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## THE PRODUCTION AND MARKETING OF AUSTRALIAN EGGS

by

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Poultry-farming has long been carried on in Australia as an adjunct to other rural pursuits. Recent years, however, have witnessed its development as a specialised industry. Egg production in Australia now stands at 120 million dozen per annum.

The gross value of Australian egg and poultry production has been estimated at £32 million for 1949-50, an increase of £3 million, or 10 per cent. over the preceding year<sup>1</sup>. Comparison of the present gross value of production with the pre-war (1934-39 average) value of £10.6 million indicates the growing importance of the industry over the past decade.

The considerable increase in the value of production partly reflects the increases in prices received for poultry products, especially on the export markets, but there has also been an increase in the volume of production. Considered in conjunction with other criteria such as the fact that the estimated net value of production now represents a higher proportion of gross value than it did in pre-war years, this suggests that the seasons since 1939 have been relatively prosperous for the poultry industry.

Although the production of eggs in Australia is now largely organised on a commercial basis, there remain many farms and backyard poultry runs which provide sufficient eggs to satisfy the domestic requirements of their operators and often produce a surplus for sale. This characteristic feature of the egg industry makes it difficult, if not impossible, to collect complete statistical data of egg production. Any outline of the industry in Australia is, of necessity, incomplete since it must be confined to commercial production and distribution.

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<sup>1</sup>J. N. Lewis, "Value of Rural Production," *Quarterly Review of Agricultural Economics*, Vol. III, No. 1 (January, 1950), pp. 18-19.

### I. POULTRY NUMBERS.

Prior to 1941, the numbers of the principal types of poultry were gathered by all States, except Victoria and Tasmania, in their annual census of livestock.

During the three decades preceding World War II, it is possible to detect a gradual long-term expansion in the poultry industry. From 1913 to 1939 the number of fowls increased from 10.8 million to 15.5 million. Poultry-farming was being built up in this period from a sideline to a specialised commercial undertaking.

After 1942-43 statistics of poultry numbers were available for all States of the Commonwealth, but their collection was not on the same basis as that used before 1941. For this reason, comparable statistical information regarding Australian poultry numbers in recent years cannot be given.

In New South Wales the position is more satisfactory, as details of poultry numbers have been recorded each year since 1935. The statistics reproduced in Table I give an indication of the trend in poultry numbers in that State from 1935 to 1949. The figures refer to the numbers of fowls and chickens on poultry runs of one acre or more supplemented, as far as it is practicable to do so, by the inclusion of estimates of the numbers of such poultry on smaller holdings.

TABLE I.  
*Poultry Population in New South Wales, 1935 to 1949.*

Year ended 31st March.	Number of Fowls and Chickens. Millions.					
1935	..	..	..	..	..	5.52
1940	..	..	..	..	..	5.47
1945	..	..	..	..	..	9.81
1946	..	..	..	..	..	8.64
1947	..	..	..	..	..	8.63
1948	..	..	..	..	..	8.04
1949	..	..	..	..	..	7.68

*Source*:—New South Wales Bureau of Economics and Statistics,  
*Statistical Register*.

The number of fowls and chickens ranged, without any marked fluctuations, from 5 to 5½ million during the period from 1935 to 1940. Greatly increased demand for poultry products at favourable prices caused a rapid expansion of the industry during the years of the war. By 1945, the number of livestock had risen to the record level of nearly 10 million. Though reductions in flock numbers, occasioned chiefly by scarcity of feeding stuffs, have taken place, total numbers have remained well above 7 million since 1945.

The bulk of New South Wales egg supplies comes from the larger poultry farms, not from backyard runs. The statistics in Table II show the increase in stock numbers on commercial poultry farms from 1935 to 1949. As these figures relate to poultry farms carrying 150 or more laying stock, they can be expected to be more accurate than the figures in Table I.

TABLE II.  
*Number of Poultry on Commercial Poultry Farms in New South  
 Wales (with 150 or more laying stock), 1935 to 1949.*

Year ended, 31st March.	Total Fowls. Millions.
1935 .. .. .	2.32
1936 .. .. .	2.27
1937 .. .. .	2.16
1938 .. .. .	2.17
1939 .. .. .	2.27
1940 .. .. .	2.65
1941 .. .. .	3.00
1942 .. .. .	3.36
1943 .. .. .	4.60
1944 .. .. .	5.68
1945 .. .. .	6.90
1946 .. .. .	6.06
1947 .. .. .	6.05
1948 .. .. .	5.53
1949 .. .. .	5.29

*Source:*—New South Wales Bureau of Economics and Statistics,  
*Statistical Register.*

The figures in Table II show more clearly the wartime expansion of the poultry industry. From the pre-war average total of just over 2 million, the number of fowls rose to 3 million by 1941 and to the record peak of nearly 7 million in 1945, declining to 5¼ million in 1949.

New South Wales is the leading egg and poultry producing State in Australia. If the increase in stock numbers evident in New South Wales since 1939 can be accepted as representative of stock increases throughout the Commonwealth, then the total number of laying stock on commercial poultry farms in Australia would be in the vicinity of 15 million. The poultry industry in Australia has expanded more than twice as much since 1939 as it did in the preceding three decades.

## 2. EGG PRODUCTION.

Before the advent of Commonwealth marketing control in 1943 statistics of egg production throughout Australia were no more adequate than those relating to poultry numbers. It has been estimated, however, that during the period 1934 to 1939 commercial egg production averaged about 60 million dozen annually<sup>2</sup>. In 1942-43, Australian egg production was computed to be 81 million dozen.

Production statistics for each season since 1943 are given in Table III. The figures refer to production in controlled areas only. For about four months at the beginning of the 1943-44 season, producers owning less than 20 laying stock were exempt from control. In November, 1943, the number was raised to 40 laying stock. It was not possible to record the production of the flocks so exempted.

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<sup>2</sup>Wyn F. Owen, "Production and Distribution in the Australian Egg Industry," *Review of Marketing and Agricultural Economics*, Vol. 14, No. 10 (October, 1946), p. 359.

TABLE III.

*Commercial Egg Production in Australia—Quantity and Percentage of Production in each State, 1943 to 1950.*

Quantity.

Season.	N.S.W.	Vic.	S. Aust.	Q'land.	W. Aust.	Tas.	Australia
	m. doz.	m. doz.	m. doz.	m. doz.	m. doz.	m. doz.	m. doz.
1943-44 ...	42.0	23.3	9.8	7.2	5.7	0.9	88.9
1944-45 ...	47.4	28.2	11.2	9.5	6.8	1.2	104.3
1945-46 ...	49.9	31.0	12.4	11.8	7.0	1.2	113.3
1946-47 ...	54.1	37.1	14.3	9.4	6.7	0.9	122.5
1947-48 ...	50.4	36.2	14.6	9.7	7.5	0.8	119.2
1948-49 ...	52.1	32.8	14.1	12.1	7.9	1.1	120.1
1949-50 ...	52.3	30.0	13.1	11.2	7.7	1.5	115.8

Production in each State expressed as percentage of Australian Production.

	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.
1943-44 ...	47.3	26.2	11.0	8.1	6.4	1.0	100
1944-45 ...	45.4	27.1	10.7	9.1	6.5	1.2	100
1945-46 ...	44.1	27.4	10.9	10.4	6.2	1.0	100
1946-47 ...	44.2	30.3	11.6	7.7	5.5	0.7	100
1947-48 ...	42.3	30.4	12.2	8.1	6.3	0.7	100
1948-49 ...	43.3	27.3	11.8	10.1	6.6	0.9	100
1949-50 ...	45.2	25.9	11.3	9.7	6.6	1.3	100

Source:—Australian Egg Board, *Annual Report*.

Under the stimulus of Government encouragement, prompted by urgent war-time needs, egg production progressively increased during the war years. Production targets were set for the 1943-44 and 1944-45 seasons at 100 and 105 million dozen respectively. Table III shows how the industry in Australia responded to the increased demand for eggs and egg products.

By the end of the war, total Australian production had risen to 104 million dozen. With the resumption of egg shipments to the United Kingdom in 1945-46, further increases in production were effected and in 1946-47, the production peak of nearly 123 million dozen was achieved. Australian egg production in 1948-49 stood at 120 million dozen, just twice the estimated pre-war commercial production. The trend in commercial egg production from 1943 to 1950 is illustrated graphically in Figure 1.

The contract concluded between the United Kingdom and Australian Governments in 1945 envisaged a total Australian production of 180 million dozen annually. At this level of production it was anticipated that Australia would be able to export the equivalent of 105 million dozen eggs annually to the United Kingdom.

To achieve such a level of production, the 1948-49 production would have to be increased by 50 per cent. Australian exports of eggs and egg products would then be about 60 per cent. of total production if allowance were also made for exports to countries other than the United Kingdom.

