



Chairman's Message

Christmas And 1989

Another year has rapidly gone into history and with it has gone yet more reports on this Industry. Yet all is not a negative result from these reports. The Industry has been forced to review itself very critically to enable its survival. When we think about it, really such has been the case for the last 50 years. Every major change over that time has been to the benefit of all citizens be they producer or consumer.

The present changes are no exception. The secret is managing change to avoid destructive disruption to all participants, producer and consumer alike.

This Industry again stands at a threshold of management

opportunity to ensure positive results from the future Proposed changes both in Victoria and New South Wales.

We have a new Minister in Victoria who is anxious to learn the needs of the industry and the consumers. We have an obligation to make our needs known to him.

The only way to achieve this is to ensure that the Industry talks with one voice and in unison. Over the years there have been a multitude of small groups representing small sections of the Industry usually on a regional basis. We cannot now allow ourselves this luxury. Nor can the Board as such speak solely for producers. The Board by its very

nature must be conscious of the total community benefit.

In this season of goodwill and with the coming of a new year which could be critical to the industry's future existence as we know it, I urge all producers to become aware of and active in the Industry organisations and that all groups combine so that one voice is heard to assist in the management of change that is going to be with us in 1989.

The time to act is now.

May I take this opportunity to wish you a very happy and safe Christmas and a prosperous 1989 which it will be if we all pull together.

Merry Christmas and a Happy New Year to you all.

Don Foster

Merry Christmas

Egg Industry Research

The following is a summary of some new research projects being funded by the Poultry Research Council. Some of these projects are being jointly funded by the Chicken Meat Research Council.

New Research Projects Funded by the Poultry Research Council 1988/89

Title: The Effects of Behavioural Response to Humans on the Productivity of Laying Hens.

Organisation: Victorian Department of Agriculture & Rural Affairs.

Aims:

1. To examine the effects of human behaviour on the behavioural responses and productivity of laying hens.
2. To examine the feasibility of improving production of laying hens by experimentally manipulating their behavioural response to humans.

Industry Significance:

If fear of humans is a significant factor affecting productivity in laying hens it should be possible to identify the important human behaviours that regulate the relationship, with the aim of modifying these behaviours to improve productivity and welfare. In addition, research to improve stockmanship will enable the industry to take the initiative in the welfare debate, rather than merely reacting to criticism by emphasising the importance of the stockperson for the welfare of animals.

Title: Practical Feeding and management Strategies to Reduce Egg Shell Calcification.

Organisation: South Australian Department of Agriculture.

Aims: To develop a practical feeding and management strategy which allows individual hens to meet their specific needs for supply of calcium during egg shell formation, particularly during hot weather.

Industry Significance:

The PRC five year plan identifies poor egg shell quality as a persistent problem despite considerable research effort both in Australia and overseas. Australian egg producers lose at least \$10-20 million per annum. A further 5-10% of marketable eggs are damaged prior to purchase by consumers. Finally, the incidence of shell damage is known to increase greatly in eggs from older hens, particularly under heat stress.

Title: The Effect of Mineral Salts in Drinking Water on Egg Production and Shell Quality of Commercial Pullets.

Organisation: University of Sydney.

Aims: To examine possible strategies for lessening the extent of the problem (effect of saline water on shell quality) and for carrying out limited extension work on farms to evaluate the seriousness of this problem to commercial egg producers.

Industry Significance:

Although the economic losses associated with poor shell quality have been recognised for many

years and extensive studies have been carried out to devise ways of overcoming the problem, overall losses from this source remain high. Recent research studies associated with this project have clearly identified the serious economic implications of giving saline drinking water to laying hens and thereby increasing the overall production of egg shell defects.

Title: Investigation of Techniques to Increase the Shelf Life of Chilled Liquid Whole Egg Pulp.

Organisation: Royal Melbourne Institute of Technology.

Researchers: Ms E Gorczyca and Student. Phone (03) 660 2624.

Aims: To investigate techniques for increasing the shelf life of chilled liquid whole egg pulp.

Industry Significance:

The development of a longer life whole egg pulp will assist both production and marketing of the product in Australia. It will give both country and metropolitan customers more time to use the product and be more flexible when planning production as they could then rely on their own weekly or monthly supply of egg pulp without necessitating daily production at any of the Egg Boards. If liquid egg were available ex stock, fewer but larger production runs could be made each week, thus resulting in production efficiencies at the Boards.

