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COMMERCIAL EGG PRODUCERS' ASSOCIATION OF VICTORIA
Central Council

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22nd August, 1988.

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

Dear Mr. Walker,

In reply to your letter of the 13th May, 1988 regarding proposed changes to the Egg Marketing Act, The Commercial Egg Producers' Association was pleased to hear the vesting of eggs would remain in the hands of the Victorian Egg Marketing Board, but we can see problems if some egg producers are allowed to sell in competition to The Egg Board and all other egg producers, especially if these producers are not expected to pay general industry levies.

It must be remembered that last year the Egg Board produced and sold 2,600 tonnes of products (this information is on page 10 of the Annual report). If the new Act supports this line, it will mean the end of orderly marketing in this State. We will see supermarket owners trading one producer against the other and charging consumers what they like as they did in New Zealand when their industry was deregulated 2 years ago.

We are opposed to Producer Agent Licenses or on farm egg grading, but we believe all producers should contribute their share to the products division and general industry levies.

We do not understand the Public Bodies Review Committee's comment regarding quotas "That if unaltered it will place the Victorian Egg Industry at a competitive disadvantage to New South Wales". We believe that while all States have a hen quota allocation set by The Australian Agricultural Council, there are no problems. Any changes in Victoria could endanger orderly marketing of eggs throughout Australia. We see hen quotas as the only way to control surplus egg production. Any surplus production is costly to the industry and the Nation, especially with feed prices so high (around \$250.00 per tonne and rising at 20% annually).

Regarding Egg Board membership, we do not believe the number of members needs to be altered from the present 6 members (consisting of 3 producers and 3 for their sales expertise) if an employee of the industry had some sales expertise, we would not oppose his appointment.

We are of the opinion that the Egg Board could be strengthened if producers had the right to elect a Metropolitan producer and a country egg producer, similar to what operated before Ian Smith altered the rules. In those days The Board met every fortnight and producers could get their message straight to the Board table in a matter of days, we didn't have the problems we have today.

Regarding Egg Pricing. The Commercial Egg Producers' Association support the Western Australian Cost of Production that has been operating since 1973 and comprises, Chairman, Vice Chancellor of the University of Western Australia, Producer member, Consumer member and a representative of the Agricultural Department. Costs are based on a farm production model using a farm size of 8,000 hens.

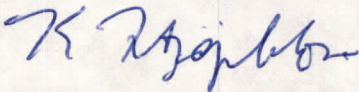
Your recommendation is similar in some respects. It mentions an independant tribunal chaired by Professor Fels.

We object to Professor Fels being on an independent tribunal as he is a consumer advocate and uses members of his staff to compile his figures. We see no point in dropping egg prices to unprofitable levels to avoid the threat of interstate trade which may never eventuate. If we are to have a modern egg industry in Victoria, producers need a reasonable margin of profit.

Quota exemptions; at present anyone keeping 20 or less hens are exempt from licensing and quota requirements. We see no reason why this number should be increased.

We would also like to request that you make an opportunity to consult with our Association before the legislation is introduced to enable us to have some input into its implementation.

Yours sincerely,



K. Fitzgibbon,
SECRETARY

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