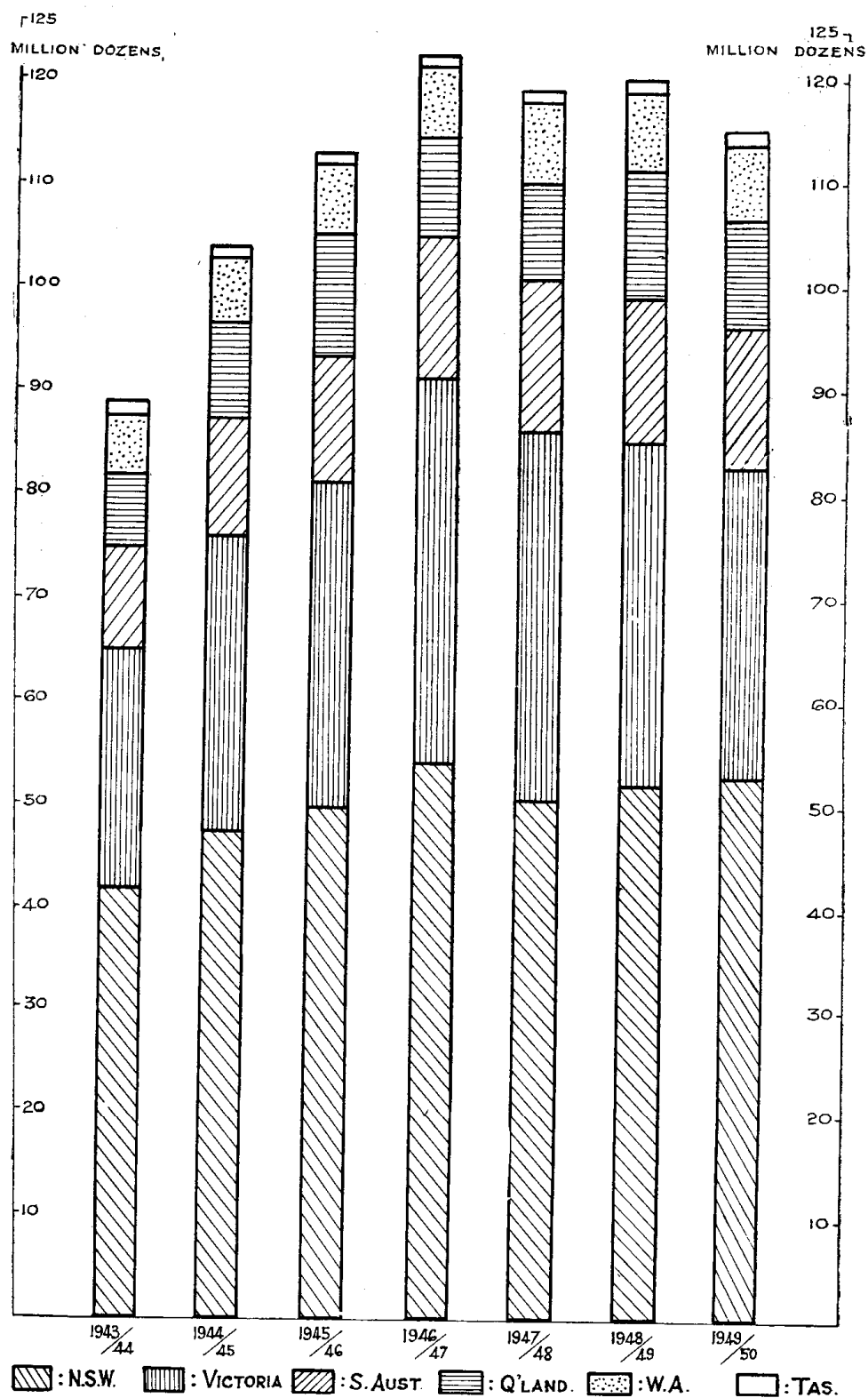


Fig. 1.—Commercial Production of Eggs in Australia, 1943 to 1950.

The relative importance of the individual producing States has not changed much in the seven seasons covered by Table III. New South Wales annually produces a little over 40 per cent. of Australia's total production, while Victoria contributes nearly 30 per cent.

Because egg marketing control has been in operation in New South Wales and Victoria for twenty and ten years, respectively, it is possible to obtain reliable statistics for the two major producing States for a much longer period than is possible for the Commonwealth as a whole. The trends in egg production in New South Wales and Victoria are given in Tables IV and V, respectively.

TABLE IV.

*Eggs Handled by the Egg Marketing Board for the State of N.S.W., 1930 to 1950.*

Season.	Quantity. m. doz.	Season.	Quantity. m. doz.
1930-31 .. ..	14.5	1940-41 .. ..	29.1
1931-32 .. ..	15.7	1941-42 .. ..	38.5
1932-33 .. ..	16.3	1942-43 .. ..	42.6
1933-34 .. ..	*	1943-44 .. ..	42.1
1934-35 .. ..	20.1	1944-45 .. ..	47.4
1935-36 .. ..	20.8	1945-46 .. ..	49.9
1936-37 .. ..	21.0	1946-47 .. ..	54.1
1937-38 .. ..	20.3	1947-48 .. ..	50.6
1938-39 .. ..	20.4	1948-49 .. ..	51.9
1939-40 .. ..	23.5	1949-50 .. ..	52.3

\* Broken period.

Source:—Egg Marketing Board for the State of New South Wales, *Annual Report*.

The figures for New South Wales should be considered in two separate sections, for the area of the Board's control changed during the period covered by the Table. When first established the jurisdiction of the New South Wales Egg Marketing Board was limited to the Counties of Cumberland and Northumberland and the Shires of Nattai and Wollondilly. In other words, the boundaries of the controlled area were 50 to 100 miles distant from Sydney. After November, 1941, however, the whole State, with the exception of certain remote country districts, was brought under the control of the Board.

TABLE V.

*Eggs Controlled by the Egg and Egg Pulp Marketing Board of Victoria, 1937 to 1949.*

Season.	Quantity. m. doz.	Season.	Quantity. m. doz.
1937-38 .. ..	16.3	1943-44 .. ..	23.3
1938-39 .. ..	14.4	1944-45 .. ..	28.2
1939-40 .. ..	16.9	1945-46 .. ..	30.9
1940-41 .. ..	20.6	1946-47 .. ..	37.1
1941-42 .. ..	20.4	1947-48 .. ..	36.5
1942-43 .. ..	19.9	1948-49 .. ..	32.6

Source:—Egg and Egg Pulp Marketing Board of Victoria.

Tables IV and V show that there have been substantial increases in egg production in both States, particularly since 1939.

### 3. SEASONAL FLUCTUATIONS IN EGG PRODUCTION.

The monthly production of eggs for each State for the five seasons from 1944-45 to 1948-49 is shown in Table VI. In Figure 2 the monthly production statistics for the four leading States and the Commonwealth as a whole, have been plotted on a semi-logarithmic scale to illustrate the similarity in relative changes in monthly production. Each year, production moves, with apparent regularity, from the seasonal low in April, May and June to the peak in September, October and November. The similarity in trend even extends to the temporary lift in production which often occurs in December or January.

TABLE VI.  
*Monthly Production of Eggs in Australia by States, 1944-45 to 1948-49.*  
(Ten thousand dozen).

Month.	New South Wales.				
	1944-45.	1945-46.	1946-47.	1947-48.	1948-49.
July ... ..	286	308	352	433	413
August (5 weeks) ... ..	562	627	671	526	540
September ... ..	579	662	658	639	737
October ... ..	615	662	678	711	611
November (5 weeks) ... ..	586	640	654	534	540
December ... ..	423	425	494	455	539
January (5 weeks) ... ..	435	429	491	373	392
February ... ..	330	316	338	373	369
March ... ..	278	269	301	333	320
April ... ..	219	222	263	222	225
May (5 weeks) ... ..	209	195	241	190	231
June ... ..	214	233	270	254	288

Month.	Victoria.				
	1944-45.	1945-46.	1946-47.	1947-48.	1948-49.
July ... ..	146	166	186	239	232
August (5 weeks) ... ..	318	335	370	337	308
September ... ..	356	407	446	180	513
October ... ..	369	427	472	608	406
November (5 weeks) ... ..	305	423	493	403	348
December ... ..	256	268	328	420	325
January (5 weeks) ... ..	273	271	366	275	230
February ... ..	197	206	280	244	225
March ... ..	161	179	230	216	228
April ... ..	123	129	182	131	151
May (5 weeks) ... ..	125	141	180	123	134
June ... ..	133	143	176	148	183

Month.	South Australia.				
	1944-45.	1945-46.	1946-47.	1947-48.	1948-49.
July ... ..	53	53	62	82	80
August (5 weeks) ... ..	133	128	157	133	135
September ... ..	152	161	188	205	250
October ... ..	158	180	202	278	204
November (5 weeks) ... ..	172	196	226	201	178
December ... ..	100	128	139	174	173
January (5 weeks) ... ..	115	123	152	137	116
February ... ..	71	80	96	91	90
March ... ..	52	63	70	66	76
April ... ..	38	43	43	31	39
May (5 weeks) ... ..	34	41	44	26	27
June ... ..	39	41	47	38	42



TABLE VI—*continued.*  
*Monthly Production of Eggs in Australia by States,*  
*1944-45 to 1948-49.*

(Ten thousand dozen.)

