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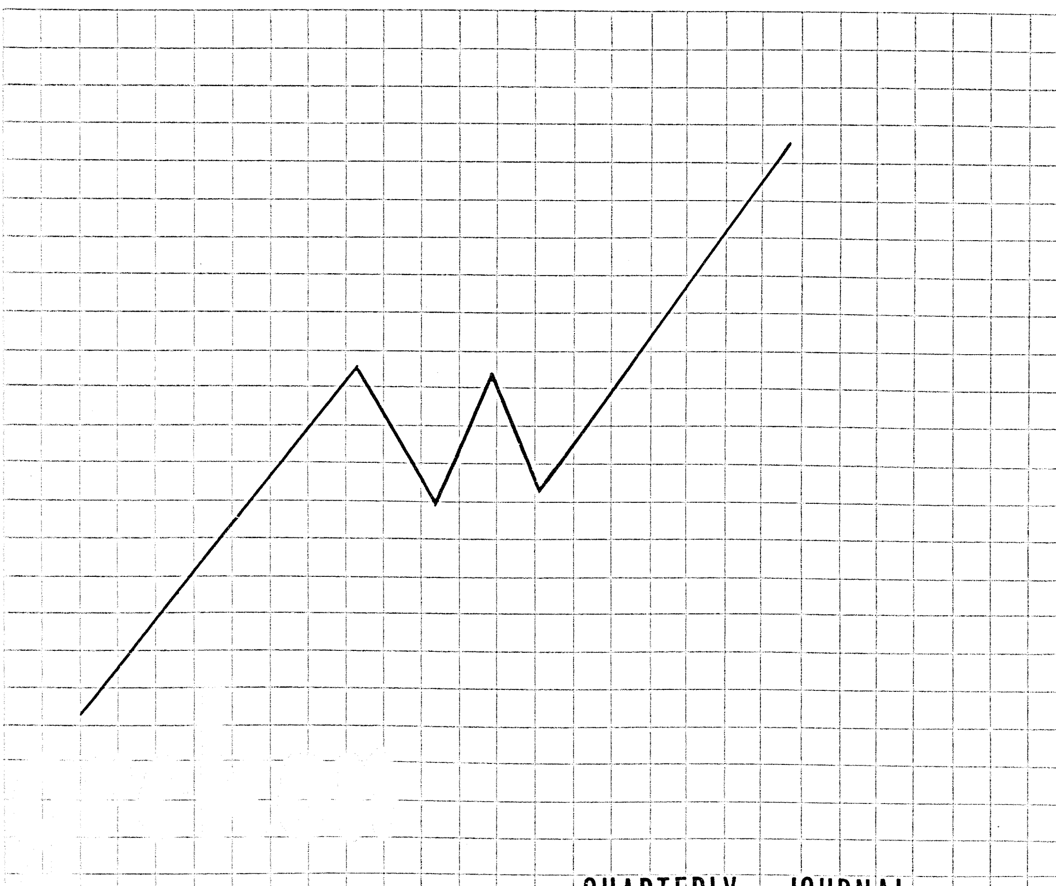

AGREKON

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REQUIREMENTS FOR CONTRIBUTIONS

Deserving articles in the field of agricultural economics, for publication in this journal, will be welcomed.

These articles should have a maximum length of 10 folio pages (including tables, graphs, etc.), typed in double spacing. All contributions should be submitted in triplicate (preferably in both languages) to the editors, c.o. Department of Agricultural Economics and Marketing, Pretoria, and should be received by the editors at least one month prior to publication date.

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A Review of the Egg Industry

by
W.C.J. van Rensburg
General Manager, Egg Control Board

During the past number of years egg production in South Africa has increased substantially, and the poultry industry has developed into one of the more important branches of agriculture in the Republic.

In the past five years the estimated gross values of certain agricultural products, according to the Department of Agricultural Economics and Marketing, were as shown in Table 1.

