

EGG FARMERS OF VICTORIA

The Victorian Egg Marketing Board trading as Egg Farmers of Victoria



CIRCULAR NO. 54/90

9th October 1990

TO: ALL PRODUCERS

The Annual Industry Meeting will be held on Tuesday 20th November 1990.

Professor Dr Siegfried Scholtyssek of Hohenheim University will be guest speaker. He is the Director of the Poultry Department at Hohenheim University in Stuttgart, Germany. Hohenheim University is an institution specialising in human nutrition matters and human foods. Professor Scholtyssek will speak on the European Egg Market, problems in measuring and controlling egg quality and the salmonella infections in laying flocks.

A detailed Agenda will be circulated to you before the Meeting.

All producers are invited to attend the Meeting on Tuesday 20th November 1990 to take advantage of the opportunity to have discussions with other Members of the Industry.

THE VICTORIAN EGG MARKETING BOARD

J. VIPADI
Corporate Secretary

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EGG INDUSTRY LICENSING COMMITTEE

551 Chandler Road, Keysborough, 3175

Phone: 798 7077

P.O. Box 88,
Noble Park, 3174

9 October 1990

CIRCULAR NO.LC\16\90

TO: ALL QUOTA HOLDERS
SUBJECT: SEASONAL QUOTA RESTRICTIONS

In circular No.LC\15\90 dated 28th August 1990, you were advised that the Committee would review the egg supply position at its meeting on 1st October.

After reviewing the forecasts available to the Committee it has been decided not to implement a further seasonal cut at this time.

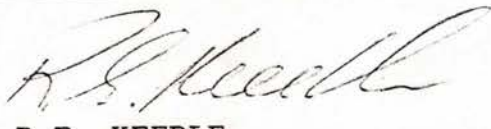
The information available to the meeting on the 1.10.90 does not indicate that a seasonal reduction is warranted immediately. However the Committee will review the latest data at its meeting on the 22/10/90.

While the Committee does not consider the surplus would warrant a seasonal reduction it cannot be ruled out entirely.

Producers will be kept advised of any events which would alter the present position.

Quota holders are again reminded of the Committee's policy in that the Committee sets quota so that Victorian producers have the opportunity to produce all of the egg necessary for profitable sales within Victoria without a surplus.

EGG INDUSTRY LICENSING COMMITTEE


R.E. KEEDLE
Secretary

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5.10.90

EGG FARMERS OF VICTORIA

The Victorian Egg Marketing Board trading as Egg Farmers of Victoria

Ref:\wp\circ\64.90



CIRCULAR NO. 64/90

7th November 1990

To: ALL PRODUCERS

Re: ANNUAL INDUSTRY MEETING
20TH NOVEMBER 1990

Producers have already been advised that the Annual Industry Meeting will be held on Tuesday 20th November 1990 and that Professor Siegfried Scholtyssek will be the guest speaker. Victorian promotion must be linked to reliability and freshness and our guest speaker has been selected to further develop this theme.

The Board indicated previously that it would conduct a major review of the distribution system to major supermarkets at the end of this year.

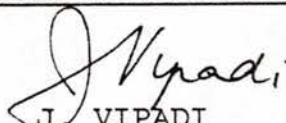
The reviews will be the main item listed for discussion at the Annual Industry Meeting and the attached Discussion Papers have been provided with this Agenda to facilitate the discussion.

The programme time table for the Annual Industry Meeting to be held in the Keysborough Auditorium is as follows:

AGENDA

- 2.00 p.m. **Welcome by Board Chairman,**
 Mr L.A. McArthur.
- 2.20 p.m. **Professor Dr. S. Scholtyssek**
 - European Egg Marketing
 - Salmonella Infections in laying
 flocks.
 - Problems in measuring and
 controlling egg quality.
- 3.05 p.m. Discussion
- 3.20 p.m. **Mr Colin Clark - Chairman,**
 Egg Industry Licensing Committee
- 3.30 p.m. **Future Options for:**
 (a) Central Invoicing
 (b) Keysborough Grading Floor
 (c) Products
- 4.00 p.m. Discussion

Yours faithfully,
THE VICTORIAN EGG MARKETING BOARD


J. VIPADI
Corporate Secretary

FUTURE OF THE KEYSBOROUGH GRADING FLOOR

Introduction

The Board's grading operation at Keysborough provides a grading and packing service for producers who do not want to grade their own eggs.

Grading at Keysborough must be profitable so that the grading fee charged and the throughput must be sufficient to cover costs.

The issue for debate is what steps need to be taken to ensure that a Board Grading Floor operation remains viable.