Month.	Queensland.				
	1944-45.	1945-46.	1946-47.	1947-48.	1948-49.
July ... ..	56	87	56	90	100
August (5 weeks) ... ..	119	168	133	105	126
September ... ..	118	150	124	117	177
October ... ..	114	146	127	136	138
November (5 weeks) ... ..	112	154	132	92	116
December ... ..	70	94	73	82	117
January (5 weeks) ... ..	85	100	78	71	89
February ... ..	66	73	47	66	84
March ... ..	54	65	42	70	85
April ... ..	47	51	35	45	57
May (5 weeks) ... ..	53	53	48	41	53
June ... ..	57	40	46	53	72

Month.	Western Australia.				
	1944-45.	1945-46.	1946-47.	1947-48.	1948-49.
July ... ..	43	41	36	52	59
August (5 weeks) ... ..	83	90	81	79	84
September ... ..	89	100	93	102	127
October ... ..	90	99	94	115	99
November (5 weeks) ... ..	87	99	87	81	84
December ... ..	60	62	60	79	79
January (5 weeks) ... ..	60	59	59	61	55
February ... ..	41	40	40	48	48
March ... ..	36	32	34	47	51
April ... ..	30	25	29	29	35
May (5 weeks) ... ..	27	23	27	25	30
June ... ..	29	27	32	33	42

Month.	Tasmania.				
	1944-45.	1945-46.	1946-47.	1947-48.	1948-49.
July ... ..	6	7	4	4	5
August (5 weeks) ... ..	12	13	8	7	7
September ... ..	18	18	12	12	18
October ... ..	19	19	17	16	18
November (5 weeks) ... ..	18	19	13	10	14
December ... ..	11	10	7	9	11
January (5 weeks) ... ..	12	10	8	7	8
February ... ..	8	6	6	6	7
March ... ..	6	5	4	5	7
April ... ..	4	3	3	3	4
May (5 weeks) ... ..	5	3	4	3	5
June ... ..	5	5	4	4	8

Source:—Australian Egg Board.

The coincidence of fluctuation in production from State to State naturally limits the possibility of drawing on current supplies from interstate sources in periods of low production. It would be difficult to compute the surplus that would be available for interstate shipment during a period of general scarcity of egg supplies. However, it seems that, with the possible exception of South Australia, no such surplus can be readily anticipated.

Each season egg marketing boards hold large quantities of eggs in cold stores either for subsequent pulping or for sale in the winter months. In 1948-49 the Egg Marketing Board of New South Wales placed a total of 1.7 million dozen eggs in cold storage.

A considerable surplus of eggs accrues in each State during the flush period of production. At first sight it would appear practicable for each State marketing authority to estimate the quantity of eggs required to supplement supply during the period of low production and store this quantity. From the graph in Figure 2 it would seem that the fluctuation in egg production from month to month follows a fairly regular pattern. It therefore appears to be a relatively easy task to forecast egg production some months in advance.

Unfortunately, this is not the case. In plotting the statistics to illustrate relative changes in egg production the absolute differences in production between a month in one year and the same month in succeeding years are obscured. Taking New South Wales as an example, the production for the month of April was 2.22 million dozen in 1945-46. It rose to 2.63 million dozen in the following season and fell again to 2.22 million dozen in 1947-48, a variation of 400 thousand dozen from one year to the next. Similar variations are apparent in May and June, the remaining two months of low production.

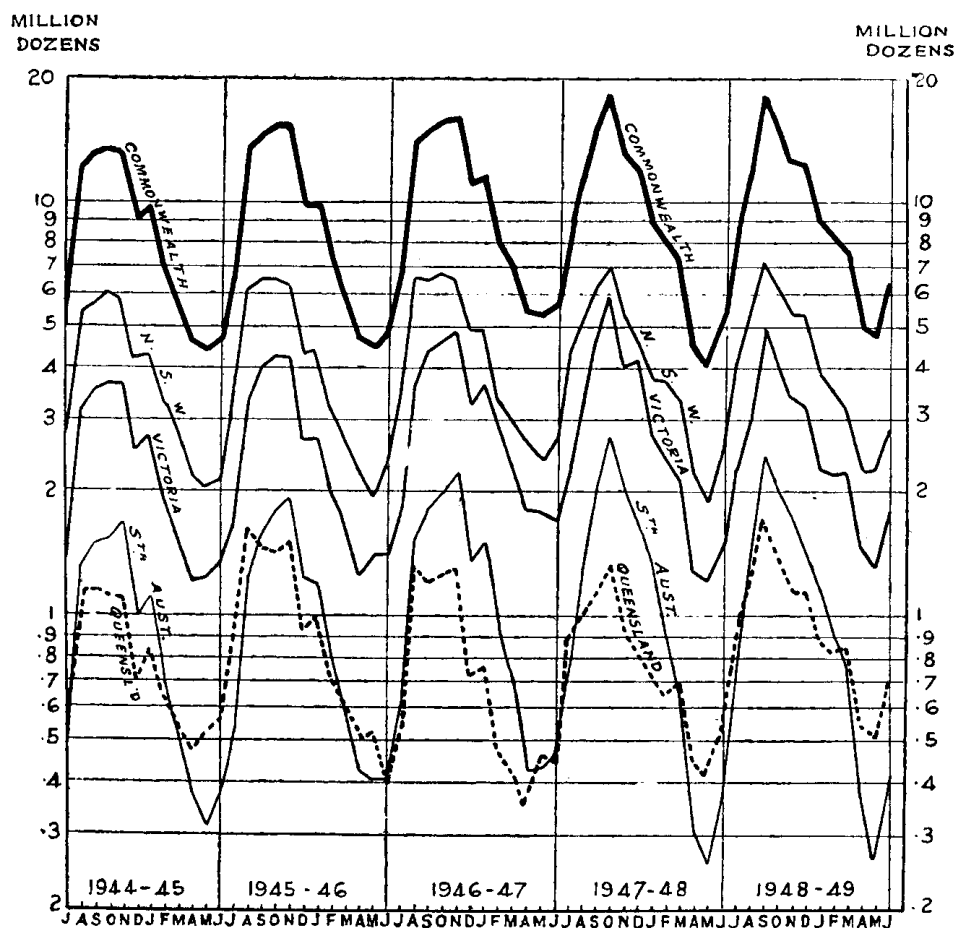


Fig. 2.—Seasonal Trends in Australian Egg Production, 1944 to 1949.

Examination of past-sales figures will enable a marketing authority to gauge probable demand for eggs in a future month with reasonable accuracy, provided, of course, there is no significant change in the relative prices and availability of competing foodstuffs. But, as has been indicated, it is not nearly so easy to forecast future production.

In order to modify the severity of seasonal fluctuations in egg supplies, it is necessary to exploit every existing avenue for disposing of the surplus eggs from the flush period and for making provision for additional supplies when production is low. Cold storage offers one solution to this problem but it has limitations. In particular, it adds to the price of eggs. Extra costs for cold storage, testing and handling, as well as losses through deterioration of eggs while in store, must be borne by the authority undertaking storage.

In a market free from all forms of control the alternation of scarcity and over-supply of eggs would be levelled to some extent through the free working of the price mechanism. The prospect of high prices in the winter months would be an incentive for organisations which were prepared to accept risks, to store eggs purchased during the months of heavy supply and low prices (or promote egg production in the off-season by artificial means). If production did not fall as much as anticipated, or more eggs were stored than were necessary to meet the seasonal shortage, losses would be incurred. But the market would be supplied with eggs while there remained sufficient incentive to store them. When marketing or price controls are introduced this incentive tends to diminish for the avowed object of control is to modify the fluctuations in price.

The wholesale price of first quality hen eggs in Sydney at the beginning of February, 1949, was 2s. 9d. per dozen. Three months later the price had risen to 3s. per dozen. Allowing for all costs associated with the storage of eggs at about 2d. per dozen for the period of three months, it is seen that the margin of profit would not be great. The prospect of making a profit on a cold-storage venture was enhanced in 1950 when wholesale egg prices rose from 2s. 10d. per dozen in February to 3s. 4d. per dozen in April.

The difference between an uncontrolled and a controlled marketing system is that under the former eggs would probably be supplied in the off-season at high prices, while under the latter such eggs as were available in the off-season would be distributed, possibly rationed, at controlled prices.

In the period of high-seasonal production the converse problem, disposing of surplus eggs, occurs. Here, however, marketing authorities have the advantage of being able to process surplus eggs into pulp and powder for sale on overseas markets. Only limited opportunities exist for disposing of egg pulp and powder on local markets in Australia.

#### 4. TRENDS IN THE OUTPUT OF EGG PRODUCTS.

##### (a) Egg Pulp.

Prior to 1939 the production of egg pulp in Australia amounted to about seven million lbs. annually. Most of this production was used locally in the manufacture of cakes, pastry and biscuits.

During the war production was greatly increased in order to meet the requirements of the Armed Services and also to overcome the handicaps imposed on the shell-egg trade by shipping delays and the lack of refrigerated shipping space. Additional processing equipment was imported which helped to boost the output of pulp and improve the quality of the product.

