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plus the demands for wearing apparel which are likely to remain unsatisfied for several years to come, give further grounds for the view that demand will continue to be heavy. Supplies of wool have never been so relatively scarce in recent years as they are at the present time. Remaining stocks should be very greatly reduced in the forthcoming season. Provided the world is preserved from political or economic crises and given the success of the European Recovery Programme, there appears to be good prospects for the maintenance of apparel wool consumption at its present high level. However it is a distinct possibility that prices at sales may fall. The availability of purchasing power is becoming more limited, and it is doubtful if some nations can continue to pay prices as high as those ruling at the end of last season. Australian sales may see falls in prices brought about by these factors. Also, there may possibly be a continuation of the trend for a heavier demand for cross-bred wools, with a subsequent reduction of the price difference between the two main groups.

J. B. MAYNE, Economics Research Officer.

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### THE BRITISH MINISTRY OF FOOD EGG SCHEME.

*In a recent article entitled "The Ministry of Food—Egg Scheme,"\* Mr. S. M. Griffin, a Ministry of Food Area Egg Officer,† described in some detail the war-time developments in egg marketing in the United Kingdom. As it is felt that this article will prove of considerable interest to egg producers and egg marketing authorities in this country, it is here reprinted in full.*

"When the announcement was made in the early days of the war that the importation, marketing and distribution of eggs (in the United Kingdom) was to be controlled, many experienced merchants were of the opinion that the difficulties of formulating and administering a practical scheme were insurmountable because of the uncertainty of supply and perishable nature of the commodity. However, despite a variety of setbacks which were incapable of anticipation, the scheme has been an unqualified success and has raised the future prospects of the industry.

"The objects to be achieved were:—

- I. To secure the maximum quantity of shell eggs and egg products.

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\* Published in "Public Administration," Vol. XXVI, Number 1; Spring Number, 1948.

† The article, however, was written in Mr. Griffin's private, and not his official capacity.

2. To distribute in such a manner that:—

- (a) Priority requirements would be covered.
- (b) Ordinary consumers would receive an equitable share of the remainder at a reasonable price.
- (c) Manufacture of foodstuffs would receive adequate supplies of egg products.

### **PRE-WAR CONDITIONS.**

“To understand the extent of the administrative work entailed in promoting the scheme, the pre-war conditions in the industry must be surveyed. In 1939 the proportions of shell eggs and egg products consumed in the United Kingdom were 60 per cent. home produced and 40 per cent. imported. Anyone was at liberty to import any quantity from anywhere at any time and there were no restrictions against any other country “dumping” its surplus stocks here. No licences or qualifications were necessary, and although importation was usually conducted by reputable and experienced merchants, speculators often entered the market, causing financial losses to genuine traders. Although imported eggs were stamped with the country of origin and had been tested and graded before shipment, no condition existed to ensure prompt sale, and they were often held for higher prices under unsuitable conditions.

“In the home market, organisation was negligible. Eggs were rarely tested or graded, and they were seldom marketed promptly or in clean condition; it was presumably taken for granted that home-produced “unstamped eggs” must be reliable. Because hens wander anywhere, these eggs were sometimes found in the hedges, perhaps weeks later, and were not tested before sale.

“Price variations throughout the country were considerable, and it was quite common for home-produced eggs to be sold at lower prices than those ruling for imported. A voluntary National Mark Scheme had been introduced with the aim of raising the standard of quality, grading and packing, but only a small proportion passed through the packing stations associated with this progressive organisation. These packers offered comparatively high prices for clean, fresh eggs, but most poultry-keepers preferred to sell at a flat rate for cash rather than risk deductions for faulty, dirty or stale eggs. Demand was always good during the winter months, but during the spring when production was far in excess of local requirements, and the cities were inundated with huge imports from our Continental neighbours, poultry-keepers found difficulty in making sales at any price and had to accept what dealers cared to offer. After clearing these stocks, the natural consequence was to hold fresh supplies for higher prices to recoup their losses; the inevitable result being an accumulation of stale and bad eggs.