1. REASONS FOR KEEPING THE KEYSBOROUGH GRADING FLOOR VIABLE

- (a) A grading service at Keysborough provides an independent grading and packing alternative for producers - this service can be used as a benchmark to compare with the alternatives of own grading or grading through another producer.
- (b) Together with graded eggs sourced from producer agents, the grading floor provides a balance to the supply of eggs for delivery to supermarkets by the Board. In response to changes in customer requirements, the grading floor is able to switch into different forms of packing more quickly than producer agents, while producer agents are more flexible during holiday periods.

- (c) If the Board was not in a position to grade eggs, several large producers now consigning to Keysborough for grading (about 70,000 dozen/week) would probably market their own eggs.

If they chose to market under the Farm Pride brand, they would be unlikely to be offered any central invoice customers. This increases the risk that they would market their own brand in competition with Farm Pride.

2. BENEFITS IF GRADING CEASED AT KEYSBOROUGH

- (a) The Board's commercial shell trading would be more profitable and purchase contracts with producer agents would be simpler.

ALAN HARRISON

\wp\ath\grading.flr

26th October 1990

DISCUSSION PAPER

CENTRAL INVOICE EGG MARKETING

Introduction

The cornerstone of Farm Pride Egg Marketing is the regular supply of Farm Pride eggs on trolleys to major supermarkets on the Board's invoice.

Central Invoice sales in 1989/90 totalled 20 million dozen to 330 major supermarkets in Victoria with 54% handled by the Board itself and 46% serviced by Producer Agents.

The key issue for 1991 is whether the system would be:-

- (a) more cost effective and efficient, deliver a better quality product and improved service to the customer and
- (b) more effective in providing market stability and in retaining the Victorian market for the Victorian Industry

if the proportion of business serviced directly by the Board itself were to be increased, reduced or stay the same.

1. THE CASE FOR INCREASED BOARD INVOLVEMENT.

(a) Specialty Products

The Board is in a better position to service supermarkets with specialty products such as Free Range and Brown Eggs (and later on Barn Eggs and Organic Eggs) because they will be produced only on a few specialty farms.

(b) More Profit

While the funds used to promote the Board's brands now come from the margin in buying and selling egg cartons, the majority of the Board's shell egg trading profits come from the Board's direct involvement in servicing supermarkets.

If the percentage of the central invoice business serviced by Producer Agents increased from 46% to 60% at current margins, the total Farm Pride Marketing operation would just break even, whereas if the % serviced by the Board increased to 66% of the total, the profit in shell egg trading would be increased by \$175,000/year.

Aiming to operate at "breakeven" is not a desirable objective for any commercial operation.

(c) Increased Packing Flexibility

With the largest grading machine in the State, Keysborough can pack eggs into a wider variety of packing material at the one time compared to smaller producer packing operations. In the future in our deregulated market, it is inevitable that we will need a wider range of packs and products to meet our customer needs.

(d) Breakage Allowance

Major retailers prefer a standard allowance rather than a dispute at individual store level about breakage. This customer requirement can be negotiated more effectively in the case of deliveries by the Board itself.

(e) Increased In-Store Promotion

With the Board retaining a higher wholesale margin where it services the supermarket directly, more funds are available for in store promotion and ensuring that eggs are presented to their best advantage on the store shelf with the use of part time merchandising staff.

2. THE CASE FOR INCREASED INVOLVEMENT FROM FRANCHISEES

(a) More flexible delivery service.

When necessary over holiday periods, producer franchisees can grade and deliver eggs on weekends.

(b) Board franchisee business will attract producers to Farm Pride.

Increased participation in the franchisee system by producer agents will discourage producers from marketing to supermarkets in competition with Farm Pride brands.

- (c) Proximity of farms to supermarkets compared to the Keysborough packing floor.

3. THE CASE FOR 50% BOARD, 50% FRANCHISEE.

- (a) Franchisees and Keysborough both have advantages to Farm Pride marketing in servicing central invoice accounts.

- (b) Farm or Packing Floor Location

- (i) Clearly a lot of deliveries can be made directly from farms located close to supermarkets (All the country areas and the Western suburbs) more efficiently and with maximum quality retention rather than moving all eggs to a central ditribution point.
- (ii) With Keysborough servicing about 50% of the total stores in the inner and south east suburbs, this provides stability to the system and a competitive benchmark for delivery costs. It also provides the basis for an efficient distribution system for specialty eggs.
- (iii) If the present rates of 50/50 were to be changed to 33/66 or 66/33 the difficult question then arises of which suburbs are put up for tender and within the margins established a tender should apply to all.