The production of egg pulp in Australia rose from 16¼ million lbs. in 1943-44 to 45½ million lbs. in 1948-49. The proportion of the Commonwealth's total commercial egg production converted to egg pulp rose in the same period from 15 per cent. to 30 per cent. The rapidity of the expansion in this section of the egg industry in the past seven years is seen in Table VII.

TABLE VII.

*Production of Egg Pulp in Australia, 1943 to 1950.*

State.	1943-44.	1944-45.	1945-46.	1946-47.	1947-48.	1948-49.	1949-50
	m. lb.	m. lb.	m. lb.	m. lb.	m. lb.	m. lb.	m. lb.
New South Wales ... ..	5.8	8.7	11.6	14.5	15.2	16.5	15.4
Victoria... ..	4.0	7.5	8.3	11.7	16.3	14.9	8.7
South Australia ... ..	4.5	4.6	7.1	7.1	8.5	7.7	6.6
Queensland ... ..	1.2	1.4	2.5	1.7	3.3	4.6	4.5
Western Australia ... ..	0.8	0.9	1.1	1.3	1.9	1.8	1.9
Tasmania ... ..	...	0.5	0.5	0.3	0.2	0.1	0.4
Australia ... ..	16.3	23.6	31.1	36.6	45.4	45.6	37.5
	m. doz.	m. doz.	m. doz.	m. doz.	m. doz.	m. doz.	m. doz.
Eggs used for pulp ... ..	13.4	19.3	26.1	30.2	36.2	36.2	29.7
	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.
Eggs converted to pulp expressed as percentage of total egg production	15.0	18.5	23.1	24.6	30.4	30.2	25.7

*Source:—Australian Egg Board, Annual Report.*

The bulk of the eggs converted to egg pulp are obtained in the flush period of production (*i.e.*, from July to December) when marketing organisations are faced with the task of disposing of egg supplies which are considerably in excess of current domestic requirements.

In the three months September, October and November, marketing authorities may be receiving twice as many eggs as they can distribute locally. For example, in 1947, and again in 1948, the New South Wales Egg Board, after selling 2½ million dozen eggs each month on the local market, had a further 3 to 4 million dozen eggs left for processing or sale overseas.

New South Wales and Victoria are the two major producers of egg pulp. Together they produce about 70 per cent. of Australia's annual production, while South Australia and Queensland provide another quarter of the total.

The demand for egg pulp by the Australian confectionery trade amounts to about 17 million lbs. annually, leaving the greater part of production available for export.

The proportion of egg production converted to egg pulp in each State for the season 1948-49 is given in Table VIII.

TABLE VIII.  
*Proportion of Egg Production Converted to Egg Pulp in 1948-49.*

State.	Eggs Converted to Pulp as Percentage of State Production. per cent.			
New South Wales	..	..	..	24.6
Victoria	..	..	..	36.7
South Australia	..	..	..	41.9
Queensland	..	..	..	31.7
Western Australia	..	..	..	19.3
Tasmania	..	..	..	9.3

Source:—Australian Egg Board, *Annual Report*.

### (b) Egg Powder.

Inability to export eggs in shell during World War II compelled Australian authorities to explore the possibility of converting shell eggs into other forms, more easily stored and transported. As a wartime expedient drying equipment was installed in New South Wales, Victoria, South Australia and Western Australia for the processing of dried whole egg powder. Following the introduction of Commonwealth control of the egg industry in Australia, all drying plants were operated under the direction of the Controller of Egg Supplies.

The manufacture of dried egg powder commenced on a large scale in the 1941-42 season. During the war the greater part of the output of egg powder was supplied to the Australian and Allied Services in the South-west Pacific area. When the war ended the bulk of Australia's egg powder production was then diverted to the United Kingdom.

TABLE IX.  
*Australian Production of Egg Powder (Whole and Sugared),  
1943 to 1950.*

Season.	N.S.W.	Vic.	S. Aust.	W. Aust.	Australia.
	'000 lb.	'000 lb.	'000 lb.	'000 lb.	'000 lb.
1943-44 ...	1,497	1,044	664	354	3,469
1944-45 ...	1,918	1,362	1,093	406	4,779
1945-46 ...	1,655	941	568	392	3,556
1946-47 ...	1,943	1,783	591	.....	4,317
1947-48 ...	347	400	813	.....	1,560
1948-49 ...	.....	.....	864	.....	864
1949-50 ...	64	.....	855	.....	919

Source:—Australian Egg Board, *Annual Report*.

Details of the production of egg powder in Australia are given in Table IX. The decline in production since 1946-47 is readily apparent. Of the twelve drying plants originally installed in four States, only one

is now operating. This plant, located in South Australia, has been retained to meet the future limited demand for dried egg products by certain specialised manufacturing industries.

The plentiful supplies of fresh eggs apparently precludes the possibility of developing a market for this product in Australia. In recent years the South Australian plant was switched from the manufacture of dried whole egg powder to the manufacture of sugared dried egg powder. The addition of sugar greatly improves the keeping and lifting qualities of the powder, but the use of the product is still limited.

### (c) Dried Egg White.

The Egg Marketing Board of New South Wales is the only producer of dried egg white in Australia. Confectioners absorb most of the production. Some use is also made of the product in the printing and photographic trades.

The annual production of dried egg white since 1943-44 is given in Table X.

TABLE X.  
*Production and Export of Dried Egg White, New South Wales,  
1943 to 1950.*

Season.	Production.	Export.	Season.	Production.	Export.
	thousand lb.	thousand lb.		thousand lb.	thousand lb.
1943-44 ...	21.1	3.4	1947-48 ...	27.1	2.8
1944-45 ...	23.5	6.7	1948-49 ...	43.0	10.6
1945-46 ...	27.5	1.1	1949-50 ...	54.4	6.7
1946-47 ...	27.4	.....			

Source:—Australian Egg Board, *Annual Report*.

## 5. DISPOSAL OF EGG PRODUCTION.

Before 1940 the greater part of Australian egg production was disposed of locally. Accurate statistics of production and home consumption were not available until 1943, but it has been estimated that prior to the introduction of Commonwealth Egg Control the sale of eggs and egg products through State Marketing Boards and other organized channels amounted to 45 million dozen annually.

Eggs were exported from Australia in insignificant quantities until the Ottawa Trade Agreement of 1932 gave Australia a substantial tariff advantage over foreign suppliers to the United Kingdom market. The export of eggs from Australia increased to 21.7 million dozen in 1934-35, as compared with less than 3 million dozen in 1928-29. From this peak exports declined to 10.1 million dozen in 1938-39.

Although a high level of export was achieved in 1940-41 (viz. 17.9 million dozen) under contract to the British Government, lack of shipping facilities caused a decline in exports in the following season. A further decline in 1942-43 reduced exports to a negligible quantity.

The figures in Table XI show the disposal of Australian egg production from 1943-44 to 1948-49. The increasing quantities, and the increasing proportion of total production, entering the export trade is clearly demonstrated. For the three years ending 1948-49, 32 to 38 per cent. of total egg production was shipped overseas.

TABLE XI.  
*Disposal of Australian Egg Production, 1943 to 1950.*

Quantity (million dozens).

Year.	Australian Production.	Australian Consumption.	Export.			
			Shell.	Liquid.	Dried.	Total.
1943-44 ...	89.0	85.5*	...	2.8	0.7	3.5
1944-45 ...	104.3	102.4*	0.1	1.7	0.1	1.9
1945-46 ...	113.2	89.1*	7.2	11.1	5.8	24.1
1946-47 ...	122.5	76.0	16.4	20.4	9.7	46.5
1947-48 ...	119.3	81.1	14.9	20.2	3.1	38.2
1948-49 ...	120.2	76.3	19.3	23.0	1.6	43.9
1949-50 ...	115.7	78.7	22.6	13.1	1.3	37.0

Per cent. of Total Production.

1943-44 ...	100	96.0	...	3.1	0.9	4.0
1944-45 ...	100	98.2	0.1	1.6	0.1	1.8
1945-46 ...	100	78.7	6.4	9.8	5.1	21.3
1946-47 ...	100	62.0	13.4	16.6	8.0	38.0
1947-48 ...	100	68.0	12.5	16.9	2.6	32.0
1948-49 ...	100	63.5	16.0	19.2	1.3	36.5
1949-50 ...	100	68.0	19.6	11.3	1.1	32.0

Source :—Australian Egg Board, *Annual Report*.

\* Includes dried whole egg supplied to Services.

The quantity of egg contents exported from Australia before the war was less than half a million lbs. annually. In the past five years, increasing quantities of eggs have been exported in the pulp and dried forms. By 1948-49, 23 million dozen eggs were exported in pulp form and 1½ million dozen in dried form as against 19 million dozen eggs in shell.

