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Ron Robins,
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14th April, 1988.

Dear Sir,

The Commercial Egg Producers Association thanks you for the opportunity to submit this submission.

While I realize the working party is not interested in dwelling on past events, I will briefly mention where some mistakes have been made.

The Victorian Egg Marketing Board has been operating for 50 years. In the early years there was an export market for eggs that were surplus to Victoria's needs. In the early 1970's, this export market dried up. Victoria had so much egg pulp in cold storage that it was costing more in storage charges than the pulp was worth. Eventually it was sent to Japan at give-away prices, some eggs were processed and fed back to the hens for their protein content.

This was when all states of Australia decided to introduce the hen quota system. From this stage, the Victorian egg industry has been a political football.

We have seen complete changes to the members of The Egg Board with the change of Government, we have had the Cartledge report, 2 McArthur reports, 2 reports from the Prices Commissioner, and last year, The Public Bodies Review Committee report which took two years to conclude. All these reports have seen the egg producer yielding ground to the present stage, where, if we give any more we will be back to the boom and bust days.

I. The Commercial Egg Producers Association support The Egg Marketing Board and the hen quota system.

While there is no profitable export market anywhere in the world for surplus eggs, there is no alternative to the hen quota system.

Now the C.E.M.A. levy has been phased out, adjoining states have kept egg prices closer together and there have been no big interstate problems. If interstate trade was to get out of hand it could reduce prices to producers and even destroy the orderly marketing of eggs throughout Australia.

If interstate trade becomes a problem, we believe producers should have a contract to supply a set number of eggs to their State Egg Boards. This could be easily worked out at 22 dozen eggs per hen quota.

The main danger to our present marketing arrangements is the threat of de-regulation and constant Government interference.

We believe the present marketing and quota management could be improved if the egg producers could elect 2 or 3 producer members onto the Egg Marketing Board. This would avoid the change of Board Members with the change of Government and would also ensure that producers receive market signals.

2. Relaxation of supply controls in any state would destroy orderly marketing of eggs in Australia. We could see a bust situation operating within 6 months as there are sheds throughout Victoria that would be stocked immediately.

We have seen controls abandoned in New Zealand and in England only to see producer prices decrease and retail margins increase. I don't think any adjoining state marketing system could survive if their neighbouring state were to de-regulate. We would see a few large egg producers supply all the eggs for Australia, firms like Inghams, Tegle, Barters, Goodman, Elders or perhaps Coles.

Supermarket operators would set producer and consumer prices. I don't know what would happen with the surplus.

3. Regarding co-ordinated relaxation of supply control in several adjacent states. We have no suggestions how this could ever work. We do not know the finer points of the egg marketing act in other states. We do know that Victoria cannot relax its supply control system any further without collapsing the system.

We also have the problem of a Labour Government in Victoria and Liberal in N.S.W.

We support the Minority Report of The Public Bodies Report which said the Victorian egg industry does not deserve to be turned upside down to satisfy the de-regulation urge of politicians, economists and some large egg producers.

The Commercial Egg Producers Association have mixed feelings about the egg products section. We think the user of egg products should pay a reasonable price for their commodity and not be subsidised by egg producers.

There is a situation in Victoria at the moment where egg producers receive 50c a dozen after Board expenses for all eggs under 56 grams. I believe this is to make our egg products profitable.

Present price to egg producers in Western Australia for 53 gram eggs is \$1.17 and 48 gram eggs are \$1.02 after Board expenses.

Regardless of what the Prices Commissioner might say, it is a long time since Victorian producers sold eggs for 50c a dozen.

Eggs have more marketing problems than any other primary product because of their relatively short shelf life.

I apologise for repeating myself, but we don't believe there is any alternative to hen quotas and vesting powers must remain with the Egg Boards.

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I could arrange a deputation of 2 egg producers to meet the Working Party if it could help.

Yours faithfully,

Ron Robins

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