels.

Wholesale prices on the Tokyo market are approaching 120 Yen/kg, which would equal the bottom price recorded in 1970—previously the lowest since quotations began in 1953.

The problem is part of a long term increase in supply which has outstripped increases in consumption. The expansion gathered pace last year and continued into the early part of this year.

Some producers who over stretched

continued on page 3

Commercial Egg Quality Competition 1988

Entries for the Royal Agricultural Society Egg Competition were again slightly up on 1987 with 20 Producers participating in each of the three classes.

The prizes for this year's winners were presented by Mr. Alan Harrison, the Board's General Manager, before a gathering of producers, feed and industry representatives at the V.A.S.A. Building, Royal Showgrounds on Thursday 15th September.

Our **Congratulations** to the winners.

Prize Winners

R.A.S.V. Commercial Egg Quality Competition 1988

All Class Champion

P. & A. Sioziopoulos, The Basin

Reserve Champion

D. & D. Clarke, Red Hill

Class 1 61 Grams

1st P. & A. Sioziopoulos, The Basin

2nd M. & V. Jackman, Golden Square

3rd O. & P. Palazzolo, Yarrambat

equal

3rd J. & M. Marks, Mernda

4th D. & D. Clarke, Red Hill

Class 2 55 Grams

1st D. & D. Clarke, Red Hill

2nd R. & J. Davies, Mornington

3rd Maytime Poultry Farm, Five Ways

4th Lang Lang Poultry Farm, Lang Lang

equal

4th P. & A. Sioziopoulos, The Basin

Class 3 49 Grams

1st P. & A. Sioziopoulos, The Basin

2nd M. & P. Peacock, Rockbank

equal 2nd D. & D. Clarke, Red Hill

3rd Fifth Zardoo, A.R. & G.M. Skidmore, Carrum Downs

4th Lang Lang Poultry Farm, Lang Lang

Highly Commended

M. & V. Jackman, Golden Square

Most Successful 1st Year Entrant. J. & M. Marks, Mernda

The most pleasing aspect of this

year's competition was the overall improvement in quality generally and in shell quality in particular. At the prize giving function Dr. Hector Karunajeewa, one of the judges, made the following comments:

"This year we judged 20 entries in each of the 3 classes just one more than last year. This year's results were by far the best I have seen since I started judging this competition in 1984. The results of Class 1 in particular were extremely good. Every year in the past, the major complaint particularly in relation to the large grade eggs was poor shell quality. This year the shell thickness of all entries in Class 1 was well above the minimum standard set by the Egg Board. This rather dramatic improvement in shell quality may have been due to several reasons. It may have been partly due to the reduction of Class 1 egg size from 63g last year to 61g this year. This 2 gram reduction in egg size is substantial and allows the inclusion of eggs from younger hens that have a better shell quality. There was also a preponderance of brown egg entries and this may have also contributed to the better shell quality in most entries. Secondly, the geneticists may have begun to give greater attention to this aspect in their breeding programs. Thirdly, this improvement in shell quality in general may have been partly due to improved nutrition of the hens. The high price of meat meal would have increased the inclusion of plant-protein supplements in the laying diet. This means less phosphorous and more available calcium in the diet. The consequence of these dietary changes is an improvement in egg shell thickness.

There was a marked improvement in the presentation of eggs this year—only 4 out of the 60 entries were below standard in this respect.

I am sure some of you may be aware that the measurement of Haugh units at the Board has been computerised. This eliminates or minimises operator error in measuring albumen height. So this is another change from last year that may have had an influence on this year's results. Albumen quality was uniformly good in all 3 classes. There was hardly any variation in albumen quality which is a sign of good husbandry and management practices.

Yolk colour on the whole was good

with the exception of 4 entries—in which the colours were erratic with colour scores less than 9 on the Roche Colour Fan in 3 entries while in one entry the colour scores were above 12. The lower scores may have been due to either the use of marginal amounts of yolk colouring pigments in the ration or the pigments may have undergone oxidation during storage and delivery of the rations. This is a likely problem with the use of natural pigment sources. The high scores, of course, is due to excess pigments in the ration.

There was a remarkably low incidence of blood and meat spots this year. This is indeed, a pleasing sign particularly because a large number of brown egg entries were free of this problem.

The margin between place-getters in the competition with the exception of 1st, and 2nd places in Classes 1 and 2, was extremely small—suggesting that the competition was keen and very close".

Again our congratulations not only to the winners but to everyone who entered and who made this year's competition a success.

Our thanks also goes to all our sponsors, to the judges Dr. H. Karunajeewa, Ivan Smith and Anna Hoffman and to the Board's Quality Department.

Ivan McKinney

Field Services Manager.



Mr. & Mrs David Clarke of Red Hill — Winners of the Reserve Champion Cup. Mr. Chris Rowell of K.&L. Thomas making the presentation



Mr. Peter Sioziopoulos of the Basin — the 1988 All Class Champion, with Mr. Frank Eckerman of Clark King Barastoc.