(iv) If the Board were to move from servicing 50% of the central invoice accounts to 33% this would render the Keysborough grading floor uneconomic.

Many producers may perceive that this would weaken the role of the Board as a stabilising influence in the market.

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2nd November 1990

EGG FARMERS OF VICTORIA

The Victorian Egg Marketing Board trading as Egg Farmers of Victoria



CIRCULAR NO. 69/90

To: ALL PRODUCERS AND PRODUCER AGENTS

Re: APPOINTMENT OF PRODUCER AGENTS

Date: 7th November 1990

In considering the appointment of producer agents under the Egg Industry Act 1989 (the "Act"), the Board must consider the circumstances of each case separately to determine whether the applicant:-

- (a) Is a fit and proper person to be a Producer Agent; and
- (b) Whether the appointment is necessary or expedient to give effect to the Board's functions under Section 26 of the Act.

These functions include, amongst other things, promoting the efficient and effective marketing of eggs and ensuring that eggs distributed to Victorian consumers are of satisfactory grade and quality.

The Board has now reviewed the egg grading, packing and distribution system in Victoria with reference to these functions. With the exception of a few country areas, the egg grading and packing capacity of the 3 grading floors and producer agents currently authorised to grade eggs in Victoria is significantly in excess of total market requirements. It is the Board's view therefore that the appointment of additional producer agents may lead to excess capacity and inefficiencies.

For this reason, the Board emphasises that no appointments of producer agents will be made without a detailed review in each case as to whether the applicant is a fit and proper person and whether the appointment is necessary or expedient to give effect to the Board's functions which include promoting efficient and effective marketing of eggs in Victoria.

THE VICTORIAN EGG MARKETING BOARD

J. VIPADI
Corporate Secretary

EGG FARMERS OF VICTORIA

The Victorian Egg Marketing Board trading as Egg Farmers of Victoria

7th November 1990



CIRCULAR NO.65/90

TO: ALL PRODUCERS AND PRODUCER AGENTS

RE: LOW DEMAND FOR EGGS IN SHELL IN JANUARY

The demand for eggs in shell fluctuates with high demand in Autumn, Winter and in the weeks before the Christmas holidays. Demand falls in the Spring and is very low during the school holidays in January.

For this reason, producers should consider whether an induced laying pause to reduce egg production in January would be worth while this year.

Farm Pride Eggs and Farm Pride Products will not be buying eggs on the spot market during January and producers will find it very difficult to sell eggs during this period. A further advantage of the induced laying pause in January is that flocks will come back into production with larger eggs for the Autumn when demand for larger eggs is at its peak.

To support this concept of an induced laying pause programme for January, the current charge of \$150 per application for checking adjustments to quota used to calculate the Statutory levy will be waived for all applications covering the 6 weeks period from 24th December 1990 to 6th February 1991.

THE VICTORIAN EGG MARKETING BOARD

ALAN HARRISON
General Manager

EGG FARMERS OF VICTORIA

The Victorian Egg Marketing Board trading as Egg Farmers of Victoria



CIRCULAR NO. 56/90

22nd October 1990

TO: ALL PRODUCERS

RE: "SPECIALTY EGGS"

1. Introduction

The Board has decided to expand its marketing programme for specialty shell eggs to ensure that our customers can purchase all their needs from Victorian production.

Recent market research has indicated that some consumers would prefer eggs with special features in relation to production conditions and feed and the Board is now prepared to offer producers contracts for periods of up to 12 months for the purchase of eggs produced under the following conditions.

2. Standards

(a) Free Range

- * Production standards as per Schedule 1.
- * Premium offered is 70¢/dozen above commercial shell egg price for 1st quality 67's, 61's, and 55's.
- * Contracts offered for up to 30,000 dozen/week.

Note: Contracts already finalised total
20,000 dozens/week.

(b) Barn Eggs

- * Production standards as per Schedule 2.
- * Premium offered is 30¢/dozen above commercial shell price for 1st quality 67's, 61's, and 55's.
- * Contracts offered for up to 25,000 dozens/week.

(c) Vegetarian Eggs

- * Production standards as per Schedule 3.
- * Premium offered is 12¢/dozen above commercial shell price for 1st quality 67's, 61's, and 55's.
- * Contracts offered for up to 20,000 dozen/week.

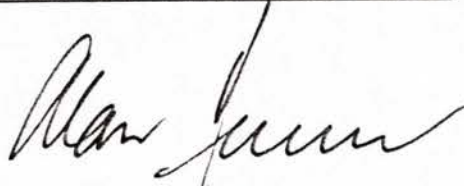
• Application Procedure

Any producers who are interested in supplying eggs under any of the three categories listed should complete the attached application form showing category, expected production and expected commencement of supply.