The expansion of the export trade in eggs relative to home consumption is illustrated in Figure 3. Total egg production has increased by about one-third of its 1943-44 quantity, home consumption has dropped by one-tenth of the quantity consumed in 1943-44 while exports have increased twelve-fold. Allowance must be made for the fact that in 1943-44, Australian consumption included supplies of eggs and egg products to the Armed Services while exports were unduly low because shipping space was inadequate. If allowance is made for the consumption of 23 million dozen eggs, in all forms, by the Australian and Allied Services, in 1943-44, then home consumption is shown to have increased by about one-quarter of its 1943-44 level in six years. The comparability of consumption statistics over the six year period is obscured by the intrusion of demands from the Services during the first three years. The Services consumed 26 million dozen eggs in 1944-45 and 14 million dozen in 1945-46. However, the relative rise in the export trade in eggs and egg products remains outstanding.

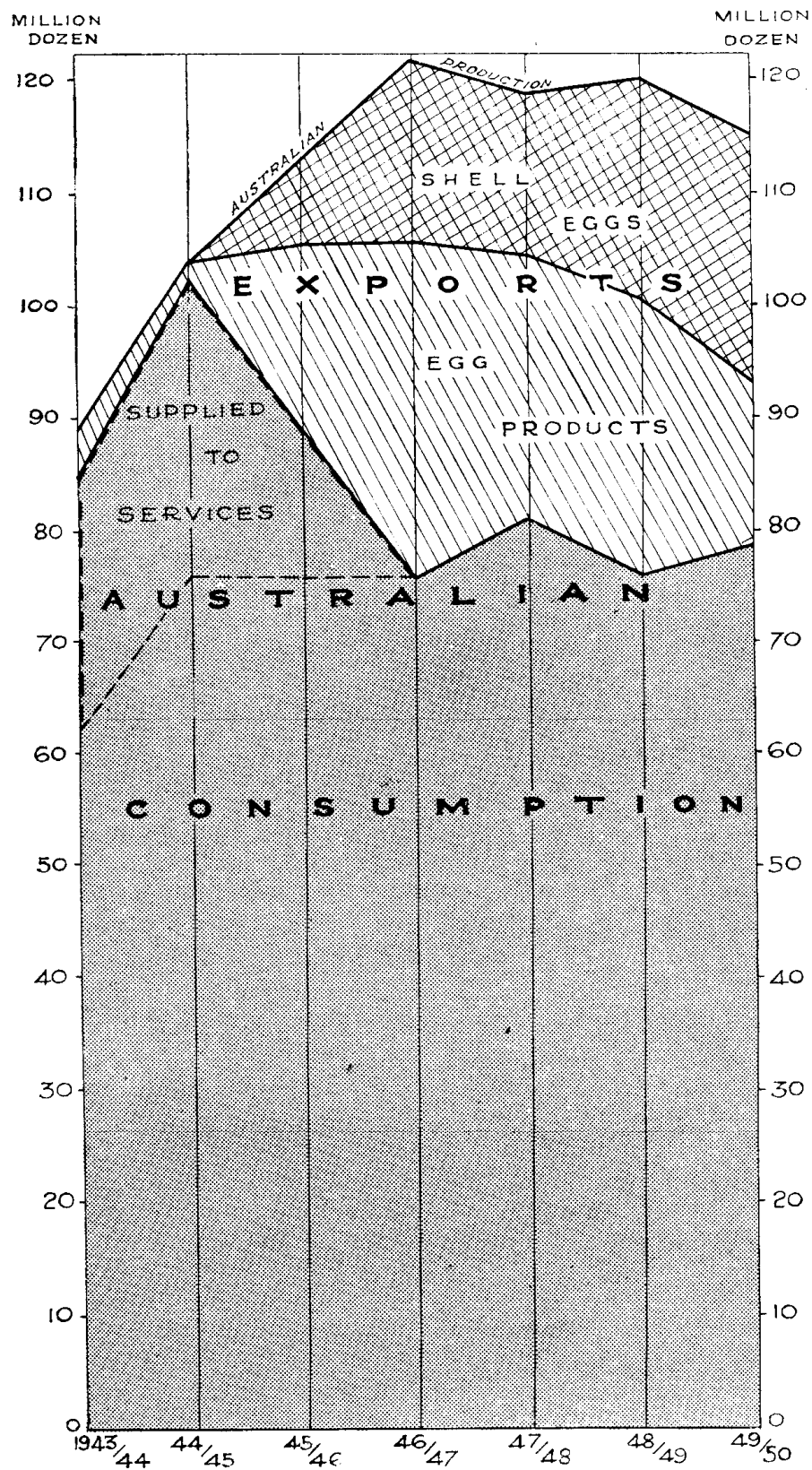


Fig. 3.—Disposal of Australian Egg Production, 1943 to 1950.



The existence of uncontrolled areas of production makes it difficult to estimate home consumption of fresh eggs in shell. During the period of control, recorded civilian consumption greatly exceeded the pre-control estimate of 45 million dozen annually. However, the demand was abnormal at this time for the reason that other foodstuffs were in short supply. In addition, various wartime organizations (other than the Armed Services), made heavy purchases of eggs. On the other hand, wartime home consumption was restricted to the extent that seasonal shortages were accentuated by the demands of the Australian and Allied Services.

Present consumption as recorded by Egg Boards varies from 75 to 80 million dozen eggs annually. Per capita consumption for Australia as a whole has been estimated at about 230 eggs each year.

## **6. DOMESTIC MARKETING ARRANGEMENTS.**

While the production of eggs was expanding as a commercial undertaking, there were parallel developments in the industry's marketing organisations.

An Egg Marketing Board had been established in Queensland in 1923. New South Wales set up a similar organisation in 1928 and Victoria in 1937. The increasing volume of eggs handled by these latter two Boards is shown in Tables IV and V.

There existed no Commonwealth authority to control the marketing of Australian eggs before 1939. However, there did exist a voluntary Commonwealth-wide organisation, financed out of funds derived from an inspection fee levied on the exports of eggs in shell. This organisation was known as the Egg Producers' Council, and included, as members, representatives of producer and marketing organisations in each State. The Council took an interest in overseas publicity and sponsored research into problems affecting the egg industry.

In 1939, Egg Control Regulations, under the provisions of the Commonwealth National Security Act, set up an Egg Supervision Committee which assisted the Commonwealth Department of Commerce in the administration of the United Kingdom contracts.

A Controller of Egg Supplies, assisted by Deputy Controllers in each State, was appointed in July, 1943, and the most important producing areas in the Commonwealth were placed under his control. The Controller of Egg Supplies and the Deputy Controllers also constituted an Egg Industry Advisory Committee.

The Controller of Egg Supplies was empowered to buy and sell eggs and egg products on behalf of the Commonwealth Government, to supervise licences for exports so that domestic requirements could be supplied, and to manage and control the marketing and shipment of eggs.

The Controller appointed agents in each State to purchase eggs from producers and to candle, grade and sell the eggs on his behalf. Egg Marketing Boards in New South Wales, Victoria, Queensland and South Australia were appointed agents of the Controller in their respective States. Various private firms operated in the same capacity in Tasmania and Western Australia.



**Mechanical Handling of Eggs.**

Eggs being candled and graded mechanically. Shell eggs from the roller conveyor system are being packed for export to Britain. An oiling machine can be seen in the left foreground.

Agents sold eggs at prices fixed from time to time by the Prices Commissioner and received payment, at about  $1\frac{3}{4}$ d. per dozen, for their services in handling the eggs and making payments to producers. A General Control Fund was also established by deducting 1d. per dozen from the wholesale egg prices, before making final payment to producers.

The General Control Fund was used to meet administration costs, processing and storage costs, and financial losses due to deterioration and breakage of eggs or losses in the value of stocks resulting from changes in egg prices.

In the early post-war years, various suggestions were proposed for the establishment of a Commonwealth-wide organisation to take over the functions of the Controller of Egg Supplies. However, none of the proposals were acceptable to all States. The Egg Supplies Control continued to operate until the end of 1947 when the Australian Egg Board was established by the Commonwealth Government under the Egg Export Control Act, 1947.

Control over the sale of eggs on local markets reverted to the various State Egg Boards when the Egg Supplies Control ceased to function. The Australian Egg Board, however, assumed control over the export trade in eggs and thereupon decided to purchase all eggs and egg products intended for shipment to the British Ministry of Food, the New Zealand Government and also to any other overseas authority or destination it may, from time to time, determine.

At the present time, State marketing organisations are able to export eggs to countries other than Britain provided they obtain the prior approval of the Australian Egg Board. The contract with the United Kingdom has stipulated that Australian consignments of shell eggs (13½-lb. to 17-lb. packs) to other countries shall be shipped only during the period from January to May inclusive and shall not exceed 2½ per cent. of the total quantity of shell eggs consigned to the United Kingdom in the preceding June to December period. Supervision of all exports by the Australian Egg Board ensures that total exports from all States do not exceed the contract limit.

The limitation of trade outside the United Kingdom has been relaxed to allow certain consignments of eggs to be shipped to dollar areas.

In addition to controlling the export of eggs and egg products, the Australian Egg Board is empowered to carry out such experiments as are likely to improve the quality of Australian eggs and promote sales overseas.

The membership of the Board at present includes four Commonwealth Government appointees and a producers' representative from each State.

## **7. EXPORTS.**

Prior to 1939, the highest level of export achieved by the Australian egg industry was 21.7 million dozen valued at £1.1 million in 1934-35. In 1939-40, this export figure had declined to 10.3 million dozen.

