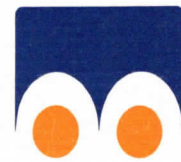


EGG FARMERS OF VICTORIA

The Victorian Egg Marketing Board trading as Egg Farmers of Victoria



Ref:27.260

4th March, 1988

Mr. K. Fitzgibbon,
Secretary,
Commercial Egg Producers Association of Victoria,
Strathfieldsaye Road,
STRATHFIELDSAYE 3551

Dear Kevin,

I refer to your recent letters which were referred to the Board for consideration.

As you are aware, the Northern Suburbs Depot was closed on 26th February 1988 and producers were informed by Circular 1/88 and successive communications. Eggs from Bendigo are now being delivered by Windrams Specialised Transport through their Bayswater depot at no extra cost to Bendigo producers and at substantial cost savings to the Industry. There will also be no inconvenience to the stores in the Northern Suburbs.

Your Association has now reached agreement with Crystal Egg Co on the purchase of the Kuhl Egg Washing machine and delivery is expected in about August 1988. The installation of this equipment will ensure that all Victorian eggs are graded at a uniform standard at all Board Floors thereby maintaining egg quality at a high level.

At the Board Meeting on 24th February, the Board decided to increase the average producer price by 6.2 cents per dozen effective 29th February 1988. In making this decision, the Board considered the delay in the Prices Commissioner's Second Report, now not expected to be released until May 1988, and the substantial rise in feed costs since July 1987 which is a considerable cash cost to producers. The Board would like to emphasise that the new grade prices have been set to reflect market forces and without any regard to Good Food Products Australia Pty. Ltd.

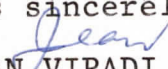
The sale of the smaller grades will be further encouraged by the special promotions which will be conducted in major supermarkets commencing 21st March next.

This is considered to be an interim price adjustment pending a major review by the Board of all other costs and receipt of the Commissioner's Second Report on egg prices.

The initial phase of Good Food Products Australia operation combines the egg products marketing activities of New South Wales and Victoria.

The marketing of premium shell egg brands by the company will only be considered at an appropriate stage after the successful marketing of egg products has been demonstrated by the joint venture.

Yours sincerely,


JEAN VIPADI
Secretary