TABLE 1 - Gross values of certain agricultural products, 1957/58 - 1961/62

	1957/58	1958/59	1959/60	1960/61	1961/62
			R,000		
Sugar-cane	33,814	40,925	38,317	38,164	41,383
Tobacco	18,371	15,833	16,802	15,022	14,706
Potatoes	12,827	15,301	8,844	11,596	12,000
Citrus fruit	22,494	20,177	17,793	23,900	24,000
Deciduous fruit ...	32,005	29,646	30,325	33,307	38,608
Vegetables	22,157	20,814	20,461	22,602	22,726
Dairy products ...	35,713	35,884	40,282	44,224	41,185
Poultry products ..	28,202	29,222	31,672	31,867	32,757

Historical review

The production and marketing of eggs in South Africa can be considered in three separate phases, viz.:-

- (a) Up to 1942, during which period no grading and price regulations existed;
- (b) 1942-53, under Food Control and the Department of Nutrition, when grading was made compulsory in the main consuming centres and price control was instituted; and
- (c) subsequent to 1953, in which year the Egg Control Board was established.

(a) Up to 1942

On account of the limited local production, it was at times necessary to import fair quantities of eggs from Europe to provide for the needs of the country during the period March to June. Production during July to October, however, was such that in 1915 about 180,000 dozen eggs were exported to Great Britain. Owing to the shortage of eggs during the period March to June, however, wholesale traders bought considerable quantities of eggs during the flush season at 5 cents to $7\frac{1}{2}$ cents per dozen, for storage and resale during the scarce period. As no control was exercised over such cold storaging, the eggs were sold later as fresh at a substantially higher price. In the absence of compulsory grading, consumers had to be satisfied even with poor quality eggs purchased by them. Eggs produced in rural areas, and sold to local traders, generally arrived in the consuming centres in poor condition.

Consumers were, however, not satisfied with the inferior eggs sold to them; with the result that high prices were paid for eggs of good quality. Producers benefitted thereby, especially those near the large consuming centres. These high prices stimulated production, which eventually resulted in a surplus. Surplusses were exported to Britain during the period August to December. As our flush season coincided with the low production period in the Northern Hemisphere, the export of eggs was a payable proposition for quite a number of years.

Proper supervision over and inspection of the quality of eggs exported assured the shipment of only a good quality product. During this period the quantities of eggs shown in Table 2 were exported.

TABLE 2 - Export of eggs from the Republic of South Africa during certain years from 1915 to 1940/41

Jaar	Quantity
1915	179,040 dozen
1920	706,200 dozen
1925	2,392,590 dozen
1930/31	5,776,030 dozen
1935/36	3,528,600 dozen
1936/37	3,736,140 dozen
1937/38	2,530,440 dozen
1938/39	2,699,430 dozen
1939/40	3,090,060 dozen
1940/41	3,138,240 dozen

Producers near the large consuming centres had ready markets for their eggs, but those in distant parts were obliged to sell through agents or to traders, and they had to accept the prices offered. This state of affairs was especially lucrative to wholesale traders in the cities, and it enabled them to build up strong organisations.

The Co-operative Egg Circles, which were established during this period and which could exercise control over the marketing of the eggs of producers, in most cases experienced keen competition from the financially strong traders. Some of the egg circles developed gradually and exercised marked influence over price fixation. Traders were often compelled to take into consideration prices paid by egg circles to their members, when determining their own prices to producers.

In the Orange Free State and Transvaal the egg circles could, however, not survive and had to close down. Three egg circles in the Cape Province and one in Natal (the latter closed down in 1956) remained, but they were unfortunately too few in number to exercise any real influence in the matter of prices in all parts of the country.

National Mark Scheme

In the Marketing Act provision was made for a National Mark Scheme, and eggs were one of the first products marketed in accordance therewith. By means of strict inspection the consumer was able to obtain eggs of good quality. The national mark scheme is, however, a voluntary scheme and only a few wholesale traders made use thereof, whilst only a small percentage of eggs marketed was sold under that mark.

(b) 1942 - 1953

Egg Purchasing Scheme

Producers were very dissatisfied with the existing conditions and in 1942 an Egg Purchasing Scheme was put into operation for the prupose of purchasing surplus eggs. This scheme was administrated successively by the Food Controller, the Directorate of Food Supplies and eventually by the Department of Nutrition.

In terms of this scheme, surplus eggs which were properly graded, marked and packed were purchased at fixed prices from egg circles, traders, market masters and also from large producers. This scheme enabled producers, especially those in the rural areas, to obtain better prices for their eggs - as packers, appointed in terms of this scheme, had to pay certain minimum prices to producers.