### **FORMATION OF THE SCHEME.**

“Numerous associations in all parts of the country existed, but they lacked co-ordination. The Ministry invited their co-operation, and some of the leading merchants were appointed to act in an executive capacity with officials of the Civil Service.

"In June, 1940, the Ministry commenced control of the importation of all shell eggs and egg products. Although importers ceased to function, their staffs, premises, experience and goodwill were secured, thus facilitating the transfer with the minimum of dislocation. A company was formed known as National Egg Distributors' Association, Limited (N.E.D.A.L.), to operate under Ministry supervision, and each importer was allotted an appropriate number of shares based on the individual trading returns for the twelve months ending August, 1939. Members of N.E.D.A.L. were debarred from acting as wholesalers and lost their identity, while the wholesaler, who continued to distribute in his own name, was licensed and received as remuneration the profit earned by selling the allocations from the Ministry.

"Distributors were classified:—

- (a) Primary wholesalers, whose trade during the datum period reached a level prescribed by the Ministry.
- (b) Secondary wholesalers, whose qualifications did not admit of primary status. They draw allocations through Wholesalers in Class A.

"Both types accepted nominations from retailers and sold at the same prices but the profit margin allowed to secondary wholesalers was slightly less.

"It was decided that the large multiple organisations who customarily purchased at wholesale prices from importers should be treated as retailers, and pay the same prices. As this was additional business for the wholesaler, his profit margin on this section was slightly reduced.

### IMPORTED EGGS.

"No great difficulty presented itself in taking over the control of imported eggs, which were discharged at a comparatively small number of ports. Trade specialists supervised the examination of all consignments, and in due course some of these merchants were included in food missions which visited other countries to secure supplies.

"For administrative purposes the country, including Scotland, was divided into nine areas, in each of which a member of the trade was appointed to supervise on behalf of the Ministry. The earliest allocations were distributed on a population basis until a permit system could be devised to enable each consumer to nominate a retailer. In turn, retailers nominated wholesalers and N.E.D.A.L. distributed sufficient at each allocation to cover the permit totals of each wholesaler.

"Disposal was by controlled distribution instead of as a ration. To ration a commodity the Minister must be certain of stocks, e.g., butter, cheese and meat, but the uncertain supply of eggs made this impracticable. Eggs were the first food to be distributed as an allocation.

### HOME-PRODUCED EGGS.

"When the control of imported eggs had been successfully completed, attention was directed to home-produced, and these were included in the scheme in July, 1941. Far greater difficulties were encountered because unlike the limited number of places at which imported eggs were landed, poultry-keepers are scattered all over the country, often at a distance from recognised transport routes.

"A compulsory marketing scheme was introduced requiring all eggs available for sale by retail to be sold to licensed packers or licensed buyers, who, after testing and grading, sold them to the Ministry for subsequent distribution. The sale of shell eggs for catering and manufacturing purposes was prohibited.

"As an inducement to sell the maximum quantity to packing stations, a comparatively high price was offered, which gave the producer more than he could legally obtain by selling direct to the public. The original prices have been stepped up several times since 1941, and at the end of 1947 a flat rate of 4s. 0½d. per dozen is being paid for first quality eggs, regardless of size. The difference between the prices paid to poultry-keepers and those charged to consumers by retailers is covered by the Government subsidy.

"As a preliminary to the control of home-produced eggs, the Ministry had licensed those collectors who were prepared to test and grade eggs according to regulations, and a network of packing stations was already operating throughout the country. Although subject to Ministry supervision, they had been at liberty to buy or sell at any price until control commenced. An Egg Order was issued requiring poultry-keepers owning over 50 head of poultry to dispose of all eggs surplus to domestic requirements to a licensed purchaser. Later, the Order was amended to include those owning over 25 head of poultry as sales by the 25/50 class direct to consumers was adversely affecting the operation of the scheme.

