



egg report

Victorian Egg Marketing Board

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September/October/November 1990

Eggmen Receive Declining Share of Retail Price

Egg Producers throughout the world, have become increasingly concerned that they have been receiving a declining share of the retail price.

A study made in 1955 covering W. European countries revealed that the producers' share of the retail price average was 78%. The International Egg Commission has been monitoring developments in IEC countries. By 1984, the average from IEC countries supplying data, had declined substantially to 55%. The situation by 1988 has been even more depressing for producers, when their share dropped a further 8% to only 47% of the retail price. In other words, compared to the situation for W. European countries three decades ago, the producers share has dropped by as much as 33%!

Perhaps even more significantly, the IEC's most recent survey reveals that whereas the producer price has fallen 14%, on average, between 1984 and 1988, the margin between the producer and the retail (consumer) price has increased by 16%! In other words, while producers have received a smaller share of the retail price, the retail trade as been taking a much higher share. Retail prices averaged the same in 1988 as in 1984.

Perhaps the most outstanding example is in the United Kingdom where, despite the fact that the producer price was 30% lower in 1988 than in 1984, the retail price rose 14%, and even more signifi-

cantly the margin between the retail and the producer price gained by as much as 66%! The producers' share of the retail price has dropped 21% in only four years from 54% in 1984 to only 33% in 1988.

Extract from Poultry International June 1990

Producer Prices For Eggs As A Percentage Of The Retail Price					
	1984	1985	1986	1987	1988
Austria	44	42	38	37	36
Belguim	58	55	51	51	46
Canada	72	70	69	66	67
Denmark	41	39	37	40	35
Finland	61	62	70	69	67
France	45	42	38	40	34
Germany, West	48	46	41	45	40
India	75	74	75	77	79
Japan	71	72	72	62	61
Netherlands	56	55	52	52	50
Norway	52	52	54	52	51
Sweden	42	42	40	39	36
Switzerland	-	-	66	65	47
United Kingdom	54	48	37	38	33
USA	65	62	62	56	56

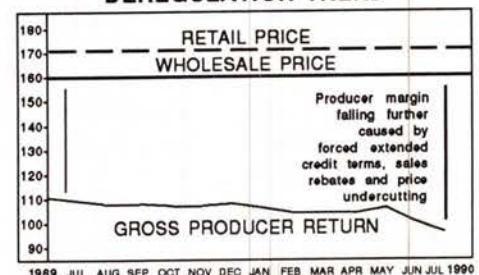
NSW Producer Returns Tumbling Further

Extract From: Queensland Egg Industry Council Newsletter

Retail margins are on the increase in N.S.W. at the direct expense of producer's farm gate returns. The graph below has been produced by the N.S.W. Farmers (Poultry Division) and shows how farmers are prepared to cut their returns as they fight between themselves for market share. (Extended credit terms - up to 90 days and rebate on sales are

common place for now in N.S.W.) And each time it is the Producer who suffers.

CENTS/DOZEN—55g PACKS NSW* DEREGULATION TREND



1989 JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL 1990
* REF: NSW FARMERS ASSOCIATION

Why are egg sales up?

This was the question that was investigated by recent Victorian Consumer Research. Knowing the answer to why and also identifying who are buying extra eggs will help the industry to continue the trend by better targetting of advertising and public relations messages.

Statutory Marketing Manager Corinne Petterson in presenting the Research to the Board and Farm Pride Franchise representatives, acknowledged the forward planning of the Victorian Industry. Long term activities such as cholesterol research, consumer education and the development of the Free Range system have allowed eggs to make a comeback in consumers minds and on the table.

Other identified factors appear to be overall changes in consumers eating habits, with substantial numbers of people reducing the amount of meat they are eating.

Cholesterol concerns remain of prime importance to most consum-

ers, though more consumers are becoming aware that it is saturated fats that are more likely to cause problems than cholesterol in eggs.

As many people said they were now eating less eggs than a year ago, as said they were eating more eggs - 13%. What has happened, is the people that are eating more are also our heavy users. The people that are using less are already only using a few eggs, so their change is much less significant.

The most important Factors taken into account when purchasing eggs were size and eggs not being broken. With 91% of consumer considering this as the most important factor.