The winners of the Highly Commended Trophy — Mr. & Mrs. Jackman of Golden Square, with Mr. Bob Blundell of Clark King Barastoc.

Problem In Japan (continued)

themselves have already gone out of business and further bankruptcies are expected before prices recover in the autumn. A recent five year average shows a wholesale price of 286 Yen/kg, with a producer price of 273 Yen. No corresponding costs of production are available over the 5 years, but Japanese producers are no strangers to making losses: Costs were greater than returns in 1982 and 1983.

Egg producers receive a high proportion of the final retail price, amounting to 74% on the five-year survey. The majority of eggs are handled

continued on page 4

Victorian Egg Production and Disposals

as at 30/6/1988

	000 Dozen		
	1988/89	1987/88	%
Production	27/8	29/8	
Ungraded Receivals at Grading Floors	2,482	2,936	-15.5
Pack-to-Order Receivals at Grading Floor	1,860	1,898	-2.0
Packed directly by Producer Agents	3,449	3,289	+4.9
Total Recorded Production	7,791	8,123	-4.1
Sales			
Grading Floor Sales to Distributors	320	486	-34.2
Producer Agents Sales To Distributors	1,426	1,360	+4.9
Distributors Sales to Retailers	1,746	1,846	-5.4
Grading Floor Sales to Retailers	2,849	3,227	-13.1
Producer Agents Sales to Retailers	2,051	1,937	+5.9
Total Sales In Shell	6,646	7,060	-5.9
Local Products Sales (equivalent dozens)	1,142	1,117	+2.2
Total Sales including Products	7,788	8,177	-4.8
Net Variation from Local Requirements (including farm pulp and interstate purchases and sales but excluding useless).	3	54	

Flock Analysis Report

As at 1/7/1988

Quota Breakdown	Producers	Quota	% of Total
1-20	8	140	.01
21-40	11	325	.01
41-75	14	877	.03
76-250	52	8,367	.32
251-500	46	17,294	.66
501-1,000	30	22,494	.86
1001-2,000	35	52,169	1.99
2001-5,000	43	136,496	5.21
5001-10,000	50	380,838	14.53
10,001-20,000	45	622,440	23.74
20,001-30,000	18	430,574	16.42
30,001-40,000	8	285,065	10.87
40,001-50,000	4	174,215	6.65
50,001 and over	7	490,373	18.70
Total	371	2,621,667	100

Problem In Japan (continued)

by the grading and packing centres which take care of local distribution and send bulk consignments to the wholesalers in the urban districts.

About 70% of eggs are taken by the retail sector, with 15% used in catering and the remaining 15% in egg products.

Current problems in the egg sector have swamped the usual mechanisms for

stabilising the market, which centre on three approaches:

1. Regional authorities, guided by the Ministry, determine the units which can expand and by how much. The broad aim is to help smaller producers achieve an economic level, while checking the growth of the largest.
2. A stabilisation fund operates with reserves provided by producer, cooperatives and government, which

Microwave Cooking With Virginia Hill

Egg Farmers of Victoria are pleased to present a Microwave Cooking Class with well-known teacher Virginia Hill.

Virginia has her own cooking school in South Yarra. She has produced a Video on microwave cooking, several books and writes for magazines.

We are thrilled to have her share her talents with us in a demonstration of—Entertaining recipes with eggs and the Microwave.

Classes are on October 11th and there is a choice of 2 times—an afternoon session from 1.30p.m. and an evening session from 7.30p.m. (Note—the evening session is a repeat of the afternoon session). Classes will run approximately 2 hours.

These will be held in the well appointed Keysborough Auditorium and refreshments will be served.

Normal cost for the class is \$12.00 per head, but staff and producers can enjoy this class for \$10.00.

To book—send your cheque and booking form to Microwave Class, Egg Farmers of Victoria, P.O. Box 141, Noble Park, 3174—or pay in person to Pam Goudie, Marketing Secretary.

Copies of all recipes will be provided and a tasting of dishes prepared will follow the demonstration.

Microwave Cooking Class With Virginia Hill

Please tick appropriate box.

Class 1.30p.m.

Time 7.30p.m.

Paid \$ for people

Producer Staff

Please send ticket to:

Name:

Address:

.....

Please book early to secure a place.

steps in when prices drop below a set level.

3. The Japan Liquid Egg Public Co-operative also stabilises the market by mopping up eggs when prices drop, and selling the processed eggs when the market improves. A subsidised fund pays for the costs involved.

FOR SALE

PASQUALI 946

FRONT END LOADING
POULTRY MANURE MOVING MACHINE

FULLY HYDRAULIC OPERATION
"MAKES SHED CLEAN OUT A BREEZE"

PHONE: MICK DADOUKIAN
(03) 798 6449
29 MALCOLM ROAD
LANWARRIN 3910

ALSO AVAILABLE: CONTRACT SHED CLEANING