Eggs thus purchased were mainly sold under contract to the British Government at predetermined prices. Large quantities of eggs were, however, placed in cold stores under proper supervision and sold in those areas of the country where shortages of eggs were experienced periodically.

Compulsory grading

Just after the initiation of the egg purchasing scheme compulsory grading of eggs in the nine large consuming centres was implemented. This step was advantageous to both producers and consumers and contributed greatly to orderly marketing.

Price control

Together with compulsory grading, price control was introduced. Maximum wholesale and retail prices for the various grades and weight groups of eggs were fixed in the controlled areas. Maximum prices for eggs in the uncontrolled areas were likewise prescribed. Consumer prices, especially during periods of low production, were maintained at a reasonable level through price control.

(c) Subsequent to 1953

In spite of the advantages of the egg purchasing scheme, which was actually an emergency measure, the poultry industry still lacked a sound long-term basis. Without that a stabilised industry could not be achieved, and in the circumstances it was decided to establish a Control Board in terms of the Marketing Act, 1937. Such a board would devote all its attention to the industry and, by means of the machinery which is provided for in the Marketing Act, provide the necessary stability.

Objects of the egg control scheme

The main object of the scheme is the stabilisation of the local egg industry. This is done by assuring producers certain minimum prices for eggs which are sold to packers of the Egg Control Board, or in certain cases by producers direct to the Board. All surplus eggs which packers are unable to market through the usual channels are purchased by the Board at predertermined prices. During the period of plentiful production these surpluses are exported. Following the normal plentiful season, large quantities of eggs are diverted from the main producing areas to parts of the country where shortages are encountered from time to time. These eggs are then released through the normal trade channels. In certain areas of the country surpluses are encountered throughout the year, while limited quantities of eggs are exported to certain overseas countries throughout the year. Any surpluses which cannot be marketed locally or overseas are converted into frozen liquid egg and exported.

Production

In view of the fact that the Board has no control over production, the actual extent of egg production in this country cannot be determined. For purposes of stabilisation activities it is of importance to gauge future egg production. The monthly returns rendered by chicken producers, although not furnishing an accurate picture, enables the Board to obtain a good idea of expected future egg production.

To some extent, however, an idea regarding immediate production can be obtained from the weekly returns received from egg circles, market masters and wholesale dealers in controlled areas, in respect of eggs received by them and also from the Board's purchases from producers and traders in the uncontrolled areas. The relevant quantities are as shown in Table 3.

TABLE 3 - Quantities of eggs received by egg circles, market masters, wholesale dealers in the controlled areas*, including the Board's purchases from producers and traders in the uncontrolled areas*, 1953/54 to 1962/63

Season**	Quantity
1953/54	24,467,933 dozen
1954/55	27,211,091 dozen
1955/56	30,124,663 dozen
1956/57	34,702,851 dozen
1957/58	28,577,757 dozen
1958/59	31,778,668 dozen
1959/60	36,763,191 dozen
1960/61	36,988,976 dozen
1961/62	38,203,089 dozen
1962/63	38,211,779 dozen

* The controlled areas are all the large urban consuming areas and the uncontrolled areas are the remainder of the Republic.

** 1st July - 30th June.

Notwithstanding the fact that egg prices had to be gradually reduced as a consequence of greater surpluses and serious problems with exports, production has been increasing substantially. Particularly in the Western Cape production has increased notably during the past number of seasons, mainly as a result of the battery system of husbandry which has been adopted. This system ensures a high level of egg production throughout the year.

Until eight/nine years ago, large quantities of eggs had to be railed from the interior to the Cape, to supplement local shortages during February to June. Subsequently the Board has been compelled to purchase large quantities of surplus eggs in the Western Cape throughout the year, even up to 150 000 dozen per week in May and June.

The comparison of surplus production between the various areas, as shown in Table 4, explains the position.

During the period of low production, March to June, production has now increased to such an extent that the Board was compelled to purchase the quantities of eggs, shown in Table 5, during the four months.

Producers' prices

Packers appointed as such are obliged to pay to producers certain fixed minimum prices as determined periodically by the Board.

Since 1953 these floor prices have been as shown in Table 6.

