



Chairman's Message

Marketing In A Less Regulated Market

The May Board Meeting dealt with the positive approach to marketing that the board could adopt in a less regulated market.

The Board's approach may be to adopt an Industry Brand for its eggs which it will market on behalf of its suppliers against other eggs from farms not wishing to participate.

Discussions were held at that meeting with representatives from a large retail chain, a company specialising in brand dairy products; with a producer involved in retailing and a large producer agent.

Discussions with retail chains indicate a desire on their part for an 'Industry brand' of eggs, plus store brand, generic pack and special packs e.g. brown, free range and budget packs of surplus eggs at low prices.

For the Board and agents this will require large inventories of cartons on hand for packing of a number of grade sizes equal to about 25 combinations of packs and sizes.

Further requirements by the chains included one price for country and city stores, extra deliveries, stricter quality control and more specialising of eggs.

Winter Marketing Campaign

The new television commercial went to air on 3rd May resulting in immediate reaction with phone calls for recipes. In the first three days 150 calls were received.

The commercial is supported by 'In Store Material' and recipe cards.

Brown eggs will be promoted using radio commercials, and bill boards on industry trucks with exciting photos of egg dishes.

The Board will also use 200 fixed bill boards for three months from June 1st featuring brown eggs.

Egg Quality

The Board considered a report from its staff regarding the increased incidence of detection of black rot eggs. The evidence which flowed from this report indicated to the Board that there is need to reinforce the quality standards. It goes without saying that in a fresh food product such as eggs, quality is of the utmost importance.

Over the last five years the industry has made great strides in improving quality and reducing the number of consumer complaints. At this critical time in the Industry's

development it is essential that quality is not allowed to deteriorate.

The Board therefore instructed its officers to ensure that quality standards are maintained and that the quality regulations are adhered to.

Financial Reporting

Recently a producer who claims to represent a group of producers sent the Minister of Agriculture and Rural Affairs a detailed letter claiming mis-appropriation of money by the VEB. This letter was referred by the Minister to the Board for explanations. The Board asked its Auditors to reply to these accusations which were false and misleading.

For the benefit of producers we have included a statement from the Board's Auditors elsewhere in this Newsletter. This letter explains the method of strict Audit control both by Government and Board Auditors to ensure that the accounts as presented in the Annual Report are true and correct.

Don Foster

Comments From The Auditors

The following is the letter referred to in the Chairman's message which was received from the Board's Auditors, Deloitte Haskins and Sells:

The Board
Victorian Egg Marketing Board,
P.O. Box 141,
Noble Park, Vic. 3174

18 May 1989

Dear Members,

It is important for Producers to understand the procedures that are followed in producing the Annual Financial Statements of the Victorian Egg Marketing Board.

Each year representatives of the Auditor-General, Deloitte Haskins and Sells (internal auditor) and Board Management discuss the form and content of the Financial Statements. The Statements must comply with the requirements of the Annual Reporting Act 1983. For 1988 and 1989 the findings of the Public Bodies Review Committee were taken into consideration in determining the necessary disclosure in the Financial Statements.

The Financial Statements included in the Annual Report are audited by the Auditor-General of Victoria who signs an opinion that the accounts fairly present the results of the Victorian Egg Marketing Board for the year and the State of Affairs of the Board as at 30 June. As internal auditors we assist in the year-end audit.

One of the audit procedures which is performed, is to ensure all amounts in the general ledger are included in the financial statements. Because the general ledger is set up on a cost-centre basis to facilitate better management information, there is a need to reformat the information to ensure the financial statements conform with the requirements of the Annual Reporting Act 1983. As a result of this process 44 pages of General Ledger are consolidated into 11 pages of financial statements.

The audited financial statements are presented to the Audit Committee, which is a sub-committee of the Board comprising three Board Members all of whom are outside representatives on the Board. Once the Committee is satisfied with the Financial Statements they are presented to the Board for approval.

By following such a rigid process the readers of the financial statements can be assured that full disclosure of the operations of the Board is provided in the Financial Statements.

Yours Faithfully
Sgd. D.J. Nairn

'Eggs. Ready for Anything'

'Eggs. Ready for Anything' T-Shirts and Sweat Shirts are now available.

Ring Penny Hardisty (Marketing) on Ext. 240 to place your order.

Price: \$19.00 Sweat Shirt
\$14.00 T-Shirt

Colours: Black with white print or
White with black print

Plus: Large white easy care Chef's aprons—white with black print \$10.00.



Left to Right
George Baillie, Lynn Smith, Penny Hardisty

Planes, Trains, Boats, Monsters and Spacemen

There are just some of the imaginative egg creations about 20,000 primary students dreamt up for the popular annual egg decorating competition.

Many different techniques were used by the students with unique results. For example—the prize winning court jester, a stunning peacock and a wicked witch.