Applications will be considered on the following priority basis.

1. Production from Victorian quota.
2. Production site to be uniquely one category.
3. Based on earliest possible commencement of supply.

THE VICTORIAN EGG MARKETING BOARD



ALAN HARRISON
General Manager

SCHEDULE 2PROPOSED PRODUCTION STANDARDS FOR BARN EGGS

Eggs which are defined as Barn Laid shall be the production from hens kept under the following conditions:

1. Minimum beak trimming only.
2. Hens are to be housed in a building in which has a maximum stocking density of 8 birds per square metre.
3. The floor area of the building in which hens are to be housed must be at least one-third covered with a litter material of good quality such as wood shavings, saw dust, straw, rice hulls etc.
4. Laying nests must be provided at the rate of at least one for every five laying hens.
5. Hens must be allowed to have at least 8 hours of darkness.
6. Adequate food and open fresh water supply must be available.
7. Sufficient perches must be made available to allow hens to perch simultaneously.
8. Adequate ventilation and sufficient daylight must be made available.

SCHEDULE 3VEGETARIAN EGGS

Birds must be fed on a full vegetarian diet with protein sources to be of vegetable origin only.

SPECIALTY EGGS APPLICATION FORM

PRODUCER NAME.....

FARM ADDRESS.....

.....

CURRENT QUOTA.....

Type of Specialty Egg Production

Proposed Quota
(Hens)

Proposed
Commencement
of
Production
(Date)

Free Range _____

Barn Eggs _____

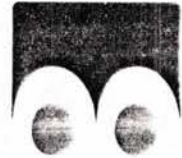
Vegetarian Eggs _____

Return to:

Farm Pride Purchasing Manager
The Victorian Egg Marketing Board
P.O. Box 141
NOBLE PARK 3174

EGG FARMERS OF VICTORIA

The Victorian Egg Marketing Board trading as Egg Farmers of Victoria



CIRCULAR NO.99/89

21st December 1989

TO: All Producers and Distributors

Re: Wholesale Egg Price Changes Effective
2nd January 1990

1. Wholesale Egg Prices

With the seasonal shortage of large eggs and a surplus of the smaller grades, wholesale egg prices will be adjusted effective 2nd January 1990.

The price changes will be:-

67's	+ 10¢/dozen
61's	+ 2¢/dozen
55's	No change
49's	- 24¢/dozen

2. Half Dozen Carton Prices

The price of half dozen egg cartons has also increased substantially and the current 3¢/dozen margin for half dozen cartons will be increased to 5¢/dozen also effective 2nd January 1990.

	¢/Dozen			
	<u>67's</u>	<u>61's</u>	<u>55's</u>	<u>49's</u>
Current Wholesale price of 15 dozen boxes ex Packing Floor	174	168	164	135
New Price Effective 2/1/1990	184	170	164	111
Current Trolley Price	180.5	174.5	170.5	141.5
New Price Effective 2nd January 1990	190.5	176.5	170.5	117.5

THE VICTORIAN EGG MARKETING BOARD

J. Vipadi
JEAN VIPADI
Secretary

M. V. G. Carter

KEYSBOROUGH EGG PRICE TABLE

Effective Date: 02-Jan-90

1 DOZEN PRICE:

Date Issued: 20-Dec-89

	67 GM	61 GM	55 GM	49 GM	43 GM	HALF-DOZ 67 GM	HALF-DOZ 61 GM	HALF-DOZ 55 GM	HALF-DOZ 49 GM
WHOLESALE PURCHASE									
Farm Pride Premium	1.84	1.70	1.64	1.11	1.06	1.69	1.75	1.69	1.16
Mrs. Mc Kechie's Free Range	2.56	2.42	2.36	1.83					
Mrs. Mc Kechie's Brown Eggs		2.10	2.04						
BULK PURCHASE 20 BOX MIN.									
Farm Pride Premium	1.95	1.81	1.75	1.22	1.17	2.00	1.86	1.80	1.27
Mrs. Mc Kechie's Free Range	2.67	2.53	2.47	1.94					
Mrs. Mc Kechie's Brown Eggs		2.21	2.15						
MINOR PURCHASE 1-19 BOX									
Farm Pride Premium	2.00	1.86	1.80	1.27	1.22	2.05	1.91	1.85	1.32
Mrs. Mc Kechie's Free Range	2.72	2.58	2.52	1.99					
Mrs. Mc Kechie's Brown Eggs		2.26	2.20						