"The main conditions of licences and methods of handling at packing stations are:—

1. Packers to make regular weekly collections, without charge, from all registered producers within a radius of ten miles. Beyond this distance, a reasonable charge may be made.
2. At the time of collection, a duplicate receipt to be prepared showing, *inter alia*, the producer's name and the quantity of eggs. One copy to be placed with the eggs for identification purposes and the other handed to the producer. No payment is made at this stage.

3. Each poultry-keeper's eggs are tested separately before a special electric lamp at the packing station. When the results are known and recorded on the identification slip, first quality eggs are passed over the grading machine which weighs and stamp each egg with the letters M.F. (Ministry of Food), the grade, and the packer's licence number. The eggs then roll forward into separate sections according to weight and are packed into containers indicating the grade and date of packing. Those eggs which are not of first quality include:—
  - (a) Inedible eggs, called "rejects" for which the producer is not paid.
  - (b) Second grade, which are paid for at a lower rate. These comprise those eggs which are stale, cracked or are soiled. They are stamped "Seconds," and are packed separately.
4. Within seven days of collection, the packer must pay the producer and furnish him with an invoice showing grading results. The payment of lower prices for inferior eggs has encouraged poultry-keepers to sell them in fresher and cleaner condition than before control was commenced. Literature has been circulated explaining how top prices are attainable and stressing that poultry lay clean eggs which only become dirty through neglect of the owners. They must provide clean nests and collect the eggs frequently.

"Packing stations are required to complete testing and grading the week's collection of eggs by Wednesday night each week, and communicate the quantity by grades to the Ministry. Allocation to the wholesale trade proceeds without delay; stocks are not accumulated to provide a complete allocation.

"Duck eggs are packed separately for three reasons:—

1. Their keeping quality is not as good as hen eggs.
2. They are usually large and require special boxes.
3. Some consumers dislike them and it would be inadvisable to include them in the allocation.

"They are distributed as far as possible pro rata to registrations, each wholesaler receiving an appropriate share. Hen eggs of second quality are also distributed 'off the allocation' but specifically for cooking purposes at 3d. per dozen less.

"Small poultry-keepers who own 25 head of poultry or less do not come within the scope of the scheme, but may voluntarily sell any surplus eggs to a packing station on the same terms as larger producers. They are known as domestic poultry-keepers (D.P.K.) and form a useful function in feeding poultry with household scraps. In exchange for the ration book egg counter-foils of their own household and any relatives or neighbours who wish to receive eggs from them, the Ministry of Agriculture issues a monthly allocation of balancer meal. It is left to the

D.P.K. to share the eggs fairly at a maximum price of 2s. per dozen, and although no control is exercised over this arrangement a dissatisfied consumer is periodically given an opportunity to recover his counterfoils and obtain future supplies from a retailer.

### **PACKING MATERIALS.**

"A drawback in connection with the home-produced trade was the lack of adequate and suitable packing materials. Boxes and fittings were used over and over again regardless of cleanliness. It was imperative for the Ministry to formulate and administer a box scheme within the main scheme to ensure that every packer licensed to purchase eggs would always have an adequate supply of boxes and clean packing materials. Imported eggs are always packed in new boxes and fittings, but, except in a few instances where some enterprising packers used new fibre board containers, home-produced eggs were packed in any old boxes which had been used for imported eggs, and the packing material was second-hand from the same source. As fibre board containers were unobtainable during the war, the only alternative was to select and recondition the best of the wooden boxes imported from Ulster and Eire. These boxes and stocks of fittings were distributed to packing stations and depots at convenient centres as a safeguard against transport difficulties and enemy action. Wholesalers were charged a nominal amount for boxes and fittings containing allocations, but these amounts plus a margin for servicing them was credited when returned to Ministry box depots in good condition.