Although feed costs have increased appreciably, producer prices during the flush season have been reduced by 20% since 1953, and during the period of low production prices are at present 25% lower than in 1955. The relatively high prices during the period of low production had been necessary to stimulate production during this time of the year, in order to ensure sufficient supplies of eggs locally. With the changing methods of hudbandry, and greater efficiency, production has increased to such an extent that the price difference between the flush and scarce season will have to be further reduced - to prevent an excessive production in the normal scarce season. Exports during our normal scarce season can only take place at even greater losses than in the normal flush season.

Since the lifting of price control in 1959, the board's floor prices serve only as minimum prices to producers; accordingly producers are able to realise higher prices in those parts of the country where periodic shortages are encountered. In the beginning of May 1963, when the Board's floor price was 15 cents per lb., producers in various areas of the country actually received the following prices:-

Port Elizabeth	18 cents per lb
Johannesburg	16 cents per lb
Durban	$15\frac{1}{2}$ cents per lb
Cape Town	15 cents per lb
"Platteland"	15 to 16 cents per lb

Purchases of surplus eggs by the Board

The quantities of eggs purchased by the Board are shown in Table 7.

TABLE 4 - A. Comparison of production in the different controlled areas, 1960/61 and 1961/62

	(i) Production in area as percentage of total production in controlled areas		(ii) Surplus in area as percentage of total production in area		(iii) Surplus in area as percentage of total surplus in country	
	1960/61	1961/62	1960/61	1961/62	1960/61	1961/62
Western Cape	25.8	28.6	27.1	32.6	29.07	37.00
Eastern Province and Border	5.9	5.5	2.5	1.1	.61	.20
Transvaal, O.F.S. and Natal	68.3	65.9	24.7	24.1	70.32	62.80
Total	100	100	24.0	25.3	100	100

B. Surplus in each area as a percentage of total production in that area, 1961/62

1961/62-season	Western Province	Eastern Province and Border	Transvaal, Natal and O.F.S.
	%	%	%
July 1961	24.0	3.0	24.4
August	24.6	13.8	34.9
September	37.2	39.7	48.1
October	40.1	39.2	38.2
November	37.1	18.2	32.7
December	35.0	(shortage 1.5)	21.1
January 1962	26.7	(shortage 22.7)	16.8
February	29.4	(shortage 17.7)	9.7
March	37.0	(shortage 13.5)	12.3
April	27.3	(shortage 36.9)	.5
May	28.1	(shortage 30.3)	2.4
June	37.7	(shortage 27.4)	1.9

TABLE 5 - Purchases of surplus eggs by the Egg Control Board during the period of low production March/June, 1955 to 1963

Year	Quantity
1955	39,690 dozen
1956	293,850 dozen
1957	305,730 dozen
1958	1,140 dozen
1959	1,339,920 dozen
1960	1,454,430 dozen
1961	1,831,200 dozen
1962	2,784,330 dozen
1963	3,089,490 dozen

TABLE 6 - Minimum prices to producers as fixed by the Egg Control Board, per lb* for Grade I

1953/54		1954/55		1955/56		1956/57		1957/58	
	s.d.		s.d.		s.d.		s.d.		s.d.
July	1/6	27.6.54	1/3½	11.7.55	1/8	10.7.56	1/9	9.7.57	1/7
12.12.53	1/7	5.11.54	1/4	25.7.55	1/6	16.7.56	1/7	29.7.57	1/5
15.2.54	1/8	27.11.54	1/5½	1.8.55	1/4½	23.7.56	1/5	12.8.57	1/3
3.4.54	1/9	28.12.54	1/6½	28.11.55	1/6	1.10.56	1/4½	2.12.57	1/5
		28.2.55	1/8	10.12.55	1/7½	9.2.57	1/6½	14.12.57	1/6½
		26.3.55	1/10	17.3.56	1/9½	2.3.57	1/8	1.2.58	1/8
		30.4.55	2/-	5.5.56	2/0½	13.4.57	1/10	1.3.58	1/9½
						18.5.57	1/11	29.3.58	1/11
								3.5.58	1/11½