Price was only mentioned by 10% of respondents as being important. All people felt eggs were good value. 30% of people felt that it was important that eggs were locally produced.

Free Range Eggs were the surprise of the research. They were expected to rate highly, but a staggering 48% of people said they bought them regularly or occasionally. The reasons they gave were they "are better for us" which highlights consumers concern for the

safety of their food. "Don't like the idea of hens in cages" was also given by a significant number of consumers.

The extremely high percentage of people who said they purchase Free Range Eggs indicated that many people were confused over what constituted a Free Range Egg. As these figures are significantly larger than our limited supply can accommodate, people must be buying eggs they believe to be Free Range, but are not.

The Market Research findings have been used as the basis for the new advertising campaign launched by the Board and Farm Pride Eggs. A public relations campaign aimed at educating consumers about Free Range Eggs has also been launched.

Summaries of the Market Research can be obtained from the Statutory Marketing Department.

New Victorian Egg Symbol



A Quality Victorian Egg Symbol has been developed and is available to any Victorian producer for use on cartons, packing material or point-of-sale.

The symbol is designed to quickly differentiate locally produced eggs from those from interstate. It is an attractive device and will be used as part of any generic advertising.

Local producers are encouraged to also use it. The recent consumer research showed that a third of consumers felt that where the egg was produced was important. Eggs that had to travel could not possibly be as fresh.

Information about the symbol is available from Corinne Petterson Statutory Marketing Department.

A classic Christmas

The final of the 1990 Evening Cooking Classes was conducted on Tuesday 12th November by Tami McAdam, the Boards Education Co-Ordinator.

Tami delighted her large audience with wonderful dishes for Christmas that could all be prepared now and frozen till the big day. A great way to cut down on last minute preparation.

The demonstration of how to bone out a turkey which eliminates the difficulties of carving and retaining moisture in the meat was enthusiastically received.

Chocolate pate however proved the most popular during the tastings after the class. This is as wickedly rich as it sounds. Other recipes demonstrated included a White Christmas Cake and a Christmas Wreath, a cake covered with fruit, nuts and toffee.

The Christmas Cooking Class was a fitting end to the extremely popular evening classes. These classes will again be run next year

and are highly recommended.

Recipes for the Christmas Class are available from the Consumer Education Department.



Tami McAdam at the Christmas Class

Farm Pride Eggs launches Branding Campaign

Development of a Strong Brand image is recognised as one of the best ways of developing and maintaining market share.

Farm Pride eggs have developed an advertising campaign which will build consumer awareness of the Farm Pride brand.

The campaign is a co-ordinated approach built around 3 x 15 second TV commercials; print advertisements and point-of-sale materials. The slogan "Farm Pride Eggs - No Surprises" builds the quality image of the brand and is also designed to raise questions about eggs from other sources - interstate for example.

The TV commercials are fun and also highlight the eggs versatility in cooking.



Rick Thomas & John Steiner present the new Farm Pride Advertising Campaign

Come Back to Eggs

A Simple but powerful message that forms the basis of a new T.V. commercial recently launched by the Board.

The 30 second commercial which will be shown on Metropolitan and Country TV is based on new cholesterol research findings from the CSIRO in Adelaide.

Everyone knows that eggs contain cholesterol, what they don't know is that it is saturated fats not dietary cholesterol that contributes to high blood cholesterol levels. The Advertisement quite graphically illustrates these points both with the pictures it uses and also the words. Eggs contribute only 2-4% to high blood cholesterol on the other hand Saturated Fats contribute 15-20%. The person in the ad is seen rejecting high fat meals and selecting the egg meal.

The campaign is believed to offer the reassurance that egg lovers are looking for to feel good about the fact that they are eating eggs. It will also offer the statistical proof and the weight of such an eminent research body as the CSIRO to those people that have been restricting their egg intake because of concern about cholesterol.

The new Victoria Egg Symbol features at the end of the commercial making the point, Come Back to Eggs - Come back to Victorian Eggs.

The campaign will run through November and early December and again during January in an attempt to reduce the traditional post-Christmas Sales slump.