WHOLESALE PRICES ARE EX KEYSBOROUGH - FREIGHT EXTRA

KEYSBOROUGH EGG PRICE TABLE

15 DOZEN BOX PRICE:

Effective Date: 02-Jan-90

Date Issued: 21-Dec-89

	67 GM	61 GM	55 GM	49 GM	43 GM	HALF-DOZ 67 GM	HALF-DOZ 61 GM	HALF-DOZ 55 GM	HALF-DOZ 49 GM
WHOLESALE PURCHASE									
Farm Pride Premium	27.60	25.50	24.60	16.65	15.90	28.35	26.25	25.35	17.40
Mrs. Mc Kechie's Free Range	38.40	36.30	35.40	27.45					
Mrs. Mc Kechie's Brown Eggs		31.50	30.60						
BULK PURCHASE 20 BOX MIN.									
Farm Pride Premium	29.25	27.15	26.25	18.30	17.55	30.00	27.90	27.00	19.05
Mrs. Mc Kechie's Free Range	40.05	37.95	37.05	29.10					
Mrs. Mc Kechie's Brown Eggs		33.15	32.25						
COUNTRY BULK PURCHASE									
Farm Pride Premium	29.65	27.55	26.65	18.70	17.95	30.40	28.30	27.40	19.45
Mrs. Mc Kechie's Free Range	40.45	38.35	37.45	29.50					
Mrs. Mc Kechie's Brown Eggs		33.55	32.65						
MINOR PURCHASE 1-19 BOX									
Farm Pride Premium	30.00	27.90	27.00	19.05	18.30	30.75	28.65	27.75	19.80
Mrs. Mc Kechie's Free Range	40.80	38.70	37.80	29.85					
Mrs. Mc Kechie's Brown Eggs		33.90	33.00						

WHOLESALE PRICES ARE EX KEYSBOROUGH - FREIGHT EXTRA

KEYSBOROUGH EGG PRICE TABLE

Effective Date: 02-Jan-90

20 DOZEN CRATE PRICE:

Date Issued: 21-Dec-89

	67 GM	61 GM	55 GM	49 GM	HALF-DOZ 67 GM	HALF-DOZ 61 GM	HALF-DOZ 55 GM	HALF-DOZ 49 GM
WHOLESALE PURCHASE								
Farm Pride Premium	36.80	34.00	32.80	22.20	37.80	35.00	33.80	23.20
Mrs. Mc Kechie's Brown Eggs		42.00	40.80					
BULK PURCHASE 20 CRATE MIN.								
Farm Pride Premium	39.00	36.20	35.00	24.40	40.00	37.20	36.00	25.40
Mrs. Mc Kechie's Brown Eggs		44.20	43.00					
COUNTRY BULK PURCHASE								
Farm Pride Premium	39.53	36.73	35.53	24.93	40.53	37.73	36.53	25.93
Mrs. Mc Kechie's Brown Eggs		44.73	43.53					
MINDR PURCHASE 1-19 CRATE								
Farm Pride Premium	40.00	37.20	36.00	25.40	41.00	38.20	37.00	26.40
Mrs. Mc Kechie's Brown Eggs		45.20	44.00					

CRATE DEPOSIT \$8.00 EACH

WHOLESALE PRICES ARE EX KEYSBOROUGH - FREIGHT EXTRA



Farm Pride Eggs
551 Chandler Road
Keysborough
Victoria 3173
PO Box 141
Noble Park Vic 3174
Tel (03) 798 7077
Fax (03) 798 6163

19th June, 1990

CIRCULAR NO: 27/90

TO: ALL PRODUCERS, GRADING FLOORS
SUBJECT: CHANGE TO BOARD BUYING PRICE - SHELL EGG
EFFECTIVE MONDAY, 2ND JULY, 1990

The Board's shell egg purchase price will be adjusted with effect from Monday, 2nd July, 1990.

<u>Grade</u>	<u>Previous Purchase Price</u> ¢/dozen	<u>Price Effective</u> <u>2nd July, 1990</u> ¢/dozen	<u>Change</u>
43 gram	77	80	+ 3
49 gram	99	134	+ 35
55 gram	135	146	+ 11
61 gram	160	150	- 10
67 gram	184	163	- 21

Handwritten notes: 1.50, 1.40, 58, 23^c diff.

The above prices are for shell eggs delivered to Keysborough and do not include any packing material value.

FARM PRIDE EGGS

J. VIPADI
Corporate Secretary

\dw4\circ/27/90
19th June, 1990

EGG FARMERS OF VICTORIA
Marketers of Farm Pride
& Mrs McKeachie's Eggs.