Title: High Quality Eggs With Superior Thick Whites.

Organisation: CSIRO Division of Food Research.

Aims: To investigate and exploit the discovery that certain hens maintained by the CSIRO Division of Animal Production lay eggs with superior thick whites, even when they are quite old.

Industry Significance:

Poor internal quality (ie. low Haugh Units) of eggs of some commercial strains and of old hens of most commercial strains is a well-recognised industry problem that has been emphasised by State Egg Marketing Authorities in recent years. Therefore the ability to market shell eggs with superior quality, even from old hens, will be of great benefit to the industry. Its value is indicated by the proposal in some sections of the industry to pay a premium for eggs of superior quality and by the present practice of downgrading eggs from farms which do not meet a minimum standard.

Title: Efficacy of Insecticides for the Control of External Parasites of Poultry.

Organisation: NSW Agriculture & Fisheries.

Researchers: Dr. G. Levot, Dr. P. Hughes and Mr. I. Roth. Phone (02) 683 9864.

Aims: To develop laboratory bioassay techniques

suitable for testing insecticides against northern fowl mite, red mite and poultry body lice.

To determine the efficacy of registered and experimental insecticides against northern fowl mite and other ectoparasites as necessary. To make recommendations for the cost effective control of external parasites of poultry.

Industry Significance:

Increasingly there have been complaints that insecticidal control of many of these parasites has become ineffective, possibly because of the development of resistance to available chemicals. This project will investigate the efficacy of registered compounds and determine whether resistance has evolved in pest species. Alternative and experimental insecticides will be tested to stimulate development of more effective chemicals for the industry. It is anticipated that the project will produce recommendations for the cost-effective suppression of these pests.

Title: Economic Modelling—Nutrition and Farm Management.

Organisation: NSW Agriculture & Fisheries

Aims: To increase the efficiency of egg production by developing and using economic models to guide nutrition and farm management decisions, and research planning.

Industry Significance:

The operation of layer farms and their associated enterprises (pullet rearing, feed milling and egg marketing) is becoming increasingly complex. many factors affect the efficiency and profitability of the modern farm business. These factors interact in a climate of uncertainty and change. Computer models can be used to help determine the 'least cost' or 'maximum profit' combination of farm management strategies and/or enterprises under a wide range of possible cost, price and production conditions. They can also be used to help identify potentially profitable areas of research.

Title: The Nutritive Value of Naked Oats (*Avena Nuda*) for Broilers and Layers.

Organisation: University of New England.

Aims: to collaborate at the initial stages of selection with plant breeders to help develop a naked oat cultivar which has the required nutritional characteristics for meat birds and table-egg layers.

Industr Significance:

There is a good possibility of producing a high-energy high protein grain with the required agronomic and nutritional characteristics to provide adequate protein, energy and linoleic acid for meat and eggs without major supplementation. The likely benefits to industry are self evident through a reduction in feed costs.

Title: Cholesterol in Eggs.

Organisation: Queensland Agricultural College.

Aims: To investigate the effect of the hen's diet on cholesterol deposition in the egg yolk.

Industry Significance:

Cholesterol in egg yolk has a major influence on marketing. There is some evidence that the level of cholesterol in the yolk can be influenced by dietary factors. If the cholesterol level could be reduced, the per capital consumption of eggs might be increased.

Title: Composting of Poultry Manure for Fertiliser Use.

Organisation: Dynamic Lifter Pty Ltd.

Aims: To determine the optimum length of time for composting both layer and broiler manure.

To determine ammonia loss during the composting and drying of layer and broiler manure.

To compare ammonia loss with and without added lime in layer and broiler manure.

Industry Significance:

Improving the value of by-products.

Title: Characterising the Population for Whom Egg Yolk Restriction is *Not* Important and Those For Whom it *Is* Important For Blood Cholesterol Control.

Organisation: CSIRO Division of Human Nutrition

Aims: Our previous investigations allow us now to mount a study which will identify more clearly that minority of the population which needs to avoid dietary cholesterol, including egg yolk cholesterol. Such an investigation will also define the larger number of Australians for whom egg restriction is not necessary for blood cholesterol control.