1958/59		1959/60		1960/61		1961/62		1962/63	
	s.d.		s.d.		s.d.		cents		cents
28.7.58	1/7½	6.7.59	1/3½	1.7.60	1/5	7.7.61	14	13.7.62	12
4.8.58	1/5½	12.9.59	1/3	25.7.60	1/4	28.7.61	13	9.2.63	13
22.11.58	1/6	11.12.59	1/3½	12.8.60	1/3½	25.8.61	12½	9.3.63	14
7.2.59	1/7½	18.1.60	1/4½	19.8.60	1/3	9.2.62	14½	20.4.63	15
18.4.59	1/9½	21.3.60	1/6	12.11.60	1/3½	7.4.62	16		
23.5.59	1/11½	19.4.60	1/7	9.12.60	1/4½	29.6.62	14		
22.6.59	1/8½	6.5.60	1/8		cents				
29.6.59	1/5½	16.5.60	1/10	14.2.61	13¾				
		10.6.60	1/7	17.2.61	15				
				14.4.61	16½				
				24.4.61	18				
				9.6.61	15½				

*One dozen large eggs weighs about 1½ lb.

Export of eggs

Eggs were exported and sold through agents in England by private individuals and organisations up to and including 1939. Virtually no eggs were exported to any other country.

During the period when Food Control and the Department of Nutrition administrated the Egg Purchasing Scheme, egg exports were controlled by that Department. With the exception of small quantities which were exported to the Far East and African Territories, all eggs were exported to the United Kingdom and sold to the British Government at predetermined prices.

Since 1953, when the Egg Board took control, the Board has undertaken exports, except in the case of sales to African Territories, which have been left to private enterprise. From the beginning the Board had to make its own arrangements for exports; consequently eggs are sold through agents appointed by the Board in the United Kingdom, Germany and Switzerland. In Italy virtually all consignments have been sold by the Board direct to large importers.

Although exports in the past were limited to England, good markets have been found in Germany, Italy and Switzerland. At present large quantities of South African eggs are being sold in the Middle East, Aden and the Far East.

With the changing production pattern in the Republic it has become necessary, during the past two years, also to export eggs after the normal export season, which extends from July to December. For these surpluses markets have been developed in Aden, the Middle East, African Territories and Hong Kong. Periodically several consignments of eggs have been shipped to Italy and Britain from January to June.

Overseas competition

Until just after World War II egg production in the Northern Hemisphere was mainly confined to the months of December to June. During the period July to the beginning of December the production in England and Europe was insufficient for the requirements, and eggs from South Africa, Australia and other countries in the Southern Hemisphere could be advantageously exported to England.

As a result of strong encouragement from Governments, mainly through the payment of high subsidies, egg production in the United Kingdom and most European countries has increased sharply, even during the period July to December. Egg production in America, Canada, Australia, Israel and various other overseas countries has rocketed, and already in 1956 all overseas markets were flooded with eggs and prices dropped to an exceptionally low level. Under these circumstances eggs could only be exported at heavy losses.

With the exception of Poland where, as a result of State policy, egg production has greatly increased, other overseas countries have been obliged to reduce egg production since 1960. In Poland the decline in egg production commenced in 1962.

The large subsidies, which British producers have received, have stimulated production to such an extent that the local producers there today supply 97% of the country's requirements. Imports have declined from 12 million cases of eggs per annum to less than 1/2 million cases. During short periods reasonable prices have been obtained, but in general prices for imported eggs in Britain during the past number of years have been disappointing.

TABLE 7 - Purchases of eggs by the Egg Control Board, 1953/54 - 1962/63

Season*	Grade I	Grade II	Grade III	Total
(Quantities in cases of 30 dozen each)				
1953/54	246,418	63,524	4,281	314,223
1954/55	206,002	17,481	990	224,474
1955/56	210,566	21,640	1,998	234,204
1956/57	351,099	58,262	6,121	415,482
1957/58	202,367	18,026	393	220,786
1958/59	246,711	14,527	955	262,193
1959/60	440,144	37,632	913	478,689
1960/61	406,490	30,390	153	437,033
1961/62	455,982	39,179	782	495,943
1962/63	489,124	13,032	498	502,654