### **(a) Trade with the United Kingdom.**

In 1939, a series of contracts were concluded governing the shipment of eggs and egg products from Australia to the United Kingdom. Britain agreed to purchase Australia's surplus shell eggs, egg pulp and egg powder during and after the 1939-40 season.

The United Kingdom had always been Australia's major market for the disposal of eggs and egg products abroad. However, during the war, exports of shell eggs were necessarily restricted as a result of inadequate shipping facilities. Moreover, Australia's commitment to supply the Allied Services based in the South-West Pacific Area reduced the quantity of egg powder available for shipment to Great Britain.

Consequently, Australian exports of shell eggs to Britain, which in 1941 amounted to 12½ million dozen, declined sharply in the following year and ceased altogether in 1943 and 1944. Similarly, although 11 and 17 thousand hundredweight of egg pulp was shipped to Britain in 1941 and 1942 respectively, shipments ceased during the following three seasons. Exports of dried eggs showed a similar decline, from a peak of 31 thousand hundredweight in 1942.

When the export of eggs was resumed in 1945, shipments were still made under contract to the British Ministry of Food and prices were determined by negotiation between the United Kingdom and Australian Governments. These prices are listed in Table XII.

TABLE XII.  
*Eggs and Egg Products.*  
*Prices Paid under Anglo-Australian Contracts.*  
 (Australian Currency, f.o.b. Australian ports.)

Season.	Eggs in Shell.*	Egg Pulp.	Whole Egg Powder.	Sugared Egg Powder.
	per doz. s. d.	per lb. s. d.	per lb. s. d.	per lb. s. d.
1939-40 ...	1 2.7	.....	.....	.....
1940-41 ...	1 4.2	.....	.....	.....
1941-42 ...	1 4.2	0 9.6	4 9.6	.....
1942-43 ...	.....	.....	4 9.6	.....
1943-44 ...	.....	.....	4 9.6	.....
1944-45 ...	1 8	1 5	6 6	.....
1945-46 ...	1 8	1 5	6 6	.....
1946-47 ...	1 8	1 5	6 6	4 11.5
1947-48 ...	2 1	1 6.75	6 6.125	4 11.375
1948-49 ...	2 4	1 8.9	7 0	5 1
1949-50 ...	2 7	1 11.05	7 5.875	5 2.625
1950-51 ...	2 7	2 0.375	7 5.875	5 2.625

\* Price for pack of 15 lb. per long hundred. Proportionate adjustments are made for other packs.

Sources:—Commonwealth Bureau of Census and Statistics; Australian Egg Board, *Annual Report*.

The current contract was finalised early in 1948. It provided for the termination on 30th June, 1948, of the previous contract which was to have been effective until 30th June, 1950. The present contract commenced with the 1948-49 season and extends to, and includes, the 1952-53 season.

It was anticipated when the contract was drawn up and signed that substantial increases in the production and export of eggs and egg products would be evident in 1949-50 and in each succeeding season of the contract. It was hoped that Australian export of eggs in all forms to the United Kingdom would reach 105 million dozen each season and Britain contracted to purchase this quantity at agreed prices. If, however, the total shipments of Australian eggs and egg products in the two years 1949-50 and 1950-51 together did not amount to the equivalent of 135 million dozen eggs, the United Kingdom would then have the right to call, in January, 1951, for a revision of the quantities it was committed to accept during the remaining period of the contract.

Under these conditions, it was naturally anticipated that a greatly expanded egg industry would exist in Australia at the end of the contract period in June, 1953. Special provision was made to guard against the possibility of an expanded Australian egg industry being faced with the necessity suddenly to curtail its production. The contract has also provided for a review of this aspect of the agreement in January, 1951.

Towards the end of the 1948-49 season, the two governments reviewed the contract in the light of changing conditions of production in Australia. As a result, the United Kingdom agreed to certain increases in the prices paid for egg shipments during the 1949-50

season as shown in Table XII. The prices for each subsequent season were to be determined not later than 1st January in the preceding season. A clause in the present contract limits the annual variation in prices. The price in any year cannot rise, or fall, more than  $7\frac{1}{2}$  per cent. above, or below, the price in the preceding year.

Protracted negotiations in 1950 resulted from the difficulty to reconcile Australian claims for further price increases with the greatly increased supplies of eggs and egg products which had now become available to the United Kingdom. Finally, in June, 1950, negotiations were concluded. The prices of all products for the 1950-51 season, except liquid whole egg, remained at the rates which obtained in 1949-50. The price of liquid whole egg was increased from 1s. 11.05d. to 2s. 0.375d. per lb., f.o.b., Australian ports of shipment.

A condition attached to the price agreement in June stipulated that the season for the packing of shell eggs for consignment to Britain would in future end on 30th November, not as in previous years, on 24th December. The prospect of increasing European supplies naturally makes Britain anxious to prevent Australian eggs arriving on the British market when European production is rising to its seasonal peak.

The influence of the British contract on Australian exports is clearly depicted in Table XIII. With an assured market, Australian exports of shell eggs have increased three-fold in the five years from 1945 to 1949. In the same period, the f.o.b. price has risen, taking the 15-lb. pack as an example, from 1s. 8d. to 2s. 7d. per dozen.

TABLE XIII.

*Exports of Eggs in Shell and Egg Pulp to the United Kingdom,  
1945 to 1950.*  
Eggs in Shell.

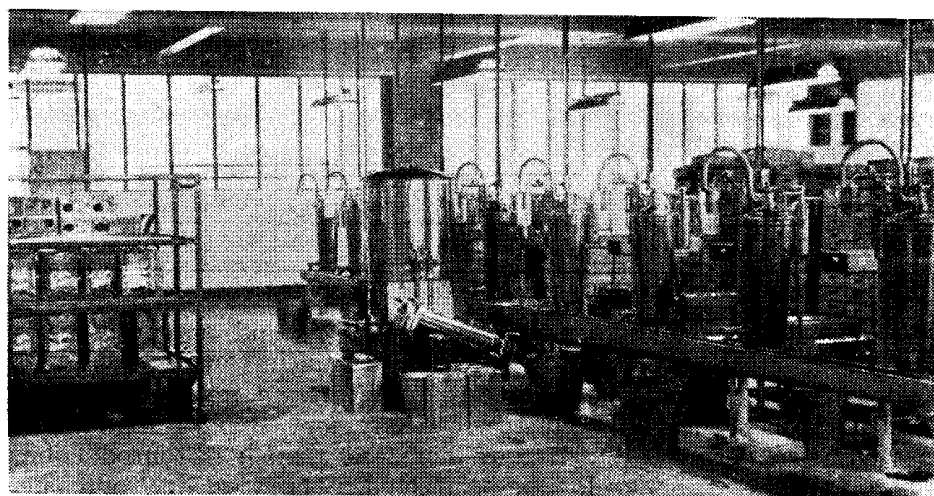
Year.	N.S.W.	Victoria.	South Australia.	Q'land.	Western Australia.	Tasmania.	Australia.
	m. doz.	m. doz.	m. doz.	m. doz.	m. doz.	m. doz.	m. doz.
1945-46	3.33	2.34	0.94	0.26	0.32	0.03	7.22
1946-47	6.33	3.35	3.02	2.64	1.07	...	16.41
1947-48	5.48	4.24	2.17	1.33	1.31	...	14.53
1948-49	6.23	4.84	2.29	2.72	1.56	...	17.64
1949-50	8.17	6.32	1.94	2.13	1.37	...	19.93
Egg Pulp.							
	m. lb.	m. lb.	m. lb.	m. lb.	m. lb.	m. lb.	m. lb.
1945-46	3.53	5.86	3.14	...	...	...	12.53
1946-47	8.17	6.68	4.06	0.82	1.38	...	21.11
1947-48	5.64	9.23	4.06	0.74	0.90	...	20.57
1948-49	6.70	8.48	4.27	2.56	1.29	...	23.30
1949-50	4.53	2.61	1.86	2.26	0.90	...	12.16

Source :—Australian Egg Board, *Annual Report*.

There has been an equally remarkable increase in the shipments of egg pulp. Before 1939, egg contents were exported in small quantities only and in 1939-40 imports actually exceeded exports. Production and export of egg pulp expanded considerably, mainly to satisfy the requirements of the Allied Forces. When the war ended, the British

market not only provided an outlet for production no longer required by the Services but also promoted further expansion in the export trade as will be readily appreciated from the figures in Table XI. From 1945-46 to 1948-49, the exports of egg pulp to the United Kingdom doubled, i.e., from 12.5 million lb. to 23.3 million lb. as shown in Table XIII, while price has increased in the same period from 1s. 5d. to 2s. 0.375d. per lb. f.o.b. Australian ports.

Exports of other forms of egg products do not assume any great significance in the trade between Australia and the United Kingdom. There was no export of dried whole egg to the United Kingdom in 1948-49, although nearly 2 million lb., the equivalent of  $5\frac{3}{4}$  million dozen eggs, was shipped in 1945-46. Relatively small quantities of liquid egg white and sugared dried egg were exported in 1948-49, viz., 112 thousand lb. and 800 thousand lb., respectively.