Industry Significance:

Fully half of adult Australians have blood cholesterol levels high enough to warrant some form of dietary modification to reduce the risk of heart disease. Dietary changes include advice to restrict egg consumption. The proposed studies are likely to establish that such advice is relevant for the minority only. By defining clearly who this minority is, and how such people may be identified, it will be possible to promote egg consumption.

Title: Diagnosis of Avian Influenza Disease.

Organisation: CSIRO Australia Animal Health Laboratory.

Aims: To develop rapid and sensitive tests for detection of avian influenza virus and serum antibodies in field specimens.

Industry Significance:

Significance: Avian influenza disease is not endemic in Australian poultry but the virus is carried in wild birds so there is a constant threat of disease outbreaks. The disease is severe and currently there are no effective means of control except eradication. The direct cost of the 1985 Australian outbreak, confined to one property was approximately \$2.2 million. Rapid tests for diagnosis and surveillance would significantly improve disease control programs.

Title: Development and Evaluation of Alternative Methods for Detecting *Mycoplasma gallisepticum* and *M. synoviae* Infection in Poultry Flocks.

Organisation: University of Melbourne.
 Aims: To develop and evaluate an enzyme linked immunoassay (ELISA) which detects *M. gallisepticum* (MG)—and *M. synoviae* (MS)—antibodies in egg yolk.

To develop and evaluate non radioactive species—specific DNA probes for the rapid diagnosis of mycoplasma infections of poultry.

Industry Significance:

The main industry significance of an ELISA which reliably detects MG or MS antibodies in egg yolk would be the elimination of the costs and risk involved in employing teams of people to collect blood samples for hemagglutination tests.

MG and MS specific DNA probes would simplify and speed up the detection of these infections in flocks.

Title: Studies on the Efficacy of an Inactivated Newcastle Disease Vaccine (Strain V4) in Chickens.

Organisation: Dr. G. Cross. Phone (046) 55 2300.

Aims: To assess the efficacy of an inactivated and adjuvanted ND vaccine (Strain V4), when administered to special category flocks (e.g. nucleus breeding flocks) and the level and duration of maternal antibody in their progeny. The protection afforded by this antibody will be assessed by challenge with virulent ND virus.

Industry Significance:

Australian chicken flocks are continually under threat of an outbreak of exotic Newcastle Disease (ND). An efficacious inactivated ND vaccine could be used in advance of such an outbreak, thus avoiding investment and production losses in such valuable flocks. The

proposed research will provide data on which government and industry can base decisions on its use.

Title: Determination of Immunogenic Relationships Between Australian Strains of Avian Infectious Bronchitis Virus by an *In Vivo* Clearance Test.

Organisation: University of Newcastle, Faculty of Medicine.

Aims: The test aims to provide the following highly important information about Australian isolates of IBV:

i) The extent of differences in immunogenicity; between strains and the consequent effective vaccinating dose for each.

ii) The effect of different routes of vaccination upon prevention of virus multiplication within the respiratory tract.

iii) The breadth of the immunogenic response to challenge with heterologous viruses.

iv) The duration of the immunogenic response for birds vaccinated at differing ages with suitable immunising doses.

v) Optimal regimes for boosting the immunogenicity of IBV by the administration of a second dose.

Industry Significance:

It should be stressed that, because virus titres in lung extracts can be measured by an accurate and reliable technique, most of this information can be obtained with a relatively small number of birds and is much less prone to error than that derived from studies which depend upon the observation of clinical symptoms and/or the unquantitated presence or absence of virus following challenge.

Hen Quota Pool No. 10

The tenth Hen Quota Pool resulted in 25,531 of the 35,831 available quota being sold and 10,300 were passed in when the reserve exceeded the average tender price. The average price of the successful tenders was \$14.04 per hen quota.

There were 79 tender applications of which 27 were fully successful, 1 was successful in part, and 51 were unsuccessful,

including 5 second tenders and 1 application which could not be considered as it did not have adequate tender security and 1 application which could not be considered as it did not have the tender fee required.