*1st July to 30th June

TABLE 8 - Export of shell eggs, 1953/54 - 1962/63

Season*	United Kingdom	Germany and Switzerland	Italy	Far East	Middle East	African Territories	Total
	(Quantities in cases of 30 dozen each)						
1953/54	182,280	-	-	-	-	-	182,280
1954/55	122,471	60,004	2,370	620	2,866	12,758	147,089
1955/56	143,918	-	15,100	300	60	15,748	175,126
1956/57	256,026	4,134	14,100	2,399	-	14,385	291,044
1957/58	50,082	59,520	53,886	-	-	13,421	176,909
1958/59	41,922	77,425	12,932	2,000	-	18,067	152,346
1959/60	51,932	139,671	60,122	5,920	-	15,725	273,370
1960/61	159,769	108,476	20,389	-	240	16,334	305,208
1961/62	150,601	84,106	29,000	750	7,530	27,874	299,861
1962/63	147,020	57,610	45,266	5,050	45,811	20,832	321,589

*1st July - 30th June.

TABLE 9 - Quantities of eggs converted into egg pulp, 1953/54 - 1962/63

Season*	Quantity
1953/54	78,439 cases of 30 dozen each
1954/55	30,104 cases of 30 dozen each
1955/56	26,419 cases of 30 dozen each
1956/57	74,074 cases of 30 dozen each
1957/58	1,835 cases of 30 dozen each
1958/59	36,301 cases of 30 dozen each
1959/60	135,505 cases of 30 dozen each
1960/61	84,476 cases of 30 dozen each
1961/62	145,113 cases of 30 dozen each
1962/63	49,772 cases of 30 dozen each
Total	762,038 cases of 30 dozen each

* 1st July - 30th June.

TABLE 10 - Percentage distribution in grades of purchases by Egg Control Board, 1953/54 -1962/63

Season*	Grade I	Grade II	Grade III
	%	%	%
1953/54	78.4	20.2	1.4
1954/55	91.8	7.8	.4
1955/56	89.9	9.2	.9
1956/57	84.5	14.0	1.5
1957/58	91.7	8.1	.2
1958/59	94.1	5.5	.4
1959/60	91.9	7.9	.2
1960/61	93.01	6.95	.04
1961/62	91.94	7.9	.16
1962/63	97.31	2.59	.10

*1stJuly - 30th June.

Also in Germany, egg production has increased at a rapid rate on account of encouragement by the German Government. Imports have therefore declined sharply and prices have dropped correspondingly.

Egg consumption has increased appreciably in Italy during the past ten years. Although egg production is increasing at a rapid rate, larger quantities of eggs are being imported.

In Switzerland egg consumption has increased significantly and, although production has increased substantially, large quantities are being imported. The new markets which the Egg Board has developed during the past few years in Aden, the Arabian Gulf and Hong Kong enable the Board to market a reasonably large percentage of our surpluses throughout the year.

In order to achieve the best results on overseas markets, it is essential to be constantly kept informed of production trends and ruling market prices in the main importing and exporting countries. Regular overseas visits and investigations of markets are of paramount importance. The development of new, better and bigger markets overseas for our surpluses is almost exclusively the result of such overseas visits, when contracts are regularly concluded.

Despite the fact that the Egg Control Board has also, during the past number of years, suffered heavy losses on exports, the prices realised for our product compare most favourably with those of eggs from other overseas countries. South African eggs usually experience a keen demand on account of the particularly high quality, excellent grading and packing, outstanding keeping quality and attractive appearance, especially the dark yolks.

Since the inception of the Board, the quantities of shell eggs shown in Table 8 have been exported.

Egg products

Only 11 years ago the export of frozen egg pulp to Britain was commenced with on a small scale. The quality of the product has gradually improved, and in the past number of years South African egg pulp has usually realised higher prices on the British market than egg pulp from any other country.

Egg pulp is manufactured for export when higher prices are obtained than for shell eggs. During the normal export season, from July to December, limited quantities of eggs are converted into pulp. From January to June, the lower prices for shell eggs necessitate the manufacture of egg pulp from surplus eggs, which cannot be consumed in other parts of the Republic.

The quantities of eggs broken out and converted into pulp since the inception of the Board are reflected in Table 9.

The export of egg pulp has increased from 2,033,920 lbs in 1953/54 to 5,674,144 lbs in 1962/63.

Eggs are mainly broken out by hand for the manufacture of frozen egg pulp. During the past year, however, special machinery had been used for this operation.