Media Release

VICTORIAN EGG MARKETING BOARD MOVES TO PROTECT CONSUMERS

The Victorian Egg Marketing Board today issued an alert to consumers who buy Free Range Eggs.

Marketing Manager for the Board, Miss Corinne Petterson said "Consumers who wish to purchase Free Range Eggs should ensure they are buying the brand Mrs McKeachie's Free Range Eggs and that each egg carries an "FR" stamp on it. These eggs are guaranteed to have been produced under the regulations governing Free Range Production."

The warning was issued after the Board conducted consumer research that indicated, many people were purchasing eggs they thought were Free Range but which in fact, were not.

Some consumers mistakenly think because eggs are bought from farms, are on cardboard trays rather than in boxes, are dirty or labelled Farm Fresh that they are Free Range. All Free range eggs will carry an FR stamp. If there is no stamp or it is different to FR the eggs may not be true Free Range.

Mrs. McKeachie's Free Range Eggs are available through all major supermarkets. Supplies of all grades are increasing, in particular the smaller 49g eggs.

If consumers have doubts about the origins of the eggs they have been purchasing they can ring on 798 7077. The Boards Inspectional Department can investigate to ensure that the consumer is protected.

This Media Release has been widely distributed to press and radio and forms the beginning of a Public Relations campaign to promote Free Range Eggs.

By Promoting Free Range we also have the opportunity to dispel some myths about them. We can reassure consumers that all eggs are equally nutritious, taste great and are safe to eat.

From the Editor

Hope you like the new look Newsletter. Contributions and ideas for articles are most welcome. Please contact Corinne Petterson on 798 7077.

Egg Notes

Heat Stress Duration and Shell Quality

White Leghorn Layers kept at 70°F were subjected to a 95°F temperature for 0 — 4 or 6 hours. It was observed that it took 4 hours of 95°F acute heat stress to reduce shell quality. Hens exposed to the higher temperature at 4 — 6 years of age and having an egg in the uterus, sometimes laid eggs prematurely or with poorer shell quality.

FOR SALE

MOBA TYPE 5
GRADING MACHINE

(059) 872 652

MOBA EGG GRADING MACHINE

7000 eggs per hour
EXCELLENT CONDITION

\$3,000

Phone (059) 75 6510

FOR SALE

Egg Grader. FMC 463
Grades Approx 1800 eggs/hour
Plenty of spares P.O.A.

Aquamatic Egg Washer
9,000 eggs/hour
Just spent \$4000 on repairs
\$9,000 neg.

STALLKAT Farm packer
18,000 eggs/hour
Near new condition
\$13,000 neg.

Lyndale Manure Removal
Machine
Hardly used. Ex. Cond.
\$15,000 neg. Replacement
cost is \$35,000

All items must sell.
contact Peter to submit offers
BH (03)798 2946
AH 018 360 121

HEN QUOTA

Wanted to buy or lease

(057) 801 347

WANTED TO BUY

Up to 50 Hen Quota

(053) 547 520

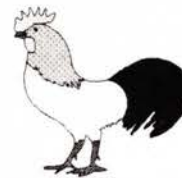
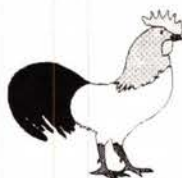
FOR SALE: RANDOM SAMPLE LAYING TEST

Due to closure the following
items are available:

7 Egg trolleys
Ben Nevis Egg Grader
(2500 eggs/hour)
Cool Room 1.8m x 2.2m
(takes 3 trolleys)

Contact: Ivan Smith OIC
810 1736

AN INVITATION
IS EXTENDED TO ALL LADIES & GENTLEMEN
TO ATTEND THE



1990 VICTORIAN POULTRY INDUSTRY CHARITY GOLF DAY

TO BE HELD AGAIN THIS YEAR AT
CRANBOURNE GOLF CLUB

ON

TUESDAY 27th NOVEMBER 1990

WITH

25 PRIZE CATEGORIES

FOR VARIOUS INDUSTRY GROUPS & VISITORS

BBQ LUNCH - GOLF - PRESENTATION DINNER

ENTRY FORMS AVAILABLE FROM **IVAN McKINNEY, SECRETARY**
P O BOX 141 NOBLE PARK 3174
TEL : (03) 798-7077 B.H.