The range of the prices offered in the tenders received is shown on the following table:

Distribution of Tenders			
No. of Hen Quota			
Tender Price	Successful	Unsuccessful	Total
\$10.00 or less	-	12,000	12,000
\$10.01 to \$12.00	-	13,378	13,378
\$12.01 to \$14.00	12,231	4,400	16,631
\$14.01 to \$16.00	13,300	4,000	17,300
\$16.01 to \$18.00	-	-	-
\$18.01 to \$20.00	-	-	-
Over \$20.00	-	-	-
Total	25,531	33,778	59,309

For Sale

Apple computer, 64K with 7Hz Applicard, twin disk drive, A must 80 col printer and various items of software including "Mixit" least cost ration formulation program.

Free instruction in use of program given.

Contact Peter Carpenter
on 03-782 2660.

National Marketing Programme 1988/89

A national advertising programme was considered by General Managers on 26th October 1988.

The following campaigns were agreed to:

1. The Cholesterol Question and Doctors

24,000 G.P.s—94% felt dietary cholesterol is a problem for most Australians.

(a) 4 Double page spreads from February through to June 1989 in:

- Modern Medicine
- Australian Family Physician
- Australian Doctor Weekly
- Food and Nutrition

4 Ads covering:

- (i) Effect of dietary cholesterol
 - (ii) Effect of saturated fat
 - (iii) Hyper-responders (to be run as phase II)
 - (iv) Specific egg dosage
- National cost—\$90,000

Note: Modern Medicine has commissioned an article for February issue by Professor Truswell reviewing all the literature on cholesterol and heart disease. In addition, the Cholesterol Facts Booklet to go in as an insert in February and June issue.

(b) Cholesterol seminar in conjunction with Australian Meat & Livestock Corp., Australian Diary Corp., and Heart Foundation.

- National cost to Egg Industry—\$50,000
- May 1989 in conjunction with Heart Week.
- Sponsored by the National Heart Foundation.
- Sydney/Melbourne
- 1/2 day latest research 1/2 day practical diagnostics
- Audience of G.P.s, Health Writers, etc.
- Publish papers, video/cassette

(c) Cholesterol facts/Low fat booklets as per South Queensland example.

Cost \$50,000

(d) Waiting room posters etc.

Cost \$10,000

(e) Pre campaign launch, press release, press kit, in conjunction with Modern Medicine Review article.

2. The Cholesterol Question and Consumers

(a) Two double page spreads from February through to June covering:

- (i) The effect of dietary cholesterol
 - (ii) Effect of saturated fat in The Australian Magazine
- 4/2, 25/2, 18/3, 8/4

Women's Weekly
—February, April

Woman's Day
—14/2, 7/3, 28/3, 18/4

New Idea
—11/2, 25/2, 4/3, 25/3, 22/4, 13/5

Bulletin
—31/1, 28/2, 21/3, 18/4, 1/5

Readers Digest
—February, March, April, May
(plus in Capital City Newspapers if any State wishes to go this far)

Cost \$428,805—(Not including Capital City Newspapers)

In addition, further ads are planned for the Spring of 1989 in the same magazines at a cost of \$338,541

3. Nutritional Reinforcement—Consumers

(a) Three double page spreads from February through to June:

3 Womens Day
—21/2, 21/3, 25/4

4 in New Idea
—18/2, 11/3, 8/4, 6/5

5 in TV Week
—4/2, 25/2, 18/3, 8/4, 29/4

1 in Womens Weekly
—March issue

Ads covering the following:

- (i) Nature's best protein
- (ii) Vitamin content (only Vitamin C missing)

(iii) Mineral content

National cost \$256,783

In addition, further ads are planned for the Spring of 1989 in the same magazines for a further \$223,059.

Summary

While it is a pity that it has taken at least 6 months longer than it should have to get going and the 'advertorial' style suggested by Victoria for the Cholesterol campaign in the print media has not been taken up, the projects approved have the support of all States (including South Queensland to some extent) and address the key areas of concern to Victoria.

By using National magazine advertising, we are also utilising the media format which is most cost effective at a National level.