A new development in South Africa is the separation of albumen and yolk. The yolk is generally exported, mainly to Italy, where a good market for this product has been developed. The albumen is converted into powder and is used by sweet manufacturers. Whole-egg powder is manufactured in limited quantities.

Frozen egg pulp is utilised by bakeries and confectioneries, and less fresh eggs are being used for this purpose. Also in South Africa bakeries are using increasing quantities of frozen egg pulp, which can be utilised much easier and more efficiently than fresh eggs.

The European Common Market

With the establishment of regulations for eggs in the European Common Market in July 1962, it was generally expected that in future very few South African eggs would be sold in Germany and Italy.

Minimum prices were determined in terms of these regulations at which eggs from non-member countries could be imported. In addition to the minimum prices, high import levies, which have to be paid by the buyer, were established. In Germany this import levy amounted to almost 9 cents per dozen and in Italy to 3 cents per dozen.

Despite the fact that the various overseas markets were flooded in 1962, and the regulations of the European Common Market seriously affected the importation of eggs from non-member countries, South African exports to Germany in 1962 amounted to 45% of the previous year's total. In Italy, South African eggs found a ready market, and in 1962 about 49% more eggs were sold than in 1961.

The problems caused by the European Common Market have made it necessary to arrange final sales in Germany and Italy prior to export.

Internal consumption

In view of the fact that the Egg Control Board does not exercise full control over eggs, it is impossible to determine the actual extent of production in the country as a whole, and therefore also the total consumption in the Republic is unknown.

According to available figures egg consumption in the controlled areas has increased as follows during the past number of years, taking 1954/55 as 100:-

1954/55	100
1955/56	109.0
1956/57	108.1
1957/58	110.5
1958/59	119.1
1959/60	119.4
1960/61	122.9
1961/62	123.7

According to estimates, the total egg production in the Republic is about 90,000,000 to 95,000,000 dozen per annum. With total exports of 12 to 13 million dozen annually, only 14% to 16% of the country's production has therefore to be marketed overseas.

Since only a small percentage of the total production in South Africa has to be exported, weak overseas markets influence the Republic to a much smaller degree than is the case with certain other countries such as Australia, Holland, Denmark, Poland and Israel - where exports often comprise 50% - 70% of the total production.

Egg consumption by the European population in South Africa is relatively high. Non-Europeans, especially the Bantu, generally consume few eggs. Through advertisement and mainly educational guidance an increased egg consumption by urban Bantu is noticeable. Should every Bantu in the Republic be persuaded to use one more egg per month, the country would have no surplus eggs on the basis of the current production level.

The high requirements which are set in the grading regulations and the big price difference between first, second and third grade quality, has resulted in an appreciable improvement in the general quality of eggs. While up to 10 years ago a relatively high percentage of poor quality eggs was marketed, price determination has forced producers and dealers to improve quality; with the result that at present the Board has to purchase only small quantities of second and third grade eggs.

The percentage first, second and third grade eggs purchased by the Board is shown in Table 10.

Acquirement of funds

For purposes of stabilisation of the industry substantial funds are required. The Board obtains its funds by means of levies imposed on eggs sold in controlled areas in the Republic.

For some time the total amount of the levies has been 3 cents per dozen and, although it may appear relatively high, it is appreciably lower than the levy which is imposed in certain other countries - for example Australia, where the levy sometimes amounts to $7\frac{1}{2}$ to 10 cents per dozen.

The funds which are collected by means of the levies enable the Board to ensure stabilisation in the industry - by maintaining fixed minimum prices to producers and exporting surpluses which cannot be consumed locally. Without the levy funds it would not be possible to guarantee a reasonable price to producers, as no other funds are available to cover losses sustained on the export of surplus eggs. In the absence of a guaranteed minimum price to producers, prices may easily fall to an uneconomic level and disrupt the industry.

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LONG-TERM ECONOMIC PLANNING

"LONG-TERM ECONOMIC PLANNING helps us to create an image of further scope for development and to think and plan further into the future than was customary in the past; in this way many of the market uncertainties that hampered development can be eliminated. A further advantage of this system is that it will enable the government to provide the basic services for expansion in good time".

- J.F.W. Haak, Deputy Minister of Planning, Economic Affairs and Mines.