**Egg Pulping Plant.**

This plant pulps eggs by the vacuum extractor method. Pulping operations have greatly increased in recent years.

### **Egg Supplies on the British Market.**

During the war years, and particularly during the years 1942 to 1944, the supply of eggs on the United Kingdom market from home production as well as from foreign countries was greatly reduced. In these three years, English production of eggs averaged 273 million dozen, about 70 per cent. of the 1938 volume, while imports of shell eggs ranged from 23 to 34 million dozen annually, little more than 10 per cent. of the 1938 volume of imports.

Supplies from both home production and imports have increased by a substantial amount each year since 1944. The increase has been particularly noticeable since the end of the war. By 1948, United Kingdom home production exceeded the 1938 total, while imports, which have been increasing at the rate of 40 to 50 million dozen each year for the past few seasons, reached 75 per cent. of the pre-war level in 1949.

The position is somewhat the reverse in the case of egg products. The need to conserve shipping during the war led to a remarkable expansion in the production and export of egg products, especially dried whole egg. The latter commodity provided the same food value as shell eggs in one-quarter of the shipping space and, moreover, did not require

refrigeration. The principal exporting countries together were able to export up to 2½ million hundredweight of egg products towards the end of the war. Since 1945, the output of processed egg products has declined considerably in all major exporting countries. However, the United States and Canada have continued to ship substantial quantities of dried and frozen egg to certain European countries under various relief and recovery programmes. Imports into the United Kingdom, the principal importing country, dropped to 720 thousand hundredweight in 1948.

TABLE XIV.

*Imports of Eggs into United Kingdom, 1938 to 1949.*

(Million dozen.)

Country of Origin.	1938.	1940.	1941.	1942.	1943.	1944.	1945.	1946.	1947.	1948.	1949.
Australia ... ..	10.1	10.2	12.4	2.4	...	...	0.9	14.7	14.5	16.7	20.7
Canada ... ..	1.5	10.0	14.6	4.6	...	...	38.9	38.5	55.5	45.9	25.4
South Africa ... ..	2.7	2.5	1.1	0.1	...	...	...	0.6	...	1.1	3.9
New Zealand ... ..	0.2	...	...	...	...	...	...	...	...	...	...
Other Commonwealth ... ..	...	0.1	...	...	...	...	...	...	...	...	...
Eire ... ..	22.2	32.2	27.1	22.5	16.4	18.1	17.7	18.4	13.3	21.7	34.1
Denmark ... ..	95.1	23.4	...	...	...	...	6.0	8.4	21.4	44.6	92.2
Netherlands ... ..	59.3	27.0	...	...	...	...	...	...	6.5	14.5	23.8
Poland ... ..	26.2	...	...	...	...	...	...	0.2	2.3	9.4	9.9
Roumania ... ..	13.7	3.2	...	...	...	...	...	...	...	...	...
Other Foreign ... ..	45.8	40.4	33.7	4.2	6.5	15.5	5.6	0.7	2.2	0.8	...
Total ... ..	276.8	149.0	88.9	33.8	22.9	33.6	69.1	81.5	115.7	154.7	210.0

Source:—Commonwealth Economic Committee, *Dairy Produce Summary*, 1950, p. 73.

The trend in United Kingdom imports of eggs and egg products is shown in Tables XIV, XV and XVI. Statistics of imports of shell eggs into the United Kingdom for the years 1938 to 1949 (excluding 1939) are given in Table XIV. The increasing volume of supplies indicated in the table, together with the fact of increased British egg production, offers a partial explanation for the protracted nature, and final outcome, of the 1950 price negotiations between the United Kingdom and Australia.

Table XV, setting out imports of dried eggs into the United Kingdom for the years 1938 to 1949 (1939 excluded) shows the outstanding rise in imports of dried eggs in 1942, 1943 and 1944, and the sharp decline in the post-war period.

Statistics of imports of liquid and frozen eggs (whole, yolk or white) into the United Kingdom are provided in Table XVI.

TABLE XV.

*Imports of Dried Eggs into the United Kingdom.\**

(Thousand cwt.)

Country of Origin.	1938.	1940.	1941.	1942.	1943.	1944.	1945.	1946.	1947.	1948.	1949.
Canada ... ..	...	0.1	...	64.0	117.0	162.8	180.6	109.9	110.5	92.9	36.3
Australia ... ..	...	...	...	30.8	2.2	...	2.0	24.6	35.6	11.9	5.5
Other Commonwealth ... ..	0.4	...	...	...	...	...	0.9	...	0.1	...	...
U.S.A. ... ..	0.3	0.2	114.4	989.4	1,279.0	1,370.1	465.6	704.4	524.9	11.6	54.8
China ... ..	9.1	20.0	55.5	6.4	...	...	...	...	...	2.6	...
Argentina ... ..	...	...	...	34.9	70.3	67.2	52.5	52.2	6.0	...	...
Other Foreign ... ..	0.1	...	...	...	...	...	...	23.6	...	...	1.1
Total ... ..	9.9	20.3	169.9	1,125.5	1,468.5	1,600.1	701.6	914.7	677.1	119.0	97.7

\* Excluding Albumen.

Source:—Commonwealth Economic Committee, *Dairy Produce Summary*, 1950, p. 78.

TABLE XVI.

*Imports of Liquid and Frozen Eggs (Whole, Yolk, and White) into the United Kingdom.*

(Thousand cwt.)

Country of Origin.	1938.	1940.	1941.	1942.	1943.	1944.	1945.	1946.	1947.	1948.	1949.
Australia ... ..	6	...	11	17	...	...	...	169	176	183	204
Canada ... ..	1	...	...	...	...	...	...	...	27	108	2
China ... ..	787	704	388	4	...	...	...	...	64	287	115
U.S.A. ... ..	8	...	374	154	...	...	...	138	2	...	143
Poland ... ..	12	...	...	...	...	...	...	...	...	20	64
Other Countries ...	123	33	4	...	...	...	...	...	...	...	6
Total ... ..	937	737	777	175	...	...	...	307	269	598	534

Source:—Commonwealth Economic Committee, *Dairy Produce Summary*, 1950, p. 77.

### Market Conditions in Other Countries Supplying the United Kingdom.

The figures in Table XIV show that the proportion of total egg imports of the United Kingdom supplied by countries of the British Commonwealth was little more than 5 per cent. in 1938. In marked contrast to the pre-war position, the British Commonwealth in 1947 accounted for 61 per cent. of Britain's total imports. This proportion has, however, greatly declined. In 1948, it fell to 41 per cent. and then to 24 per cent. in 1949, following a reduction in imports from Canada and substantial increases in imports from the European countries.

Canada, like Australia, maintained her export of eggs to Britain at a high level in the post-war years until shortage of dollar funds compelled Britain to reduce imports from this source to 25 million dozen in 1949, and discontinue purchases altogether in 1950.

Loss of the British contract brought confusion to the Canadian egg trade. Egg prices fell drastically throughout the country. In some provinces the price paid to farmers dropped from about 3s. 8d. (Australian currency) per dozen to 2s. od. per dozen in two months. Although increased domestic consumption and expanded foreign purchases subsequently introduced a steadier tone to the market, it was not until the Canadian Government announced its intention to support the price of shell eggs that confidence in the market was fully restored.

The Irish Republic was the major, and on some occasions the only substantial, source of supply available to Britain during the war. The quantity of eggs imported from Ireland has fluctuated to some extent, falling as low as 13 million dozen in 1947. The last two years, however, have witnessed large annual increases in Irish exports to Britain. In 1949 the Irish Republic placed 34.1 million dozen eggs on the British market, that is, about 50 per cent. above the 1938 level.

Denmark was the main contributor to United Kingdom egg supplies in the pre-war years. Its exports ceased for four years of the war, and were low in volume during the early post-war period. However, Danish egg shipments to Britain have increased remarkably since 1947. By 1949, Denmark's exports stood at 92.2 million dozen, only 3 million dozen below the 1938 level.



The Netherlands has declined in importance as an exporter of eggs to Britain. In 1949, Dutch shipments were less than half the 1938 volume and no eggs have been shipped since January, 1950. Continued disagreement between the two countries in regard to the prices paid for Dutch supplies has caused this curtailment of deliveries.

In addition to increased egg supplies from imports, Britain's home production has been rising. Egg production in the United Kingdom was 412 million dozen in 1948, as compared with 403 million dozen in 1938. Further expansion of production is planned under the four-year agricultural expansion programme. If the level of production forecast for 1950-51 is achieved, British production will rise to about 470 million dozen. This increase represents more than three times the total of Australia's annual exports.

#### Prices on the British Market.

A trade agreement providing for increased preference on certain commodities was signed by the United Kingdom and Australian Governments at the Imperial Conference held in Ottawa in 1932. Accordingly, the United Kingdom Government imposed a customs duty varying between 1s. 0d. and 1s. 9d. (Australian currency) per great hundred on all imported eggs of foreign origin. This preference conferred decided benefits on the Australian export trade in eggs. The rise in egg exports to 21.7 dozen in 1934-35 was a direct result of trade preference.