The total National Marketing Budget for 1988/89 is now as follows:

Administration	\$422,782
Nutritional Reinforcement	\$256,783
Cholesterol Print Campaign	\$428,805
Cholesterol Medical Journals	\$90,000
Cholesterol Seminars	\$50,000
Market Research	\$77,000
Media Production	\$50,000
Cholesterol Facts Booklet	\$50,000
Waiting Room Merchandising	\$10,000
Interactive Mailer	\$45,000
Total	\$1480,370
Victoria's Contribution (Excluding Sunny Queen)	\$458,800
(Including Sunny Queen)	\$399,600

Alan Harrison

Annual General Meeting

The following is the speech given to the AGM by David Brown—
General Manager of Good Foods of which Victorian Producers
are shareholders via the Board.

Good Afternoon Ladies and Gentlemen—thank you for the opportunity of participating in your Annual Industry Meeting. It is my pleasure this afternoon to give you a brief review of the progress we at Good Food Products Australia are making to meet the objectives that the owners of Good Food Products Australia, The New South Wales Egg Corporation and Egg Farmers of Victoria have set for us.

Firstly however, a little about my background. I have no experience of the egg industry as such and am therefore not able to speak with knowledge or authority on issues directly relating to the industry. Your advocate in industry issues remains the Egg Board Members and the Officers of Egg Farmers of Victoria. I have however spent a considerable period involved in the manufacture and marketing of dairy products, and a wide range of other food products, with Kraft Foods Australasia, United States, Europe, Asia and Latin America, followed by consulting activities for other companies with interests in retail and food service marketing.

The objectives set by the owners of Good Food Products Australia for Good Food Products Management are simple. They are to establish a commercially run profitable company trading in appropriate segments of the food industry, based broadly on egg products and technology. Shell eggs are not included in Good Food Products range.

Good Food Products is selling these products on the Australian Market to retail, food service and industrial customers, and on the international food service market. Any excess of eggs over that required for the shell egg market and Good Food Products is to be converted by Good Food Products into export commodity products, the marketing of which remains with New South Wales Egg Corporation and Egg Farmers of Victoria.

Good Food Products is forecasting

sales of approximately \$25 million in the year to June 30th next. The products sold include fresh whole egg, yolks and whites sold in the Sydney and Melbourne areas, frozen whole egg, yolk and whites, dried whole egg, yolks and white, and a range of formulated food service and retail products sold nationally through brokers and distributors.

Good Food Products is to lease those areas of Lidcombe Plant of the New South Wales Egg Corporation and those areas of Keysborough Plant of Egg Farmers of Victoria which are equipped to produce egg products (not shell eggs). In total there is more equipment than Good Food Products needs, so that some sections will be leased on an access basis for product development work.

The two Plants are different in age and concept and allow for a product focus approach. The Lidcombe Plant is designed to handle large volume products efficiently, while Keysborough is more suited to smaller runs of formulated products. Good Food Products has been able to come to an agreement with the owners for lease payments which fairly reflects the value of each plant to Good Food Products.

During the lease period

During the lease period Good Food Products is planning to run on a break even basis—that is with all net income being returned to the owners as a combination of raw material payments plus lease payments in a proportion as agreed between the owners.

A detailed marketing strategy is being put together by Good Food Products Marketing Department but in broad outline, we plan to increase tonnage of bulk ingredient products by expanding into new markets and by increased sales effort in current markets, and to increase tonnage in

the domestic food service, retail and export food service markets by increased selling and marketing support and increased new product activity.

The greatest immediate challenge to Good Food products is to establish an identity of its own. Coming to Good Food Products from outside, it is clear that some of the rivalry of the past between the New South Wales Egg Corporation and Egg Farmers of Victoria remains, with elements of each organisation still wary of the motives of the other. It is necessary that Good Food Products establish a separate identity to New South Wales Egg Corporation and Egg Farmers of Victoria so that it can meet the objectives of the owners, but still retain appropriate relationships which recognise the interdependence of the three organisations.

Good Food Products has a number of advantages:

- It has good access to food manufacturing equipment and facilities.
- It has considerable potential in its marketing, selling and manufacturing staff.
- It has a sound technology base.
- It has a range of exciting new product ideas.

Good Food Products also has a number of problems:

- The need to establish a separate identity referred to before.
- High expense levels.
- The fiercely competitive nature of the market in which it participates.

However, I am optimistic for the future. If we, the management are collectively skilled enough to meet the challenges ahead, the far sighted decision by the New South Wales Egg Corporation and Egg Farmers of Victoria to set up Good Food Products Australia should be vindicated.

Thank you

D. Brown