The recent prize giving ceremony was held at an eggshibition at Caulfield Arts Complex. The prize winners were presented with cheques and certificates by Egg Farmers of Victoria's Chairman, Mr. Don Foster and Cracka the Chook.

Prize winners travelled from towns as far apart as Barnawartha and Traralgon, accompanied by proud parents, grandparents and teachers.

To conclude, a delicious light lunch was enjoyed by all.

Penny Hardisty



Pictured at prize presentation:
Mr. Don Foster, Chairman; Corinne Petterson, Consumer Relations Manager;
with Liam Garrity (St. Joseph's School Boronia); and Claire Wilde (Shelford Anglican School, Caulfield).

Eggs. Ready for The Microwave

Currently eggs are being scrambled all over Melbourne. Our in-store demonstrators are cooking scrambled eggs in the microwave with an added hint of Mexican flavour.

A lot of interest has been shown by the consumers with

eggs being cooked in the microwave. Just a couple of simple rules; cook on medium and stir every 2 minutes. This will result in creamy, smooth scrambled egg.

Try this recipe for breakfast or Sunday lunch.

Mexican Scrambled Eggs

Microwave instructions for 600 watt microwave ovens.

Serves 4 people.

Ingredients

6 eggs
1/2 cup milk
1/2 cup Flavoured Shredded Coon
Serve on C'C's.

Method

1. Mix together eggs and milk.
2. Pour egg mixture into a shallow microwave container.

Cook in microwave on Medium for 6 minutes, stirring every 2 minutes. After 4 minutes, stir in cheese and complete cooking.

Remove from heat while still creamy.

3. Spoon onto C'Cs.

Serve immediately with a side salad or as a tasty hors d'oeuvres.

Disastrous Egg Market In E.E.C. And In Many Other Countries (International Egg Commission Review)

1988 has been a year that producers in many countries, not only in the E.E.C., and particularly in the United Kingdom, would no doubt prefer to forget. Certainly it is to be hoped that such a disastrous egg market will never occur again. The words used to describe their markets in the various E.E.C. country reviews provide some indication of just how depressed the market has been, e.g. the market 'crashed', 'collapsed', was 'catastrophic', etc.

The main problem in the E.E.C. has, of course, been the excess of supply over demand resulting from the effect of the very sharp rise in the level of chick placements in 1987. Also there have been problems in disposing of surplus production in the form of exports to Third Countries, as many former importing countries have now become self-sufficient or indeed are exporting themselves.

Producers in the E.E.C. not only had to cope with a massive drop in prices, but also a rise in the most important item in the cost of production, namely the price of feedingstuffs. A further problem in the E.E.C. is the trend towards a decline in the demand for eggs. Despite very low prices in the E.E.C., only France showed any real rise in consumption in 1988. Not only economic factors caused the market to collapse—producers in the United Kingdom were

bedevilled by the careless pronouncements of politicians and grossly exaggerated and inaccurate reports in the press and by the media in connection with the salmonella enteritidis, phage four scare.

However, the situation in 1989 should improve as supplies will be reduced well below 1988 due to the reduction of 9% in the level of chick placements during the first half of 1988 and by a further cut of as much as 13% during the second half.

The reports from the Nordic countries indicate that the situation is much more in control in these countries, but evidently Sweden is having problems as the industry seems to have 'taken off' in 1988, having been well managed in earlier years. Austria and Switzerland seem to have had as depressing a year as the E.E.C.

1988 has been an economic disaster for the industry in the United States and in Japan. The situation seems to have been reasonable in Canada and Australia.

Indeed the only countries to indicate a really buoyant industry are India and South Africa, where demand is increasing at a very fast rate. The prospects for expansion in India are very good indeed.

Again, as in previous reviews, the news about the trend in egg consumption is not good. Out of

the 22 countries in this review, 16 countries indicate that the level is falling, two that it is stable, and only four that it is increasing.

The industry in many countries is becoming increasingly concerned that an unfortunate and unwise trend is taking place in connection with poultry research, namely a reduction or even the cutting out of government research funds to poultry research establishments and the universities. The writer of this Review, in her Symposium paper at the World Poultry Congress in Japan last year, referred to this short-sighted policy. As she said, 'The future of any industry depends upon fundamental science-based research. There is no instant pay-off with original research, as governments seem to think these days. One has only to consider the achievements of scientists to appreciate the eventual economic value of their work, e.g. Fox and Morris—Lighting Patterns which revolutionised egg production.'

That the United Kingdom government is withdrawing funds covering the research programme into salmonella enteritidis, phage four prevention in poultry, in March is incomprehensible. That this work should be stopped, just when a breakthrough seems possible is even more incomprehensible!

D.I. Sue Richardson
Hon. Statistician