The prices received for Australian shell eggs exported to the United Kingdom in 1938 are indicated in Table XVII.

TABLE XVII.

*Average c.i.f. price per dozen of Shell Eggs Imported into the United Kingdom.\**

Country of Origin.	1938.	1946.	1947.	1948.	1949.	Jan.-Mar., 1949.	Jan.-Mar., 1950.
	d.	d.	d.	d.	d.	d.	d.
Australia ...	14.2	20.4	22.8	26.4	28.8	27.4	29.8
Canada ...	14.2	27.8	28.8	33.1	38.4	34.3	42.7
Other British ...	13.7	23.3	...	31.0	30.7	30.7	...
Irish Republic...	10.6	34.6	34.3	38.9	39.4	38.4	33.4
Denmark ...	11.5	22.1	22.3	34.8	34.3	36.5	29.8
Poland ...	...	...	...	28.6	29.5	35.5	25.0
Netherlands ...	10.8	...	33.6	33.6	34.8	39.6	34.1

\* Prices quoted in pence, sterling.

Source:—United Kingdom Board of Trade, *Accounts relating to Trade and Navigation of the United Kingdom*.

Australia is one of several countries exporting eggs to Britain under contract. All eggs imported into the United Kingdom are purchased in bulk by the British Ministry of Food, and contracts have been signed with Australia, Canada, Denmark, Eire, Netherlands and Poland.

Details of the prices paid under the various contracts are not released by the British Ministry of Food. However, the figures in Table XVII enable a rough comparison to be made between the prices paid for imports from the six major sources of supply.



**Oil Processing Machine.**

All eggs exported to Britain in shell must now be oiled.

The devaluation of sterling was mainly responsible for the sharp increase in the price of imports from Canada. As stated earlier, no eggs are being purchased from Canada in 1950.

The price difference observed in 1949 and earlier years has been reduced. January to March being a period in which representative quantities of eggs arrive in England from each of the major supplying countries, the average prices for the first quarter of the year in both 1949 and 1950 are listed for comparison. The prices for January to March, 1950, show a levelling out of prices generally, and a reduction in the difference between the prices paid to individual countries.

The tendency to reduce contract egg prices has apparently continued in 1950. For the month of April, the average c.i.f. price paid by Britain for imports of eggs from Eire, Denmark and Poland has been 31.44, 27.12 and 24.22 pence (sterling) per dozen. British negotiations with Holland for a similar price reduction have not met with success. Further trade discussions concluded in June, 1950, between the two countries have not resolved the dispute over prices.

In this context the recent refusal of the British Government to grant an increase in the price of Australian shipments can be better understood. Australia's position relative to other countries has greatly improved since 1949, and the contract clause limiting the price variation on Australian eggs to a maximum of  $7\frac{1}{2}$  per cent. above or below the previous season's price may enhance Australia's relative price position still further if the observed tendency to price reduction continues in future years.

The British Government also attempted to extend its policy of price reduction to the local poultry industry. After the annual review of agricultural prices in February, 1949, the Government gave notice of the immediate introduction of seasonal variations in the prices paid to British egg producers. It also warned the poultry industry that prices in the 1950-51 and subsequent seasons would be progressively reduced from the 1949 average level of 4s. 1d. (sterling) per dozen.

As a result of the Government's decision, local egg prices in 1949 ranged from 3s. 9d. per dozen to 5s. 6d. per dozen, but average annual return to the producer was 4s. 1d. (sterling) per dozen. During the final quarter of the year, when the bulk of Australian consignments arrived on the market, the price to the home producer was in the vicinity of 5s. 0d. (sterling) per dozen.

When British agricultural prices were again reviewed in March, 1950, it was decided that the prices for the 1950-51 season would remain at the 1949 rates. The proposed reduction was shelved in deference to a strong claim by the National Farmers' Union that a price fall coming at a time of substantial increases in production costs would seriously handicap the poultry industry.

Prices such as are at present paid to British egg producers can only be maintained if the Government is prepared to foot a huge bill for subsidies. The British Government is still paying over £400 million (sterling) in food subsidies each year. It has been estimated that the subsidy on home-produced food will represent 44 per cent of its cost in 1950-51, while the subsidy on imported food will be 17 per cent of its imported cost. It has also been estimated that Britain will pay £23.3 million (sterling) in 1950-51 in subsidies on home produced shell eggs and £3 million (sterling) on imported shell eggs<sup>3</sup>.

If egg supplies on the British market continue to improve it is likely that in future negotiations the British price offer will be related to competitive world prices rather than to any examination of the supplying country's costs of egg production. Furthermore, increasing world egg production will be conducive to a decline in world market prices.

The United Kingdom is the main outlet for the surplus eggs of most of the countries regularly exporting eggs to her. This is particularly true of Australia. This fact alone affords an indication of where bargaining strength will lie in any future negotiations. However, political commitments may still influence Britain's price agreements.

#### **(b) Other Export Markets.**

In recent years a market for Australian egg pulp has been developed in New Zealand where egg production is insufficient to meet all local requirements. Exports of egg pulp to New Zealand have increased considerably in the last seven years, as can be seen in Table XVIII.

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<sup>3</sup> "Subsidy Statistics," *The Information Service of the National Farmers' Union*, Vol. V, No. 6 (June, 1950), p. 113.

TABLE XVIII.

*Exports of Egg Pulp to New Zealand, 1943 to 1950.*

Season.						Quantity. million lb.
1943-44	...	...	...	...	...	3.5
1944-45	...	...	...	...	...	2.2
1945-46	...	...	...	...	...	1.5
1946-47	...	...	...	...	...	4.6
1947-48	...	...	...	...	...	4.8
1948-49	...	...	...	...	...	5.6
1949-50	...	...	...	...	...	4.2

*Source:—Australian Egg Board, Annual Report.*

In addition to egg pulp, Australia has been shipping quantities of Dried Egg White to New Zealand since 1943. The export quantities listed in Table X have all gone to New Zealand. In 1949-50, total exports to New Zealand were equivalent to 3.4 million dozens.

Opportunity also exists for some increase in Australia's exports to Singapore, subject, of course, to contractual obligations to Britain. This market opened up as a result of the general shortage of foodstuffs in Malaya in the post-war period. Egg shipments to Singapore commenced in 1947-48 and have increased each year. Table XIX shows the quantities of each commodity exported to Singapore during the last three years.

TABLE XIX.

*Exports of Eggs and Egg Products to Singapore.*

Commodity.	1947-48.	1948-49.	1949-50.
Eggs in Shell, '000 doz. ...	146	955	1,332
Liquid Whole Egg, '000 lb. ...	2.24	6.72	9.02
Dried Whole Egg, '000 lb. ...	.....	3.32	4.45

*Source:—Australian Egg Board, Annual Report.*

**8. CONCLUSION.**

The dominant position occupied by the United Kingdom market in the export trade for Australian eggs and egg products can be gauged from the fact that about 90 per cent of the export pack of shell eggs and 80 per cent of egg pulp exports are shipped to the United Kingdom. If one further considers the expansion of the export section of the egg industry in recent years to the stage where 36 per cent. of total Australian production is now exported, the significance of the United Kingdom market to the entire industry in Australia can be appreciated.

Australia possesses a natural advantage in its egg trade with the United Kingdom in that the peak period of production in Australia corresponds with the period of low seasonal production in Europe. However, it is not unreasonable to query whether Australia can expect to retain that advantage indefinitely.

It is conceivable that countries such as Denmark could hold eggs from the flush period in cool store in anticipation of Britain's low winter supplies. A general over-supply of eggs in Europe would compel such countries to exploit all market opportunities and high prices on the British market in the off-season would certainly provide an incentive to hold eggs in cool storage.

When the current contract with the United Kingdom was signed early in 1948, it was expected that there would be large annual increases in Australia's egg production and exportable surplus. The declared objective of the contract was to promote an expansion of production which would enable Australia to ship 105 million dozen eggs, in all forms, to Britain each season.

However, present indications suggest that further significant expansion in Australia's egg production is unlikely. The export target of 135 million dozen eggs in all forms set for the combined 1949-50 and 1950-51 seasons does not now seem a practicable possibility. The quantities Britain is committed to accept under the contract may therefore be scaled down.

It is reasonable to expect that Australia will continue to have a large and valuable share of the United Kingdom egg market. But the near European exporting countries will continue to dominate that market in the supply of shell eggs. Moreover, China can be expected to regain, at least partially, her former position as chief supplier of egg pulp, when internal conditions become more stable.

A change in the international situation may alter this prospective pattern of trade by compelling Australia to assume the role of supplier of foodstuffs to allied nations.

On present indications, the outlook for the egg industry is favourable, provided Australia's position on overseas markets can be maintained against increasing competition, in respect of both price and quality of egg shipments.

Australian egg producers cannot afford to succumb to the complacency often born of apparent long-term security. The egg industry must be able to adapt itself to changing economic conditions. Increased competition on overseas markets and an adverse movement of feed costs relative to egg prices are but two problems which may confront the industry in the future.

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