### **DISTRIBUTION.**

"The inclusion of home-produced eggs in the scheme made every packing station a distributing centre. Most packers are themselves wholesalers; they formerly supplied retailers, and under the new scheme they accepted nominations from retailers. They are known as packer-wholesalers, and if their nominations are sufficient, they retain the whole of their purchases for distribution of current allocations, but they receive only the same number of allocations as other wholesalers. When their permit totals have been covered, the surplus, if any, is transferred to the nearest wholesaler. By this means, eggs produced in country districts are distributed there after testing and grading, and this encourages poultry-keepers to sell their eggs to the packing stations.

"Although distribution in the peak production period consists mainly of home-produced eggs, very few allocations could be made in the winter months without the aid of imports. These are allocated as far as possible in urban areas where consumers were accustomed to them pre-war.

"Allocations are made consecutively throughout the year. Some areas may be slightly in advance of others, but this is only temporary, and by the end of the year all consumers receive an equal number. For the information of their customers, retailers display a notice showing the number of current allocation. To maintain uniformity inter-area transfers are made, as, for instance,

from the rural West of England where production is high and the population sparse; to London where the consumptive demand is high and cannot be adequately supplied by the comparatively small number of poultry-keepers there. Similarly, imports are allocated to those areas which need additional eggs to bring them up to a uniform level.

"Originally, each registered consumer was entitled to one egg per allocation, but the medical profession emphasised the importance of infants of prescribed ages and adults who suffer from specified ailments requiring priority, and this was introduced in November, 1941. Special permits were issued for a stated number of weeks, and the nominated retailer notified. Priorities are the first charge on production, and these consumers must be supplied with three home-produced eggs weekly whether an ordinary allocation is proceeding or not. This really amounts to a ration, since the supply is guaranteed, but priority consumers do not share in the normal allocation.

"It would obviously be inadvisable to issue permits for exact quantities of such a commodity as eggs, and a margin is therefore added to cover wastages, e.g., breakages, small increases of consumers, etc., and this usually enables the retailer to complete the allocation without applying for a supplementary allowance. Regular revisions take place periodically to adjust any substantial differences which may arise.

"To avoid complications, all shell eggs are classified into various categories, and the maximum price of all kinds at the end of 1947 was 1s. 9d. per dozen. Small home-produced eggs and second quality were sold at 3d. per dozen less.

"Losses through bad and broken eggs have been insignificant. The wholesaler receives a nominal financial allowance to cover incidental losses and must supply free replacements to retailers who substantiate genuine complaints from consumers. If claims are excessive, enquiries are made by the Ministry with a view to tracing the cause and preventing a recurrence.

### **RATIONALISATION.**

"As war difficulties increased, drastic steps were taken to conserve manpower, petrol and transport. It had been the practice for packers to collect eggs anywhere, even if other merchants were more conveniently situated. The trade was based upon sentiment, and any interference was viewed unfavourably. Meetings were held to explain rationalisation of collection, and ultimately a plan submitted by the National Egg Packers' Association, Limited (N.E.P.A.L.) was accepted by the Ministry. This provided for the compulsory closing down of some packing stations, and each collection area was then fixed by well-defined boundary lines. Coupled with these collection limitations, each producer was linked to a particular packing station, and any opposition to this was soon overcome when poultry-keepers realised that free collection was assured at a uniform price. To compensate those who suffered financial loss by these arrangements, N.E.P.A.L. calculated the individual purchases of each



packer as compared with the total purchases for the first six months of control, to fix datum figures for a compensation pool. Operating packers whose purchases exceeded the datum figure paid into the pool a stipulated sum per box on the increase, and this amount was divided among redundant packers and those whose trading had been curtailed. Since the termination of hostilities all redundant packers have been given the opportunity to resume operations.

"In some parts of the country packers amalgamated into companies, and these ventures, in addition to achieving the economies desired by the Ministry, were often attended by financial advantages to the participants. Practically all packers in one large county joined a company which embraced all the functions of packers and wholesalers. This effected the following economies:—

1. The number of operating packing stations was reduced to the minimum necessary to handle efficiently all the eggs collected in the territory allocated.
2. The staffs appointed to each packing station were kept fully employed, thus releasing man-power.
3. Transport was reduced by eliminating all duplicated journeys, saving vehicles and petrol. Where possible, collection and delivery was performed by the same vehicles; graded eggs being delivered to retailers on the outward journey and ungraded eggs collected from poultry-keepers on the return journey.

### EGG PRODUCTS.

"In addition to the use of shell eggs for direct consumption, they are also one of the essential ingredients required by bakers and manufacturers of food and also by caterers for the preparation of meals. The extreme shortage precluded the possibility of providing any for these purposes, and an alternative had to be found. Some merchants had limited stocks of frozen liquid egg in cold store, and afloat when the Ministry assumed control. Immediate steps were taken to requisition these, and the owners, after being paid for them, were given an appropriate share.

"Further reductions by 50 per cent. in supplies of imported shell occurred when our Continental neighbours were invaded, and this made the position more acute. As a substitute, dried eggs were purchased from U.S.A. for the use of manufacturers and caterers, advantage being taken of the Lease-Lend arrangement to import large quantities in the summer of 1941. Allocations were made on the usual basis of pre-war usage by a company acting under Ministry supervision known as Egg Products Distribution Association, Limited (E.P.D.A.L.). The importers of egg products were elected as shareholders in this Association in a similar manner to the method described in the formation of N.E.D.A.L.

"The opportunity of acquiring large stocks of dried eggs, which required far less shipping space than shell eggs, caused the Ministry to consider offering the public a share of these imports as an addition to the much reduced quantity of shell eggs. Sufficient to make an allocation of the equivalent of 12 eggs (packed in 5-oz. tins) was repacked from our bulk stocks, and as soon as it was seen how quickly the demand developed, orders were placed in Canada and U.S.A. to ship a proportion of our consignments in what is now known as Domestic Users Pack. To educate the consumer in the use of dried eggs, demonstrations were arranged at all Food Advice Centres, pamphlets were printed, and recipes broadcast.

"It was difficult to obtain sufficient storage space for the large stocks which had to be accommodated away from the ports, and in the least vulnerable places. As much as possible was housed in buffer depots which had been specially erected for food storage at convenient centres throughout the country, but in addition to these warehouses, all suitable unoccupied buildings, including disused breweries, churches, chapels, cinemas and dance halls were requisitioned for the purpose.

"Since Lease-Lend shipments ceased, dried eggs have been included in the Points Scheme. To ensure that children shall not be penalised, priority permits have been issued to provide all infants up to five years of age with one 5-oz. container free of points during each eight-weekly period.

### FEEDING STUFFS.

"From time to time specialist poultry-keepers have appealed for additional feeding stuffs to stimulate production during the winter months, but the limited quantity available has made this impossible; a firm attitude has been adopted in treating all producers alike on the basis of their pre-war holding of flocks. Since 1939 no new poultry-keepers have been admitted to what is known as the Commercial Poultry-Keepers' Class owning over 25 head of poultry. To do so would have entailed dividing the already meagre allowance between established producers and new entrants. To produce 1-lb. of eggs, feeding stuffs consisting of 5½-lb. grain and concentrated foods are required, and our war-time shipping difficulties did not permit the use of transport for this purpose. After the cessation of hostilities it was confidently anticipated that the poultry-keeper could look forward to restoration of the cuts in feeding-stuffs, and, in fact, a programme of expansion was embarked upon in 1945. Unfortunately, the world shortage of grain and cereals has reversed these prospects, and still more drastic cuts have had to be made."

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NOTE.—Since this article was written the price payable by packing houses and buyers to producers in the United Kingdom has been reduced from 4s. ½d. to 4s. per dozen. In addition, the maximum retail price has been raised from 1s. 9d. to 3s. per dozen. The price for small home-produced eggs and second-quality eggs has been raised from 1s. 6d. to 2s. 6d. per dozen.